HARMONY SPECIFIC PLAN
FISCAL IMPACT ANALYSIS OVERVIEW
(November 5, 2015)

As part of the Specific Plan Application, the City required the Applicants (Lewis Group of Companies and Orange County Flood Control District) provide a detailed Fiscal Impact Analysis (FIA). The FIA is used as an *"analytical and decision-making tool"* to evaluate the potential implications of the private development project on the City's existing level of service as identified in its existing Budget, and therefore is a critical component of the development review process in the City of Highland. The overarching purpose of the FIA, is to provide the Planning Commission and City Council with a "snap shot" of capital, maintenance, and service costs of the private development proposal (Harmony) and to illustrate that those costs will not or could be the burden of the City over the build-out of the Project, as well as during some foreseeable future after build-out.

It is important to note that a FIA contains recurring revenues and cost impacts that should not be considered to be a "financial forecast" or a "financial projection". The word "projection" used within the FIA relates to broad expectations of future events or market conditions. Furthermore, the FIA represents a collective best estimate using a "snap shot in time" that includes a variety of assumptions based upon costs and values in 2011 and actual revenues and expenditures are likely to differ.

FIA SUMMARY:

The following is a summary of the October 2015 FIA which reflects comments made by City staff on street maintenance and the inclusion of a service CFD at .10% (1/10th of 1%) of residential home values, and it amends the June 16, 2014 FIA prepared by *Development Planning & Financing Group, Inc.* (DPFG) for the Harmony Specific Plan. The Project is anticipated to be fully developed over a period of thirteen (13) years.

ASSUMPTIONS

In determining whether Harmony can or will be fiscally self-sufficient (i.e. sustainable from a fiscal perspective), the FIA analyzed the following two (2) realistic *Assumptions* that could significantly impact the fiscal viability of the Project:

1. **Commercial Acreage/Square Footage**. The FIA must include an assumption when calculating revenues from commercial development. Commercial acreage is estimated between 6 acres (or 62,000 square feet of retail space) and 21 acres (or 225,000 square feet of retail space) built at the third year of the project development. The assumption is the 6 acres of Project's commercial acreage will be developed at the third year of development, but the remaining estimated 13 to 16 acres referred to as a "Commercial Overlay" is anticipated only if the demand and market exists during build-out. If not, the "Commercial Overlay" will be developed as housing.

2. **Active Parks Maintenance**. The FIA must include an assumption as to which entity will fund the maintenance of park land; the City or a Homeowner's Association. The 32 acres of Active Parks

over the life of the Project, inclusive of the Community Park proposed in Planning Area 44 which is proposed to be a public park have significant costs associated with long-term maintenance (excluding the Harmony Clubhouse site/facilities).

ALTERNATIVE SCENARIOS

Considering the two (2) Assumptions described above, the FIA estimated the conclusions, and revenues/expenses projected for the Project based on the following three (3) *Alternative Scenarios*.

1. **Alternative A**: Construction of 6 acres of commercial retail uses, without the additional "Commercial Overlay" (or 13 - 16 acres), and Parks maintained by the Homeowner's Association.
2. **Alternative B**: Construction of 21 acres of commercial retail uses, inclusive of the "Commercial Overlay" (13 - 16 acres), and the City maintaining the 32 acres of Active Parks (excluding the Harmony Clubhouse site/facilities).
3. **Alternative C**: Construction of 21 acres of commercial retail uses, inclusive of the "Commercial Overlay" (13 - 16 acres), and the 32 acres of Active Parks maintained by the Homeowner's Association.

All of the Alternatives described above produce a net surplus (revenues exceeding costs) to the City of Highland at build-out, ranging from $2,073,361 - $3,117,681 per year (see Exhibit-A below).

EXHIBIT A –Alternative Scenario Summary ("Build-out")

Scenario	Alternative A	Alternative B	Alternative C
Exhibit in Detailed Report	**B-1 (Adj)**	**B-2 (Adj)**	**B-3 (Adj)**
Analysis Date	10/27/2015	10/27/2015	10/27/2015
Key Assumptions:			
1. 20 Acre Commercial Overlay	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
2. Park Maintenance	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year	No Added Cost to City (HOA Maintained)
3. Offsetting Fire and Paramedic Revenues	Includes 111 Units from Outside of Project	Includes 111 Units from Outside of	Includes 111 Units from Outside of Project
I. GENERAL FUND			
Recurring Revenues	$ 4,953,830	$ 5,435,946	$ 5,435,946
Total Recurring Costs	3,480,336	4,509,177	3,464,857
Surplus/(Deficit)	**$ 1,473,494**	**$ 926,768**	**$ 1,971,088**
II. FIRE FUND			
Recurring Revenues	$ 1,192,171	$ 1,181,811	$ 1,181,811
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Surplus/(Deficit)	**$ (20,519)**	**$ (29,964)**	**$ (29,964)**
III. PARAMEDIC FUND			
Recurring Revenues	$ 70,177	$ 68,837	$ 68,837
Total Recurring Costs	-	-	-
Surplus/(Deficit)	**$ 70,177**	**$ 68,837**	**$ 68,837**
IV. COMBINED FIRE FUND & PARAMEDIC FUND			
Recurring Revenues	$ 1,262,348	$ 1,250,647	$ 1,250,647
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Surplus/(Deficit)	**$ 49,658**	**$ 38,872**	**$ 38,872**
V. COMBINED NET FISCAL IMPACT b/4 CFD			
Recurring Revenues	$ 6,216,178	$ 6,686,593	$ 6,686,593
Total Recurring Costs	4,693,026	5,720,952	4,676,632
Total Surplus/(Deficit)	**$ 1,523,152**	**$ 965,641**	**$ 2,009,961**
VI. COMBINED NET FISCAL IMPACT with Services CFD			
Services CFD Special Tax Revenue	$ 1,142,230	$ 1,107,720	$ 1,107,720
Total Surplus/(Deficit)	$ 2,665,382	$ 2,073,361	$ 3,117,681

(Source: DPFG Memo Exhibit A dated October 2015, page 1 or 64)

The first Assumption differentiating the proposed Alternatives is the Park Maintenance. Alternative A has the Homeowner's Association maintaining the Parks at no cost to the City. This produces a higher surplus of $2,665,382 per year. Alternative B has the City paying to maintain the Parks with a surplus of $2,073,361. At the time of this report, the City and the Applicant have agreed that the Homeowner's Association will maintain all parks inclusive of the Community Park planned for Planning Area 44, but excluding the Harmony Clubhouse and related facilities. A shell Landscape Maintenance District or Development Agreement Term has been proposed as a means to mitigate any fiscal impact on the City's General Fund in the event the Homeowner's Association becomes insolvent or opts out of the park maintenance requirement in the future.

The second Assumption involves the amount of Commercial Land to be developed within the Harmony Specific Plan. As noted above, the Harmony Specific Plan includes a 13-16 acre "Commercial Overlay" zone. So, with the understanding that the Homeowner's Association will maintain the parks, the City only needs to consider the two remaining Alternatives relative to the amount of commercial land - Alternative A and C. Alternative A includes the commercial development on 6 acres built at the third year, and Alternative C includes an additional 13-16 acres of commercial for a total of 21 acres built at the third year. These Alternatives produce different surpluses, $2,665,382 at built-out in the year 2027 for Alternative A and $3,117,681 at build-out in 2027 for Alternative C.

Interim FIA deficits:

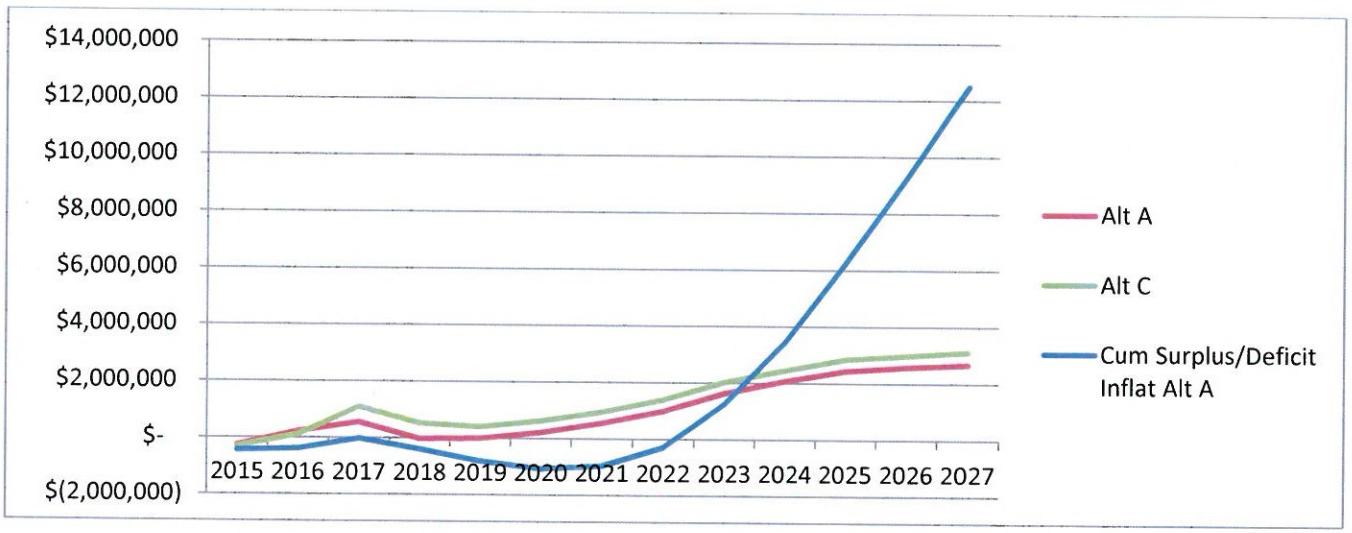
As illustrated above, under all Alternatives the Project produces a surplus at the assumed build-out year 2027. However, based on Alternative selected there are differing interim deficits in the early Project years totaling$300,901 - $1,279,642. Since a preliminary determination has been made between the City staff and the Applicant to have the Homeowner's Association maintain the parks in the Project, Alternative B will be excluded from further consideration. Therefore, the interim deficits in the early Project years total $300,901 for Alternative A and $323,532 for Alternative C.

The interim deficits illustrated under Alternative A occurs during the first year contributable to construction activity as a result of anticipated police and fire calls for service and other ancillary work by public works staff (estimated at $269,812 *source: DPFG dated October 2015 , Exhibit B-1, Alternative A, Table 11, page 14 or 64*), and later during the fourth and fifth years of development when the temporary/permanent Fire Station facility is completed and staffed by fire personnel (estimated at $30,419 and $670 respectively, source: DPFG dated *October 2015 Exhibit B-1, Alternative A, Table 11, page 14 of 64*). As additional phases of construction are completed with new housing units sold including the occupancy of new commercial development, the revenue generated appears sufficient to eliminate the deficit during the build-out of the Project.

In addition to the standard FIA, the City also requested a "**Supplemental Inflated FIA**" be conducted to include the impact of cost and revenue inflation, inclusive of maintenance and replacement cost items. Utilizing the most conservative option (Alternative A), the "supplemental analysis" illustrated an interim deficit could occur during the first year contributable to construction activity as a result of anticipated police and fire calls for service, other ancillary work by public works staff and street maintenance costs. (estimated at $450,055 *source: DPFG dated October 29, 2015 memo, Exhibit D-1, page 1 or 3*), and later during the fourth, fifth and sixth years of development when the temporary/permanent Fire Station facility is

completed and staffed by fire personnel (estimated at $373,206, $415,331, and $257,556 respectively, *source: DPFG dated October 29, 2015 memo, Exhibit D-1, page 1 of 3*). As additional phases of construction are completed with new housing units sold including the occupancy of new commercial development, the revenue generated increases significantly to eliminate the deficit during the build-out of the Project, and estimated to generate a surplus of approximately $12.9million at build-out (see Exhibit-B below).

EXHIBIT-B, Interim Deficits and Surplus (with and without inflation)



City Budgeting and Fire Fund Deficit:

It is important to point out that the FIA assumes that the City's current budgeting practice can be altered to achieve annual positive outcomes. In other words, the City's current budgeting practice accounts for the Fire Fund and Paramedic Fund separately in the City Budget and only expend funds up to the amount collected through the City-wide Fire and Paramedic property tax assessments, and not backfilled with General Fund allocations.

Taking into account current City budgeting procedures, the FIA illustrates that there will be a Fire Fund deficit in the fourth year (at the time the fire station is fully constructed and operational) estimated to peak on the fourth year at $740,000 and the fifth year at $600,000 (Alternative A and C respectively, *source, DPFG dated October 2015 , pages 14 of 64, and 52 of 64*) and diminishing each year as new units are constructed with a deficit of $21,000 at build-out in 2027 for Alternative A, and a deficit of $30,000 at build-out in 2027 for Alternative C.

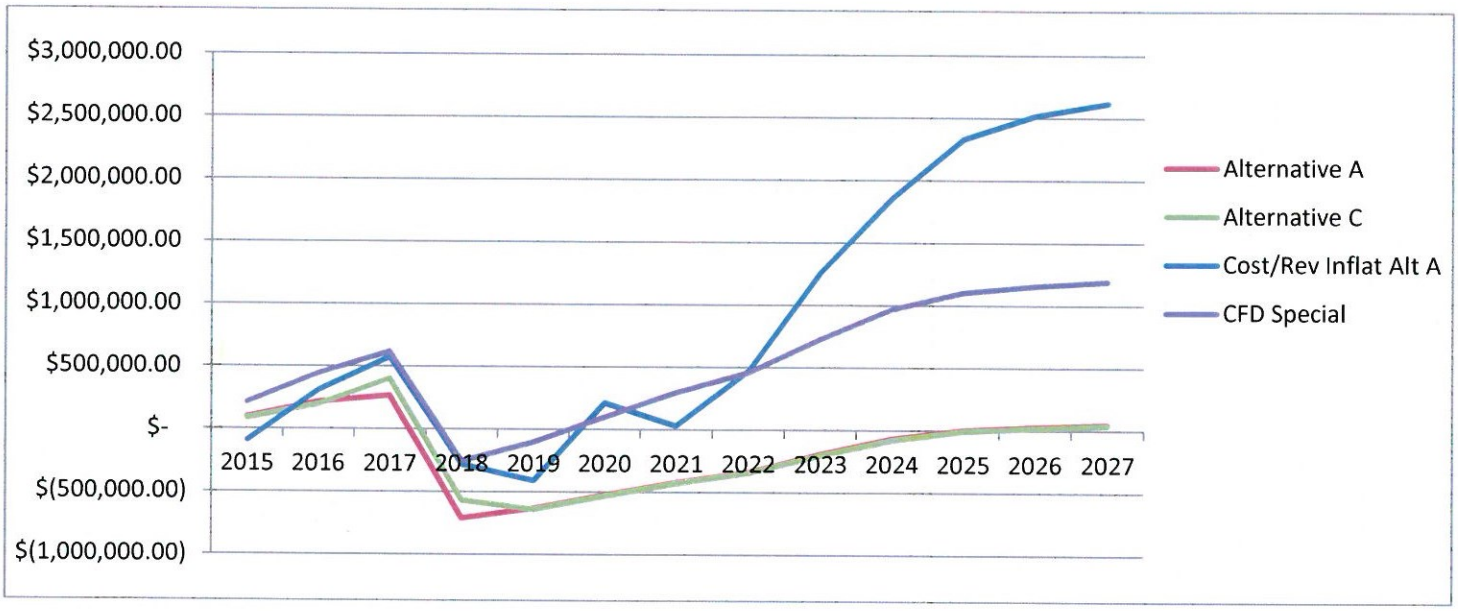
These projections with or without an inflationary factor are indeed alarming to say the least, and specifically as it relates to the annual deficit in the fire fund (i.e. fire fund shortfall).

Resolving the Interim Fire/Paramedic Fund Shortfall:

To eliminate the projected fire/paramedic fund shortfall (taking into consideration the City's current budgeting practices), the Harmony Development Agreement has been proposed to include a public safety services component of the CFD tax in the approximate amount of 1/10th of 1%. This approach is anticipated to generate funds to mitigate the projected shortfall for Fire/Paramedic, and will include

Police costs attributable to the Harmony Specific Plan project. As illustrated below in Exhibit–C, the FIA projected an estimated CFD special tax revenue to close the shortfall significantly from the time the permanent fire station comes on-line (although there could remain a shortfall of $254,700 in 2018 and a shortfall of $103,000 in 2019) and ultimately resulting in approximately $1.1 million in new revenue at build-out (See Exhibit C below).

Exhibit – C, Fire/Paramedic Fund Only (with and without inflation) and CFD Special Tax



FISCAL IMPACT ANALYSIS

FOR

THE HARMONY PLANNED COMMUNITY

October 2015 Update

(dated November 9, 2015)

Prepared For:

County of Orange / LCD Greenspot, LLC

Prepared By:

DPFG

DEVELOPMENT PLANNING & FINANCING GROUP, INC.

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1. Purpose of Fiscal Impact Analysis Update

Development Planning & Financing Group prepared the June 19, 2014 Fiscal Impact Analysis ("FIA") to determine the estimated fiscal impacts on the City of Highland ("City") in connection with the proposed development of the Harmony Planned Community ("Project"). This Fiscal Impact Analysis update (October 2015 Update") has been prepared to describe changes to the analysis related to:

- Adjusted street maintenance costs based on feedback from the City (as described below in Section 7.8 and Exhibits C-1 and C-2)
- Inclusion of a CFD special tax for services on residential property at .10% of the projected assessed value. See discussion in Section 6.13.

The reader should be aware that the FIA contains estimates or projections of the Project's future revenue and cost impact on the City, and actual fiscal results may vary from estimates because events and circumstances can occur in a manner different than described in the FIA.

This FIA contains a description of the Project, calculation methodologies, conclusions, and revenues and expenses projected for the Project's alternative scenarios: Alternative A, Alternative B, and Alternative C ("Alternative Scenarios"). The differences among the Alternative Scenarios are as follows:

Assumptions	Alternative A	Alternative B	Alternative C
20 Acre Commercial Overlay	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
Park Maintenance	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
Offsetting Fire and Paramedic Revenues	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project

The summary of the Alternative Scenarios is attached as Exhibit A. Detailed calculations, attached as Exhibit B-1, Exhibit B-2, and Exhibit B-3, are organized as follows:

Table	Description	Alternative (Page)		
		A	B	C
	Scenario Summary	1-2		
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Table	Description	Alternative (Page)		
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12	Residential Land Use Absorption Schedule	15	34	53
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2. Project Description

The County of Orange owns the Project and has engaged LCD Greenspot, LLC ("Developer") to assist with entitling the Project for development, the Project is anticipated to be developed over a period of 13 years.

Encompassing approximately 1,658 acres of land in the City of Highland, the table below shows the total residential units developed in a wide variety of unit types and sizes as well as the total acres of neighborhood commercial land use that the Project is anticipated to provide.

Assumptions	Alternative A	Alternative B	Alternative C
Residential Units	3,632	3,515	3,515
Neighborhood Commercial Acres	5.7	20.7	20.7

3. Limiting Conditions

The FIA is subject to the following limiting conditions:

- The FIA contains an analysis of recurring revenues and costs to the City from development of the Project. The FIA is based on estimates, assumptions and other information developed from DPFG's research, interviews, meetings, and correspondences with City and County staff, California Department of Finance, and information from DPFG's database which was collected through fiscal impact analyses previously prepared by DPFG and others.

- The sources of information and basis of the estimates are stated herein. While we believe the sources of information are reliable, DPFG does not express an opinion or any other form of assurance on the accuracy of such information.

- The analysis of recurring revenues and cost impacts to the City contained in the FIA 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 report relates to broad expectations of future events or market conditions.

- Since the analyses contained herein are based on estimates and assumptions which are inherently subject to uncertainty and variation depending on evolving events, DPFG cannot represent that results 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 the projections.

4. General Sources of Information and Methodologies Used in FIA

The FIA was prepared to estimate the allocable revenue and cost impacts to the City's general fund ("General Fund"), fire fund ("Fire Fund") and paramedic fund ("Paramedic Fund") as a result of the Project's development. The FIA uses a combination of case study methods and multiplier methods to estimate Project impacts. When projecting fiscal impacts using a multiplier method, the FIA determines per capita/employee impacts by applying the appropriate per capita, per employee and per equivalent resident factors ("Factors") to the Project's land use assumptions. The FIA calculates equivalent residents by adding residential population plus 50% of employees. Employment is reduced by 50% to account for the estimated less frequent use of City public services by employees than residents. Factors were calculated using the City of Highland Fiscal Years 2011-2013 Adopted Budget ("Budget"). Cost and revenue Factors are projected in 2011 dollars, and are not adjusted for inflation.

Information used in preparing the FIA was obtained from the following sources:
1. City of Highland Fiscal Years 2011-2013 Adopted Budget
2. City of Highland
3. California Department of Forestry and Fire Protection ("Cal Fire")
4. San Bernardino County Sheriff
5. LCD Greenspot, LLC (land use information)
6. The California Department of Finance (population information)
7. The California Employment Development Department (employment information)
8. San Bernardino County Auditor-Controller's Office (fiscal year 2011-12 share of the basic tax information)
9. The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute (sales tax generation data)

10. Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011 (household income data)
11. U.S. Department of Labor (household expenditure data)

The following table shows selected assumptions used in the FIA:

City Residential Population (a)	53,444
Residents Per Household (a)	3.45
City Employment (b)	19,200
City Share of the Basic Tax (c)	24.8448%
Share of Property Tax Retained in the General Fund (d)	58.33%
Share of Property Tax Retained in the Fire Fund (d)	41.67%
Average Household Income (e)	$96,400
Commercial Sales Tax Generation per Sq. Ft. (f)	$377

(a) Per the California Department of Finance as of January 1, 2011.
(b) Per the California Employment Development Department, November 2011.
(c) Per San Bernardino County Auditor/Controller, See Exhibit B-1, Exhibit B-2, and Exhibit B-3, Table 2.
(d) Per information provided by City staff. See Exhibit B-1, Exhibit B-2, and Exhibit B-3, Table 4.
(e) Per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.
(f) Per the Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

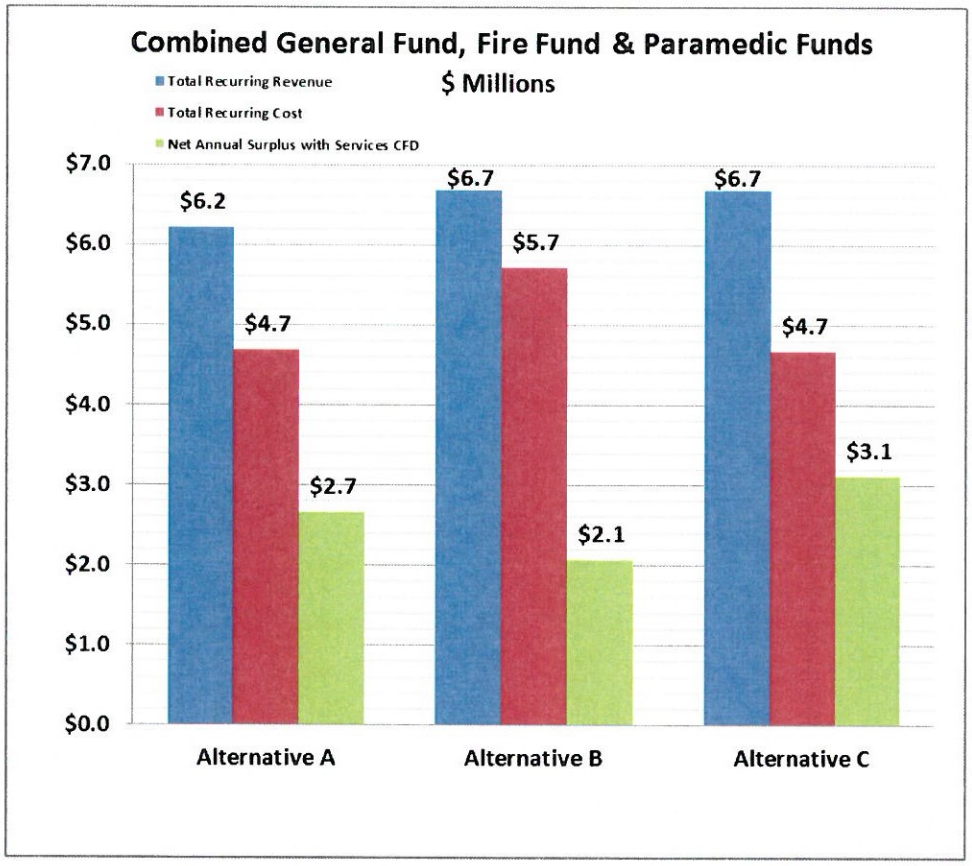
5. FIA Summary and Conclusions

The FIA examines the financial impact the Project will have on the General Fund, Fire Fund and Paramedic Fund. The Project will generate additional revenue for the General Fund primarily through increased property taxes, vehicle license fees, sales tax, gas tax, and franchise fees. The additional costs incurred to the General Fund consist primarily of police, and public works services costs. The Project's direct impact to the General Fund, Fire Fund, and Paramedic Fund is summarized in the table below.

At buildout, the Project is anticipated to generate a surplus to the City on an annual basis under each of the Alternative Scenarios.

Assumptions	Report Section	Alternative A	Alternative B	Alternative C
Exhibit Reference		B-1	B-2	B-3
20 Acre Commercial Overlay	1	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
Park Maintenance	1	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
Offsetting Fire and Paramedic Revenues	8	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project
General Fund				
Recurring Revenues	6	$ 4,953,830	$5,435,946	$5,435,946
Recurring Costs	7	$ 3,480,336	$ 4,509,177	$ 3,464,857
Surplus / (Deficit)		$1,473,494	$926,768	$1,971,088
Fire Fund				
Recurring Revenues	8	$1,192,171	$1,181,811	$1,181,811
Recurring Costs	8	$ 1,212,690	$ 1,211,775	$ 1,211,775
Surplus / (Deficit)		$(20,519)	$(29,964)	$(29,964)
Paramedic Fund				
Recurring Revenues	9	$70,177	$68,837	$68,837
Recurring Costs	9	$ -	$ -	$ -
Surplus / (Deficit)		$70,177	$68,837	$68,837
Combined Fire Fund & Paramedic Fund				
Recurring Revenues		$1,262,348	$1,250,647	$1,250,647
Recurring Costs		$ 1,212,690	$ 1,211,775	$ 1,211,775
Surplus / (Deficit)		$49,658	$38,872	$38,872
Combined Net Fiscal Impact without CFD				
Recurring Revenues		$6,216,178	$6,686,593	$6,686,593
Recurring Costs		$ 4,693,026	$ 5,720,952	$4,676,632
Surplus / (Deficit)		$1,523,152	$965,641	$2,009,961
Combined Net Fiscal Impact with Services CFD				
Services CFD Special Tax Revenue		$1,142,230	$1,107,720	$1,107,720
Total Surplus (Deficit)		$2,665,382	$2,073,361	$3,117,681

The chart below shows the total recurring revenues, total recurring costs and net annual surpluses the Project is anticipated to generate at buildout under each of the Alternative Scenarios.



The FIA now includes the impact of a Community Facilities District for services at .10% of residential values. The actual CFD tax will be based ~~be based~~ on a per unit amount, square footage category basis, or other measurement to meet requirements of state law.

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List of Exhibits

A. Scenario Summary
B-1. Alternative A Fiscal Impact Analysis
B-2. Alternative B Fiscal Impact Analysis
B-3. Alternative C Fiscal Impact Analysis
C-1. Street Maintenance Cost Calculations
C-2. Hypothetical Street Maintenance Schedule
C-3. Storm Drainage Reserve Calculation
D-1. Service Area for Fire Station 4 Outside the Project
D-2. Calculation of Units Outside Project

6. Recurring Revenues

6.1 Property Tax

In addition to other ad valorem charges imposed by various local agencies, land owners in the State of California ("State") are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each county in California is divided into various tax rate areas ("TRA" or "TRAs"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRAs. Table 2 of Exhibits B-1 through B-3 shows the share of the basic tax applicable to each of the four TRAs that are within the Project.

In 1992, to meet its obligations to fund education at specific levels under Proposition 98, the State enacted legislation that shifted partial financial responsibility for funding education to local governments (cities, counties, and special districts). The State did this by instructing county auditors to shift the allocation of local property tax revenues to educational revenue augmentation funds ("ERAF") to support schools. As such, the FIA calculates a weighted average share of the basic tax after the shift of revenue to ERAF.

As shown in Table 2 of Exhibits B-1 through B-3, the Project is within four different tax rate areas, but tax rate area 104002 is excluded from the share of the basic tax calculations since this tax rate area does not appear to contribute a share of its property tax to the City. The FIA calculates the Project's weighted average post-ERAF share of the basic tax to be 24.8448%.

Revenue amounts are determined assuming the calculated 24.8448% weighted average share of the basic tax. This number is then adjusted based on the City's historical General Fund vs. Fire Fund split. Per information provided by City staff, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

Revenue amounts are calculated after adjusting for the 58.33% that is retained in the General Fund. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

6.2 Property Transfer Tax

The City receives property transfer tax revenue as new or existing property is sold and ownership is transferred. In accordance with California Revenue and Taxation Code Section 11911, a county may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A city within the county that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the county and city levy the transfer tax, a credit shall be allowed against the amount imposed by the county in the amount of tax that is imposed by the city. The City's share of the tax is $0.55 per $1,000 of value transferred. The FIA assumes a residential turnover rate of 14.00% of total assessed value per year (i.e. properties change ownership every 7 years on average) and a non-residential turnover rate of 10.00% of total assessed value per year (i.e. properties change ownership every 10 years on average). Revenue amounts are calculated using these assumptions. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

6.3 Sales and Use Tax

Under the California Sales and Use Tax Law, the sale of tangible personal property is subject to sales or use tax unless exempt or otherwise excluded. When the sales tax applies, the use tax does not apply and the opposite is also true. The sales tax is imposed on all retailers for the privilege of selling tangible personal property in the State and is measured by the retailer's gross receipts. Use tax is imposed on purchasers of tangible personal property from any retailer for the purpose of storage, use, or other consumption in the State and is measured by the sales price of the property purchased. If an out-of-state retailer is engaged in business in this state, it is required to register with the State and collect the use tax from the purchaser at the time of making the sale. Purchases made over the Internet or out-of-state are the most common transactions subject to a use tax.

There is a 7.50% statewide sales and use tax base rate that is collected by the State. Since January 1, 2013, the State government has received 6.50% of the 7.50% and local governments receive the remaining 1% which is transferred to the local government's general fund.

6.3.1 Property Tax In-Lieu Sales Tax

This analysis assumes that 0.25% of sales and use tax is redirected to property tax per the Sales Tax Triple Flip ("Triple Flip"). In March 2004, voters approved Proposition 57, the California Economic Recovery Bond Act which allowed the State to purchase bonds to reduce the State budget deficit. The legislature enacted provisions that changed how sales and use taxes and other revenues are distributed to schools and local governments on and after July 1, 2004. These changes will remain in effect until the State Director of Finance notifies the Board of Equalization that the State's bond obligations have been satisfied.

Under the new revenue "swapping" procedures commonly referred to as the Triple Flip, the local government portion of the statewide sales tax rate will decrease by 0.25%, and the state portion will increase by 0.25%. The County Auditor in each county uses property tax revenues to reimburse the county and cities within the county. County Auditors set aside some funds from the County Educational Revenue Augmentation Fund and place them in a Sales and Use Tax Compensation Fund. In January and May of each year, the State Director of Finance instructs County Auditors to allocate revenues from the Compensation Fund to the county and to the cities within the county. Revenue amounts are calculated based on the on-site and off-site sales tax calculations. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

6.3.2 Off-Site Sales and Use Tax

The City will receive sales tax revenue from taxable purchases made within the City but outside the Project area by the Project's residents ("Off-Site Sales"). The FIA assumes that households within the Project will have an average annual income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011. The FIA assumes that 32% of household income is spent on retail taxable expenditures per information obtained from the Bureau of Labor Statistics, and that 25% of retail taxable expenditures are captured through Off-Site Sales within the City. After calculating the Project's total taxable Off-Site Sales captured in the City, the FIA assumes the City receives sales tax revenue of 1% of taxable sales. Revenue amounts are calculated applying this methodology. See detailed calculations in Table 5 of Exhibits B-1 through B-3. This analysis assumes use tax revenue at 10.5% of sales tax revenue.

6.3.3 On-Site Sales and Use Tax

The FIA assumes that the City will receive sales tax revenue from taxable purchases made within the Project. The FIA assumes that retail land use will generate approximately $377 of total sales per building square foot per the Dollars & Cents of Shopping Centers, published by the Urban Land Institute, and that 80% of the sales will be taxable. Revenue amounts are calculated applying this methodology. See detailed calculations in Table 5 of Exhibits B-1 through B-3. This analysis assumes use tax revenue at 10.5% of sales tax revenue.

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6.4 Property Tax In-Lieu of Vehicle License Fees ("VLF")

Revenue amounts are calculated on a valuation basis. See detailed calculations in Table 6 Section II of Exhibits B-1 through B-3.

6.5 Franchise Fees

The City receives utility franchise fee revenue from utility franchises which service the local area and the Project. Revenue amounts are calculated based on various applicable per capita and per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.6 Business License Fee

A business license fee is a fee paid annually for the privilege of conducting business within the City. Revenue amounts are calculated based on a per employee multiplier determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.7 Licenses and Permits

Revenue amounts are calculated based on various applicable per capita multipliers calculated determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.8 Fines & Forfeitures

Revenue amounts are calculated based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.9 Miscellaneous Revenue

Revenue amounts are calculated based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.10 Intergovernmental Revenue

For purposes of the FIA, there are no intergovernmental revenues anticipated to be generated as a result of the Project.

6.11 Gas Tax Revenue

Revenue amounts are calculated based on the per capita multiplier determined from a 5-year average of the budgets from Fiscal Year 2007-08 to Fiscal Year 2011-12 provided by City staff. See detailed calculations in Table 10 of Exhibits B-1 through B-3.

6.12 Charges for Services

Revenue amounts are calculated based on various applicable per capita and per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.13 Services CFD

The FIA now includes the impact of a Community Facilities District for services at .10% of residential values. The actual CFD tax will likely be based on a per unit amount, square footage category basis, or other measurement to meet requirements of State law. See detailed calculations in Table 3 of Exhibits B-1 through B-3.

7. Recurring Costs

7.1 City Council

Per the Budget, the city council, which consists of the mayor, mayor pro-term, and three council members, serves as the policy making body of the City.

The FIA assumes a 50% marginal increase as City council costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.2 City Clerk

The office of the City clerk is a service department that fulfills the responsibilities of an election official, legislative administrator and record manager for the City.

The FIA assumes a 50% marginal increase as City clerk costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.3 General Government

General government services include the operations of the City manager and administrative services. The City manager serves as the chief administrative officer of the City and is responsible for the management of all municipal affairs. Administrative services include providing contract maintenance, major purchase analysis, and staff support as required by the City manager and City council.

The FIA assumes a 50% marginal increase as general government costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.4 Personnel

The personnel department is responsible for human resources functions such as recruitment, training programs, employee benefits monitoring, compensation studies and employee relations.

The FIA assumes a 50% marginal increase as personnel costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.5 Finance

The finance department administers all financial recording and reporting functions and prepares the fiscal budget and financial statements for the City.

The FIA assumes a 50% marginal increase as finance costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.6 Police Department

The City contracts with the San Bernardino County Sheriff's Department for police protection services.

Cost amounts are calculated per the adjusted phased police department budget by Lieutenant Anthony DeCecio dated February 12, 2014. See detailed calculations in Table 18 of Exhibits B-1 through B-3. Table 18 also contains a phasing plan as provided by Lieutenant Anthony DeCecio.

7.7 Animal Control

The City contracts with San Bernardino County for animal care, animal control and shelter services.

Cost amounts are based on a per capita multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.8 Public Works

The public works department consists of two divisions: maintenance services and public services. Maintenance services include street maintenance, weed abatement, traffic signal maintenance, storm drain maintenance, street sweeping, striping/traffic signage, tree trimming, building and grounds maintenance, and parkway maintenance. Public

services include crossing guards, bus shelter contract, graffiti abatement, and assessment district administration.

Cost amounts are based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3..

Pursuant to an email dated October 14, 2015 from Ernie Wong, City Engineer, DPFG updated FIA and street maintenance cost calculations to reflect increased costs factors and revised street maintenance frequency. Exhibits C-1 and C-2 contain the detailed calculation. Based on this, the costs per lane mile increase from $3,750 to $10,077 per lane mile.

7.9 Engineering

The engineering department provides engineering services through contracts with a number of engineering firms under the direction of the Public Works Director/City Engineer. This department is responsible for the conditioning, plan checking and inspection of grading, street, traffic and storm drain improvements associated with development projects.

The FIA assumes a marginal increase of 47% per information obtained from the City's Community Development Director on April 14, 2014. Cost amounts are calculated after adjusting for the 47% marginal increase and are based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.10 Planning

The planning department is part of the Community Development Department and primarily serves as the City's Planning Agency. To assist the public through the land use entitlement and development process the department meets weekly with various individuals and developers and is the clearinghouse for general statistical information regarding past current and proposed development. This department has a responsibility to oversee maintenance and ensure implementation of the General Plan and Land Use Development Code and makes recommendations for revisions as appropriate to meet the changing vision of the City.

The FIA assumes a marginal increase of 51% per information obtained from the City's Community Development Director on April 14, 2014. Cost amounts are calculated after adjusting for the 51% marginal increase and are based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.11 Public Services

The public services department serves as the program manager and coordinator of several state and federal mandated programs. The public service department manages solid waste, the City's National Pollution Discharge Elimination System Program, and the household hazardous waste program.

The FIA assumes a 50% marginal increase as public services costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.12 Code Enforcement

The code enforcement division enforces City municipal codes and State laws. Code enforcement staff responds to concerns related to land use, public nuisance, vehicle abatement, substandard housing, street vendors, and business license requirements.

The FIA assumes a 50% marginal increase as code enforcement costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.13 Parks

Alternative A and Alternative C assume the Project's parks and open space are maintained by an HOA. The FIAs for Alternative A and Alternative C, assume 0% marginal increase as it is not anticipating the City's park costs will increase as a result of the Project.

Alternative B assumes that parks are maintained by the City. The Alternative B FIA assumes park maintenance costs of $32,635 per acre for maintenance of 32 acres.

7.14 Graffiti

The Graffiti Abatement Program is currently staffed by one full-time employee who removes graffiti primarily from public property and some private properties.

Cost amounts are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.15 Trails

The trails budget provides for the maintenance of various public trails within the City.

Cost amounts are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.16 Drainage Basins

Cost amounts are based on the assumption that drainage basins are maintained by the City at drainage basin maintenance costs of $1,980 per acre for maintenance of 15 acres.

7.17 Storm Drainage Replacement

Replacement cost amounts for storm drainage are based on a reserve calculation that has been prepared and included as Exhibit C-3.

8. Recurring Fire Fund Fiscal Impact

The City contracts with Cal Fire for fire protection services. Table 8 of Exhibits B-1 through B-3, summarizes the Project's fiscal impact on the Fire Fund.

The Fire Fund is primarily funded by property tax revenue. Revenue amounts are calculated assuming a 24.8448% weighted average share of the basic tax. See detailed calculations in Table 4 of Exhibits B-1 through B-3. Per City staff, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

Revenue amounts are calculated after adjusting for the 41.67% that is retained in the Fire Fund. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

This FIA assumes that the Project will require one additional fire station. The FIA currently attributes 100% of the estimated operating cost of the fire station to the Project. The additional fire station will service residents outside of the Project area that will contribute to the station's operating budget. Per Larry Mainez at the City of Highland, there will be additional revenue generated from within the service area for the additional fire station outside the Project. 111 units outside of the Project will provide additional revenue to offset the cost of operating the fire station. The offsetting revenues of the 111 units outside of the Project assumes an equivalent fire and paramedic revenue per unit to the units in the Harmony Project. Jim Rissmiller at the City of Highland has reviewed the appropriate service area in determining potential development areas for these assumptions. See map of the service area and detailed calculations in Exhibits D-1 and D-2.

The FIA uses the case study method to calculate recurring costs to the Fire Fund. Per Jim Rissmiller, the cost to staff and operate a fire station in the City of Highland, including paramedic staffing and operation costs, is approximately $1,237,379 annually. Jim Rissmiller also provided us with anticipated annual Wildland Fire Protection Agreement costs of $25.77 per wildland acre. See detailed calculations in Tables 8 and 17 of Exhibits B-1 through B-3.

9. Recurring Paramedic Fund Fiscal Impact

The City contracts with Cal Fire for paramedic services. See detailed calculations in Table 9 of Exhibits B-1 through B-3.

Revenue amounts are calculated based on a citywide paramedic tax from homeowners and from businesses as well as a transfer in from the Fire Department. The FIA calculates revenue amounts based on a per equivalent resident determined from the Budget. See detailed calculations in Table 9 of Exhibits B-1 through B-3.

The FIA assumes that additional paramedics required to serve the Project will operate out of the Project funded fire station. As discussed in Section 8, paramedic staffing and operation costs are included in the Fire Fund cost estimates.

At buildout, the Project is projected to have a positive annual fiscal impact on the Paramedic Fund.

10. Glossary of Selected Defined Terms and Acronyms

Budget	City of Highland Fiscal Years 2011-2013 Adopted Budget
Cal Fire	California Department of Forestry and Fire Protection
City	City of Highland
Developer	LCD Greenspot, LLC
DPFG	Development, Planning & Financing Group
ERAF	Educational Revenue Augmentation Fund
Factors	Per Capita, Per Employee, and Per Equivalent Resident Factors
FIA	Fiscal Impact Analysis
General Fund	City of Highland General Fund
Fire Fund	City of Highland Fire Fund
Paramedic Fund	City of Highland Paramedic Fund
Project	Harmony Planned Community
State	State of California
Triple Flip	Revenue "Swapping" Procedures
TRA	Tax Rate Area
VLF	Vehicle License Fees

Exhibit A
Scenario Summary
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Scenario	**Alternative A**	**Alternative B**	**Alternative C**
Exhibit in Detailed Report	**B-1 (Adj)**	**B-2 (Adj)**	**B-3 (Adj)**
Analysis Date	10/27/2015	10/27/2015	10/27/2015
Key Assumptions:			
1. 20 Acre Commercial Overlay	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
2. Park Maintenance	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
3. Offsetting Fire and Paramedic Revenues	Includes 111 Units from Outside of Project	Includes 111 Units from Outside of Project	Includes 111 Units from Outside of Project
I. GENERAL FUND			
Recurring Revenues	$ 4,953,830	$ 5,435,946	$ 5,435,946
Total Recurring Costs	3,480,336	4,509,177	3,464,857
Surplus/(Deficit)	**$ 1,473,494**	**$ 926,768**	**$ 1,971,088**
II. FIRE FUND			
Recurring Revenues	$ 1,192,171	$ 1,181,811	$ 1,181,811
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Surplus/(Deficit)	**$ (20,519)**	**$ (29,964)**	**$ (29,964)**
III. PARAMEDIC FUND			
Recurring Revenues	$ 70,177	$ 68,837	$ 68,837
Total Recurring Costs	-	-	-
Surplus/(Deficit)	**$ 70,177**	**$ 68,837**	**$ 68,837**
IV. COMBINED FIRE FUND & PARAMEDIC FUND			
Recurring Revenues	$ 1,262,348	$ 1,250,647	$ 1,250,647
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Surplus/(Deficit)	**$ 49,658**	**$ 38,872**	**$ 38,872**
V. COMBINED NET FISCAL IMPACT b/4 CFD			
Recurring Revenues	$ 6,216,178	$ 6,686,593	$ 6,686,593
Total Recurring Costs	4,693,026	5,720,952	4,676,632
Total Surplus/(Deficit)	**$ 1,523,152**	**$ 965,641**	**$ 2,009,961**
VI. COMBINED NET FISCAL IMPACT with Services CFD			
Services CFD Special Tax Revenue	$ 1,142,230	$ 1,107,720	$ 1,107,720
Total Surplus/(Deficit)	$ 2,665,382	$ 2,073,361	$ 3,117,681
Inflated	$ 12.9	$ 7.5	$ 18.2

Scenario		**Alternative A**	**Alternative B**	**Alternative C**
TIME PHASED NET FISCAL IMPACT - No Inflation	Res. Absorption			
Total Through 2027	3,632	**$ 13,577,207**	**$ 9,233,304**	**$ 18,191,611**
Sum of Deficits Through 2027		**$ (300,901)**	**$ (1,279,642)**	**$ (323,532)**
2015	324	$ (269,812)	$ (323,532)	$ (323,532)
2016	305	221,032	113,593	113,593
2017	419	553,645	1,099,719	1,099,719
2018	355	(30,419)	(309,322)	522,870
2019	245	(670)	(429,824)	402,369
2020	311	212,504	(216,964)	615,228
2021	300	545,933	116,259	948,452
2022	254	986,748	556,941	1,389,134
2023	392	1,624,426	1,187,691	2,019,884
2024	348	2,068,001	1,620,504	2,452,696
2025	205	2,426,513	1,801,171	2,845,491
2026	106	2,573,923	1,943,707	2,988,027
2027	68	2,665,382	2,073,361	3,117,681

Exhibit A
Scenario Summary
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Scenario	Alternative A	Alternative B	Alternative C
Exhibit in Detailed Report	**B-1 (Adj)**	**B-2 (Adj)**	**B-3 (Adj)**
Analysis Date	10/27/2015	10/27/2015	10/27/2015
I. GENERAL FUND			
A. Recurring Revenues			
Property Tax	$ 1,668,811	$ 1,654,308	$ 1,654,308
Property Transfer Tax	88,464	87,154	87,154
Property Tax In Lieu of Sales Tax	116,813	237,684	237,684
Off-Site Sales and Use Tax	239,485	231,771	231,771
On-Site Sales and Use Tax	160,015	581,109	581,109
Property Tax-Vehicle License Fee	1,882,769	1,866,407	1,866,407
Franchise Fees	297,564	290,743	290,743
Business License Fee	938	3,405	3,405
Licenses & Permits	27,738	26,844	26,844
Fines & Forfeitures	23,992	23,534	23,534
Miscellaneous Revenue	9,997	9,806	9,806
Intergovernmental Revenue	-	-	-
Charges for Services	79,779	77,232	77,232
Gas Tax and Traffic Safety Fund Revenue	357,465	345,949	345,949
Total Recurring Revenues	**$ 4,953,830**	**$ 5,435,946**	**$ 5,435,946**
B. Recurring Costs			
City Council	$ 14,535	$ 14,258	$ 14,258
City Clerk	24,359	23,894	23,894
General Government	65,004	63,763	63,763
Personnel	7,268	7,129	7,129
Finance	48,400	47,476	47,476
Police Department	1,793,496	1,793,496	1,793,496
Animal Control	110,523	106,963	106,963
Public Works	1,149,221	1,144,679	1,144,679
Engineering	60,453	59,299	59,299
Planning	68,059	66,759	66,759
Public Services	43,428	42,599	42,599
Code Enforcement	29,857	29,287	29,287
Parks	-	1,044,320	-
Graffiti	21,838	21,421	21,421
Trails	3,079	3,020	3,020
Drainage Basins	29,700	29,700	29,700
Storm Drainage Replacement	11,115	11,115	11,115
Total Recurring Costs	**$ 3,480,336**	**$ 4,509,177**	**$ 3,464,857**
General Fund Surplus/(Deficit)	**$ 1,473,494**	**$ 926,768**	**$ 1,971,088**
II. FIRE FUND			
Recurring Revenues	1,192,171	1,181,811	1,181,811
Total Recurring Costs	$ 1,212,690	$ 1,211,775	$ 1,211,775
Fire Fund Surplus/(Deficit)	**(20,519)**	**(29,964)**	**(29,964)**
III. PARAMEDIC FUND			
Recurring Revenues	$ 70,177	$ 68,837	$ 68,837
Total Recurring Costs	-	-	-
Paramedic Fund Surplus/(Deficit)	**$ 70,177**	**$ 68,837**	**$ 68,837**
IV. COMBINED FIRE FUND & PARAMEDIC FUND	-	-	-
Recurring Revenues	$ 1,262,348	$ 1,250,647	$ 1,250,647
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Fire Fund & Paramedic Fund Surplus/(Deficit)	**$ 49,658**	**$ 38,872**	**$ 38,872**
V. COMBINED NET FISCAL IMPACT b/4 CFD	-	-	-
Recurring Revenues	$ 6,216,178	$ 6,686,593	$ 6,686,593
Total Recurring Costs	4,693,026	5,720,952	4,676,632
Total Surplus/(Deficit)	**$ 1,523,152**	**$ 965,641**	**$ 2,009,961**
VI. COMBINED NET FISCAL IMPACT with Services CFD			
Services CFD Special Tax Revenue	$ 1,142,230	$ 1,107,720	$ 1,107,720
Total Surplus/(Deficit)	**$ 2,665,382**	**$ 2,073,361**	**$ 3,117,681**
Increased Road Maintenance	**$ 572,210**	**$ 572,210**	**$ 572,210**

Exhibit B-1: Alternative A
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,668,811	$ 459.47	$ 132.40	33.7%
Property Transfer Tax	4	88,464	24.36	7.02	1.8%
Property Tax In Lieu of Sales Tax	4	116,813	32.16	9.27	2.4%
Off-Site Sales and Use Tax	5	239,485	65.94	19.00	4.8%
On-Site Sales and Use Tax	5	160,015	44.06	12.69	3.2%
Property Tax-Vehicle License Fee	6	1,882,769	518.38	149.37	38.0%
Franchise Fees	6	297,564	81.93	23.61	6.0%
Business License Fee	6	938	0.26	0.07	0.0%
Licenses & Permits	6	27,738	7.64	2.20	0.6%
Fines & Forfeitures	6	23,992	6.61	1.90	0.5%
Miscellaneous Revenue	6	9,997	2.75	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	79,779	21.97	6.33	1.6%
Gas Tax and Traffic Safety Fund Revenue	10	357,465	98.42	28.36	7.2%
Total Recurring Revenues		**$ 4,953,830**	**$ 1,363.94**	**$ 393.02**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,535	$ 4.00	$ 1.15	0.4%
City Clerk	7	$ 24,359	6.71	1.93	0.7%
General Government	7	$ 65,004	17.90	5.16	1.9%
Personnel	7	$ 7,268	2.00	0.58	0.2%
Finance	7	$ 48,400	13.33	3.84	1.4%
Police Department	7	$ 1,793,496	493.80	142.29	51.5%
Animal Control	7	$ 110,523	30.43	8.77	3.2%
Public Works	7	$ 1,149,221	316.42	91.17	33.0%
Engineering	7	$ 60,453	16.64	4.80	1.7%
Planning	7	$ 68,059	18.74	5.40	2.0%
Public Services	7	$ 43,428	11.96	3.45	1.2%
Code Enforcement	7	$ 29,857	8.22	2.37	0.9%
Parks	7	$ -	-	-	0.0%
Graffiti	7	$ 21,838	6.01	1.73	0.6%
Trails	7	$ 3,079	0.85	0.24	0.1%
Drainage Basins	7	$ 29,700	8.18	2.36	0.9%
Storm Drainage Replacement	7	$ 11,115	3.06	0.88	0.3%
Total Recurring Costs		**$ 3,480,336**	**$ 958.24**	**$ 276.12**	**100.0%**
General Fund Surplus/(Deficit)		**$ 1,473,494**	**$ 405.70**	**$ 116.90**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,192,171	$ 328.24	$ 94.58	
Total Recurring Costs	8	1,212,690	333.89	96.21	
Fire Fund Surplus/(Deficit)		**$ (20,519)**	**$ (5.65)**	**$ (1.63)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 70,177	$ 19.32	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 70,177**	**$ 19.32**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,262,348	$ 347.56	$ 100.15	
Total Recurring Costs		1,212,690	333.89	96.21	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 49,658**	**$ 13.67**	**$ 3.94**	
VI. COMBINED NET FISCAL IMPACT B/4 cfd					
Recurring Revenues		$ 6,216,178	$ 1,711.50	$ 493.17	
Total Recurring Costs		4,693,026	1,292.13	372.33	
Total Surplus/(Deficit)		**$ 1,523,152**	**$ 419.37**	**$ 120.84**	
VI. COMBINED NET FISCAL IMPACT with Services CFD					
Services CFD Special Tax Revenue		$ 1,142,230	$ 314.49	$ 90.62	
Total Surplus/(Deficit)		**$ 2,665,382**	**$ 667.78**	**$ 192.42**	

Exhibit B-1: Alternative A
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-1: Alternative A
Table 3 - Land Use Assumptions
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation	Services CFD Tax: CFD Rate 0.10% Per Unit	Services CFD Tax: Amount
I. Residential Land Use		(a)	(a)	(a)		(d)	
Condo Apartments	40	5	215	$ 210,000	$ 45,150,000	$ 210	$ 45,150
Paired	26	2	173	230,000	39,790,000	230	39,790
Paired	43A	3	130	230,000	29,900,000	230	29,900
HDD	15	2	208	250,000	52,000,000	250	52,000
HDD	25	3	110	250,000	27,500,000	250	27,500
HDD	33	4	105	250,000	26,250,000	250	26,250
6 Pack	27	2	115	250,000	28,750,000	250	28,750
6 Pack	43B	3	99	250,000	24,750,000	250	24,750
4 Pack L	21	2	115	290,000	33,350,000	290	33,350
4 Pack S	22	2	80	270,000	21,600,000	270	21,600
4 Pack S	23	3	77	270,000	20,790,000	270	20,790
SFD - 3,000 Sq. Ft.	3	1	141	310,000	43,710,000	310	43,710
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000	310	17,360
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000	330	30,030
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000	330	31,020
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000	330	35,970
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000	330	37,950
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000	330	14,850
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000	350	12,600
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000	350	16,450
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000	350	22,050
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000	350	54,950
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000	350	53,900
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000	350	18,200
SFD - 4,000 Sq. Ft.	35	4	31	350,000	10,850,000	350	10,850
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000	350	28,350
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000	360	18,360
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000	360	12,960
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000	360	42,120
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000	360	54,720
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000	380	50,540
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000	380	45,220
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000	410	5,330
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000	410	34,440
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000	430	8,170
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000	430	11,610
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000	430	16,770
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000	430	13,330
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000	430	13,330
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000	460	12,880
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000	460	10,580
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000	460	6,900
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000	460	6,900
Total/Weighted Average			3,632	$ 314,491	**$ 1,142,230,000**	$ 314	**$1,142,230**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	-	-	500	-	150.00	-
Neighborhood Commercial	3	0.25	-	-	500	-	150.00	-
Neighborhood Commercial	40	0.25	-	-	500	-	150.00	-
Total			5.70	62,073		124		**$ 9,310,950**

III. Total Residential and Non-Residential **$ 1,151,540,950**

IV. Population Summary

Residential Units	[1]	**3,632**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,543**
Employees	[4]	**124**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	62
Total Equivalent Residents	[3]+[5]=[6]	**12,605**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.
(d) Per discussions with City

Exhibit B-1: Alternative A
Table 4 - Property Tax Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,151,540,950
Basic Rate			1.000%
Basic Tax Paid		$	11,515,410
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,860,982**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,668,811**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,192,171**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,142,230,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	159,912,200
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	87,952
B. Non-Residential			
Non-Residential Assessed Value	3	$	9,310,950
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	931,095
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	512
Total Property Transfer Tax	[1]+[2]	**$**	**88,464**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	70,025
On-Site Sales Tax Redirected to Property Tax (e)	5		46,788
Total Property Tax In-Lieu of Sales Tax		**$**	**116,813**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-1: Alternative A
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Off-Site Sales Tax Revenue		**Per Unit**	**Amount**
Household Income (a)		$ 96,400	350,124,800
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	112,039,936
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	28,009,984
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 280,100
Use Tax @10.50% of sales tax	10.50%	8	29,410
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(70,025)
Total Off-Site Sales Tax Revenue		$ 85	**$ 239,485**

II. On-Site Sales Tax Revenue	**PA**	**Acres**	**Building Sq. Ft.**	**Total Sales Per Sq. Ft.**	**% of Sales Taxable**	**Total Taxable Sales**
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	-	377	80%	-
Neighborhood Commercial	3	-	-	377	80%	-
Neighborhood Commercial	40	-	-	377	80%	-
Subtotal Taxable Sales for Retail Land Use			62,073			$ 18,715,258
Total Taxable Sales						$ 18,715,258
Sales Tax @1% of taxable sales					1.00%	187,153
Use Tax @10.50% of sales tax (c)					10.50%	19,651
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(46,788)
Total On-Site Sales Tax Revenue						**$ 160,015**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.

(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.

(c) Preliminary estimate for illustration purposes.

(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.

(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-1: Alternative A
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	-------- See Table 4 --------	
Property Tax - Vehicle License Fee	59	3,800,000	100%	---------- See Footnote (g) ----------					**1,882,769**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	-------- See Table 4 --------	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	-------- See Table 5 --------	
Extraction Tax	59	85,000	0%	---------- See Footnote (d) ----------					
Transient Occupancy Tax	59	168,000	0%	---------- See Footnote (d) ----------					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,605	$ 26,391
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,605	55,981
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,543	86,834
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,605	113,962
Franchise Fees - Kiosk Signs	59	5,000	0%	---------- See Footnote (d) ----------					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,605	14,395
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 297,564**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	124	**$ 938**
Property Transfer Tax	59	90,000	100%	---------- See Table 4 ----------					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,181,271
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,543	$ 25,977
Building Permits - Inspection Fees	59	400,000	100%	---------- See Footnote (e) ----------					
Building Permits - Plan Check Fees	59	65,000	100%	---------- See Footnote (e) ----------					
Building Permits - SMIP	59	3,000	100%	---------- See Footnote (e) ----------					
Building Permits - BSAR Fund	59	2,000	100%	---------- See Footnote (e) ----------					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,543	1,760
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 27,738**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,605	$ 5,998
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,605	3,999
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,605	8,997
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,605	4,998
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,992**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,605	$ 7,997
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,605	1,999
Building Rental	59	18,000	0%	---------- See Footnote (d) ----------					
Miscellaneous Revenue	59	1,000	0%	---------- See Footnote (d) ----------					
Volunteer Donations	59	8,500	0%	---------- See Footnote (d) ----------					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,997**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	---------- See Footnote (d) ----------					
State - Other	60	27,240	0%	---------- See Footnote (d) ----------					
Article 19 WDA	60	70,000	0%	---------- See Footnote (d) ----------					
SB90 State Mandate Reimbursements	60	10,000	0%	---------- See Footnote (d) ----------					
San Bernardino Unified School District	60	5,000	0%	---------- See Footnote (d) ----------					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	---------- See Table 10 ----------					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,543	23,938
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,543	39,709
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,543	3,520
Police Department Fees	60	160,000	0%	---------- See Footnote (d) ----------					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,543	352
Delinquent Refuse Admin	60	75,000	0%	---------- See Footnote (d) ----------					
Livescan Service Fees	60	1,500	0%	---------- See Footnote (d) ----------					
Foreclosure Registration Fees	60	13,000	0%	---------- See Footnote (d) ----------					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,605	1,699
Sale of Miscellaneous Copies	60	2,000	0%	---------- See Footnote (d) ----------					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,543	10,561
Operating Transfer In-Paramedic Dept.	60	10,000	0%	---------- See Footnote (d) ----------					
Operating Transfer In-Fire Department	60	10,000	0%	---------- See Footnote (d) ----------					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 79,779**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,322,777

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.
(d) Assumes Project will have a de minimis impact on these revenue sources.
(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.
(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.
(g) See Section II of Table 6.

Exhibit B-1: Alternative A
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05		FY 2011-12			Change
Property Tax Vehicle License Fees (VLF)	$ (a)	2,624,088	$ (b)	3,800,000	[1]	1,175,912
City Assessed Valuation	(c)	1,992,355,699	(d)	2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase					=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV					[3]	$ 1,635
Property Tax in Lieu of MVLF:						
Total Residential and Non-Residential Assessed Value (Table 3)					[4]	$ 1,151,540,950
Assessed Valuation / 1,000,000					[5]	$ 1,152
VLF Increase per $1,000,000 increase in AV					[3]	1,635
Property Tax in Lieu of MVLF					=[3]*[5]	$ 1,882,769

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-1: Alternative A
Table 7 - General Fund Cost Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,605	**$ 14,535**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,605	**24,359**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,605	**65,004**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,605	**7,268**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,605	**48,400**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,543	**110,523**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,605	$ 32,302
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,605	13,064
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,605	102,226
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,605	25,960
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,605	300
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,605	300
Street Maintenance	164	100,000	100%	See Table 16					911,330
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,605	200
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,605	1,999
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,605	9,997
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,605	41,986
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,605	960
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,605	600
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,605	7,997
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 1,149,221**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,605	**60,453**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,605	**68,059**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,605	**43,428**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,605	**29,857**
N. Parks	188	-	0%	See Footnote (e)					**-**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,605	**21,838**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,605	**3,079**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 14,282,410		$ 3,592,834			$ 58.33		$ 3,480,336

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. The development of the Harmony Planned Community ("Project") is not anticipated to increase the City's maintenance cost for these parks. Parks to be developed within the Project are anticipated to be HOA maintained.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-1: Alternative A
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					$ 1,192,171
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									$ -
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		$ 1,192,171
Fire Fund Revenue per Unit								[9]	$ 328.24

II. FIRE FUND COST

A. Typical Cost per Station		
Estimated Cost per Station (d)	[1]	$ 1,237,379
Additional Fire Stations Required to Serve Project (d)	[2]	1.00
Percent of Fire Station Costs Allocable to Project	[3]	100%
Total Cost per Station	[1]X[2]X[3]=[4]	**$ 1,237,379**
B. Wildland Fire Protection Agreement Cost		
Acres (f)	[5]	539
Cost per Acre (g)	[6]	$ 25.77
Total Wildland Fire Protection Agreement Cost	[5]X[6]=[7]	**$ 13,890**
C. Revenue from Outside Project		
Additional Units within the Fire Station Service Area (h)	[8]	111
Fire Revenue per Unit	[9]	$ 328.24
Paramedic Revenue per Unit (From Table 9)	[10]	19.32
Total Revenue from Outside Project	[8]*([9]+[10])=[11]	**$ 38,579**
TOTAL FIRE FUND COST	=[4]+[7]-[11]	**$ 1,212,690**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.

(e) Assumes Project will have a de minimis impact on these revenue sources.

(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.

(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.

(h) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/11/2014.

Exhibit B-1: Alternative A
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,605	$ 70,177
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 70,177**
Paramedic Fund Revenue per Unit									$ 19.32
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-1: Alternative A
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,543
Total Gas Tax and Traffic Safety Fund Revenue						**$ 357,465**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-1: Alternative A
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	14	$ 171,324	$ 332,229	$ 523,901	$ 677,646	$ 782,554	$ 918,213	$ 1,053,351	$ 1,167,736	$ 1,348,958	$ 1,514,790	$ 1,607,872	$ 1,645,508	$ 1,668,811
Property Transfer Tax	14	9,103	17,652	27,632	35,800	41,374	48,582	55,763	61,840	71,469	80,280	85,226	87,226	88,464
Property Tax In Lieu of Sales Tax	14	6,247	12,127	66,994	73,838	78,562	84,558	90,342	95,239	102,797	109,506	113,458	115,502	116,813
Off-Site Sales and Use Tax	14	21,364	41,475	69,103	92,510	108,665	129,172	148,953	165,701	191,549	214,495	228,012	235,002	239,485
On-Site Sales and Use Tax	14	-	-	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015
Property Tax-Vehicle License Fee	15	193,290	374,824	591,070	764,528	882,885	1,035,938	1,188,401	1,317,452	1,521,909	1,709,002	1,814,018	1,856,479	1,882,769
Franchise Fees	15	26,452	51,353	86,599	115,582	135,585	160,976	185,469	206,206	238,210	266,621	283,358	292,012	297,564
Business License Fee	15	-	-	938	938	938	938	938	938	938	938	938	938	938
Licenses & Permits	15	2,474	4,804	8,004	10,715	12,586	14,961	17,252	19,192	22,185	24,843	26,409	27,218	27,738
Fines & Forfeitures	15	2,130	4,135	7,007	9,340	10,951	12,995	14,967	16,637	19,213	21,501	22,848	23,545	23,992
Miscellaneous Revenue	15	887	1,723	2,920	3,892	4,563	5,415	6,236	6,932	8,006	8,959	9,520	9,810	9,997
Intergovernmental Revenue	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	15	7,116	13,815	23,026	30,823	36,204	43,035	49,624	55,202	63,812	71,455	75,958	78,286	79,779
Gas Tax and Traffic Safety Fund Revenue	15	31,888	61,907	103,145	138,084	162,198	192,807	222,333	247,332	285,913	320,163	340,339	350,772	357,465
Total Recurring Revenues		**$ 472,276**	**$ 916,042**	**$ 1,670,353**	**$ 2,113,713**	**$ 2,417,079**	**$ 2,807,603**	**$ 3,193,643**	**$ 3,520,422**	**$ 4,034,973**	**$ 4,502,569**	**$ 4,767,972**	**$ 4,882,313**	**$ 4,953,830**
B. General Fund Recurring Costs														
City Council	16	$ 1,290	$ 2,505	$ 4,245	$ 5,659	$ 6,634	$ 7,873	$ 9,068	$ 10,079	$ 11,640	$ 13,026	$ 13,842	$ 14,264	$ 14,535
City Clerk	16	2,162	4,198	7,114	9,483	11,118	13,194	15,196	16,891	19,507	21,830	23,198	23,905	$ 24,359
General Government	16	5,770	11,202	18,985	25,307	29,670	35,209	40,552	45,076	52,057	58,255	61,906	63,793	$ 65,004
Personnel	16	645	1,252	2,123	2,829	3,317	3,936	4,534	5,040	5,820	6,513	6,921	7,132	$ 7,268
Finance	16	4,296	8,341	14,135	18,843	22,092	26,216	30,194	33,562	38,760	43,375	46,093	47,499	$ 48,400
Police Department	18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	16	9,859	19,141	31,891	42,694	50,149	59,613	68,742	76,471	88,400	98,990	105,228	108,454	$ 110,523
Public Works	16	492,300	512,179	677,097	700,234	716,202	878,754	898,307	914,862	1,007,723	1,124,520	1,137,881	1,144,789	$ 1,149,221
Engineering	16	5,366	10,418	17,655	23,535	27,593	32,744	37,713	41,920	48,412	54,176	57,572	59,327	$ 60,453
Planning	16	6,041	11,729	19,877	26,496	31,064	36,863	42,457	47,194	54,503	60,992	64,814	66,791	$ 68,059
Public Services	16	3,855	7,484	12,683	16,907	19,822	23,522	27,092	30,114	34,778	38,919	41,358	42,619	$ 43,428
Code Enforcement	16	2,650	5,145	8,720	11,624	13,628	16,172	18,626	20,704	23,910	26,757	28,434	29,301	$ 29,857
Parks	17	-	-	-	-	-	-	-	-	-	-	-	-	$ -
Graffiti	16	1,938	3,763	6,378	8,502	9,968	11,828	13,623	15,143	17,488	19,570	20,797	21,431	$ 21,838
Trails	16	273	531	899	1,199	1,405	1,668	1,921	2,135	2,466	2,759	2,932	3,022	$ 3,079
Drainage Basins	17	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	17	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 955,304**	**$ 1,140,068**	**$ 1,736,211**	**$ 1,889,407**	**$ 2,314,419**	**$ 2,693,827**	**$ 2,941,801**	**$ 2,993,163**	**$ 3,139,640**	**$ 3,403,350**	**$ 3,444,855**	**$ 3,466,421**	**$ 3,480,336**
Net General Fund Surplus/(Deficit)		**$ (483,028)**	**$ (224,025)**	**$ (65,859)**	**$ 224,306**	**$ 102,660**	**$ 113,776**	**$ 251,842**	**$ 527,258**	**$ 895,333**	**$ 1,099,218**	**$ 1,323,118**	**$ 1,415,892**	**$ 1,473,494**
II. Fire Fund														
Total Recurring Revenues	17	$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Total Recurring Costs	17	33,625	33,625	127,458	1,224,435	1,225,085	1,219,530	1,219,724	1,219,854	1,212,300	1,212,198	1,212,253	1,212,513	1,212,690
Net Fire Fund Surplus/(Deficit)		**$ 88,767**	**$ 203,714**	**$ 246,808**	**$ (740,335)**	**$ (666,041)**	**$ (563,573)**	**$ (467,228)**	**$ (385,642)**	**$ (248,626)**	**$ (130,057)**	**$ (63,616)**	**$ (36,989)**	**$ (20,519)**
III. Paramedic Fund														
Total Recurring Revenues	17	$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 6,229**	**$ 12,094**	**$ 20,495**	**$ 27,321**	**$ 32,031**	**$ 38,011**	**$ 43,779**	**$ 48,662**	**$ 56,199**	**$ 62,890**	**$ 66,831**	**$ 68,869**	**$ 70,177**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 128,621	$ 249,432	$ 394,761	$ 511,420	$ 591,075	$ 693,967	$ 796,275	$ 882,874	$ 1,019,873	$ 1,145,031	$ 1,215,469	$ 1,244,393	$ 1,262,348
Total Recurring Costs		33,625	33,625	127,458	1,224,435	1,225,085	1,219,530	1,219,724	1,219,854	1,212,300	1,212,198	1,212,253	1,212,513	1,212,690
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 94,996**	**$ 215,808**	**$ 267,304**	**$ (713,015)**	**$ (634,010)**	**$ (525,562)**	**$ (423,449)**	**$ (336,980)**	**$ (192,427)**	**$ (67,167)**	**$ 3,216**	**$ 31,880**	**$ 49,658**
V. Combined Net Fiscal Impact b/4 CFD														
Total Recurring Revenues		$ 600,896	$ 1,165,475	$ 2,065,114	$ 2,625,133	$ 3,008,154	$ 3,501,571	$ 3,989,919	$ 4,403,296	$ 5,054,846	$ 5,647,600	$ 5,983,441	$ 6,126,706	$ 6,216,178
Total Recurring Costs		988,929	1,173,692	1,863,669	3,113,842	3,539,504	3,913,357	4,161,525	4,213,017	4,351,940	4,615,549	4,657,108	4,678,934	4,693,026
Total Surplus/(Deficit)		**$ (388,032)**	**$ (8,218)**	**$ 201,445**	**$ (488,709)**	**$ (531,350)**	**$ (411,786)**	**$ (171,607)**	**$ 190,278**	**$ 702,906**	**$ 1,032,051**	**$ 1,326,333**	**$ 1,447,773**	**$ 1,523,152**
VI. Combined General Fund, Fire Fund & Paramedic Fund														
Services CFD Special Tax Revenue	13	$ 118,220	$ 229,250	$ 352,200	$ 458,290	$ 530,680	$ 624,290	$ 717,540	$ 796,470	$ 921,520	$ 1,035,950	$ 1,100,180	$ 1,126,150	$ 1,142,230
Total Surplus/(Deficit)		**$ (269,812)**	**$ 221,032**	**$ 553,645**	**$ (30,419)**	**$ (670)**	**$ 212,504**	**$ 545,933**	**$ 986,748**	**$ 1,624,426**	**$ 2,068,001**	**$ 2,426,513**	**$ 2,573,923**	**$ 2,665,382**
		$ (300,901)												

Exhibit B-1: Alternative A
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	215		-	-	-	-	-	-	-	-	48	48	48	48	23
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	141		48	48	45	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	31		-	-	-	-	-	-	-	-	7	18	6	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,632		324	305	419	355	245	311	300	254	392	348	205	106	68
Cumulative Units			324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
Total Cumulative Residents	3.45	3	1,119	2,172	3,619	4,845	5,691	6,765	7,801	8,678	10,032	11,234	11,942	12,308	12,543

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-1: Alternative A
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Residential Assessed Value Additions	Average Value per Unit	O&m cfd per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	210	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,080,000	$ 10,080,000	$ 10,080,000	$ 10,080,000	$ 4,830,000
Paired	230,000	230	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	230	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	250	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	250	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	250	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	250	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	250	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	290	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	14,880,000	14,880,000	13,950,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	2,450,000	6,300,000	2,100,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	360	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	380	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	380	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	410	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	410	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions				$ 118,220,000	$ 111,030,000	$ 122,950,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 125,050,000	$ 114,430,000	$ 64,230,000	$ 25,970,000	$ 16,080,000
Cumulative Residential Assessed Value				$ 118,220,000	$ 229,250,000	$ 352,200,000	$ 458,290,000	$ 530,680,000	$ 624,290,000	$ 717,540,000	$ 796,470,000	$ 921,520,000	$ 1,035,950,000	$ 1,100,180,000	$ 1,126,150,000	$ 1,142,230,000
Total Assessed Value Additions-Average Price				$ 364,877	$ 364,033	$ 293,437	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 319,005	$ 328,822	$ 313,317	$ 245,000	$ 236,471
II CFD Tax - Developed Property																
Annual Additions				$ 118,220	$ 111,030	$ 122,950	$ 106,090	$ 72,390	$ 93,610	$ 93,250	$ 78,930	$ 125,050	$ 114,430	$ 64,230	$ 25,970	$ 16,080
Cumulative Collections on Developed Property				**$ 118,220**	**$ 229,250**	**$ 352,200**	**$ 458,290**	**$ 530,680**	**$ 624,290**	**$ 717,540**	**$ 796,470**	**$ 921,520**	**$ 1,035,950**	**$ 1,100,180**	**$ 1,126,150**	**$ 1,142,230**

Exhibit B-1: Alternative A
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	62,073	-	-	-	-	-	-	-	-	-	-
Cumulative Square Feet			-	-	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073
Assessed Value Additions	$ 150	3	$ -	$ -	$ 9,310,950	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employees	500	3	-	-	124	-	-	-	-	-	-	-	-	-	-
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950
Cumulative Employees			-	-	124	124	124	124	124	124	124	124	124	124	124
50% of Cumulative Employees			-	-	62	62	62	62	62	62	62	62	62	62	62
Cumulative Equivalent Residents			1,119	2,172	3,681	4,907	5,753	6,827	7,863	8,740	10,094	11,296	12,004	12,370	12,605
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 118,220,000	$ 229,250,000	$ 361,510,950	$ 467,600,950	$ 539,990,950	$ 633,600,950	$ 726,850,950	$ 805,780,950	$ 930,830,950	$ 1,045,260,950	$ 1,109,490,950	$ 1,135,460,950	$ 1,151,540,950
Basic Tax Paid	1.00%	4	1,182,200	2,292,500	3,615,110	4,676,010	5,399,910	6,336,010	7,268,510	8,057,810	9,308,310	10,452,610	11,094,910	11,354,610	11,515,410
Total Property Tax	24.84%	4	$ 293,715	$ 569,567	$ 898,167	$ 1,161,745	$ 1,341,598	$ 1,574,170	$ 1,805,848	$ 2,001,948	$ 2,312,632	$ 2,596,932	$ 2,756,510	$ 2,821,032	$ 2,860,982
Total Property Tax Retained in General Fund	58.33%	4	$ 171,324	$ 332,229	$ 523,901	$ 677,646	$ 782,554	$ 918,213	$ 1,053,351	$ 1,167,736	$ 1,348,958	$ 1,514,790	$ 1,607,872	$ 1,645,508	$ 1,668,811
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 118,220,000	$ 229,250,000	$ 352,200,000	$ 458,290,000	$ 530,680,000	$ 624,290,000	$ 717,540,000	$ 796,470,000	$ 921,520,000	$ 1,035,950,000	$ 1,100,180,000	$ 1,126,150,000	$ 1,142,230,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 9,103	$ 17,652	$ 27,119	$ 35,288	$ 40,862	$ 48,070	$ 55,251	$ 61,328	$ 70,957	$ 79,768	$ 84,714	$ 86,714	$ 87,952
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512
Total Property Transfer Tax			$ 9,103	$ 17,652	$ 27,632	$ 35,800	$ 41,374	$ 48,582	$ 55,763	$ 61,840	$ 71,469	$ 80,280	$ 85,226	$ 87,226	$ 88,464
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 6,247	$ 12,127	$ 20,205	$ 27,050	$ 31,773	$ 37,770	$ 43,554	$ 48,451	$ 56,008	$ 62,718	$ 66,670	$ 68,714	$ 70,025
On-Site Sales Tax Redirected to Property Tax			-	-	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788
Total Property Tax In-Lieu of Sales Tax			$ 6,247	$ 12,127	$ 66,994	$ 73,838	$ 78,562	$ 84,558	$ 90,342	$ 95,239	$ 102,797	$ 109,506	$ 113,458	$ 115,502	$ 116,813
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 31,233,600	$ 60,635,600	$ 101,027,200	$ 135,249,200	$ 158,867,200	$ 188,847,600	$ 217,767,600	$ 242,253,200	$ 280,042,000	$ 313,589,200	$ 333,351,200	$ 343,569,600	$ 350,124,800
Retail Taxable Sales	32.00%	5	9,994,752	19,403,392	32,328,704	43,279,744	50,837,504	60,431,232	69,685,632	77,521,024	89,613,440	100,348,544	106,672,384	109,942,272	112,039,936
Projected Off-Site Taxable Sales	25.00%	5	2,498,688	4,850,848	8,082,176	10,819,936	12,709,376	15,107,808	17,421,408	19,380,256	22,403,360	25,087,136	26,668,096	27,485,568	28,009,984
Sales Tax @1.00% of taxable sales	1.00%	5	24,987	48,508	80,822	108,199	127,094	151,078	174,214	193,803	224,034	250,871	266,681	274,856	280,100
Use Tax @10.50% of sales tax	10.50%	5	2,624	5,093	8,486	11,361	13,345	15,863	18,292	20,349	23,524	26,341	28,002	28,860	29,410
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(6,247)	(12,127)	(20,205)	(27,050)	(31,773)	(37,770)	(43,554)	(48,451)	(56,008)	(62,718)	(66,670)	(68,714)	(70,025)
Total Off-Site Sales Tax Revenue			$ 21,364	$ 41,475	$ 69,103	$ 92,510	$ 108,665	$ 129,172	$ 148,953	$ 165,701	$ 191,549	$ 214,495	$ 228,012	$ 235,002	$ 239,485
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072
Taxable Sales	80%	5	-	-	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)
Total On-Site Sales Tax Allocated to County			$ -	$ -	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015

Exhibit B-1: Alternative A
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A. Property Tax - Vehicle License Fee															[1]
Assessed Valuation per $1,000			$ 118	$ 229	$ 362	$ 468	$ 540	$ 634	$ 727	$ 806	$ 931	$ 1,045	$ 1,109	$ 1,135	$ 1,152
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 193,290**	**$ 374,824**	**$ 591,070**	**$ 764,528**	**$ 882,885**	**$ 1,035,938**	**$ 1,188,401**	**$ 1,317,452**	**$ 1,521,909**	**$ 1,709,002**	**$ 1,814,018**	**$ 1,856,479**	**$ 1,882,769**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,343	$ 4,548	$ 7,708	$ 10,274	$ 12,046	$ 14,295	$ 16,464	$ 18,300	$ 21,135	$ 23,651	$ 25,133	$ 25,900	$ 26,391
Franchise Fees - Electric	4.44	6	4,969	9,647	16,349	21,794	25,552	30,322	34,923	38,819	44,831	50,169	53,313	54,939	55,981
Franchise Fees - Cable	6.92	6	7,746	15,038	25,056	33,543	39,400	46,836	54,008	60,081	69,453	77,773	82,674	85,208	86,834
Franchise Fees - Refuse	9.04	6	10,116	19,639	33,283	44,367	52,016	61,727	71,093	79,024	91,263	102,129	108,530	111,839	113,962
Franchise Fees - Refuse Household Waste	1.14	6	1,278	2,481	4,204	5,604	6,570	7,797	8,980	9,982	11,528	12,900	13,709	14,127	14,395
Total Franchise Fees			**$ 26,452**	**$ 61,353**	**$ 86,599**	**$ 115,582**	**$ 135,585**	**$ 160,976**	**$ 185,469**	**$ 206,206**	**$ 238,210**	**$ 266,621**	**$ 283,358**	**$ 292,012**	**$ 297,564**
C. Business License Fee	7.55	6	$ -	$ -	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,317	$ 4,499	$ 7,496	$ 10,035	$ 11,787	$ 14,011	$ 16,157	$ 17,974	$ 20,778	$ 23,267	$ 24,733	$ 25,491	$ 25,977
Yard Sale Permits	0.14	6	157	305	508	680	799	949	1,095	1,218	1,408	1,576	1,676	1,727	1,760
Total Licenses & Permits			**$ 2,474**	**$ 4,804**	**$ 8,004**	**$ 10,715**	**$ 12,586**	**$ 14,961**	**$ 17,252**	**$ 19,192**	**$ 22,185**	**$ 24,843**	**$ 26,409**	**$ 27,218**	**$ 27,738**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 532	$ 1,034	$ 1,752	$ 2,335	$ 2,738	$ 3,249	$ 3,742	$ 4,159	$ 4,803	$ 5,375	$ 5,712	$ 5,886	$ 5,998
General Fines	0.32	6	355	689	1,168	1,557	1,825	2,166	2,495	2,773	3,202	3,583	3,808	3,924	3,999
Code Enforcement Fines	0.71	6	799	1,550	2,628	3,503	4,107	4,873	5,613	6,239	7,205	8,063	8,568	8,829	8,997
Administrative Citation Program	0.40	6	444	861	1,460	1,946	2,281	2,707	3,118	3,466	4,003	4,479	4,760	4,905	4,998
Total Fines & Forfeitures			**$ 2,130**	**$ 4,135**	**$ 7,007**	**$ 9,340**	**$ 10,951**	**$ 12,995**	**$ 14,967**	**$ 16,637**	**$ 19,213**	**$ 21,501**	**$ 22,848**	**$ 23,545**	**$ 23,992**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 710	$ 1,378	$ 2,336	$ 3,113	$ 3,650	$ 4,332	$ 4,989	$ 5,546	$ 6,404	$ 7,167	$ 7,616	$ 7,848	$ 7,997
Refuse Penalties & Interest	0.16	6	177	345	584	778	913	1,083	1,247	1,386	1,601	1,792	1,904	1,962	1,999
Total Miscellaneous Revenue			**$ 887**	**$ 1,723**	**$ 2,920**	**$ 3,892**	**$ 4,563**	**$ 5,415**	**$ 6,236**	**$ 6,932**	**$ 8,006**	**$ 8,959**	**$ 9,520**	**$ 9,810**	**$ 9,997**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	2,135	4,146	6,907	9,247	10,862	12,911	14,889	16,563	19,146	21,440	22,791	23,490	23,938
Engineering Fees - Inspections	$ 3.17	6	3,542	6,877	11,458	15,339	18,018	21,418	24,698	27,475	31,761	35,565	37,807	38,965	39,709
Park Fees	0.28	6	314	610	1,016	1,360	1,597	1,899	2,190	2,436	2,816	3,153	3,352	3,454	3,520
Self Hauler fees	0.03	6	31	61	102	136	160	190	219	244	282	315	335	345	352
Recordation of Document Fees	0.13	6	151	293	496	662	776	920	1,060	1,178	1,361	1,523	1,618	1,668	1,699
Vehicle Storage Fees	0.84	6	942	1,829	3,047	4,080	4,792	5,696	6,569	7,307	8,447	9,459	10,055	10,363	10,561
Total Charges for Services			**$ 7,116**	**$ 13,815**	**$ 23,026**	**$ 30,823**	**$ 36,204**	**$ 43,035**	**$ 49,624**	**$ 55,202**	**$ 63,812**	**$ 71,455**	**$ 75,958**	**$ 78,286**	**$ 79,779**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 31,888**	**$ 61,907**	**$ 103,145**	**$ 138,084**	**$ 162,198**	**$ 192,807**	**$ 222,333**	**$ 247,332**	**285,913**	**$ 320,163**	**$ 340,339**	**$ 350,772**	**$ 357,466**

Exhibit B-1: Alternative A
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs															
A. City Council	$ 1.15	7	$ 1,290	$ 2,505	$ 4,245	$ 5,659	$ 6,634	$ 7,873	$ 9,068	$ 10,079	$ 11,640	$ 13,026	$ 13,842	$ 14,264	$ 14,535
B. City Clerk	1.93	7	2,162	4,198	7,114	9,483	11,118	13,194	15,196	16,891	19,507	21,830	23,198	23,905	24,359
C. General Government	5.16	7	5,770	11,202	18,985	25,307	29,670	35,209	40,552	45,076	52,057	58,255	61,906	63,793	65,004
D. Personnel	0.58	7	645	1,252	2,123	2,829	3,317	3,936	4,534	5,040	5,820	6,513	6,921	7,132	7,268
E. Finance	3.84	7	4,296	8,341	14,135	18,843	22,092	26,216	30,194	33,562	38,760	43,375	46,093	47,499	48,400
F. Police Department		18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81	7	9,859	19,141	31,891	42,694	50,149	59,613	68,742	76,471	88,400	98,890	105,228	108,454	110,523
H. Public Works															
Salaries & Wages	$ 2.56	7	$ 2,867	$ 5,567	$ 9,434	$ 12,576	$ 14,744	$ 17,496	$ 20,151	$ 22,399	$ 25,868	$ 28,948	$ 30,762	$ 31,701	32,302
Benefits	1.04	7	1,160	2,251	3,815	5,086	5,963	7,076	8,150	9,059	10,462	11,708	12,441	12,821	13,064
Operations & Materials	8.11	7	9,074	17,617	29,855	39,798	46,660	55,370	63,772	70,886	81,865	91,611	97,353	100,322	102,226
Engineering	2.06	7	2,304	4,474	7,582	10,106	11,849	14,061	16,195	18,001	20,789	23,264	24,722	25,476	25,960
Traffic Counts	0.02	7	27	52	88	117	137	162	187	208	240	269	286	294	300
Underground Service Alert	0.02	7	27	52	88	117	137	162	187	208	240	269	286	294	300
Contract Services - Street Maintenance	1.59	7	471,183	471,183	607,621	607,621	607,621	749,903	749,903	749,903	817,214	911,330	911,330	911,330	911,330
Contract Services - Street Sweeping	0.02	7	18	34	58	78	91	108	125	139	160	179	190	196	200
Contract Services - Emergency Work	0.16	7	177	345	584	778	913	1,083	1,247	1,386	1,601	1,792	1,904	1,962	1,999
Contract Services - Striping	0.79	7	887	1,723	2,920	3,892	4,563	5,415	6,236	6,932	8,006	8,959	9,520	9,810	9,997
Contract Services - Traffic Signals	3.33	7	3,727	7,235	12,262	16,346	19,164	22,741	26,192	29,114	33,623	37,626	39,985	41,204	41,986
Contract Services - Maintenance	0.08	7	85	165	280	374	438	520	599	665	769	860	914	942	960
Contract Services - Environmental Health Services	0.05	7	53	103	175	234	274	325	374	416	480	538	571	589	600
Contract Services - Tree Trimming	0.63	7	710	1,378	2,336	3,113	3,650	4,332	4,989	5,546	6,404	7,167	7,616	7,848	7,997
Total Public Works			$ 492,300	$ 512,179	$ 677,097	$ 700,234	$ 716,202	$ 878,764	$ 898,307	$ 914,862	$ 1,007,723	$ 1,124,520	$ 1,137,881	$ 1,144,789	$ 1,149,221
I. Engineering	4.80	7	$ 5,366	$ 10,418	$ 17,655	$ 23,535	$ 27,693	$ 32,744	$ 37,713	$ 41,920	$ 48,412	$ 54,176	$ 57,572	$ 59,327	$ 60,453
J. Planning	5.40	7	6,041	11,729	19,877	26,496	31,064	36,863	42,457	47,194	54,503	60,992	64,814	66,791	68,059
K. Public Services	3.45	7	3,855	7,484	12,683	16,907	19,822	23,522	27,092	30,114	34,778	38,919	41,358	42,619	43,428
L. Code Enforcement	2.37	7	2,650	5,145	8,720	11,624	13,628	16,172	18,626	20,704	23,910	26,757	28,434	29,301	29,857
M. Graffiti	1.73	7	1,938	3,763	6,376	8,502	9,968	11,828	13,623	15,143	17,485	19,570	20,797	21,431	21,838
N. Trails	0.24	7	273	531	899	1,199	1,405	1,658	1,921	2,135	2,466	2,759	2,932	3,022	3,079
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14															
Sergeant			$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective			-		162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy			148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist			69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist			-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)			-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)			-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)			5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services			12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization			964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance			1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)			-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)			333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support			1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance			348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding			3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost			11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget			$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading			$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget			$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance															
Lane Miles (Assumes Beginning of Phase)															
Backbone Roads			27.42												
Interior Roads			19.34		13.54			14.12			6.68	9.34			
Total Lane Miles			46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)		C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
Lewis / City															
Cost per Lane Mile (See Exhibit C-2)	3,750 $ 10,077	C-2	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077
Total Street Maintenance Cost			$ 471,183	$ 471,183	$ 607,621	$ 607,621	$ 607,621	$ 749,903	$ 749,903	$ 749,903	$ 817,214	$ 911,330	$ 911,330	$ 911,330	$ 911,330

Exhibit B-1: Alternative A
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ -	7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund															
A. Recurring Revenues			324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Total Recurring Revenues			$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Revenue per Unit			$ 378	$ 377	$ 357	$ 345	$ 339	$ 335	$ 333	$ 332	$ 332	$ 333	$ 332	$ 330	$ 328
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	0.11	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ 141,752	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Revenue from Outside Project															
Additional Units within the Fire Station Service Area (e)			-	-	111	111	111	111	111	111	111	111	111	111	111
Fire Revenue per Unit			$ 378	$ 377	$ 357	$ 345	$ 339	$ 335	$ 333	$ 332	$ 332	$ 333	$ 332	$ 330	$ 328
Paramedic Revenue per Unit			19	19	20	19	19	19	19	19	19	19	19	19	19
Total Revenue from Outside Project		8	$ -	$ -	$ 41,812	$ 40,462	$ 39,811	$ 39,321	$ 39,126	$ 38,997	$ 38,969	$ 39,071	$ 39,016	$ 38,756	$ 38,579
Total Recurring Costs			$ 33,625	$ 33,625	$ 127,458	$ 1,224,435	$ 1,225,085	$ 1,219,530	$ 1,219,724	$ 1,219,854	$ 1,212,300	$ 1,212,198	$ 1,212,253	$ 1,212,513	$ 1,212,690
			$ 88,767	$ 203,714	$ 246,808	$ (740,335)	$ (666,041)	$ (563,573)	$ (467,228)	$ (385,642)	$ (248,626)	$ (130,057)	$ (63,616)	$ (36,989)	$ (20,519)
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
Revenue per Unit			$ 19	$ 19	$ 20	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	19

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.
(e) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/10/2014.

Exhibit B-1: Alternative A
Table 18 - Police Phasing Analysis
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
Cumulative Residents		1,119	2,172	3,619	4,845	5,691	6,765	7,801	8,678	10,032	11,234	11,942	12,308	12,543
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.89	0.92	1.11	0.83	1.05	1.03	1.03	0.92	0.80	0.80	0.75	0.73	0.72
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.89	0.92	0.83	0.62	0.70	0.74	0.77	0.69	0.60	0.62	0.59	0.57	0.56
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit B-2: Alternative B
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,654,308	$ 470.64	$ 133.80	30.4%
Property Transfer Tax	4	87,154	24.79	7.05	1.6%
Property Tax In Lieu of Sales Tax	4	237,684	67.62	19.22	4.4%
Off-Site Sales and Use Tax	5	231,771	65.94	18.75	4.3%
On-Site Sales and Use Tax	5	581,109	165.32	47.00	10.7%
Property Tax-Vehicle License Fee	6	1,866,407	530.98	150.96	34.3%
Franchise Fees	6	290,743	82.71	23.52	5.3%
Business License Fee	6	3,405	0.97	0.28	0.1%
Licenses & Permits	6	26,844	7.64	2.17	0.5%
Fines & Forfeitures	6	23,534	6.70	1.90	0.4%
Miscellaneous Revenue	6	9,806	2.79	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	77,232	21.97	6.25	1.4%
Gas Tax and Traffic Safety Fund Revenue	10	345,949	98.42	27.98	6.4%
Total Recurring Revenues		**$ 5,435,946**	**$ 1,546.50**	**$ 439.66**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,258	$ 4.06	$ 1.15	0.3%
City Clerk	7	$ 23,894	6.80	1.93	0.5%
General Government	7	$ 63,763	18.14	5.16	1.4%
Personnel	7	$ 7,129	2.03	0.58	0.2%
Finance	7	$ 47,476	13.51	3.84	1.1%
Police Department	7	$ 1,793,496	510.24	145.06	39.8%
Animal Control	7	$ 106,963	30.43	8.65	2.4%
Public Works	7	$ 1,144,679	325.66	92.58	25.4%
Engineering	7	$ 59,299	16.87	4.80	1.3%
Planning	7	$ 66,759	18.99	5.40	1.5%
Public Services	7	$ 42,599	12.12	3.45	0.9%
Code Enforcement	7	$ 29,287	8.33	2.37	0.6%
Parks	7	$ 1,044,320	297.10	84.46	23.2%
Graffiti	7	$ 21,421	6.09	1.73	0.5%
Trails	7	$ 3,020	0.86	0.24	0.1%
Drainage Basins	7	$ 29,700	8.45	2.40	0.7%
Storm Drainage Replacement	7	$ 11,115	3.16	0.90	0.2%
Total Recurring Costs		**$ 4,509,177**	**$ 1,282.84**	**$ 364.70**	**100.0%**
General Fund Surplus/(Deficit)		**$ 926,768**	**$ 263.66**	**$ 74.96**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,181,811	$ 336.22	$ 95.59	
Total Recurring Costs	8	1,211,775	344.74	98.01	
Fire Fund Surplus/(Deficit)		**$ (29,964)**	**$ (8.52)**	**$ (2.42)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 68,837	$ 19.58	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 68,837**	**$ 19.58**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,250,647	$ 355.80	$ 101.15	
Total Recurring Costs		1,211,775	344.74	98.01	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 38,872**	**$ 11.06**	**$ 3.14**	
VI. COMBINED NET FISCAL IMPACT B/4 cfd					
Recurring Revenues		$ 6,686,593	$ 1,902.30	$ 540.81	
Total Recurring Costs		5,720,952	1,627.58	462.71	
Total Surplus/(Deficit)		**$ 965,641**	**$ 274.72**	**$ 78.10**	
VI. COMBINED NET FISCAL IMPACT with Services CFD					
Services CFD Special Tax Revenue		$ 1,107,720	$ 315.14	$ 89.59	
Total Surplus/(Deficit)		**$ 2,073,361**	**$ 689.49**	**$ 196.02**	

Exhibit B-2: Alternative B
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-2: Alternative B
Table 3 - Land Use Assumptions
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation	Services CFD Tax: CFD Rate 0.10% Per Unit	Services CFD Tax: Amount
I. Residential Land Use		(a)	(a)	(a)		(d)	
Condo Apartments	40	5	195	$ 210,000	$ 40,950,000	$ 210	$ 40,950
Paired	26	2	173	230,000	39,790,000	230	39,790
Paired	43A	3	130	230,000	29,900,000	230	29,900
HDD	15	2	208	250,000	52,000,000	250	52,000
HDD	25	3	110	250,000	27,500,000	250	27,500
HDD	33	4	105	250,000	26,250,000	250	26,250
6 Pack	27	2	115	250,000	28,750,000	250	28,750
6 Pack	43B	3	99	250,000	24,750,000	250	24,750
4 Pack L	21	2	115	290,000	33,350,000	290	33,350
4 Pack S	22	2	80	270,000	21,600,000	270	21,600
4 Pack S	23	3	77	270,000	20,790,000	270	20,790
SFD - 3,000 Sq. Ft.	3	1	50	310,000	15,500,000	310	15,500
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000	310	17,360
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000	330	30,030
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000	330	31,020
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000	330	35,970
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000	330	37,950
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000	330	14,850
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000	350	12,600
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000	350	16,450
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000	350	22,050
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000	350	54,950
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000	350	53,900
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000	350	18,200
SFD - 4,000 Sq. Ft.	35	4	25	350,000	8,750,000	350	8,750
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000	350	28,350
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000	360	18,360
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000	360	12,960
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000	360	42,120
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000	360	54,720
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000	380	50,540
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000	380	45,220
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000	410	5,330
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000	410	34,440
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000	430	8,170
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000	430	11,610
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000	430	16,770
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000	430	13,330
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000	430	13,330
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000	460	12,880
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000	460	10,580
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000	460	6,900
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000	460	6,900
Total/Weighted Average			3,515	$ 315,141	**$ 1,107,720,000**	$ 315	**$1,107,720**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	1.00	10,890	500	22	150.00	1,633,500
Neighborhood Commercial	3	0.25	13.00	141,570	500	283	150.00	21,235,500
Neighborhood Commercial	40	0.25	1.00	10,890	500	22	150.00	1,633,500
Total			20.70	225,423		451		**$ 33,813,450**

III. Total Residential and Non-Residential **$ 1,141,533,450**

IV. Population Summary

Residential Units	[1]	**3,515**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,139**
Employees	[4]	**451**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	225
Total Equivalent Residents	[3]+[5]=[6]	**12,364**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.
(d) Per discussions with City

Exhibit B-2: Alternative B
Table 4 - Property Tax Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,141,533,450
Basic Rate			1.000%
Basic Tax Paid		$	11,415,335
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,836,119**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,654,308**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,181,811**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,107,720,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	155,080,800
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	85,294
B. Non-Residential			
Non-Residential Assessed Value	3	$	33,813,450
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	3,381,345
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	1,860
Total Property Transfer Tax	[1]+[2]	**$**	**87,154**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	67,769
On-Site Sales Tax Redirected to Property Tax (e)	5		169,915
Total Property Tax In-Lieu of Sales Tax		**$**	**237,684**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-2: Alternative B
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	338,846,000
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	108,430,720
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 271,077
Use Tax @10.50% of sales tax	10.50%	8	28,463
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(67,769)
Total Off-Site Sales Tax Revenue		$ 85	**$ 231,771**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	10,890	377	80%	3,283,379
Neighborhood Commercial	3	-	141,570	377	80%	42,683,921
Neighborhood Commercial	40	-	10,890	377	80%	3,283,379
Subtotal Taxable Sales for Retail Land Use			225,423			$ 67,965,936
Total Taxable Sales						$ 67,965,936
Sales Tax @1% of taxable sales					1.00%	679,659
Use Tax @10.50% of sales tax (c)					10.50%	71,364
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(169,915)
Total On-Site Sales Tax Revenue						**$ 581,109**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.

(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.

(c) Preliminary estimate for illustration purposes.

(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.

(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-2: Alternative B
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	See Table 4	
Property Tax - Vehicle License Fee	59	3,800,000	100%	See Footnote (g)					**1,866,407**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	See Table 4	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	See Table 5	
Extraction Tax	59	85,000	0%	See Footnote (d)					
Transient Occupancy Tax	59	168,000	0%	See Footnote (d)					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,364	$ 25,887
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,364	54,912
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,139	84,037
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,364	111,786
Franchise Fees - Kiosk Signs	59	5,000	0%	See Footnote (d)					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,364	14,120
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 290,743**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	451	**$ 3,405**
Property Transfer Tax	59	90,000	100%	See Table 4					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,160,555
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,139	$ 25,141
Building Permits - Inspection Fees	59	400,000	100%	See Footnote (e)					
Building Permits - Plan Check Fees	59	65,000	100%	See Footnote (e)					
Building Permits - SMIP	59	3,000	100%	See Footnote (e)					
Building Permits - BSAR Fund	59	2,000	100%	See Footnote (e)					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,139	1,703
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 26,844**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,364	$ 5,883
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,364	3,922
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,364	8,825
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,364	4,903
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,534**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,364	$ 7,845
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Building Rental	59	18,000	0%	See Footnote (d)					
Miscellaneous Revenue	59	1,000	0%	See Footnote (d)					
Volunteer Donations	59	8,500	0%	See Footnote (d)					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,806**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	See Footnote (d)					
State - Other	60	27,240	0%	See Footnote (d)					
Article 19 WDA	60	70,000	0%	See Footnote (d)					
SB90 State Mandate Reimbursements	60	10,000	0%	See Footnote (d)					
San Bernardino Unified School District	60	5,000	0%	See Footnote (d)					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	See Table 10					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,139	23,167
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,139	38,430
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,139	3,407
Police Department Fees	60	160,000	0%	See Footnote (d)					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,139	341
Delinquent Refuse Admin	60	75,000	0%	See Footnote (d)					
Livescan Service Fees	60	1,500	0%	See Footnote (d)					
Foreclosure Registration Fees	60	13,000	0%	See Footnote (d)					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,364	1,667
Sale of Miscellaneous Copies	60	2,000	0%	See Footnote (d)					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,139	10,221
Operating Transfer In-Paramedic Dept.	60	10,000	0%	See Footnote (d)					
Operating Transfer In-Fire Department	60	10,000	0%	See Footnote (d)					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 77,232**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,297,970

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.

(d) Assumes Project will have a de minimis impact on these revenue sources.

(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.

(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(g) See Section II of Table 6.

Exhibit B-2: Alternative B
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05		FY 2011-12			Change
Property Tax Vehicle License Fees (VLF)	$ (a)	2,624,088	$ (b)	3,800,000	[1]	1,175,912
City Assessed Valuation	(c)	1,992,355,699	(d)	2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase					=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV					[3]	$ 1,635

Property Tax in Lieu of MVLF:		
Total Residential and Non-Residential Assessed Value (Table 3)	[4]	$ 1,141,533,450
Assessed Valuation / 1,000,000	[5]	$ 1,142
VLF Increase per $1,000,000 increase in AV	[3]	1,635
Property Tax in Lieu of MVLF	=[3]*[5]	$ 1,866,407

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-2: Alternative B
Table 7 - General Fund Cost Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,364	**$ 14,258**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,364	**23,894**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,364	**63,763**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,364	**7,129**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,364	**47,476**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,139	**106,963**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,364	$ 31,685
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,364	12,815
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,364	100,274
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,364	25,464
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Street Maintenance	164	100,000	100%	See Table 16					911,330
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,364	196
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,364	9,806
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,364	41,184
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,364	941
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,364	588
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,364	7,845
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 1,144,679**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,364	**59,299**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,364	**66,759**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,364	**42,599**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,364	**29,287**
N. Parks	188	1,073,620	100%	See Footnote (e)					**1,044,320**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,364	**21,421**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,364	**3,020**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 15,356,030		$ 3,592,834			$ 58.33		$ 4,509,177

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. Park maintenance costs assumed at $32,635 per acre for maintenance of 32 acres.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-2: Alternative B
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					**$ 1,181,811**
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									**$ -**
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		**$ 1,181,811**
Fire Fund Revenue per Unit								[9]	$ 336.22
II. FIRE FUND COST									
A. Typical Cost per Station									
Estimated Cost per Station (d)				[1] $ 1,237,379					
Additional Fire Stations Required to Serve Project (d)				[2] 1.00					
Percent of Fire Station Costs Allocable to Project				[3] 100%					
Total Cost per Station				[1]X[2]X[3]=[4] **$ 1,237,379**					
B. Wildland Fire Protection Agreement Cost									
Acres (f)				[5] 539					
Cost per Acre (g)				[6] $ 25.77					
Total Wildland Fire Protection Agreement Cost				[5]X[6]=[7] **$ 13,890**					
C. Revenue from Outside Project									
Additional Units within the Fire Station Service Area (h)				[8] 111					
Fire Revenue per Unit				[9] $ 336.22					
Paramedic Revenue per Unit (From Table 9)				[10] 19.58					
Total Revenue from Outside Project				[8]*([9]+[10])=[11] **$ 39,494**					
TOTAL FIRE FUND COST				=[4]+[7]-[11] **$ 1,211,775**					

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.

(e) Assumes Project will have a de minimis impact on these revenue sources.

(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.

(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.

(h) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/11/2014.

Exhibit B-2: Alternative B
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,364	$ 68,837
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 68,837**
Paramedic Fund Revenue per Unit									$ 19.58
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-2: Alternative B
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,139
Total Gas Tax and Traffic Safety Fund Revenue						**$ 345,949**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-2: Alternative B
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	14	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
Property Transfer Tax	14	8,363	16,172	26,627	34,796	40,370	47,578	54,758	60,836	70,373	79,039	83,956	85,891	87,154
Property Tax In Lieu of Sales Tax	14	5,649	10,932	171,949	178,793	183,517	189,513	195,297	200,194	207,655	214,230	226,275	228,242	237,684
Off-Site Sales and Use Tax	14	19,320	37,387	63,102	86,510	102,665	123,171	142,953	159,701	185,219	207,703	220,825	227,551	231,771
On-Site Sales and Use Tax	14	-	-	524,963	524,963	524,963	524,963	524,963	524,963	524,963	524,963	553,036	553,036	581,109
Property Tax-Vehicle License Fee	15	177,577	343,399	579,667	753,124	871,482	1,024,534	1,176,998	1,306,049	1,508,560	1,692,563	1,797,731	1,838,819	1,866,407
Franchise Fees	15	23,921	46,291	81,537	110,520	130,522	155,913	180,406	201,143	232,739	260,579	277,008	285,336	290,743
Business License Fee	15	-	-	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,240	3,240	3,405
Licenses & Permits	15	2,238	4,330	7,309	10,020	11,891	14,266	16,557	18,497	21,452	24,057	25,576	26,355	26,844
Fines & Forfeitures	15	1,926	3,727	6,678	9,012	10,622	12,666	14,638	16,308	18,852	21,093	22,422	23,093	23,534
Miscellaneous Revenue	15	602	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Intergovernmental Revenue	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	15	6,435	12,453	21,046	28,843	34,224	41,055	47,644	53,223	61,723	69,212	73,584	75,825	77,232
Gas Tax and Traffic Safety Fund Revenue	15	28,837	55,805	94,189	129,128	153,241	183,850	213,376	238,375	276,464	310,026	329,612	339,650	345,949
Total Recurring Revenues		**$ 432,466**	**$ 836,424**	**$ 2,096,719**	**$ 2,540,079**	**$ 2,843,446**	**$ 3,233,970**	**$ 3,620,010**	**$ 3,946,788**	**$ 4,456,057**	**$ 4,915,549**	**$ 5,216,045**	**$ 5,326,514**	**$ 5,435,946**
B. General Fund Recurring Costs														
City Council	16	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
City Clerk	16	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	$ 23,894
General Government	16	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	$ 63,763
Personnel	16	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	$ 7,129
Finance	16	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	$ 47,476
Police Department	18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	16	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	$ 106,963
Public Works	16	490,280	508,138	673,838	696,975	712,943	875,495	895,048	911,603	1,004,138	1,120,478	1,133,654	1,140,302	$ 1,144,679
Engineering	16	4,853	9,391	16,827	22,707	26,765	31,916	36,885	41,092	47,501	53,149	56,497	58,187	$ 59,299
Planning	16	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	$ 66,759
Public Services	16	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	$ 42,599
Code Enforcement	16	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	$ 29,287
Parks	17	-	-	-	832,193	832,193	832,193	832,193	832,193	832,193	832,193	1,044,320	1,044,320	$ 1,044,320
Graffiti	16	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	$ 21,421
Trails	16	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	$ 3,020
Drainage Basins	17	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	17	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 949,059**	**$ 1,127,579**	**$ 1,724,891**	**$ 2,710,279**	**$ 3,135,291**	**$ 3,614,699**	**$ 3,762,673**	**$ 3,814,035**	**$ 3,959,505**	**$ 4,221,805**	**$ 4,474,768**	**$ 4,495,528**	**$ 4,609,177**
Net General Fund Surplus/(Deficit)		**$ (516,593)**	**$ (291,154)**	**$ 371,828**	**$ (170,200)**	**$ (291,845)**	**$ (280,729)**	**$ (142,663)**	**$ 132,753**	**$ 496,552**	**$ 693,743**	**$ 741,278**	**$ 830,986**	**$ 926,768**
II. Fire Fund														
Total Recurring Revenues	17	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Costs	17	33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund Surplus/(Deficit)		**$ 78,817**	**$ 183,816**	**$ 384,367**	**$ (595,562)**	**$ (671,518)**	**$ (569,364)**	**$ (473,225)**	**$ (391,773)**	**$ (256,123)**	**$ (139,597)**	**$ (73,041)**	**$ (47,304)**	**$ (29,964)**
III. Paramedic Fund														
Total Recurring Revenues	17	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 5,633**	**$ 10,902**	**$ 19,534**	**$ 26,359**	**$ 31,070**	**$ 37,049**	**$ 42,817**	**$ 47,701**	**$ 55,141**	**$ 61,698**	**$ 65,584**	**$ 67,546**	**$ 68,837**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 118,076	$ 228,342	$ 386,579	$ 503,238	$ 582,893	$ 685,785	$ 788,093	$ 874,692	$ 1,010,363	$ 1,133,430	$ 1,203,910	$ 1,231,887	$ 1,250,647
Total Recurring Costs		33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 84,451**	**$ 194,717**	**$ 403,901**	**$ (569,203)**	**$ (640,449)**	**$ (532,315)**	**$ (430,408)**	**$ (344,072)**	**$ (200,981)**	**$ (77,900)**	**$ (7,457)**	**$ 20,241**	**$ 38,872**
V. Combined Net Fiscal Impact b/4 CFD														
Total Recurring Revenues		$ 550,542	$ 1,064,766	$ 2,483,299	$ 3,043,318	$ 3,426,339	$ 3,919,755	$ 4,408,103	$ 4,821,480	$ 5,466,420	$ 6,048,979	$ 6,419,955	$ 6,558,401	$ 6,686,593
Total Recurring Costs		982,684	1,161,203	1,707,570	3,782,720	4,356,633	4,732,799	4,981,174	5,032,799	5,170,849	5,433,135	5,686,134	5,707,174	5,720,952
Total Surplus/(Deficit)		**$ (432,142)**	**$ (96,437)**	**$ 775,729**	**$ (739,402)**	**$ (932,294)**	**$ (813,044)**	**$ (573,071)**	**$ (211,319)**	**$ 295,571**	**$ 615,844**	**$ 733,821**	**$ 851,227**	**$ 965,641**
VI. Combined General Fund, Fire Fund & Paramedic Fund														
Services CFD Special Tax Revenue	13	$ 108,610	$ 210,030	$ 323,990	$ 430,080	$ 502,470	$ 596,080	$ 689,330	$ 768,260	$ 892,120	$ 1,004,660	$ 1,067,350	$ 1,092,480	$ 1,107,720
Total Surplus/(Deficit)		**$ (323,532)**	**$ 113,593**	**$ 1,099,719**	**$ (309,322)**	**$ (429,824)**	**$ (216,964)**	**$ 116,259**	**$ 556,941**	**$ 1,187,691**	**$ 1,620,504**	**$ 1,801,171**	**$ 1,943,707**	**$ 2,073,361**
		$ (1,279,642)												

Exhibit B-2: Alternative B
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	195		-	-	-	-	-	-	-	-	44	44	44	44	19
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	50		17	17	16	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	25		-	-	-	-	-	-	-	-	6	15	4	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,515		293	274	390	355	245	311	300	254	387	341	199	102	64
Cumulative Units			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Total Cumulative Residents	3.45	3	1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-2: Alternative B
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Residential Assessed Value Additions	Average Value per Unit	O&m cfd per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	210	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 3,990,000
Paired	230,000	230	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	230	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	250	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	250	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	250	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	250	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	250	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	290	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	5,270,000	5,270,000	4,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	2,100,000	5,250,000	1,400,000	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	360	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	380	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	380	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	410	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	410	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions				$ 108,610,000	$ 101,420,000	$ 113,960,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 123,860,000	$ 112,540,000	$ 62,690,000	$ 25,130,000	$ 15,240,000
Cumulative Residential Assessed Value				$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Total Assessed Value Additions-Average Price				$ 370,683	$ 370,146	$ 292,205	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 320,052	$ 330,029	$ 315,025	$ 246,373	$ 238,125
II CFD Tax - Developed Property																
Annual Additions				$ 108,610	$ 101,420	$ 113,960	$ 106,090	$ 72,390	$ 93,610	$ 93,250	$ 78,930	$ 123,860	$ 112,540	$ 62,690	$ 25,130	$ 15,240
Cumulative Collections on Developed Property				**$ 108,610**	**$ 210,030**	**$ 323,990**	**$ 430,080**	**$ 502,470**	**$ 596,080**	**$ 689,330**	**$ 768,260**	**$ 892,120**	**$ 1,004,660**	**$ 1,067,350**	**$ 1,092,480**	**$ 1,107,720**

Exhibit B-2: Alternative B
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non-Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	203,643	-	-	-	-	-	-	-	10,890	-	10,890
Cumulative Square Feet			-	-	203,643	203,643	203,643	203,643	203,643	203,643	203,643	203,643	214,533	214,533	225,423
Assessed Value Additions	$ 150	3	$ -	$ -	$ 30,546,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,633,500	$ -	$ 1,633,500
Employees	500	3	-	-	407	-	-	-	-	-	-	-	22	-	22
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Cumulative Employees			-	-	407	407	407	407	407	407	407	407	429	429	451
50% of Cumulative Employees			-	-	204	204	204	204	204	204	204	204	215	215	225
Cumulative Equivalent Residents			1,012	1,958	3,508	4,734	5,581	6,654	7,690	8,568	9,904	11,082	11,780	12,132	12,364
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 354,536,450	$ 460,626,450	$ 533,016,450	$ 626,626,450	$ 719,876,450	$ 798,806,450	$ 922,666,450	$ 1,035,206,450	$ 1,099,529,950	$ 1,124,659,950	$ 1,141,533,450
Basic Tax Paid	1.00%	4	1,086,100	2,100,300	3,545,365	4,606,265	5,330,165	6,266,265	7,198,765	7,988,065	9,226,665	10,352,065	10,995,300	11,246,600	11,415,335
Total Property Tax	24.84%	4	$ 269,840	$ 521,816	$ 880,839	$ 1,144,418	$ 1,324,270	$ 1,556,842	$ 1,788,520	$ 1,984,620	$ 2,292,348	$ 2,571,951	$ 2,731,762	$ 2,794,197	$ 2,836,119
Total Property Tax Retained in General Fund	58.33%	4	$ 157,397	$ 304,376	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,856	$ 1,654,308
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 8,363	$ 16,172	$ 24,947	$ 33,116	$ 38,690	$ 45,898	$ 53,078	$ 59,156	$ 68,693	$ 77,359	$ 82,186	$ 84,121	$ 85,294
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,770	$ 1,770	$ 1,860
Total Property Transfer Tax			$ 8,363	$ 16,172	$ 26,627	$ 34,796	$ 40,370	$ 47,578	$ 54,758	$ 60,836	$ 70,373	$ 79,039	$ 83,956	$ 85,891	$ 87,154
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 5,649	$ 10,932	$ 18,451	$ 25,295	$ 30,019	$ 36,015	$ 41,799	$ 46,696	$ 54,158	$ 60,732	$ 64,569	$ 66,535	$ 67,769
On-Site Sales Tax Redirected to Property Tax			-	-	153,498	153,498	153,498	153,498	153,498	153,498	153,498	153,498	161,706	161,706	169,915
Total Property Tax In-Lieu of Sales Tax			$ 5,649	$ 10,932	$ 171,949	$ 178,793	$ 183,517	$ 189,513	$ 195,297	$ 200,194	$ 207,656	$ 214,230	$ 226,275	$ 228,242	$ 237,684
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 28,245,200	$ 54,658,800	$ 92,254,800	$ 126,476,800	$ 150,094,800	$ 180,075,200	$ 208,995,200	$ 233,480,800	$ 270,787,600	$ 303,660,000	$ 322,843,600	$ 332,676,400	$ 338,846,000
Retail Taxable Sales	32.00%	5	9,038,464	17,490,816	29,521,536	40,472,576	48,030,336	57,624,064	66,878,464	74,713,856	86,652,032	97,171,200	103,309,952	106,456,448	108,430,720
Projected Off-Site Taxable Sales	25.00%	5	2,259,616	4,372,704	7,380,384	10,118,144	12,007,584	14,406,016	16,719,616	18,678,464	21,663,008	24,292,800	25,827,488	26,614,112	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	5	22,596	43,727	73,804	101,181	120,076	144,060	167,196	186,785	216,630	242,928	258,275	266,141	271,077
Use Tax @10.50% of sales tax	10.50%	5	2,373	4,591	7,749	10,624	12,608	15,126	17,556	19,612	22,746	25,507	27,119	27,945	28,463
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(5,649)	(10,932)	(18,451)	(25,295)	(30,019)	(36,015)	(41,799)	(46,696)	(54,158)	(60,732)	(64,569)	(66,535)	(67,769)
Total Off-Site Sales Tax Revenue			$ 19,320	$ 37,387	$ 63,102	$ 86,510	$ 102,665	$ 123,171	$ 142,953	$ 159,701	$ 185,219	$ 207,703	$ 220,825	$ 227,551	$ 231,771
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 80,853,197	$ 80,853,197	$ 84,957,420
Taxable Sales	80%	5	-	-	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	64,682,558	64,682,558	67,965,936
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	613,992	613,992	613,992	613,992	613,992	613,992	613,992	613,992	646,826	646,826	679,659
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	64,469	64,469	64,469	64,469	64,469	64,469	64,469	64,469	67,917	67,917	71,364
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(161,706)	(161,706)	(169,915)
Total On-Site Sales Tax Allocated to County			$ -	$ -	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 553,036	$ 553,036	$ 581,109

Exhibit B-2: Alternative B
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A. Property Tax - Vehicle License Fee															[1]
Assessed Valuation per $1,000			$ 109	$ 210	$ 355	$ 461	$ 533	$ 627	$ 720	$ 799	$ 923	$ 1,035	$ 1,100	$ 1,125	$ 1,142
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 177,677**	**$ 343,399**	**$ 579,667**	**$ 753,124**	**$ 871,482**	**$ 1,024,634**	**$ 1,176,998**	**$ 1,306,049**	**$ 1,508,560**	**$ 1,692,563**	**$ 1,797,731**	**$ 1,838,819**	**$ 1,866,407**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,119	$ 4,100	$ 7,346	$ 9,913	$ 11,684	$ 13,933	$ 16,102	$ 17,939	$ 20,737	$ 23,203	$ 24,664	$ 25,402	$ 25,887
Franchise Fees - Electric	4.44	6	4,494	8,696	15,582	21,027	24,785	29,555	34,156	38,052	43,987	49,218	52,318	53,883	54,912
Franchise Fees - Cable	6.92	6	7,005	13,556	22,880	31,367	37,225	44,660	51,633	57,905	67,158	75,310	80,068	82,506	84,037
Franchise Fees - Refuse	9.04	6	9,148	17,703	31,721	42,805	50,455	60,165	69,532	77,463	89,546	100,193	106,505	109,689	111,786
Franchise Fees - Refuse Household Waste	1.14	6	1,156	2,236	4,007	5,407	6,373	7,600	8,783	9,785	11,311	12,656	13,453	13,856	14,120
Total Franchise Fees			**$ 23,921**	**$ 46,291**	**$ 81,537**	**$ 110,520**	**$ 130,522**	**$ 155,913**	**$ 180,406**	**$ 201,143**	**$ 232,739**	**$ 260,579**	**$ 277,008**	**$ 285,336**	**$ 290,743**
C. Business License Fee	7.55	6	$ -	$ -	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,240	$ 3,240	$ 3,405
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,096	$ 4,055	$ 6,845	$ 9,384	$ 11,136	$ 13,361	$ 15,506	$ 17,323	$ 20,091	$ 22,530	$ 23,953	$ 24,683	$ 25,141
Yard Sale Permits	0.14	6	142	275	464	636	755	905	1,051	1,174	1,361	1,527	1,623	1,672	1,703
Total Licenses & Permits			**$ 2,238**	**$ 4,330**	**$ 7,309**	**$ 10,020**	**$ 11,891**	**$ 14,266**	**$ 16,557**	**$ 18,497**	**$ 21,452**	**$ 24,057**	**$ 25,576**	**$ 26,355**	**$ 26,844**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 481	$ 932	$ 1,670	$ 2,253	$ 2,656	$ 3,167	$ 3,660	$ 4,077	$ 4,713	$ 5,273	$ 5,606	$ 5,773	$ 5,883
General Fines	0.32	6	321	621	1,113	1,502	1,770	2,111	2,440	2,718	3,142	3,516	3,737	3,849	3,922
Code Enforcement Fines	0.71	6	722	1,398	2,504	3,379	3,983	4,750	5,489	6,115	7,069	7,910	8,408	8,660	8,825
Administrative Citation Program	0.40	6	401	776	1,391	1,877	2,213	2,639	3,050	3,397	3,927	4,394	4,671	4,811	4,903
Total Fines & Forfeitures			**$ 1,926**	**$ 3,727**	**$ 6,678**	**$ 9,012**	**$ 10,622**	**$ 12,666**	**$ 14,638**	**$ 16,308**	**$ 18,852**	**$ 21,093**	**$ 22,422**	**$ 23,093**	**$ 23,634**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 642	$ 1,242	$ 2,226	$ 3,004	$ 3,541	$ 4,222	$ 4,879	$ 5,436	$ 6,284	$ 7,031	$ 7,474	$ 7,698	$ 7,845
Refuse Penalties & Interest	0.16	6	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Total Miscellaneous Revenue			**$ 802**	**$ 1,553**	**$ 2,783**	**$ 3,755**	**$ 4,426**	**$ 5,278**	**$ 6,099**	**$ 6,795**	**$ 7,855**	**$ 8,789**	**$ 9,343**	**$ 9,622**	**$ 9,806**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	1,931	3,737	6,307	8,647	10,262	12,312	14,289	15,963	18,514	20,761	22,073	22,745	23,167
Engineering Fees - Inspections	$ 3.17	6	3,203	6,199	10,463	14,344	17,023	20,423	23,703	26,460	30,711	34,439	36,615	37,730	38,430
Park Fees	0.28	6	284	550	928	1,272	1,509	1,811	2,101	2,348	2,723	3,053	3,246	3,345	3,407
Self Hauler fees	0.03	6	28	55	93	127	151	181	210	235	272	305	325	334	341
Recordation of Document Fees	0.13	6	136	264	473	638	752	897	1,037	1,155	1,335	1,494	1,588	1,636	1,667
Vehicle Storage Fees	0.84	6	852	1,649	2,783	3,815	4,527	5,432	6,304	7,043	8,168	9,159	9,738	10,035	10,221
Total Charges for Services			**$ 6,435**	**$ 12,453**	**$ 21,046**	**$ 28,843**	**$ 34,224**	**$ 41,055**	**$ 47,644**	**$ 53,223**	**$ 61,723**	**$ 69,212**	**$ 73,684**	**$ 75,825**	**$ 77,232**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 28,837**	**$ 55,805**	**$ 94,189**	**$ 129,128**	**$ 153,241**	**$ 183,850**	**$ 213,376**	**$ 238,376**	**$ 276,464**	**$ 310,026**	**$ 329,612**	**$ 339,650**	**$ 345,949**

Exhibit B-2: Alternative B
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs															
A. City Council	$ 1.15	7	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
B. City Clerk	1.93	7	1,955	3,784	6,780	9,149	10,795	12,860	14,862	16,557	19,140	21,416	22,755	23,446	23,894
C. General Government	5.16	7	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	63,763
D. Personnel	0.58	7	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	7,129
E. Finance	3.84	7	3,885	7,519	13,472	18,180	21,429	25,563	29,531	32,899	38,031	42,553	45,233	46,586	47,476
F. Police Department		18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81	7	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	106,963
H. Public Works															
Salaries & Wages	$ 2.56	7	$ 2,593	$ 5,018	$ 8,991	$ 12,133	$ 14,301	$ 17,054	$ 19,709	$ 21,957	$ 25,382	$ 28,399	$ 30,188	$ 31,091	31,685
Benefits	1.04	7	1,049	2,029	3,636	4,907	5,784	6,897	7,971	8,880	10,265	11,486	12,209	12,574	12,815
Operations & Materials	8.11	7	8,206	15,880	28,455	38,397	45,259	53,969	62,372	69,485	80,324	89,875	95,537	98,393	100,274
Engineering	2.06	7	2,084	4,033	7,226	9,751	11,493	13,705	15,839	17,645	20,398	22,823	24,261	24,987	25,464
Traffic Counts	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Underground Service Alert	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Contract Services - Street Maintenance	1.59	7	471,183	471,183	607,621	607,621	607,621	749,903	749,903	749,903	817,214	911,330	911,330	911,330	911,330
Contract Services - Street Sweeping	0.02	7	16	31	56	75	89	106	122	136	157	176	187	192	196
Contract Services - Emergency Work	0.16	7	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Contract Services - Striping	0.79	7	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Contract Services - Traffic Signals	3.33	7	3,370	6,522	11,687	15,770	18,589	22,166	25,617	28,539	32,991	36,913	39,239	40,412	41,184
Contract Services - Maintenance	0.08	7	77	149	267	360	425	507	586	652	754	844	897	924	941
Contract Services - Environmental Health Services	0.05	7	48	93	167	225	266	317	366	408	471	527	561	577	588
Contract Services - Tree Trimming	0.63	7	642	1,242	2,226	3,004	3,541	4,222	4,879	5,436	6,284	7,031	7,474	7,698	7,845
Total Public Works			$ 490,280	$ 508,138	$ 673,838	$ 696,975	$ 712,943	$ 875,495	$ 895,048	$ 911,603	$ 1,004,138	$ 1,120,478	$ 1,133,554	$ 1,140,302	$ 1,144,679
I. Engineering	4.80	7	$ 4,853	$ 9,391	$ 16,827	$ 22,707	$ 26,755	$ 31,916	$ 36,895	$ 41,092	$ 47,501	$ 53,149	$ 56,497	$ 58,187	$ 59,299
J. Planning	5.40	7	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	66,759
K. Public Services	3.45	7	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	42,589
L. Code Enforcement	2.37	7	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	29,287
M. Graffiti	1.73	7	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	21,421
N. Trails	0.24	7	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	3,020
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14															
Sergeant			$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective			-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy			148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist			69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist			-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)			-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)			-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)			5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services			12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization			964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance			1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)			-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)			333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support			1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance			348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding			3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost			11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget			$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading			$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget			$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance															
Lane Miles (Assumes Beginning of Phase)															
Backbone Roads			27.42												
Interior Roads			19.34		13.54			14.12			6.68	9.34			
Total Lane Miles			46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)		C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
	Lewis / City														
Cost per Lane Mile (See Exhibit C-2)	3,750 $ 10,077	C-2	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077
Total Street Maintenance Cost			$ 471,183	$ 471,183	$ 607,621	$ 607,621	$ 607,621	$ 749,903	$ 749,903	$ 749,903	$ 817,214	$ 911,330	$ 911,330	$ 911,330	$ 911,330

Exhibit B-2: Alternative B
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ 32,635	7	$ -	$ -	$ -	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 1,044,320	$ 1,044,320	$ 1,044,320
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund															
A. Recurring Revenues			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Revenues			$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Revenue per Unit			$ 384	$ 383	$ 364	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	-	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ -	$ 1,087,500	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Revenue from Outside Project															
Additional Units within the Fire Station Service Area (e)			-	-	111	111	111	111	111	111	111	111	111	111	111
Fire Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
Paramedic Revenue per Unit			19	19	20	20	20	20	20	20	20	20	20	20	20
Total Revenue from Outside Project		8	$ -	$ -	$ 44,838	$ 42,576	$ 41,555	$ 40,751	$ 40,350	$ 40,087	$ 39,925	$ 39,940	$ 39,903	$ 39,623	$ 39,494
Total Recurring Costs			$ 33,625	$ 33,625	$ (17,321)	$ 1,072,441	$ 1,223,342	$ 1,218,100	$ 1,218,501	$ 1,219,764	$ 1,211,344	$ 1,211,329	$ 1,211,367	$ 1,211,646	$ 1,211,775
			$ 78,817	$ 183,816	$ 384,367	$ (595,562)	$ (671,518)	$ (569,364)	$ (473,225)	$ (391,773)	$ (256,123)	$ (139,597)	$ (73,041)	$ (47,304)	$ (29,964)
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Revenue per Unit			$ 19	$ 19	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.
(e) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/10/2014.

Exhibit B-2: Alternative B
Table 18 - Police Phasing Analysis
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Cumulative Residents		1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.99	1.02	1.21	0.88	1.12	1.09	1.07	0.96	0.82	0.83	0.78	0.76	0.74
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.99	1.02	0.91	0.66	0.74	0.78	0.80	0.72	0.62	0.64	0.61	0.59	0.58
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit B-3: Alternative C
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,654,308	$ 470.64	$ 133.80	30.4%
Property Transfer Tax	4	87,154	24.79	7.05	1.6%
Property Tax In Lieu of Sales Tax	4	237,684	67.62	19.22	4.4%
Off-Site Sales and Use Tax	5	231,771	65.94	18.75	4.3%
On-Site Sales and Use Tax	5	581,109	165.32	47.00	10.7%
Property Tax-Vehicle License Fee	6	1,866,407	530.98	150.96	34.3%
Franchise Fees	6	290,743	82.71	23.52	5.3%
Business License Fee	6	3,405	0.97	0.28	0.1%
Licenses & Permits	6	26,844	7.64	2.17	0.5%
Fines & Forfeitures	6	23,534	6.70	1.90	0.4%
Miscellaneous Revenue	6	9,806	2.79	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	77,232	21.97	6.25	1.4%
Gas Tax and Traffic Safety Fund Revenue	10	345,949	98.42	27.98	6.4%
Total Recurring Revenues		**$ 5,435,946**	**$ 1,546.50**	**$ 439.66**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,258	$ 4.06	$ 1.15	0.4%
City Clerk	7	$ 23,894	6.80	1.93	0.7%
General Government	7	$ 63,763	18.14	5.16	1.8%
Personnel	7	$ 7,129	2.03	0.58	0.2%
Finance	7	$ 47,476	13.51	3.84	1.4%
Police Department	7	$ 1,793,496	510.24	145.06	51.8%
Animal Control	7	$ 106,963	30.43	8.65	3.1%
Public Works	7	$ 1,144,679	325.66	92.58	33.0%
Engineering	7	$ 59,299	16.87	4.80	1.7%
Planning	7	$ 66,759	18.99	5.40	1.9%
Public Services	7	$ 42,599	12.12	3.45	1.2%
Code Enforcement	7	$ 29,287	8.33	2.37	0.8%
Parks	7	$ -	-	-	0.0%
Graffiti	7	$ 21,421	6.09	1.73	0.6%
Trails	7	$ 3,020	0.86	0.24	0.1%
Drainage Basins	7	$ 29,700	8.45	2.40	0.9%
Storm Drainage Replacement	7	$ 11,115	3.16	0.90	0.3%
Total Recurring Costs		**$ 3,464,857**	**$ 985.73**	**$ 280.24**	**100.0%**
General Fund Surplus/(Deficit)		**$ 1,971,088**	**$ 560.76**	**$ 159.42**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,181,811	$ 336.22	$ 95.59	
Total Recurring Costs	8	1,211,775	344.74	98.01	
Fire Fund Surplus/(Deficit)		**$ (29,964)**	**$ (8.52)**	**$ (2.42)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 68,837	$ 19.58	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 68,837**	**$ 19.58**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,250,647	$ 355.80	$ 101.15	
Total Recurring Costs		1,211,775	344.74	98.01	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 38,872**	**$ 11.06**	**$ 3.14**	
VI. COMBINED NET FISCAL IMPACT B/4 cfd					
Recurring Revenues		$ 6,686,593	$ 1,902.30	$ 540.81	
Total Recurring Costs		4,676,632	1,330.48	378.25	
Total Surplus/(Deficit)		**$ 2,009,961**	**$ 571.82**	**$ 162.57**	
VI. COMBINED NET FISCAL IMPACT with Services CFD					
Services CFD Special Tax Revenue		$ 1,107,720	$ 315.14	$ 89.59	
Total Surplus/(Deficit)		**$ 3,117,681**	**$ 689.49**	**$ 196.02**	

Exhibit B-3: Alternative C
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-3: Alternative C
Table 3 - Land Use Assumptions
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation	Services CFD Tax: CFD Rate 0.10% Per Unit	Services CFD Tax: Amount
I. Residential Land Use		(a)	(a)	(a)		(d)	
Condo Apartments	40	5	195	$ 210,000	$ 40,950,000	$ 210	$ 40,950
Paired	26	2	173	230,000	39,790,000	230	39,790
Paired	43A	3	130	230,000	29,900,000	230	29,900
HDD	15	2	208	250,000	52,000,000	250	52,000
HDD	25	3	110	250,000	27,500,000	250	27,500
HDD	33	4	105	250,000	26,250,000	250	26,250
6 Pack	27	2	115	250,000	28,750,000	250	28,750
6 Pack	43B	3	99	250,000	24,750,000	250	24,750
4 Pack L	21	2	115	290,000	33,350,000	290	33,350
4 Pack S	22	2	80	270,000	21,600,000	270	21,600
4 Pack S	23	3	77	270,000	20,790,000	270	20,790
SFD - 3,000 Sq. Ft.	3	1	50	310,000	15,500,000	310	15,500
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000	310	17,360
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000	330	30,030
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000	330	31,020
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000	330	35,970
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000	330	37,950
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000	330	14,850
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000	350	12,600
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000	350	16,450
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000	350	22,050
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000	350	54,950
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000	350	53,900
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000	350	18,200
SFD - 4,000 Sq. Ft.	35	4	25	350,000	8,750,000	350	8,750
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000	350	28,350
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000	360	18,360
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000	360	12,960
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000	360	42,120
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000	360	54,720
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000	380	50,540
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000	380	45,220
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000	410	5,330
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000	410	34,440
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000	430	8,170
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000	430	11,610
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000	430	16,770
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000	430	13,330
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000	430	13,330
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000	460	12,880
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000	460	10,580
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000	460	6,900
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000	460	6,900
Total/Weighted Average			3,515	$ 315,141	**$ 1,107,720,000**	$ 315	**$1,107,720**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	1.00	10,890	500	22	150.00	1,633,500
Neighborhood Commercial	3	0.25	13.00	141,570	500	283	150.00	21,235,500
Neighborhood Commercial	40	0.25	1.00	10,890	500	22	150.00	1,633,500
Total			20.70	225,423		451		**$ 33,813,450**

III. Total Residential and Non-Residential **$ 1,141,533,450**

IV. Population Summary

Residential Units	[1]	**3,515**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,139**
Employees	[4]	**451**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	225
Total Equivalent Residents	[3]+[5]=[6]	**12,364**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.
(d) Per discussions with City

Exhibit B-3: Alternative C
Table 4 - Property Tax Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,141,533,450
Basic Rate			1.000%
Basic Tax Paid		$	11,415,335
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,836,119**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,654,308**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,181,811**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,107,720,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	155,080,800
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	85,294
B. Non-Residential			
Non-Residential Assessed Value	3	$	33,813,450
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	3,381,345
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	1,860
Total Property Transfer Tax	[1]+[2]	**$**	**87,154**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	67,769
On-Site Sales Tax Redirected to Property Tax (e)	5		169,915
Total Property Tax In-Lieu of Sales Tax		**$**	**237,684**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-3: Alternative C
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	338,846,000
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	108,430,720
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 271,077
Use Tax @10.50% of sales tax	10.50%	8	28,463
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(67,769)
Total Off-Site Sales Tax Revenue		$ 85	**$ 231,771**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	10,890	377	80%	3,283,379
Neighborhood Commercial	3	-	141,570	377	80%	42,683,921
Neighborhood Commercial	40	-	10,890	377	80%	3,283,379
Subtotal Taxable Sales for Retail Land Use			225,423			$ 67,965,936
Total Taxable Sales						$ 67,965,936
Sales Tax @1% of taxable sales					1.00%	679,659
Use Tax @10.50% of sales tax (c)					10.50%	71,364
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(169,915)
Total On-Site Sales Tax Revenue						**$ 581,109**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.
(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.
(c) Preliminary estimate for illustration purposes.
(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.
(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-3: Alternative C
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	-------- See Table 4 --------	
Property Tax - Vehicle License Fee	59	3,800,000	100%	---------- See Footnote (g) ----------					**1,866,407**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	-------- See Table 4 --------	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	-------- See Table 5 --------	
Extraction Tax	59	85,000	0%	---------- See Footnote (d) ----------					
Transient Occupancy Tax	59	168,000	0%	---------- See Footnote (d) ----------					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,364	$ 25,887
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,364	54,912
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,139	84,037
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,364	111,786
Franchise Fees - Kiosk Signs	59	5,000	0%	---------- See Footnote (d) ----------					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,364	14,120
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 290,743**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	451	**$ 3,405**
Property Transfer Tax	59	90,000	100%	---------- See Table 4 ----------					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,160,555
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,139	$ 25,141
Building Permits - Inspection Fees	59	400,000	100%	---------- See Footnote (e) ----------					
Building Permits - Plan Check Fees	59	65,000	100%	---------- See Footnote (e) ----------					
Building Permits - SMIP	59	3,000	100%	---------- See Footnote (e) ----------					
Building Permits - BSAR Fund	59	2,000	100%	---------- See Footnote (e) ----------					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,139	1,703
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 26,844**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,364	$ 5,883
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,364	3,922
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,364	8,825
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,364	4,903
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,534**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,364	$ 7,845
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Building Rental	59	18,000	0%	---------- See Footnote (d) ----------					
Miscellaneous Revenue	59	1,000	0%	---------- See Footnote (d) ----------					
Volunteer Donations	59	8,500	0%	---------- See Footnote (d) ----------					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,806**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	---------- See Footnote (d) ----------					
State - Other	60	27,240	0%	---------- See Footnote (d) ----------					
Article 19 WDA	60	70,000	0%	---------- See Footnote (d) ----------					
SB90 State Mandate Reimbursements	60	10,000	0%	---------- See Footnote (d) ----------					
San Bernardino Unified School District	60	5,000	0%	---------- See Footnote (d) ----------					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	---------- See Table 10 ----------					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,139	23,167
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,139	38,430
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,139	3,407
Police Department Fees	60	160,000	0%	---------- See Footnote (d) ----------					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,139	341
Delinquent Refuse Admin	60	75,000	0%	---------- See Footnote (d) ----------					
Livescan Service Fees	60	1,500	0%	---------- See Footnote (d) ----------					
Foreclosure Registration Fees	60	13,000	0%	---------- See Footnote (d) ----------					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,364	1,667
Sale of Miscellaneous Copies	60	2,000	0%	---------- See Footnote (d) ----------					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,139	10,221
Operating Transfer In-Paramedic Dept.	60	10,000	0%	---------- See Footnote (d) ----------					
Operating Transfer In-Fire Department	60	10,000	0%	---------- See Footnote (d) ----------					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 77,232**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,297,970

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.
(d) Assumes Project will have a de minimis impact on these revenue sources.
(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.
(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.
(g) See Section II of Table 6.

Exhibit B-3: Alternative C
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05		FY 2011-12			Change
Property Tax Vehicle License Fees (VLF)	$ (a)	2,624,088	$ (b)	3,800,000	[1]	1,175,912
City Assessed Valuation	(c)	1,992,355,699	(d)	2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase					=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV					[3]	$ 1,635
Property Tax in Lieu of MVLF:						
Total Residential and Non-Residential Assessed Value (Table 3)					[4]	$ 1,141,533,450
Assessed Valuation / 1,000,000					[5]	$ 1,142
VLF Increase per $1,000,000 increase in AV					[3]	1,635
Property Tax in Lieu of MVLF					=[3]*[5]	$ 1,866,407

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-3: Alternative C
Table 7 - General Fund Cost Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,364	**$ 14,258**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,364	**23,894**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,364	**63,763**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,364	**7,129**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,364	**47,476**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,139	**106,963**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,364	$ 31,685
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,364	12,815
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,364	100,274
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,364	25,464
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Street Maintenance	164	100,000	100%	See Table 16					911,330
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,364	196
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,364	9,806
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,364	41,184
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,364	941
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,364	588
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,364	7,845
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 1,144,679**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,364	**59,299**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,364	**66,759**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,364	**42,599**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,364	**29,287**
N. Parks	188	-	0%	See Footnote (e)					**-**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,364	**21,421**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,364	**3,020**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 14,282,410		$ 3,592,834			$ 58.33		$ 3,464,857

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. The development of the Harmony Planned Community ("Project") is not anticipated to increase the City's maintenance cost for these parks. Parks to be developed within the Project are anticipated to be HOA maintained.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-3: Alternative C
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					$ 1,181,811
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									$ -
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		$ 1,181,811
Fire Fund Revenue per Unit								[9]	$ 336.22
II. FIRE FUND COST									
A. Typical Cost per Station									
Estimated Cost per Station (d)				[1] $ 1,237,379					
Additional Fire Stations Required to Serve Project (d)				[2] 1.00					
Percent of Fire Station Costs Allocable to Project				[3] 100%					
Total Cost per Station				[1]X[2]X[3]=[4] **$ 1,237,379**					
B. Wildland Fire Protection Agreement Cost									
Acres (f)				[5] 539					
Cost per Acre (g)				[6] $ 25.77					
Total Wildland Fire Protection Agreement Cost				[5]X[6]=[7] **$ 13,890**					
C. Revenue from Outside Project									
Additional Units within the Fire Station Service Area (h)				[8] 111					
Fire Revenue per Unit				[9] $ 336.22					
Paramedic Revenue per Unit (From Table 9)				[10] 19.58					
Total Revenue from Outside Project				[8]*([9]+[10])=[11] **$ 39,494**					
TOTAL FIRE FUND COST				=[4]+[7]-[11] **$ 1,211,775**					

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.
(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.
(e) Assumes Project will have a de minimis impact on these revenue sources.
(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.
(h) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/11/2014.

Exhibit B-3: Alternative C
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,364	$ 68,837
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 68,837**
Paramedic Fund Revenue per Unit									$ 19.58
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-3: Alternative C
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,139
Total Gas Tax and Traffic Safety Fund Revenue						**$ 345,949**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-3: Alternative C
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	14	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
Property Transfer Tax	14	8,363	16,172	26,627	34,796	40,370	47,578	54,758	60,836	70,373	79,039	83,956	85,891	87,154
Property Tax In Lieu of Sales Tax	14	5,649	10,932	171,949	178,793	183,517	189,513	195,297	200,194	207,655	214,230	226,275	228,242	237,684
Off-Site Sales and Use Tax	14	19,320	37,387	63,102	86,510	102,665	123,171	142,953	159,701	185,219	207,703	220,825	227,551	231,771
On-Site Sales and Use Tax	14	-	-	524,963	524,963	524,963	524,963	524,963	524,963	524,963	524,963	553,036	553,036	581,109
Property Tax-Vehicle License Fee	15	177,577	343,399	579,667	753,124	871,482	1,024,534	1,176,998	1,306,049	1,508,560	1,692,563	1,797,731	1,838,819	1,866,407
Franchise Fees	15	23,921	46,291	81,537	110,520	130,522	155,913	180,406	201,143	232,739	260,579	277,008	285,336	290,743
Business License Fee	15	-	-	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,240	3,240	3,405
Licenses & Permits	15	2,238	4,330	7,309	10,020	11,891	14,266	16,557	18,497	21,452	24,057	25,576	26,355	26,844
Fines & Forfeitures	15	1,926	3,727	6,678	9,012	10,622	12,666	14,638	16,308	18,852	21,093	22,422	23,093	23,534
Miscellaneous Revenue	15	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Intergovernmental Revenue	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	15	6,435	12,453	21,046	28,843	34,224	41,055	47,644	53,223	61,723	69,212	73,584	75,825	77,232
Gas Tax and Traffic Safety Fund Revenue	15	28,837	55,805	94,189	129,128	153,241	183,850	213,376	238,375	276,464	310,026	329,612	339,650	345,949
Total Recurring Revenues		**$ 432,466**	**$ 836,424**	**$ 2,096,719**	**$ 2,540,079**	**$ 2,843,446**	**$ 3,233,970**	**$ 3,620,010**	**$ 3,946,788**	**$ 4,456,057**	**$ 4,915,549**	**$ 5,216,045**	**$ 5,326,514**	**$ 5,435,946**
B. General Fund Recurring Costs														
City Council	16	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
City Clerk	16	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	$ 23,894
General Government	16	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	$ 63,763
Personnel	16	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	$ 7,129
Finance	16	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	$ 47,476
Police Department	18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	16	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	$ 106,963
Public Works	16	490,280	508,138	673,838	696,975	712,943	875,495	895,048	911,603	1,004,138	1,120,478	1,133,654	1,140,302	$ 1,144,679
Engineering	16	4,853	9,391	16,827	22,707	26,765	31,916	36,885	41,092	47,501	53,149	56,497	58,187	$ 59,299
Planning	16	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	$ 66,759
Public Services	16	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	$ 42,599
Code Enforcement	16	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	$ 29,287
Parks	17	-	-	-	-	-	-	-	-	-	-	-	-	$ -
Graffiti	16	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	$ 21,421
Trails	16	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	$ 3,020
Drainage Basins	17	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	17	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 949,059**	**$ 1,127,579**	**$ 1,724,891**	**$ 1,878,086**	**$ 2,303,099**	**$ 2,682,507**	**$ 2,930,480**	**$ 2,981,843**	**$ 3,127,312**	**$ 3,389,613**	**$ 3,430,448**	**$ 3,451,208**	**$ 3,464,857**
Net General Fund Surplus/(Deficit)		**$ (516,593)**	**$ (291,154)**	**$ 371,828**	**$ 661,993**	**$ 540,347**	**$ 551,464**	**$ 689,530**	**$ 964,946**	**$ 1,328,745**	**$ 1,525,936**	**$ 1,785,598**	**$ 1,875,306**	**$ 1,971,088**
II. Fire Fund														
Total Recurring Revenues	17	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Costs	17	33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund Surplus/(Deficit)		**$ 78,817**	**$ 183,816**	**$ 384,367**	**$ (595,562)**	**$ (671,518)**	**$ (569,364)**	**$ (473,225)**	**$ (391,773)**	**$ (256,123)**	**$ (139,597)**	**$ (73,041)**	**$ (47,304)**	**$ (29,964)**
III. Paramedic Fund														
Total Recurring Revenues	17	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 5,633**	**$ 10,902**	**$ 19,534**	**$ 26,359**	**$ 31,070**	**$ 37,049**	**$ 42,817**	**$ 47,701**	**$ 55,141**	**$ 61,698**	**$ 65,584**	**$ 67,546**	**$ 68,837**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 118,076	$ 228,342	$ 386,579	$ 503,238	$ 582,893	$ 685,785	$ 788,093	$ 874,692	$ 1,010,363	$ 1,133,430	$ 1,203,910	$ 1,231,887	$ 1,250,647
Total Recurring Costs		33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 84,451**	**$ 194,717**	**$ 403,901**	**$ (569,203)**	**$ (640,449)**	**$ (532,315)**	**$ (430,408)**	**$ (344,072)**	**$ (200,981)**	**$ (77,900)**	**$ (7,457)**	**$ 20,241**	**$ 38,872**
V. Combined Net Fiscal Impact b/4 CFD														
Total Recurring Revenues		$ 550,542	$ 1,064,766	$ 2,483,299	$ 3,043,318	$ 3,426,339	$ 3,919,755	$ 4,408,103	$ 4,821,480	$ 5,466,420	$ 6,048,979	$ 6,419,955	$ 6,558,401	$ 6,686,593
Total Recurring Costs		982,684	1,161,203	1,707,570	2,950,527	3,526,440	3,900,607	4,148,981	4,200,607	4,338,657	4,600,942	4,641,814	4,662,854	4,676,632
Total Surplus/(Deficit)		**$ (432,142)**	**$ (96,437)**	**$ 775,729**	**$ 92,790**	**$ (100,101)**	**$ 19,148**	**$ 259,122**	**$ 620,874**	**$ 1,127,764**	**$ 1,448,036**	**$ 1,778,141**	**$ 1,895,547**	**$ 2,009,961**
VI. Combined General Fund, Fire Fund & Paramedic Fund														
Services CFD Special Tax Revenue	13	$ 108,610	$ 210,030	$ 323,990	$ 430,080	$ 502,470	$ 596,080	$ 689,330	$ 768,260	$ 892,120	$ 1,004,660	$ 1,067,350	$ 1,092,480	$ 1,107,720
Total Surplus/(Deficit)		**$ (323,532)**	**$ 113,593**	**$ 1,099,719**	**$ 622,870**	**$ 402,369**	**$ 615,228**	**$ 948,452**	**$ 1,389,134**	**$ 2,019,884**	**$ 2,452,696**	**$ 2,845,491**	**$ 2,988,027**	**$ 3,117,681**
		$ (323,532)												

Exhibit B-3: Alternative C
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	195		-	-	-	-	-	-	-	-	44	44	44	44	19
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	50		17	17	16	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	25		-	-	-	-	-	-	-	-	6	15	4	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,515		293	274	390	355	245	311	300	254	387	341	199	102	64
Cumulative Units			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Total Cumulative Residents	3.45	3	1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139

Footnotes:

(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-3: Alternative C
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

I. Residential Assessed Value Additions	Average Value per Unit	O&m cfd per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	210	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 3,990,000
Paired	230,000	230	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	230	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	250	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	250	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	250	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	250	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	250	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	290	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	5,270,000	5,270,000	4,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	2,100,000	5,250,000	1,400,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	360	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	380	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	380	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	410	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	410	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions				$ 108,610,000	$ 101,420,000	$ 113,960,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 123,860,000	$ 112,540,000	$ 62,690,000	$ 25,130,000	$ 15,240,000
Cumulative Residential Assessed Value				$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Total Assessed Value Additions-Average Price				$ 370,683	$ 370,146	$ 292,205	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 320,052	$ 330,029	$ 315,025	$ 246,373	$ 238,125
II CFD Tax - Developed Property																
Annual Additions				$ 108,610	$ 101,420	$ 113,960	$ 106,090	$ 72,390	$ 93,610	$ 93,250	$ 78,930	$ 123,860	$ 112,540	$ 62,690	$ 25,130	$ 15,240
Cumulative Collections on Developed Property				**$ 108,610**	**$ 210,030**	**$ 323,990**	**$ 430,080**	**$ 502,470**	**$ 596,080**	**$ 689,330**	**$ 768,260**	**$ 892,120**	**$ 1,004,660**	**$ 1,067,350**	**$ 1,092,480**	**$ 1,107,720**

Exhibit B-3: Alternative C
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	203,643	-	-	-	-	-	-	-	10,890	-	10,890
Cumulative Square Feet			-	-	203,643	203,643	203,643	203,643	203,643	203,643	203,643	203,643	214,533	214,533	225,423
Assessed Value Additions	$ 150	3	$ -	$ -	$ 30,546,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,633,500	$ -	$ 1,633,500
Employees	500	3	-	-	407	-	-	-	-	-	-	-	22	-	22
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Cumulative Employees			-	-	407	407	407	407	407	407	407	407	429	429	451
50% of Cumulative Employees			-	-	204	204	204	204	204	204	204	204	215	215	225
Cumulative Equivalent Residents			1,012	1,958	3,508	4,734	5,581	6,654	7,690	8,568	9,904	11,082	11,780	12,132	12,364
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 354,536,450	$ 460,626,450	$ 533,016,450	$ 626,626,450	$ 719,876,450	$ 798,806,450	$ 922,666,450	$ 1,035,206,450	$ 1,099,529,950	$ 1,124,659,950	$ 1,141,533,450
Basic Tax Paid	1.00%	4	1,086,100	2,100,300	3,545,365	4,606,265	5,330,165	6,266,265	7,198,765	7,988,065	9,226,665	10,352,065	10,995,300	11,246,600	11,415,335
Total Property Tax	24.84%	4	$ 269,840	$ 521,816	$ 880,839	$ 1,144,418	$ 1,324,270	$ 1,556,842	$ 1,788,520	$ 1,984,620	$ 2,292,348	$ 2,571,951	$ 2,731,762	$ 2,794,197	$ 2,836,119
Total Property Tax Retained in General Fund	58.33%	4	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 8,363	$ 16,172	$ 24,947	$ 33,116	$ 38,890	$ 45,898	$ 53,078	$ 59,156	$ 68,693	$ 77,359	$ 82,186	$ 84,121	$ 85,294
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,770	$ 1,770	$ 1,860
Total Property Transfer Tax			$ 8,363	$ 16,172	$ 26,627	$ 34,796	$ 40,370	$ 47,578	$ 54,758	$ 60,836	$ 70,373	$ 79,039	$ 83,956	$ 85,891	$ 87,154
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 5,649	$ 10,932	$ 18,451	$ 25,295	$ 30,019	$ 36,015	$ 41,799	$ 46,696	$ 54,158	$ 60,732	$ 64,569	$ 66,535	$ 67,769
On-Site Sales Tax Redirected to Property Tax			-	-	153,498	153,498	153,498	153,498	153,498	153,498	153,498	153,498	161,706	161,706	169,915
Total Property Tax In-Lieu of Sales Tax			$ 5,649	$ 10,932	$ 171,949	$ 178,793	$ 183,517	$ 189,513	$ 195,297	$ 200,194	$ 207,655	$ 214,230	$ 226,275	$ 228,242	$ 237,684
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 28,245,200	$ 54,658,800	$ 92,254,800	$ 126,476,800	$ 150,094,800	$ 180,075,200	$ 208,995,200	$ 233,480,800	$ 270,787,600	$ 303,660,000	$ 322,843,600	$ 332,676,400	$ 338,846,000
Retail Taxable Sales	32.00%	5	9,038,464	17,490,816	29,521,536	40,472,576	48,030,336	57,624,064	66,878,464	74,713,856	86,652,032	97,171,200	103,309,952	106,456,448	108,430,720
Projected Off-Site Taxable Sales	25.00%	5	2,259,616	4,372,704	7,380,384	10,118,144	12,007,584	14,406,016	16,719,616	18,678,464	21,663,008	24,292,800	25,827,488	26,614,112	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	5	22,596	43,727	73,804	101,181	120,076	144,060	167,196	186,785	216,630	242,928	258,275	266,141	271,077
Use Tax @10.50% of sales tax	10.50%	5	2,373	4,591	7,749	10,624	12,608	15,126	17,556	19,612	22,746	25,507	27,119	27,945	28,463
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(5,649)	(10,932)	(18,451)	(25,295)	(30,019)	(36,015)	(41,799)	(46,696)	(54,158)	(60,732)	(64,569)	(66,535)	(67,769)
Total Off-Site Sales Tax Revenue			$ 19,320	$ 37,387	$ 63,102	$ 86,510	$ 102,665	$ 123,171	$ 142,953	$ 159,701	$ 185,219	$ 207,703	$ 220,825	$ 227,551	$ 231,771
E. On-Site Sales Tax Revenue															
Total Sales per Sq Ft	$ 377	5	$ -	$ -	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 80,853,197	$ 80,853,197	$ 84,957,420
Taxable Sales	80%	5	-	-	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	64,682,558	64,682,558	67,965,936
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	613,992	613,992	613,992	613,992	613,992	613,992	613,992	613,992	646,826	646,826	679,659
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	64,469	64,469	64,469	64,469	64,469	64,469	64,469	64,469	67,917	67,917	71,364
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(161,706)	(161,706)	(169,915)
Total On-Site Sales Tax Allocated to County			$ -	$ -	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 553,036	$ 553,036	$ 581,109

Exhibit B-3: Alternative C
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
															[1]
A. Property Tax - Vehicle License Fee															
Assessed Valuation per $1,000			$ 109	$ 210	$ 355	$ 461	$ 533	$ 627	$ 720	$ 799	$ 923	$ 1,035	$ 1,100	$ 1,125	$ 1,142
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 177,577**	**$ 343,399**	**$ 579,667**	**$ 753,124**	**$ 971,482**	**$ 1,024,534**	**$ 1,176,998**	**$ 1,306,049**	**$ 1,508,560**	**$ 1,692,563**	**$ 1,797,731**	**$ 1,838,819**	**$ 1,866,407**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,119	$ 4,100	$ 7,346	$ 9,913	$ 11,684	$ 13,933	$ 16,102	$ 17,939	$ 20,737	$ 23,203	$ 24,664	$ 25,402	$ 25,887
Franchise Fees - Electric	4.44	6	4,494	8,696	15,582	21,027	24,785	29,555	34,156	38,052	43,987	49,218	52,318	53,883	54,912
Franchise Fees - Cable	6.92	6	7,005	13,556	22,880	31,367	37,225	44,660	51,833	57,905	67,158	75,310	80,068	82,506	84,037
Franchise Fees - Refuse	9.04	6	9,148	17,703	31,721	42,805	50,455	60,165	69,532	77,463	89,546	100,193	106,505	109,689	111,786
Franchise Fees - Refuse Household Waste	1.14	6	1,156	2,236	4,007	5,407	6,373	7,600	8,783	9,785	11,311	12,656	13,453	13,856	14,120
Total Franchise Fees			**$ 23,921**	**$ 46,291**	**$ 81,537**	**$ 110,520**	**$ 130,522**	**$ 155,913**	**$ 180,406**	**$ 201,143**	**$ 232,739**	**$ 260,579**	**$ 277,008**	**$ 285,336**	**$ 290,743**
C. Business License Fee	7.55	6	$ -	$ -	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,240	$ 3,240	$ 3,405
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,096	$ 4,055	$ 6,845	$ 9,384	$ 11,136	$ 13,361	$ 15,506	$ 17,323	$ 20,091	$ 22,530	$ 23,953	$ 24,683	$ 25,141
Yard Sale Permits	0.14	6	142	275	464	636	755	905	1,051	1,174	1,361	1,527	1,623	1,672	1,703
Total Licenses & Permits			**$ 2,238**	**$ 4,330**	**$ 7,309**	**$ 10,020**	**$ 11,891**	**$ 14,266**	**$ 16,557**	**$ 18,497**	**$ 21,452**	**$ 24,057**	**$ 25,576**	**$ 26,355**	**$ 26,844**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 481	$ 932	$ 1,670	$ 2,253	$ 2,656	$ 3,167	$ 3,660	$ 4,077	$ 4,713	$ 5,273	$ 5,606	$ 5,773	$ 5,883
General Fines	0.32	6	321	621	1,113	1,502	1,770	2,111	2,440	2,718	3,142	3,516	3,737	3,849	3,922
Code Enforcement Fines	0.71	6	722	1,398	2,504	3,379	3,983	4,750	5,489	6,115	7,069	7,910	8,408	8,660	8,825
Administrative Citation Program	0.40	6	401	776	1,391	1,877	2,213	2,639	3,050	3,397	3,927	4,394	4,671	4,811	4,903
Total Fines & Forfeitures			**$ 1,926**	**$ 3,727**	**$ 6,678**	**$ 9,012**	**$ 10,622**	**$ 12,666**	**$ 14,638**	**$ 16,308**	**$ 18,852**	**$ 21,093**	**$ 22,422**	**$ 23,093**	**$ 23,534**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 642	$ 1,242	$ 2,226	$ 3,004	$ 3,541	$ 4,222	$ 4,879	$ 5,436	$ 6,284	$ 7,031	$ 7,474	$ 7,698	$ 7,845
Refuse Penalties & Interest	0.16	6	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Total Miscellaneous Revenue			**$ 802**	**$ 1,553**	**$ 2,783**	**$ 3,755**	**$ 4,426**	**$ 5,278**	**$ 6,099**	**$ 6,795**	**$ 7,855**	**$ 8,789**	**$ 9,343**	**$ 9,622**	**$ 9,806**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	1,931	3,737	6,307	8,647	10,262	12,312	14,289	15,963	18,514	20,761	22,073	22,745	23,167
Engineering Fees - Inspections	$ 3.17	6	3,203	6,199	10,463	14,344	17,023	20,423	23,703	26,480	30,711	34,439	36,615	37,730	38,430
Park Fees	0.28	6	284	550	928	1,272	1,509	1,811	2,101	2,348	2,723	3,053	3,246	3,345	3,407
Self Hauler fees	0.03	6	28	55	93	127	151	181	210	235	272	305	325	334	341
Recordation of Document Fees	0.13	6	136	264	473	638	752	897	1,037	1,155	1,335	1,494	1,588	1,636	1,667
Vehicle Storage Fees	0.84	6	852	1,649	2,783	3,815	4,527	5,432	6,304	7,043	8,168	9,159	9,738	10,035	10,221
Total Charges for Services			**$ 6,435**	**$ 12,453**	**$ 21,046**	**$ 28,843**	**$ 34,224**	**$ 41,055**	**$ 47,644**	**$ 53,223**	**$ 61,723**	**$ 69,212**	**$ 73,584**	**$ 75,825**	**$ 77,232**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 28,837**	**$ 56,805**	**$ 94,189**	**$ 129,128**	**$ 153,241**	**$ 183,850**	**$ 213,376**	**$ 238,375**	**$ 276,464**	**$ 310,026**	**$ 329,612**	**$ 339,650**	**$ 345,949**

Exhibit B-3: Alternative C
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

			Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs																
A. City Council	$ 1.15		7	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
B. City Clerk	1.93		7	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,445	23,894
C. General Government	5.16		7	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	63,763
D. Personnel	0.58		7	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	7,129
E. Finance	3.84		7	3,885	7,519	13,472	18,180	21,429	25,563	29,531	32,899	38,031	42,553	45,233	46,586	47,476
F. Police Department			18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81		7	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	106,963
H. Public Works																
Salaries & Wages	$ 2.56		7	$ 2,593	$ 5,018	$ 8,991	$ 12,133	$ 14,301	$ 17,054	$ 19,709	$ 21,957	$ 25,382	$ 28,399	$ 30,188	$ 31,091	31,685
Benefits	1.04		7	1,049	2,029	3,636	4,907	5,784	6,897	7,971	8,880	10,265	11,486	12,209	12,574	12,815
Operations & Materials	8.11		7	8,206	15,880	28,455	38,397	45,259	53,969	62,372	69,485	80,324	89,875	95,537	98,393	100,274
Engineering	2.06		7	2,084	4,033	7,226	9,751	11,493	13,705	15,839	17,645	20,398	22,823	24,261	24,987	25,464
Traffic Counts	0.02		7	24	47	83	113	133	158	183	204	236	264	280	289	294
Underground Service Alert	0.02		7	24	47	83	113	133	158	183	204	236	264	280	289	294
Contract Services - Street Maintenance	1.59		7	471,183	471,183	607,621	607,621	607,621	749,903	749,903	749,903	817,214	911,330	911,330	911,330	911,330
Contract Services - Street Sweeping	0.02		7	16	31	56	75	89	106	122	136	157	176	187	192	196
Contract Services - Emergency Work	0.16		7	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Contract Services - Striping	0.79		7	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Contract Services - Traffic Signals	3.33		7	3,370	6,522	11,687	15,770	18,589	22,166	25,617	28,539	32,991	36,913	39,239	40,412	41,184
Contract Services - Maintenance	0.08		7	77	149	267	360	425	507	586	652	754	844	897	924	941
Contract Services - Environmental Health Services	0.05		7	48	93	167	225	266	317	366	408	471	527	561	577	588
Contract Services - Tree Trimming	0.63		7	642	1,242	2,226	3,004	3,541	4,222	4,879	5,436	6,284	7,031	7,474	7,698	7,845
Total Public Works				$ 490,280	$ 508,138	$ 673,838	$ 696,975	$ 712,943	$ 875,495	$ 895,048	$ 911,603	$ 1,004,138	$ 1,120,478	$ 1,133,654	$ 1,140,302	$ 1,144,679
I. Engineering	4.80		7	$ 4,853	$ 9,391	$ 16,827	$ 22,707	$ 26,765	$ 31,916	$ 36,885	$ 41,092	$ 47,601	$ 53,149	$ 56,497	$ 58,187	$ 59,299
J. Planning	5.40		7	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,281	53,477	59,836	63,605	65,507	66,759
K. Public Services	3.45		7	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	42,599
L. Code Enforcement	2.37		7	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	29,287
M. Graffiti	1.73		7	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	21,421
N. Trails	0.24		7	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	3,020
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14																
Sergeant				$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective				-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy				148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist				69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist				-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)				-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)				-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)				5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services				12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization				964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance				1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)				-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)				333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support				1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance				348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding				3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost				11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget				$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading				$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget				$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance																
Lane Miles (Assumes Beginning of Phase)																
Backbone Roads				27.42												
Interior Roads				19.34		13.54			14.12			6.68	9.34			
Total Lane Miles				46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)			C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
	Lewis	City														
Cost per Lane Mile (See Exhibit C-2)	3,750	$ 10,077	C-2	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077
Total Street Maintenance Cost				$ 471,183	$ 471,183	$ 607,621	$ 607,621	$ 607,621	$ 749,903	$ 749,903	$ 749,903	$ 817,214	$ 911,330	$ 911,330	$ 911,330	$ 911,330

Exhibit B-3: Alternative C
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ -	7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund															
A. Recurring Revenues			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Revenues			$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	-	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ -	$ 1,087,500	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Revenue from Outside Project															
Additional Units within the Fire Station Service Area (e)			-	-	111	111	111	111	111	111	111	111	111	111	111
Fire Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
Paramedic Revenue per Unit			19	19	20	20	20	20	20	20	20	20	20	20	20
Total Revenue from Outside Project		8	$ -	$ -	$ 44,838	$ 42,576	$ 41,555	$ 40,751	$ 40,350	$ 40,087	$ 39,925	$ 39,940	$ 39,903	$ 39,623	$ 39,494
Total Recurring Costs			$ 33,625	$ 33,625	$ (17,321)	$ 1,072,441	$ 1,223,342	$ 1,218,100	$ 1,218,601	$ 1,218,764	$ 1,211,344	$ 1,211,329	$ 1,211,367	$ 1,211,646	$ 1,211,775
			$ 78,817	$ 183,816	$ 384,367	$ (595,562)	$ (671,518)	$ (569,364)	$ (473,225)	$ (391,773)	$ (256,123)	$ (139,597)	$ (73,041)	$ (47,304)	$ (29,964)
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Revenue per Unit			$ 19	$ 19	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.
(e) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/10/2014.

Exhibit B-3: Alternative C
Table 18 - Police Phasing Analysis
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Cumulative Residents		1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.99	1.02	1.21	0.88	1.12	1.09	1.07	0.96	0.82	0.83	0.78	0.76	0.74
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.99	1.02	0.91	0.66	0.74	0.78	0.80	0.72	0.62	0.64	0.61	0.59	0.58
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit C-1
Street Maintenance Cost Calculations
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Description - City Maintained	Quantity (a)	Unit	Lewis April 2014 Unit Cost	Ref	City Oct. 2015 Unit Cost		City Total Cost
Linear Feet of Roadway	477,540						
1. Street Sweeping	90.44	Curb Mile	$ 47.50	(d)	$ 47.50	(d)	$ 4,296
2. Slurry Seal (SS)							
Place (SS)	8,951,144	SF	$ 0.12	(d)	$ 0.16	(d)	$ 1,432,183
Mobilization	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Striping	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Crack Seal	20.0% of SS	Lump Sum	179,023		179,023		179,023
Traffic Control	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Subtotal							1,761,206
Contingency (15%)							264,181
Total Slurry Seal							**$ 2,025,387**
3. Grind and Overlay							
Grind	8,951,144	SF	$ 0.08	(d)	$ 0.32	(d)	$ 2,864,366
Mobilization	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
.15" Asphalt & Conc. Overlay (Estimate @.0105	8,951,144	SF	0.60	(c)	0.88	(c)	7,877,007
Striping	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Traffic Control	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Subtotal							$ 10,891,373
Contingency (15%)							1,633,706
Total Grind and Overlay							**$ 12,525,079**
4. Remove and Reconstruct							
a. Curb and Sidewalk Component							
6" Curb & Gutter	477,540	LF	9.00	(b)	34.27	(b)	16,365,289
Concrete Median Curb	72,407	LF	9.00	(b)	19.15	(b)	1,386,594
Interior Streets Curb	-	LF	9.00	(b)	19.15	(b)	-
Concrete Sidewalk/Trail	2,413,041	SF	3.00	(b)	5.16	(b)	12,451,294
Mobilization	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Subtotal							$ 30,253,177
Estimated Failure Rate							10%
Total Curb and Sidewalk							$ 3,025,318
b. Street Component							
Grind	8,951,144	SF	$ 0.10	(d)	$ 0.32	(d)	$ 2,864,366
Mobilization	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
.25" Asphalt & Concrete Overlay (Estimate)	8,951,144	SF	0.60	(c)	$ 1.32	(c)	11,815,511
Striping	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Traffic Control	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Total Street Component							$ 14,829,877
Subtotal Remove and Reconstruct							$ 17,855,195
Contingency (15%)							2,678,279
Total Remove and Reconstruct							**$ 20,533,474**
Total							**$ 38,113,554**
				Cost Per Lane Mile			$ 10,077

Footnotes
(a) Per public roadway calculations provided by Placeworks dated April 2014.
(b) Per Lewis Operating Companies email dated 4/23/2014.
(c) Per call with Lewis Operating Companies on 4/24/2014.
(d) Per Lewis Operating Companies email dated 4/28/2014.

Exhibit C-2
Hypothetical Street Maintenance Schedule-City
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Linear Feet of Public Road	477,540
Lane Miles	90.4
Total	$ 911,362
Cost Per Lane Mile	$ 10,077
Balance Year 42	(0.00)

	Buildout Annual Cost	Per Unit	Street Sweeping	Slurry Seal (a)	Grind and Overlay (a)	Remove & Reconstruct	Subtotal	Other Costs	Total Annual Expenditures	Earnings (b)	Annual Fund Balance-End
Exhibit Reference			C-1	C-1	C-1	C-1					
0	$ 911,362	$ 139	$ 4,296	$ 2,025,387	$ 12,525,079	$ 20,533,474	$ 35,088,236	$ 90,299	$ -	$ -	$ -
1	911,362	139	4,296				4,296	90,299	94,595	-	816,767
2	911,362	139	4,296				4,296	90,299	94,595	28,013	1,661,547
3	911,362	139	4,296				4,296	90,299	94,595	56,987	2,535,300
4	911,362	139	4,296				4,296	90,299	94,595	86,954	3,439,021
5	911,362	139	4,296				4,296	90,299	94,595	117,950	4,373,738
6	911,362	139	4,296				4,296	90,299	94,595	150,008	5,340,513
7	911,362	139	4,296	2,025,387			2,029,683	90,299	2,119,982	183,166	4,315,059
8	911,362	139	4,296				4,296	90,299	94,595	147,996	5,279,822
9	911,362	139	4,296				4,296	90,299	94,595	181,085	6,277,673
10	911,362	139	4,296				4,296	90,299	94,595	215,308	7,309,748
11	911,362	139	4,296				4,296	90,299	94,595	250,706	8,377,221
12	911,362	139	4,296				4,296	90,299	94,595	287,318	9,481,305
13	911,362	139	4,296				4,296	90,299	94,595	325,185	10,623,257
14	911,362	139	4,296	2,025,387			2,029,683	90,299	2,119,982	364,351	9,778,988
15	911,362	139	4,296				4,296	90,299	94,595	335,395	10,931,150
16	911,362	139	4,296				4,296	90,299	94,595	374,911	12,122,828
17	911,362	139	4,296				4,296	90,299	94,595	415,783	13,355,377
18	911,362	139	4,296				4,296	90,299	94,595	458,056	14,630,200
19	911,362	139	4,296				4,296	90,299	94,595	501,779	15,948,746
20	911,362	139	4,296				4,296	90,299	94,595	547,002	17,312,515
21	911,362	139	4,296		12,525,079		12,529,375	90,299	12,619,674	593,776	6,197,978
22	911,362	139	4,296				4,296	90,299	94,595	212,575	7,227,320
23	911,362	139	4,296				4,296	90,299	94,595	247,879	8,291,966
24	911,362	139	4,296				4,296	90,299	94,595	284,394	9,393,126
25	911,362	139	4,296				4,296	90,299	94,595	322,161	10,532,054
26	911,362	139	4,296				4,296	90,299	94,595	361,223	11,710,044
27	911,362	139	4,296				4,296	90,299	94,595	401,625	12,928,436
28	911,362	139	4,296	2,025,387			2,029,683	90,299	2,119,982	443,413	12,163,229
29	911,362	139	4,296				4,296	90,299	94,595	417,168	13,397,164
30	911,362	139	4,296				4,296	90,299	94,595	459,489	14,673,420
31	911,362	139	4,296				4,296	90,299	94,595	503,262	15,993,448
32	911,362	139	4,296				4,296	90,299	94,595	548,535	17,358,750
33	911,362	139	4,296				4,296	90,299	94,595	595,362	18,770,878
34	911,362	139	4,296				4,296	90,299	94,595	643,794	20,231,439
35	911,362	139	4,296	2,025,387			2,029,683	90,299	2,119,982	693,888	19,716,707
36	911,362	139	4,296				4,296	90,299	94,595	676,234	21,209,707
37	911,362	139	4,296				4,296	90,299	94,595	727,440	22,753,914
38	911,362	139	4,296				4,296	90,299	94,595	780,402	24,351,083
39	911,362	139	4,296				4,296	90,299	94,595	835,181	26,003,031
40	911,362	139	4,296				4,296	90,299	94,595	891,839	27,711,637
41	911,362	139	4,296				4,296	90,299	94,595	950,440	29,478,844
42	911,362	139	4,296			20,533,474	20,537,770	90,299	20,628,069	676,234	$ (0.0)
Totals			$ 180,434	$ 8,101,548	$ 12,525,079	$ 20,533,474	$ 41,340,535	$ 3,792,558	$ 45,133,093		

Footnotes:
(a) Timing of cost per call with Client on 4/24/2014.
(b) Represents earnings invested at Local Agency Investment Fund Rate ("LAIF RATE") of 3.43%, a 20 year average from 1994 to 2013 per the California State Treasurer. See Exhibit I.

Exhibit C-3
Storm Drainage Reserve Calculation
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

	Beginning Balance	Reserve Deposit	Earnings	Ending Balance	Replacement Cost
1	$ -	$ 8,764	$ 150	$ 8,914	$ 1,500,000
2	8,914	8,939	459	18,313	1,524,880
3	18,313	9,118	784	28,215	1,550,173
4	28,215	9,300	1,127	38,643	1,575,885
5	38,643	9,486	1,488	49,617	1,602,024
6	49,617	9,676	1,868	61,161	1,628,597
7	61,161	9,870	2,267	73,298	1,655,610
8	73,298	10,067	2,687	86,051	1,683,071
9	86,051	10,268	3,127	99,447	1,710,988
10	99,447	10,474	3,590	113,512	1,739,368
11	113,512	10,683	4,076	128,271	1,768,218
12	128,271	10,897	4,586	143,754	1,797,547
13	143,754	11,115	5,121	159,990	1,827,363
14	159,990	11,337	5,682	177,009	1,857,673
15	177,009	11,564	6,269	194,842	1,888,485
16	194,842	11,795	6,885	213,523	1,919,809
17	213,523	12,031	7,530	233,083	1,951,653
18	233,083	12,272	8,205	253,560	1,984,024
19	253,560	12,517	8,911	274,988	2,016,933
20	274,988	12,768	9,650	297,406	2,050,387
21	297,406	13,023	10,424	320,852	2,084,397
22	320,852	13,283	11,232	345,368	2,118,970
23	345,368	13,549	12,078	370,994	2,154,117
24	370,994	13,820	12,961	397,776	2,189,847
25	397,776	14,096	13,884	425,756	2,226,169
26	425,756	14,378	14,849	454,984	2,263,094
27	454,984	14,666	15,856	485,506	2,300,632
28	485,506	14,959	16,908	517,373	2,338,792
29	517,373	15,258	18,006	550,638	2,377,585
30	550,638	15,564	19,152	585,354	2,417,021
31	585,354	15,875	20,348	621,577	2,457,112
32	621,577	16,192	21,596	659,366	2,497,867
33	659,366	16,516	22,898	698,779	2,539,299
34	698,779	16,846	24,255	739,881	2,581,418
35	739,881	17,183	25,671	782,735	2,624,235
36	782,735	17,527	27,146	827,409	2,667,763
37	827,409	17,878	28,685	873,971	2,712,012
38	873,971	18,235	30,288	922,494	2,756,996
39	922,494	18,600	31,958	973,052	2,802,725
40	973,052	18,972	33,699	1,025,723	2,849,214
41	1,025,723	19,351	35,512	1,080,585	2,896,473
42	1,080,585	19,738	37,400	1,137,724	2,944,516
43	1,137,724	20,133	39,366	1,197,223	2,993,356
44	1,197,223	20,536	41,414	1,259,173	3,043,006
45	1,259,173	20,946	43,546	1,323,665	3,093,480
46	1,323,665	21,365	45,765	1,390,795	3,144,791
47	1,390,795	21,793	48,075	1,460,662	3,196,952
48	1,460,662	22,229	50,478	1,533,369	3,249,980
49	1,533,369	22,673	52,980	1,609,022	3,303,886
50	1,609,022	23,127	55,582	1,687,730	3,358,687
51	1,687,730	23,589	58,289	1,769,609	3,414,397
52	1,769,609	24,061	61,106	1,854,776	3,471,031
53	1,854,776	24,542	64,035	1,943,353	3,528,604
54	1,943,353	25,033	67,081	2,035,467	3,587,132
55	2,035,467	25,534	70,249	2,131,250	3,646,631
56	2,131,250	26,044	73,543	2,230,838	3,707,117
57	2,230,838	26,565	76,968	2,334,371	3,768,606
58	2,334,371	27,096	80,528	2,441,995	3,831,115
59	2,441,995	27,638	84,228	2,553,861	3,894,661
60	2,553,861	28,191	88,075	2,670,127	3,959,261
61	2,670,127	28,755	92,072	2,790,954	4,024,932
62	2,790,954	29,330	96,226	2,916,510	4,091,693
63	2,916,510	29,917	100,542	3,046,969	4,159,561
64	3,046,969	30,515	105,027	3,182,510	4,228,554
65	3,182,510	31,125	109,686	3,323,322	4,298,692
66	3,323,322	31,748	114,526	3,469,596	4,369,994
67	3,469,596	32,383	119,554	3,621,532	4,442,478
68	3,621,532	33,030	124,776	3,779,339	4,516,164
69	3,779,339	33,691	130,200	3,943,229	4,591,073
70	3,943,229	34,365	135,832	4,113,426	4,667,224
71	4,113,426	35,052	141,681	4,290,160	4,744,638
72	4,290,160	35,753	147,755	4,473,668	4,823,336
73	4,473,668	36,468	154,061	4,664,197	4,903,340
74	4,664,197	37,198	160,608	4,862,003	4,984,670
75	4,862,003	37,942	167,405	5,067,350	5,067,350

Assumptions

Storm Drain Cost (a)	$ 1,500,000
LAIF Rate (b)	3.43%
CPI (c)	1.66%
Annual Contribution Increase	2.00%
Annual Reserve Deposit	$ 8,764
Annual Reserve Percentage	0.58%

(a) Assumes a 10% failure rate on $15,000,000 cost or $1,500,000.

(b) Local Agency Investment Fund Rate ("LAIF RATE") represents a 20 year average from 1994 to 2013 per the California State Treasurer. See Exhibit I.

(c) Represents the 20 year average of the Consumer Price Index for Los Angeles, Riverside and Orange County from 1994 to 2013 per the Bureau of Labor Statistics. See Exhibit H.

Exhibit D-1
Map of Firestation 4 Service Area Outside of Project
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

Source: Map of Fire Station 4 Service Area outside of Project per memo from Larry Mainez at the City of Highland, dated 6/11/2014.

Exhibit D-2
Calculation of Units Outside of Project
Harmony Planned Community
October 2015 Update to June 19, 2014 Report

APN (a)	Zoning (a)	Estimated Acres (a)
Estimated Acres Outside of Project		
Open Space Acres:		
29706129	Open Space	9.67
29706105	Open Space	0.92
29706106	Open Space	2.62
29706129	Open Space	6.72
29706129	Open Space	3.33
29710122	Open Space	2.48
29710122	Open Space	1.21
Open Space Acres Subtotal		26.95
AQ/EQ Acres:		
29720105	AG/EQ	38.24
29706106	AG/EQ	6.08
29706109	AG/EQ	4.85
29706120	AG/EQ	8.08
29706126	AG/EQ	2.38
29706120	AG/EQ	0.99
29706105	AG/EQ	7.24
29706107	AG/EQ	7.11
29706125	AG/EQ	1.95
29706113	AG/EQ	4.62
AG/EQ Acres Subtotal		81.54
Total Estimated Acres		**108.49**
Less Hillside Acres		25.87
Less Open Space Acres		26.95
Total Developable Acres		**55.67**
Dwelling Units per Acre		2
Total Units Outside of Project		**111**

Footnotes:

(a) Land use information and calculation for units in Fire Station 4 Service Area outside of Project per memo from Larry Mainez at the City of Highland, dated 6/11/2014.

DPFG
DEVELOPMENT PLANNING & FINANCING GROUP, INC.

27127 CALLE ARROYO, SUITE 1910
SAN JUAN CAPISTRANO, CA 92675
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To: Mr. Lawrence Mainez, Community Development Director
From: Chris Lightburne and Nathan Morris
Date: October 29th 2015 update to April 29, 2014 Supplemental Inflated FIA Analysis Memo
Re: Updated Supplemental Inflated FIA Analysis

This memo had been prepared to provide an updated Supplemental Inflated FIA Analysis to our previously submitted:

1. October 27th, 2015 Harmony Update Memo ("Update Memo")
2. April 29, 2014 Supplemental Inflated FIA Analysis Memo

Background

DPFG initially submitted the Fiscal Impact Analysis in January 2012. Over the last three years, we have worked with City staff, its consultants, and others to address comments and concerns. The analysis is based on this input, the use of industry standards and practices, and insights gained from peer reviewed analysis prepared by DPFG throughout the state of California.

The Update Memo was prepared to describe changes to the analysis related to:

- Adjusted street maintenance costs based on feedback from the City
- Inclusion of a CFD special tax for services on residential property at .10% of the projected assessed value.

As shown in the Update Memo, the Project will generate a substantial positive fiscal impact at buildout as follows:

Alternative	Surplus At Buildout
A	$2.7 Million
B	$2.1 Million
C	$3.1 Million

This fiscal surplus could be used to fund:

1. ***Cost inflation***
2. ***Any capital replacement items not covered in the FIA (as described below)***

The purpose of this memo is to describe the supplemental analysis ("Supplemental Analysis) that has been requested by the City that is outside of the scope of the industry standard fiscal impact analysis. This includes the following:

1. Impact of cost and revenue inflation

2. Inclusion of maintenance and replacement cost items

3. Establishment of a Project reserve fund

I. Inflation Model

We have prepared an updated inflated FIA model ("Updated Inflation Model") At buildout, the Project is still showing a surplus to the City on an annual basis under each of the Alternative Scenarios.

Alternative	Cumulative Surplus with Interest at Buildout	PDF Page Number
A	$12.9 Million	1
B	$7.5 Million	2
C	$18.2 Million	3

(a) The detailed schedules with inflation for Alternatives A, B and C are available upon request.

The Inflation Model is based on the following assumptions:

Assumption	Factor	Description
Term	30 Years	
Inflation Rate		
Police and Fire Costs	5.00%	Per City for illustration purposes.
Home Price Inflation	4.83%	Represents the 20 year average of the Case-Shiller Home Price Index for Los Angeles from 1994 to 2013 per the S&P/Case-Shiller Home Price Indices.
Other Revenues and Costs Street Maintenance and Replacement Storm Drainage Replacement	1.66%	Represents the 20 year average of the Consumer Price Index for Los Angeles, Riverside and Orange County from 1994 to 2013 per the Bureau of Labor Statistics.
LAIF Rate	3.43%	Local Agency Investment Fund Rate ("LAIF RATE") represents a 20 year average from 1994 to 2013 per the California State Treasurer.
Property Tax - Resale of Homes	4.83%	Represents the 20 year average of the Case-Shiller Home Price Index for Los Angeles from 1994 to 2013 per the S&P/Case-Shiller Home Price Indices.
Services CFD Annual Inflation	3.00%	Comparable rate for services CFDs.

II. Maintenance and Replacement Costs

The October 2015 update to the June 2014 FIA and the Supplemental Analysis includes ongoing maintenance, replacement and rehabilitation costs for the items included in the GASB 34 Report. The detailed schedules with inflation for Alternatives A, B and C are available upon request.

Again, the annual surpluses could be used as a reserve to fund future replacement costs that are not included in the above items.

III. Project Reserve Fund

The Supplemental Analysis includes a Project reserve fund that is available for Alternatives A, B and C are available upon request.

Exhibit D-1: Alternative A
Fiscal Impact Analysis Phasing Summary with Inflation
Harmony Planned Community
October 29, 2015 update to June 19, 2014 Report

Year		Total Recurring Revenues	Total Recurring Costs	Total Surplus/ (Deficit)	Cumulative Surplus/ (Deficit)	Earnings	Balance
1	2015	$ 748,377	$ 1,198,432	$ (450,055)	$ (450,055)	$ -	$ (450,055)
2	2016	1,497,228	1,433,324	63,904	(386,151)	-	(386,151)
3	2017	2,673,134	2,308,585	364,548	(21,603)	-	(21,603)
4	2018	3,523,732	3,896,938	(373,206)	(394,809)	-	(394,809)
5	2019	4,171,124	4,586,455	(415,331)	(810,139)	-	(810,139)
6	2020	5,029,387	5,286,943	(257,556)	(1,067,695)	-	(1,067,695)
7	2021	5,940,769	5,831,432	109,337	(958,358)	-	(958,358)
8	2022	6,789,801	6,126,919	662,882	(295,476)	-	(295,476)
9	2023	8,113,700	6,563,874	1,549,826	1,254,350	43,021	1,297,371
10	2024	9,435,784	7,225,686	2,210,097	3,464,447	118,822	3,583,269
11	2025	10,355,660	7,562,852	2,792,808	6,257,255	214,608	6,471,863
12	2026	10,932,370	7,891,061	3,041,308	9,298,563	318,917	9,617,480
13	2027	11,418,952	8,224,378	3,194,574	12,493,137	428,483	**12,921,620**
14	2028	11,734,060	8,555,353	3,178,707	15,671,844	537,505	16,209,349
15	2029	12,050,963	8,901,476	3,149,487	18,821,331	645,525	19,466,856
16	2030	12,378,094	9,263,478	3,114,615	21,935,947	752,348	22,688,295
17	2031	12,715,837	9,642,128	3,073,709	25,009,655	857,769	25,867,424
18	2032	13,064,596	10,038,233	3,026,363	28,036,018	961,565	28,997,583
19	2033	13,424,790	10,452,639	2,972,151	31,008,169	1,063,503	32,071,671
20	2034	13,796,857	10,886,235	2,910,622	33,918,790	1,163,330	35,082,120
21	2035	14,181,251	11,339,952	2,841,298	36,760,089	1,260,779	38,020,868
22	2036	14,578,448	11,814,770	2,763,678	39,523,767	1,355,566	40,879,333
23	2037	14,988,944	12,311,714	2,677,230	42,200,997	1,447,389	43,648,386
24	2038	15,413,255	12,831,863	2,581,392	44,782,389	1,535,924	46,318,313
25	2039	15,851,919	13,376,346	2,475,572	47,257,961	1,620,830	48,878,791
26	2040	16,305,499	13,946,353	2,359,146	49,617,108	1,701,743	51,318,850
27	2041	16,774,581	14,543,127	2,231,454	51,848,561	1,778,276	53,626,837
28	2042	17,259,775	15,167,977	2,091,798	53,940,360	1,850,019	55,790,379
29	2043	17,761,721	15,822,274	1,939,446	55,879,806	1,916,538	57,796,344
30	2044	18,281,083	16,507,460	1,773,623	57,653,429	1,977,368	59,630,797

Services Tax Inflation	3.00%					
Year 13 (4/29/14 Draft)	9,741,549	7,121,771	2,619,777	10,984,305	376,734	11,361,039
Increase (Decrease)	$ 1,677,403	$ 1,102,607	$ 574,797	$ 1,508,832	$ 51,749	$ 1,560,581

Exhibit D-2: Alternative B
Fiscal Impact Analysis Phasing Summary with Inflation
Harmony Planned Community
October 29, 2015 update to June 19, 2014 Report

Year		Total Recurring Revenues	Total Recurring Costs	Total Surplus/ (Deficit)	Cumulative Surplus/ (Deficit)	Earnings	Balance
1	2015	$ 686,009	$ 1,192,084	$ (506,075)	$ (506,075)	$ -	$ (506,075)
2	2016	1,368,672	1,420,417	(51,745)	(557,820)	-	(557,820)
3	2017	3,082,363	2,129,124	953,239	395,419	13,562	408,981
4	2018	3,937,188	4,588,992	(651,804)	(256,385)	-	(256,385)
5	2019	4,588,857	5,475,636	(886,779)	(1,143,164)	-	(1,143,164)
6	2020	5,451,445	6,191,246	(739,801)	(1,882,965)	-	(1,882,965)
7	2021	6,367,201	6,750,982	(383,781)	(2,266,747)	-	(2,266,747)
8	2022	7,220,656	7,061,886	158,770	(2,107,977)	-	(2,107,977)
9	2023	8,537,964	7,513,346	1,024,618	(1,083,358)	-	(1,083,358)
10	2024	9,846,416	8,189,358	1,657,059	573,701	19,676	593,377
11	2025	10,810,401	8,795,876	2,014,524	2,588,225	88,770	2,676,995
12	2026	11,382,536	9,143,597	2,238,939	4,827,164	165,560	4,992,724
13	2027	11,922,108	9,497,285	2,424,823	7,251,987	248,725	**7,500,712**
14	2028	12,242,080	9,849,389	2,392,691	9,644,678	330,788	9,975,466
15	2029	12,563,894	10,216,992	2,346,902	11,991,580	411,281	12,402,861
16	2030	12,895,980	10,600,830	2,295,151	14,286,731	489,999	14,776,730
17	2031	13,238,726	11,001,678	2,237,048	16,523,779	566,724	17,090,503
18	2032	13,592,533	11,420,349	2,172,184	18,695,963	641,225	19,337,187
19	2033	13,957,821	11,857,696	2,100,125	20,796,087	713,254	21,509,341
20	2034	14,335,025	12,314,613	2,020,413	22,816,500	782,549	23,599,049
21	2035	14,724,603	12,792,038	1,932,565	24,749,065	848,831	25,597,896
22	2036	15,127,029	13,290,956	1,836,072	26,585,137	911,804	27,496,941
23	2037	15,542,797	13,812,401	1,730,395	28,315,533	971,152	29,286,685
24	2038	15,972,423	14,357,457	1,614,966	29,930,499	1,026,541	30,957,040
25	2039	16,416,448	14,927,261	1,489,186	31,419,685	1,077,617	32,497,302
26	2040	16,875,430	15,523,008	1,352,422	32,772,107	1,124,001	33,896,109
27	2041	17,349,957	16,145,949	1,204,008	33,976,115	1,165,296	35,141,411
28	2042	17,840,639	16,797,400	1,043,239	35,019,354	1,201,076	36,220,431
29	2043	18,348,114	17,478,740	869,373	35,888,728	1,230,894	37,119,621
30	2044	18,873,046	18,191,417	681,628	36,570,356	1,254,272	37,824,628

Services Tax Inflation	3.00%					
Year 13 (4/29/14 Draft)	9,741,549	7,121,771	2,619,777	10,984,305	376,734	11,361,039
Increase (Decrease)	$ 2,180,559	$ 2,375,514	$ (194,954)	$ (3,732,318)	$ (128,009)	$ (3,860,327)

Exhibit D-3: Alternative C
Fiscal Impact Analysis Phasing Summary with Inflation
Harmony Planned Community
October 29, 2015 update to June 19, 2014 Report

Year		Total Recurring Revenues	Total Recurring Costs	Total Surplus/ (Deficit)	Cumulative Surplus/ (Deficit)	Earnings	Balance
1	2015	$ 686,009	$ 1,192,084	$ (506,075)	$ (506,075)	$ -	$ (506,075)
2	2016	1,368,672	1,420,417	(51,745)	(557,820)	-	(557,820)
3	2017	3,082,363	2,129,124	953,239	395,419	13,562	408,981
4	2018	3,937,188	3,700,197	236,991	632,410	21,690	654,100
5	2019	4,588,857	4,572,099	16,759	649,168	22,265	671,433
6	2020	5,451,445	5,272,722	178,723	827,891	28,395	856,286
7	2021	6,367,201	5,817,223	549,978	1,377,869	47,257	1,425,126
8	2022	7,220,656	6,112,639	1,108,017	2,485,886	85,260	2,571,146
9	2023	8,537,964	6,548,353	1,989,611	4,475,497	153,498	4,628,996
10	2024	9,846,416	7,208,359	2,638,057	7,113,555	243,977	7,357,532
11	2025	10,810,401	7,544,400	3,266,001	10,379,555	355,993	10,735,548
12	2026	11,382,536	7,871,363	3,511,173	13,890,728	476,417	14,367,146
13	2027	11,922,108	8,203,948	3,718,159	17,608,888	603,941	**18,212,829**
14	2028	12,242,080	8,534,601	3,707,480	21,316,367	731,098	22,047,466
15	2029	12,563,894	8,880,395	3,683,499	24,999,866	857,433	25,857,299
16	2030	12,895,980	9,242,063	3,653,917	28,653,784	982,753	29,636,537
17	2031	13,238,726	9,620,374	3,618,352	32,272,136	1,106,854	33,378,990
18	2032	13,592,533	10,016,134	3,576,399	35,848,535	1,229,515	37,078,050
19	2033	13,957,821	10,430,189	3,527,632	39,376,167	1,350,504	40,726,671
20	2034	14,335,025	10,863,428	3,471,597	42,847,764	1,469,571	44,317,336
21	2035	14,724,603	11,316,783	3,407,820	46,255,585	1,586,451	47,842,036
22	2036	15,127,029	11,791,231	3,335,797	49,591,382	1,700,860	51,292,242
23	2037	15,542,797	12,287,801	3,254,996	52,846,378	1,812,499	54,658,876
24	2038	15,972,423	12,807,568	3,164,855	56,011,232	1,921,045	57,932,278
25	2039	16,416,448	13,351,665	3,064,783	59,076,015	2,026,160	61,102,175
26	2040	16,875,430	13,921,278	2,954,153	62,030,168	2,127,480	64,157,647
27	2041	17,349,957	14,517,651	2,832,306	64,862,474	2,224,621	67,087,094
28	2042	17,840,639	15,142,094	2,698,545	67,561,019	2,317,174	69,878,193
29	2043	18,348,114	15,795,978	2,552,136	70,113,154	2,404,706	72,517,860
30	2044	18,873,046	16,480,743	2,392,302	72,505,457	2,486,756	74,992,213
Services Tax Inflation		3.00%					
Year 13 (4/29/14 Draft)		9,741,549	7,121,771	2,619,777	10,984,305	376,734	11,361,039
Increase (Decrease)		$ 2,180,559	$ 1,082,177	$ 1,098,382	$ 6,624,583	$ 227,207	$ 6,851,790

DPFG
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To:	Harmony File
From:	Chris Lightburne & Patrick Bourne
Date:	October 27, 2015
Re:	Harmony FIA Update

1. Purpose of Fiscal Impact Analysis Update Memorandum

Development Planning & Financing Group prepared the June 19, 2014 Fiscal Impact Analysis ("FIA") to determine the estimated fiscal impacts on the City of Highland ("City") in connection with the proposed development of the Harmony Planned Community ("Project"). This memorandum ("Update Memo") has been prepared to describe changes to the analysis related to:

- Adjusted street maintenance costs based on feedback from the City (as described below and Exhibit C-1 and C-2)
- Inclusion of a CFD special tax for services on residential property at .10% of the projected assessed value.

The reader should be aware that the FIA contains estimates or projections of the Project's future revenue and cost impact on the City, and actual fiscal results may vary from estimates because events and circumstances can occur in a manner different than described in the FIA.

This FIA contains a description of the Project, calculation methodologies, conclusions, and revenues and expenses projected for the Project's alternative scenarios: Alternative A, Alternative B, and Alternative C ("Alternative Scenarios"). The differences among the Alternative Scenarios are as follows:

Assumptions	Alternative A	Alternative B	Alternative C
20 Acre Commercial Overlay	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
Park Maintenance	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
Offsetting Fire and Paramedic Revenues	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project

The summary of the Alternative Scenarios is attached as Exhibit A. Detailed calculations, attached as Exhibit B-1, Exhibit B-2, and Exhibit B-3, are organized as follows:

Table	Description	Alternative (Page)		
		A	B	C
1	Fiscal Impact Analysis Summary	3	22	41
2	Post-ERAF Share of the Basic Tax Calculation	4	23	42
3	Land Use Assumptions	5	24	43
4	Property Tax Calculations	6	25	44
5	Sales and Use Tax Calculations	7	26	45
6	General Fund and MVLF Revenue Calculations	8-9	27-28	46-47
7	General Fund Cost Calculations	10	29	48
8	Fire Fund Fiscal Impact	11	30	49
9	Paramedic Fund Fiscal Impact	12	31	50
10	Street Maintenance Revenue and Cost Calculations	13	32	51
11	Phased Fiscal Impact Analysis Summary	14	33	52
12	Residential Land Use Absorption Schedule	15	34	53
13	Phased Residential Assessed Value Additions	16	35	54
14	Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues	17	36	55
15	Phased General Fund Recurring Revenues Continued	18	37	56
16	Phased General Fund Recurring Costs	19	38	57
17	Phased General Fund Recurring Costs and Fire Fund and Paramedic Fund Impact	20	39	58
18	Police Phasing Analysis	21	40	59
C-1	Street Maintenance Cost Calculations	60		
C-2	Hypothetical Street Maintenance Schedule - City	61		
C-3	Storm Drainage Reserve Calculation	62		
D-1	Map of Firestation 4 Service Area Outside of Project	63		
D-2	Calculation of Units Outside of Project	64		

2. Project Description

The County of Orange owns the Project and has engaged LCD Greenspot, LLC ("Developer") to assist with entitling the Project for development, the Project is anticipated to be developed over a period of 13 years.

Encompassing approximately 1,658 acres of land in the City of Highland, the table below shows the total residential units developed in a wide variety of unit types and sizes as well as the total acres of neighborhood commercial land use that the Project is anticipated to provide.

Assumptions	Alternative A	Alternative B	Alternative C
Residential Units	3,632	3,515	3,515
Neighborhood Commercial Acres	5.7	20.7	20.7

3. Street Maintenance Costs Updates

Pursuant to an email dated October 14, 2015 from Ernie Wong, City Engineer, DPFG updated FIA and street maintenance cost calculations to reflect

- Increased costs factors
- Revised street maintenance frequency

Exhibits C-1 and C-2 contains the detailed calculation. Based on this, the costs per lane mile increase from $3,750 to $10,077 per lane mile.

4. Limiting Conditions

The FIA is subject to the following limiting conditions:

- The FIA contains an analysis of recurring revenues and costs to the City from development of the Project. The FIA is based on estimates, assumptions and other information developed from DPFG's research, interviews, meetings, and correspondences with City and County staff, California Department of Finance, and information from DPFG's database which was collected through fiscal impact analyses previously prepared by DPFG and others.

- The sources of information and basis of the estimates are stated herein. While we believe the sources of information are reliable, DPFG does not express an opinion or any other form of assurance on the accuracy of such information.

- The analysis of recurring revenues and cost impacts to the City contained in the FIA 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 report relates to broad expectations of future events or market conditions.

- Since the analyses contained herein are based on estimates and assumptions which are inherently subject to uncertainty and variation depending on evolving events, DPFG cannot represent that results 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 the projections.

5. General Sources of Information and Methodologies Used in FIA

The FIA was prepared to estimate the allocable revenue and cost impacts to the City's general fund ("General Fund"), fire fund ("Fire Fund") and paramedic fund ("Paramedic Fund") as a result of the Project's development. The FIA uses a combination of case study methods and multiplier methods to estimate Project impacts. When projecting fiscal impacts using a multiplier method, the FIA determines per capita/employee impacts by applying the appropriate per capita, per employee and per equivalent resident factors ("Factors") to the Project's land use assumptions. The FIA calculates equivalent residents by adding residential population plus 50% of employees. Employment is reduced by 50% to account for the estimated less frequent use of City public services by employees than residents. Factors were calculated using the City of Highland Fiscal Years 2011-2013 Adopted Budget ("Budget"). Cost and revenue Factors are projected in 2011 dollars, and are not adjusted for inflation.

Information used in preparing the FIA was obtained from the following sources:

1. City of Highland Fiscal Years 2011-2013 Adopted Budget
2. City of Highland
3. California Department of Forestry and Fire Protection ("Cal Fire")
4. San Bernardino County Sheriff
5. LCD Greenspot, LLC (land use information)
6. The California Department of Finance (population information)
7. The California Employment Development Department (employment information)
8. San Bernardino County Auditor-Controller's Office (fiscal year 2011-12 share of the basic tax information)
9. The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute (sales tax generation data)
10. Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011 (household income data)
11. U.S. Department of Labor (household expenditure data)

The following table shows selected assumptions used in the FIA:

City Residential Population (a)	53,444
Residents Per Household (a)	3.45
City Employment (b)	19,200
City Share of the Basic Tax (c)	24.8448%
Share of Property Tax Retained in the General Fund (d)	58.33%
Share of Property Tax Retained in the Fire Fund (d)	41.67%
Average Household Income (e)	$96,400
Commercial Sales Tax Generation per Sq. Ft. (f)	$377

(a) Per the California Department of Finance as of January 1, 2011.
(b) Per the California Employment Development Department, November 2011.
(c) Per San Bernardino County Auditor/Controller, See Exhibit B-1, Exhibit B-2, and Exhibit B-3, Table 2.
(d) Per information provided by City staff. See Exhibit B-1, Exhibit B-2, and Exhibit B-3, Table 4.
(e) Per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.
(f) Per the Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

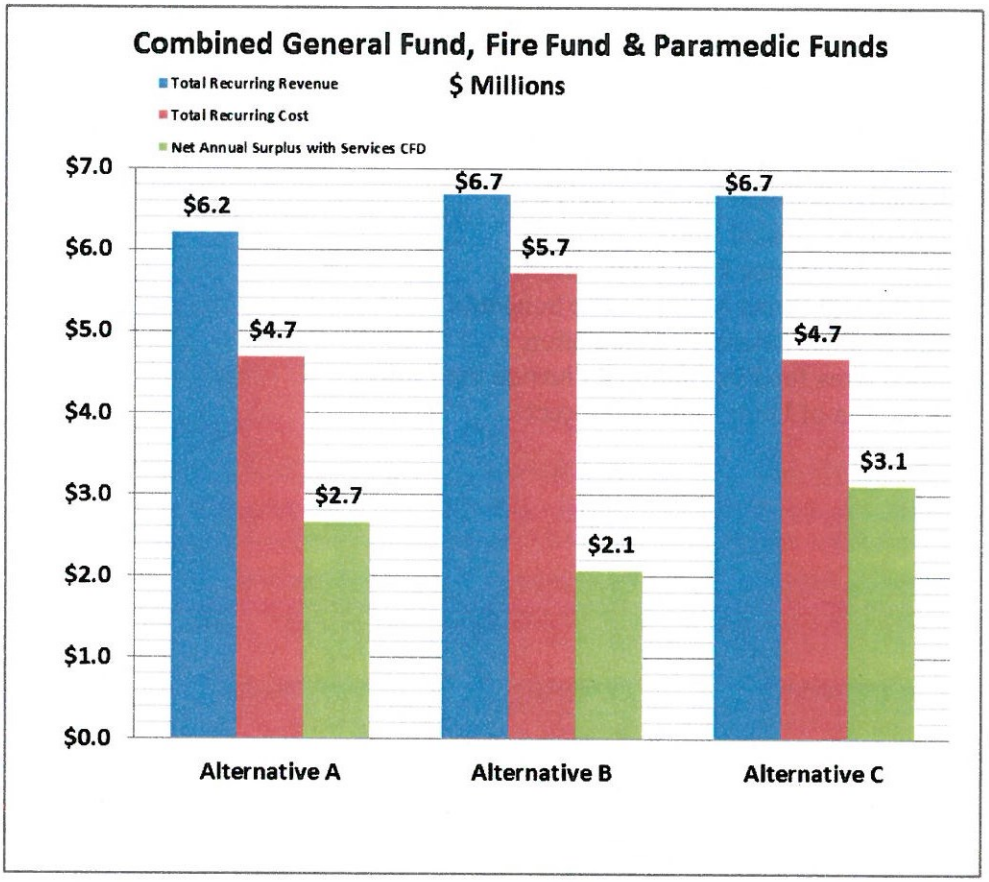
6. FIA Summary and Conclusions

The FIA examines the financial impact the Project will have on the General Fund, Fire Fund and Paramedic Fund. The Project will generate additional revenue for the General Fund primarily through increased property taxes, vehicle license fees, sales tax, gas tax, and franchise fees. The additional costs incurred to the General Fund consist primarily of police, and public works services costs. The Project's direct impact to the General Fund, Fire Fund, and Paramedic Fund is summarized in the table below.

At buildout, the Project is anticipated to generate a surplus to the City on an annual basis under each of the Alternative Scenarios.

Assumptions	Report Section	Alternative A	Alternative B	Alternative C
Exhibit Reference		B-1	B-2	B-3
20 Acre Commercial Overlay	1	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
Park Maintenance	1	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
Offsetting Fire and Paramedic Revenues	8	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project
General Fund				
Recurring Revenues	6	$ 4,953,830	$5,435,946	$5,435,946
Recurring Costs	7	$ 3,480,336	$ 4,509,177	$ 3,464,857
Surplus / (Deficit)		$1,473,494	$926,768	$1,971,088
Fire Fund				
Recurring Revenues	8	$1,192,171	$1,181,811	$1,181,811
Recurring Costs	8	$ 1,212,690	$ 1,211,775	$ 1,211,775
Surplus / (Deficit)		$(20,519)	$(29,964)	$(29,964)
Paramedic Fund				
Recurring Revenues	9	$70,177	$68,837	$68,837
Recurring Costs	9	$ -	$ -	$ -
Surplus / (Deficit)		$70,177	$68,837	$68,837
Combined Fire Fund & Paramedic Fund				
Recurring Revenues		$1,262,348	$1,250,647	$1,250,647
Recurring Costs		$ 1,212,690	$ 1,211,775	$ 1,211,775
Surplus / (Deficit)		$49,658	$38,872	$38,872
Combined Net Fiscal Impact without CFD				
Recurring Revenues		$6,216,178	$6,686,593	$6,686,593
Recurring Costs		$ 4,693,026	$ 5,720,952	$4,676,632
Surplus / (Deficit)		$1,523,152	$965,641	$2,009,961
Combined Net Fiscal Impact with Services CFD				
Services CFD Special Tax Revenue		$1,142,230	$1,107,720	$1,107,720
Total Surplus (Deficit)		$2,665,382	$2,073,361	$3,117,681

The chart below shows the total recurring revenues, total recurring costs and net annual surpluses the Project is anticipated to generate at buildout under each of the Alternative Scenarios.



The FIA now includes the impact of a Community Facilities District for services at .10% of residential values. The actual CFD tax will be based be based on a per unit amount, square footage category basis, or other measurement to meet requirements of state law.

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List of Exhibits

A. Scenario Summary
B-1. Alternative A Fiscal Impact Analysis
B-2. Alternative B Fiscal Impact Analysis
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C-1. Street Maintenance Cost Calculations
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D-1. Service Area for Fire Station 4 Outside the Project
D-2. Calculation of Units Outside Project

Glossary of Selected Defined Terms and Acronyms

Budget	City of Highland Fiscal Years 2011-2013 Adopted Budget
Cal Fire	California Department of Forestry and Fire Protection
City	City of Highland
Developer	LCD Greenspot, LLC
DPFG	Development, Planning & Financing Group
ERAF	Educational Revenue Augmentation Fund
Factors	Per Capita, Per Employee, and Per Equivalent Resident Factors
FIA	Fiscal Impact Analysis
General Fund	City of Highland General Fund
Fire Fund	City of Highland Fire Fund
Paramedic Fund	City of Highland Paramedic Fund
Project	Harmony Planned Community
State	State of California
Triple Flip	Revenue "Swapping" Procedures
TRA	Tax Rate Area
VLF	Vehicle License Fees

Exhibit A
Scenario Summary
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Scenario **Exhibit in Detailed Report** **Analysis Date**	**Alternative A** **B-1 (Adj)** 10/21/2015	**Alternative B** **B-2 (Adj)** 10/21/2015	**Alternative C** **B-3 (Adj)** 10/21/2015
Key Assumptions: 1. 20 Acre Commercial Overlay	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
2. Park Maintenance	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
3. Offsetting Fire and Paramedic Revenues	Includes 111 Units from Outside of Project	Includes 111 Units from Outside of Project	Includes 111 Units from Outside of Project
I. GENERAL FUND			
Recurring Revenues	$ 4,953,830	$ 5,435,946	$ 5,435,946
Total Recurring Costs	3,480,336	4,509,177	3,464,857
Surplus/(Deficit)	**$ 1,473,494**	**$ 926,768**	**$ 1,971,088**
II. FIRE FUND			
Recurring Revenues	$ 1,192,171	$ 1,181,811	$ 1,181,811
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Surplus/(Deficit)	**$ (20,519)**	**$ (29,964)**	**$ (29,964)**
III. PARAMEDIC FUND			
Recurring Revenues	$ 70,177	$ 68,837	$ 68,837
Total Recurring Costs	-	-	-
Surplus/(Deficit)	**$ 70,177**	**$ 68,837**	**$ 68,837**
IV. COMBINED FIRE FUND & PARAMEDIC FUND			
Recurring Revenues	$ 1,262,348	$ 1,250,647	$ 1,250,647
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Surplus/(Deficit)	**$ 49,658**	**$ 38,872**	**$ 38,872**
V. COMBINED NET FISCAL IMPACT b/4 CFD			
Recurring Revenues	$ 6,216,178	$ 6,686,593	$ 6,686,593
Total Recurring Costs	4,693,026	5,720,952	4,676,632
Total Surplus/(Deficit)	**$ 1,523,152**	**$ 965,641**	**$ 2,009,961**
VI. COMBINED NET FISCAL IMPACT with Services CFD			
Services CFD Special Tax Revenue	$ 1,142,230	$ 1,107,720	$ 1,107,720
Total Surplus/(Deficit)	$ 2,665,382	$ 2,073,361	$ 3,117,681

Exhibit A
Scenario Summary
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Scenario	Alternative A	Alternative B	Alternative C
Exhibit in Detailed Report	**B-1 (Adj)**	**B-2 (Adj)**	**B-3 (Adj)**
Analysis Date	10/21/2015	10/21/2015	10/21/2015
I. GENERAL FUND			
A. Recurring Revenues			
Property Tax	$ 1,668,811	$ 1,654,308	$ 1,654,308
Property Transfer Tax	88,464	87,154	87,154
Property Tax In Lieu of Sales Tax	116,813	237,684	237,684
Off-Site Sales and Use Tax	239,485	231,771	231,771
On-Site Sales and Use Tax	160,015	581,109	581,109
Property Tax-Vehicle License Fee	1,882,769	1,866,407	1,866,407
Franchise Fees	297,564	290,743	290,743
Business License Fee	938	3,405	3,405
Licenses & Permits	27,738	26,844	26,844
Fines & Forfeitures	23,992	23,534	23,534
Miscellaneous Revenue	9,997	9,806	9,806
Intergovernmental Revenue	-	-	-
Charges for Services	79,779	77,232	77,232
Gas Tax and Traffic Safety Fund Revenue	357,465	345,949	345,949
Total Recurring Revenues	**$ 4,953,830**	**$ 5,435,946**	**$ 5,435,946**
B. Recurring Costs			
City Council	$ 14,535	$ 14,258	$ 14,258
City Clerk	24,359	23,894	23,894
General Government	65,004	63,763	63,763
Personnel	7,268	7,129	7,129
Finance	48,400	47,476	47,476
Police Department	1,793,496	1,793,496	1,793,496
Animal Control	110,523	106,963	106,963
Public Works	1,149,221	1,144,679	1,144,679
Engineering	60,453	59,299	59,299
Planning	68,059	66,759	66,759
Public Services	43,428	42,599	42,599
Code Enforcement	29,857	29,287	29,287
Parks	-	1,044,320	-
Graffiti	21,838	21,421	21,421
Trails	3,079	3,020	3,020
Drainage Basins	29,700	29,700	29,700
Storm Drainage Replacement	11,115	11,115	11,115
Total Recurring Costs	**$ 3,480,336**	**$ 4,509,177**	**$ 3,464,857**
General Fund Surplus/(Deficit)	**$ 1,473,494**	**$ 926,768**	**$ 1,971,088**
II. FIRE FUND			
Recurring Revenues	1,192,171	1,181,811	1,181,811
Total Recurring Costs	$ 1,212,690	$ 1,211,775	$ 1,211,775
Fire Fund Surplus/(Deficit)	**(20,519)**	**(29,964)**	**(29,964)**
III. PARAMEDIC FUND			
Recurring Revenues	$ 70,177	$ 68,837	$ 68,837
Total Recurring Costs	-	-	-
Paramedic Fund Surplus/(Deficit)	**$ 70,177**	**$ 68,837**	**$ 68,837**
IV. COMBINED FIRE FUND & PARAMEDIC FUND	-	-	-
Recurring Revenues	$ 1,262,348	$ 1,250,647	$ 1,250,647
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Fire Fund & Paramedic Fund Surplus/(Deficit)	**$ 49,658**	**$ 38,872**	**$ 38,872**
V. COMBINED NET FISCAL IMPACT b/4 CFD	-	-	-
Recurring Revenues	$ 6,216,178	$ 6,686,593	$ 6,686,593
Total Recurring Costs	4,693,026	5,720,952	4,676,632
Total Surplus/(Deficit)	**$ 1,523,152**	**$ 965,641**	**$ 2,009,961**
VI. COMBINED NET FISCAL IMPACT with Services CFD			
Services CFD Special Tax Revenue	$ 1,142,230	$ 1,107,720	$ 1,107,720
Total Surplus/(Deficit)	**$ 2,665,382**	**$ 2,073,361**	**$ 3,117,681**
Increased Road Maintenance	**$ 572,210**	**$ 572,210**	**$ 572,210**

Exhibit B-1: Alternative A
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,668,811	$ 459.47	$ 132.40	33.7%
Property Transfer Tax	4	88,464	24.36	7.02	1.8%
Property Tax In Lieu of Sales Tax	4	116,813	32.16	9.27	2.4%
Off-Site Sales and Use Tax	5	239,485	65.94	19.00	4.8%
On-Site Sales and Use Tax	5	160,015	44.06	12.69	3.2%
Property Tax-Vehicle License Fee	6	1,882,769	518.38	149.37	38.0%
Franchise Fees	6	297,564	81.93	23.61	6.0%
Business License Fee	6	938	0.26	0.07	0.0%
Licenses & Permits	6	27,738	7.64	2.20	0.6%
Fines & Forfeitures	6	23,992	6.61	1.90	0.5%
Miscellaneous Revenue	6	9,997	2.75	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	79,779	21.97	6.33	1.6%
Gas Tax and Traffic Safety Fund Revenue	10	357,465	98.42	28.36	7.2%
Total Recurring Revenues		**$ 4,953,830**	**$ 1,363.94**	**$ 393.02**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,535	$ 4.00	$ 1.15	0.4%
City Clerk	7	$ 24,359	6.71	1.93	0.7%
General Government	7	$ 65,004	17.90	5.16	1.9%
Personnel	7	$ 7,268	2.00	0.58	0.2%
Finance	7	$ 48,400	13.33	3.84	1.4%
Police Department	7	$ 1,793,496	493.80	142.29	51.5%
Animal Control	7	$ 110,523	30.43	8.77	3.2%
Public Works	7	$ 1,149,221	316.42	91.17	33.0%
Engineering	7	$ 60,453	16.64	4.80	1.7%
Planning	7	$ 68,059	18.74	5.40	2.0%
Public Services	7	$ 43,428	11.96	3.45	1.2%
Code Enforcement	7	$ 29,857	8.22	2.37	0.9%
Parks	7	$ -	-	-	0.0%
Graffiti	7	$ 21,838	6.01	1.73	0.6%
Trails	7	$ 3,079	0.85	0.24	0.1%
Drainage Basins	7	$ 29,700	8.18	2.36	0.9%
Storm Drainage Replacement	7	$ 11,115	3.06	0.88	0.3%
Total Recurring Costs		**$ 3,480,336**	**$ 958.24**	**$ 276.12**	**100.0%**
General Fund Surplus/(Deficit)		**$ 1,473,494**	**$ 405.70**	**$ 116.90**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,192,171	$ 328.24	$ 94.58	
Total Recurring Costs	8	1,212,690	333.89	96.21	
Fire Fund Surplus/(Deficit)		**$ (20,519)**	**$ (5.65)**	**$ (1.63)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 70,177	$ 19.32	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 70,177**	**$ 19.32**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,262,348	$ 347.56	$ 100.15	
Total Recurring Costs		1,212,690	333.89	96.21	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 49,658**	**$ 13.67**	**$ 3.94**	
VI. COMBINED NET FISCAL IMPACT B/4 cfd					
Recurring Revenues		$ 6,216,178	$ 1,711.50	$ 493.17	
Total Recurring Costs		4,693,026	1,292.13	372.33	
Total Surplus/(Deficit)		**$ 1,523,152**	**$ 419.37**	**$ 120.84**	
VI. COMBINED NET FISCAL IMPACT with Services CFD					
Services CFD Special Tax Revenue		$ 1,142,230	$ 314.49	$ 90.62	
Total Surplus/(Deficit)		**$ 2,665,382**	**$ 667.78**	**$ 192.42**	

Exhibit B-1: Alternative A
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-1: Alternative A
Table 3 - Land Use Assumptions
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation	Services CFD Tax: CFD Rate 0.10% Per Unit	Services CFD Tax: Amount
I. Residential Land Use		(a)	(a)	(a)			
Condo Apartments	40	5	215	$ 210,000	$ 45,150,000	$ 210	$ 45,150
Paired	26	2	173	230,000	39,790,000	230	39,790
Paired	43A	3	130	230,000	29,900,000	230	29,900
HDD	15	2	208	250,000	52,000,000	250	52,000
HDD	25	3	110	250,000	27,500,000	250	27,500
HDD	33	4	105	250,000	26,250,000	250	26,250
6 Pack	27	2	115	250,000	28,750,000	250	28,750
6 Pack	43B	3	99	250,000	24,750,000	250	24,750
4 Pack L	21	2	115	290,000	33,350,000	290	33,350
4 Pack S	22	2	80	270,000	21,600,000	270	21,600
4 Pack S	23	3	77	270,000	20,790,000	270	20,790
SFD - 3,000 Sq. Ft.	3	1	141	310,000	43,710,000	310	43,710
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000	310	17,360
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000	330	30,030
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000	330	31,020
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000	330	35,970
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000	330	37,950
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000	330	14,850
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000	350	12,600
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000	350	16,450
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000	350	22,050
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000	350	54,950
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000	350	53,900
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000	350	18,200
SFD - 4,000 Sq. Ft.	35	4	31	350,000	10,850,000	350	10,850
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000	350	28,350
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000	360	18,360
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000	360	12,960
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000	360	42,120
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000	360	54,720
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000	380	50,540
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000	380	45,220
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000	410	5,330
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000	410	34,440
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000	430	8,170
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000	430	11,610
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000	430	16,770
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000	430	13,330
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000	430	13,330
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000	460	12,880
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000	460	10,580
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000	460	6,900
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000	460	6,900
Total/Weighted Average			3,632	$ 314,491	**$ 1,142,230,000**	$ 314	**$1,142,230**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	-	-	500	-	150.00	-
Neighborhood Commercial	3	0.25	-	-	500	-	150.00	-
Neighborhood Commercial	40	0.25	-	-	500	-	150.00	-
Total			5.70	62,073		124		**$ 9,310,950**

III. Total Residential and Non-Residential **$ 1,151,540,950**

IV. Population Summary

Residential Units	[1]	**3,632**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,543**
Employees	[4]	**124**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	62
Total Equivalent Residents	[3]+[5]=[6]	**12,605**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.

Exhibit B-1: Alternative A
Table 4 - Property Tax Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,151,540,950
Basic Rate			1.000%
Basic Tax Paid		$	11,515,410
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,860,982**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,668,811**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,192,171**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,142,230,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	159,912,200
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	87,952
B. Non-Residential			
Non-Residential Assessed Value	3	$	9,310,950
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	931,095
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	512
Total Property Transfer Tax	[1]+[2]	**$**	**88,464**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	70,025
On-Site Sales Tax Redirected to Property Tax (e)	5		46,788
Total Property Tax In-Lieu of Sales Tax		**$**	**116,813**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-1: Alternative A
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	350,124,800
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	112,039,936
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	28,009,984
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 280,100
Use Tax @10.50% of sales tax	10.50%	8	29,410
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(70,025)
Total Off-Site Sales Tax Revenue		$ 85	**$ 239,485**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	-	377	80%	-
Neighborhood Commercial	3	-	-	377	80%	-
Neighborhood Commercial	40	-	-	377	80%	-
Subtotal Taxable Sales for Retail Land Use			62,073			$ 18,715,258
Total Taxable Sales						$ 18,715,258
Sales Tax @1% of taxable sales					1.00%	187,153
Use Tax @10.50% of sales tax (c)					10.50%	19,651
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(46,788)
Total On-Site Sales Tax Revenue						**$ 160,015**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.

(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.

(c) Preliminary estimate for illustration purposes.

(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.

(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-1: Alternative A
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	-------- See Table 4 --------	
Property Tax - Vehicle License Fee	59	3,800,000	100%	---------- See Footnote (g) ----------					**1,882,769**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	-------- See Table 4 --------	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	-------- See Table 5 --------	
Extraction Tax	59	85,000	0%	---------- See Footnote (d) ----------					
Transient Occupancy Tax	59	168,000	0%	---------- See Footnote (d) ----------					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,605	$ 26,391
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,605	55,981
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,543	86,834
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,605	113,962
Franchise Fees - Kiosk Signs	59	5,000	0%	---------- See Footnote (d) ----------					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,605	14,395
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 297,564**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	124	**$ 938**
Property Transfer Tax	59	90,000	100%	---------- See Table 4 ----------					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,181,271
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,543	$ 25,977
Building Permits - Inspection Fees	59	400,000	100%	---------- See Footnote (e) ----------					
Building Permits - Plan Check Fees	59	65,000	100%	---------- See Footnote (e) ----------					
Building Permits - SMIP	59	3,000	100%	---------- See Footnote (e) ----------					
Building Permits - BSAR Fund	59	2,000	100%	---------- See Footnote (e) ----------					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,543	1,760
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 27,738**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,605	$ 5,998
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,605	3,999
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,605	8,997
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,605	4,998
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,992**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,605	$ 7,997
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,605	1,999
Building Rental	59	18,000	0%	---------- See Footnote (d) ----------					
Miscellaneous Revenue	59	1,000	0%	---------- See Footnote (d) ----------					
Volunteer Donations	59	8,500	0%	---------- See Footnote (d) ----------					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,997**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	---------- See Footnote (d) ----------					
State - Other	60	27,240	0%	---------- See Footnote (d) ----------					
Article 19 WDA	60	70,000	0%	---------- See Footnote (d) ----------					
SB90 State Mandate Reimbursements	60	10,000	0%	---------- See Footnote (d) ----------					
San Bernardino Unified School District	60	5,000	0%	---------- See Footnote (d) ----------					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	---------- See Table 10 ----------					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,543	23,938
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,543	39,709
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,543	3,520
Police Department Fees	60	160,000	0%	---------- See Footnote (d) ----------					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,543	352
Delinquent Refuse Admin	60	75,000	0%	---------- See Footnote (d) ----------					
Livescan Service Fees	60	1,500	0%	---------- See Footnote (d) ----------					
Foreclosure Registration Fees	60	13,000	0%	---------- See Footnote (d) ----------					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,605	1,699
Sale of Miscellaneous Copies	60	2,000	0%	---------- See Footnote (d) ----------					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,543	10,561
Operating Transfer In-Paramedic Dept.	60	10,000	0%	---------- See Footnote (d) ----------					
Operating Transfer In-Fire Department	60	10,000	0%	---------- See Footnote (d) ----------					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 79,779**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,322,777

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.

(d) Assumes Project will have a de minimis impact on these revenue sources.

(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.

(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(g) See Section II of Table 6.

Exhibit B-1: Alternative A
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05	FY 2011-12		Change
Property Tax Vehicle License Fees (VLF)	$ (a) 2,624,088	$ (b) 3,800,000	[1]	1,175,912
City Assessed Valuation	(c) 1,992,355,699	(d) 2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase			=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV			[3]	$ 1,635

Property Tax in Lieu of MVLF:		
Total Residential and Non-Residential Assessed Value (Table 3)	[4]	$ 1,151,540,950
Assessed Valuation / 1,000,000	[5]	$ 1,152
VLF Increase per $1,000,000 increase in AV	[3]	1,635
Property Tax in Lieu of MVLF	=[3]*[5]	$ 1,882,769

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-1: Alternative A
Table 7 - General Fund Cost Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,605	**$ 14,535**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,605	**24,359**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,605	**65,004**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,605	**7,268**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,605	**48,400**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,543	**110,523**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,605	$ 32,302
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,605	13,064
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,605	102,226
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,605	25,960
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,605	300
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,605	300
Street Maintenance	164	100,000	100%	See Table 16					911,330
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,605	200
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,605	1,999
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,605	9,997
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,605	41,986
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,605	960
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,605	600
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,605	7,997
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 1,149,221**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,605	**60,453**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,605	**68,059**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,605	**43,428**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,605	**29,857**
N. Parks	188	-	0%	See Footnote (e)					**-**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,605	**21,838**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,605	**3,079**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 14,282,410		$ 3,592,834			$ 58.33		$ 3,480,336

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. The development of the Harmony Planned Community ("Project") is not anticipated to increase the City's maintenance cost for these parks. Parks to be developed within the Project are anticipated to be HOA maintained.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-1: Alternative A
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					$ 1,192,171
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									$ -
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		$ 1,192,171
Fire Fund Revenue per Unit								[9]	$ 328.24

II. FIRE FUND COST

A. Typical Cost per Station		
Estimated Cost per Station (d)	[1]	$ 1,237,379
Additional Fire Stations Required to Serve Project (d)	[2]	1.00
Percent of Fire Station Costs Allocable to Project	[3]	100%
Total Cost per Station	[1]X[2]X[3]=[4]	**$ 1,237,379**
B. Wildland Fire Protection Agreement Cost		
Acres (f)	[5]	539
Cost per Acre (g)	[6]	$ 25.77
Total Wildland Fire Protection Agreement Cost	[5]X[6]=[7]	**$ 13,890**
C. Revenue from Outside Project		
Additional Units within the Fire Station Service Area (h)	[8]	111
Fire Revenue per Unit	[9]	$ 328.24
Paramedic Revenue per Unit (From Table 9)	[10]	19.32
Total Revenue from Outside Project	[8]*([9]+[10])=[11]	**$ 38,579**
TOTAL FIRE FUND COST	=[4]+[7]-[11]	**$ 1,212,690**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.

(e) Assumes Project will have a de minimis impact on these revenue sources.

(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.

(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.

(h) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/11/2014.

Exhibit B-1: Alternative A
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,605	$ 70,177
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 70,177**
Paramedic Fund Revenue per Unit									$ 19.32
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-1: Alternative A
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,543
Total Gas Tax and Traffic Safety Fund Revenue						**$ 357,465**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-1: Alternative A
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Repo

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	14	$ 171,324	$ 332,229	$ 523,901	$ 677,646	$ 782,554	$ 918,213	$ 1,053,351	$ 1,167,736	$ 1,348,958	$ 1,514,790	$ 1,607,872	$ 1,645,508	$ 1,668,811
Property Transfer Tax	14	9,103	17,652	27,632	35,800	41,374	48,582	55,763	61,840	71,469	80,280	85,226	87,226	88,464
Property Tax In Lieu of Sales Tax	14	6,247	12,127	66,994	73,838	78,562	84,558	90,342	95,239	102,797	109,506	113,458	115,502	116,813
Off-Site Sales and Use Tax	14	21,364	41,475	69,103	92,510	108,665	129,172	148,953	165,701	191,549	214,495	228,012	235,002	239,485
On-Site Sales and Use Tax	14	-	-	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015
Property Tax-Vehicle License Fee	15	193,290	374,824	591,070	764,528	882,885	1,035,938	1,188,401	1,317,452	1,521,909	1,709,002	1,814,018	1,856,479	1,882,769
Franchise Fees	15	26,452	51,353	86,599	115,582	135,585	160,976	185,469	206,206	238,210	266,621	283,358	292,012	297,564
Business License Fee	15	-	-	938	938	938	938	938	938	938	938	938	938	938
Licenses & Permits	15	2,474	4,804	8,004	10,715	12,586	14,961	17,252	19,192	22,185	24,843	26,409	27,218	27,738
Fines & Forfeitures	15	2,130	4,135	7,007	9,340	10,951	12,995	14,967	16,637	19,213	21,501	22,848	23,545	23,992
Miscellaneous Revenue	15	887	1,723	2,920	3,892	4,563	5,415	6,236	6,932	8,006	8,959	9,520	9,810	9,997
Intergovernmental Revenue	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	15	7,116	13,815	23,026	30,823	36,204	43,035	49,624	55,202	63,812	71,455	75,958	78,286	79,779
Gas Tax and Traffic Safety Fund Revenue	15	31,888	61,907	103,145	138,084	162,198	192,807	222,333	247,332	285,913	320,163	340,339	350,772	357,465
Total Recurring Revenues		**$ 472,276**	**$ 916,042**	**$ 1,670,353**	**$ 2,113,713**	**$ 2,417,079**	**$ 2,807,603**	**$ 3,193,643**	**$ 3,520,422**	**$ 4,034,973**	**$ 4,502,569**	**$ 4,767,972**	**$ 4,882,313**	**$ 4,953,830**
B. General Fund Recurring Costs														
City Council	16	$ 1,290	$ 2,505	$ 4,245	$ 5,659	$ 6,634	$ 7,873	$ 9,068	$ 10,079	$ 11,640	$ 13,026	$ 13,842	$ 14,264	$ 14,535
City Clerk	16	2,162	4,198	7,114	9,483	11,118	13,194	15,196	16,891	19,507	21,830	23,198	23,905	$ 24,359
General Government	16	5,770	11,202	18,985	25,307	29,670	35,209	40,552	45,076	52,057	58,255	61,906	63,793	$ 65,004
Personnel	16	645	1,252	2,123	2,829	3,317	3,936	4,534	5,040	5,820	6,513	6,921	7,132	$ 7,268
Finance	16	4,296	8,341	14,135	18,843	22,092	26,216	30,194	33,562	38,760	43,375	46,093	47,499	$ 48,400
Police Department	18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	16	9,859	19,141	31,891	42,694	50,149	59,613	68,742	76,471	88,400	98,990	105,228	108,454	$ 110,523
Public Works	16	492,300	512,179	677,097	700,234	716,202	878,754	898,307	914,862	1,007,723	1,124,520	1,137,881	1,144,789	$ 1,149,221
Engineering	16	5,366	10,418	17,655	23,535	27,593	32,744	37,713	41,920	48,412	54,176	57,572	59,327	$ 60,453
Planning	16	6,041	11,729	19,877	26,496	31,064	36,863	42,457	47,194	54,503	60,992	64,814	66,791	$ 68,059
Public Services	16	3,855	7,484	12,683	16,907	19,822	23,522	27,092	30,114	34,778	38,919	41,358	42,619	$ 43,428
Code Enforcement	16	2,650	5,145	8,720	11,624	13,628	16,172	18,626	20,704	23,910	26,757	28,434	29,301	$ 29,857
Parks	17	-	-	-	-	-	-	-	-	-	-	-	-	$ -
Graffiti	16	1,938	3,763	6,378	8,502	9,968	11,828	13,623	15,143	17,488	19,570	20,797	21,431	$ 21,838
Trails	16	273	531	899	1,199	1,405	1,668	1,921	2,135	2,466	2,759	2,932	3,022	$ 3,079
Drainage Basins	17	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	17	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 955,304**	**$ 1,140,068**	**$ 1,736,211**	**$ 1,889,407**	**$ 2,314,419**	**$ 2,693,827**	**$ 2,941,801**	**$ 2,993,163**	**$ 3,139,640**	**$ 3,403,350**	**$ 3,444,855**	**$ 3,466,421**	**$ 3,480,336**
Net General Fund Surplus/(Deficit)		**$ (483,028)**	**$ (224,025)**	**$ (65,859)**	**$ 224,306**	**$ 102,660**	**$ 113,776**	**$ 251,842**	**$ 527,258**	**$ 895,333**	**$ 1,099,218**	**$ 1,323,118**	**$ 1,415,892**	**$ 1,473,494**
II. Fire Fund														
Total Recurring Revenues	17	$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Total Recurring Costs	17	33,625	33,625	127,458	1,224,435	1,225,085	1,219,530	1,219,724	1,219,854	1,212,300	1,212,198	1,212,253	1,212,513	1,212,690
Net Fire Fund Surplus/(Deficit)		**$ 88,767**	**$ 203,714**	**$ 246,808**	**$ (740,335)**	**$ (666,041)**	**$ (563,573)**	**$ (467,228)**	**$ (385,642)**	**$ (248,626)**	**$ (130,057)**	**$ (63,616)**	**$ (36,989)**	**$ (20,519)**
III. Paramedic Fund														
Total Recurring Revenues	17	$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 6,229**	**$ 12,094**	**$ 20,495**	**$ 27,321**	**$ 32,031**	**$ 38,011**	**$ 43,779**	**$ 48,662**	**$ 56,199**	**$ 62,890**	**$ 66,831**	**$ 68,869**	**$ 70,177**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 128,621	$ 249,432	$ 394,761	$ 511,420	$ 591,075	$ 693,967	$ 796,275	$ 882,874	$ 1,019,873	$ 1,145,031	$ 1,215,469	$ 1,244,393	$ 1,262,348
Total Recurring Costs		33,625	33,625	127,458	1,224,435	1,225,085	1,219,530	1,219,724	1,219,854	1,212,300	1,212,198	1,212,253	1,212,513	1,212,690
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 94,996**	**$ 215,808**	**$ 267,304**	**$ (713,015)**	**$ (634,010)**	**$ (525,562)**	**$ (423,449)**	**$ (336,980)**	**$ (192,427)**	**$ (67,167)**	**$ 3,216**	**$ 31,880**	**$ 49,658**
V. Combined General Fund, Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 600,896	$ 1,165,475	$ 2,065,114	$ 2,625,133	$ 3,008,154	$ 3,501,571	$ 3,989,919	$ 4,403,296	$ 5,054,846	$ 5,647,600	$ 5,983,441	$ 6,126,706	$ 6,216,178
Total Recurring Costs		988,929	1,173,692	1,863,669	3,113,842	3,539,504	3,913,357	4,161,525	4,213,017	4,351,940	4,615,549	4,657,108	4,678,934	4,693,026
Total Surplus/(Deficit)		**$ (388,032)**	**$ (8,218)**	**$ 201,445**	**$ (488,709)**	**$ (531,350)**	**$ (411,786)**	**$ (171,607)**	**$ 190,278**	**$ 702,906**	**$ 1,032,051**	**$ 1,326,333**	**$ 1,447,773**	**$ 1,523,152**

Exhibit B-1: Alternative A
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	215		-	-	-	-	-	-	-	-	48	48	48	48	23
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	141		48	48	45	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	31		-	-	-	-	-	-	-	-	7	18	6	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,632		324	305	419	355	245	311	300	254	392	348	205	106	68
Cumulative Units			324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
Total Cumulative Residents	3.45	3	1,119	2,172	3,619	4,845	5,691	6,765	7,801	8,678	10,032	11,234	11,942	12,308	12,543

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-1: Alternative A
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Repo

I. Residential Assessed Value Additions	Average Value per Unit	O&m cfd per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	210	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,080,000	$ 10,080,000	$ 10,080,000	$ 10,080,000	$ 4,830,000
Paired	230,000	230	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	230	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	250	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	250	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	250	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	250	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	250	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	290	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	14,880,000	14,880,000	13,950,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	2,450,000	6,300,000	2,100,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	360	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	380	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	380	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	410	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	410	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions				$ 118,220,000	$ 111,030,000	$ 122,950,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 125,050,000	$ 114,430,000	$ 64,230,000	$ 25,970,000	$ 16,080,000
Cumulative Residential Assessed Value				$ 118,220,000	$ 229,250,000	$ 352,200,000	$ 458,290,000	$ 530,680,000	$ 624,290,000	$ 717,540,000	$ 796,470,000	$ 921,520,000	$ 1,035,950,000	$ 1,100,180,000	$ 1,126,150,000	$ 1,142,230,000
Total Assessed Value Additions-Average Price				$ 364,877	$ 364,033	$ 293,437	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 319,005	$ 328,822	$ 313,317	$ 245,000	$ 236,471
II CFD Tax - Developed Property																
Annual Additions				$ 118,220	$ 111,030	$ 122,950	$ 106,090	$ 72,390	$ 93,610	$ 93,250	$ 78,930	$ 125,050	$ 114,430	$ 64,230	$ 25,970	$ 16,080
Cumulative Collections on Developed Property				**$ 118,220**	**$ 229,250**	**$ 352,200**	**$ 458,290**	**$ 530,680**	**$ 624,290**	**$ 717,540**	**$ 796,470**	**$ 921,520**	**$ 1,035,950**	**$ 1,100,180**	**$ 1,126,150**	**$ 1,142,230**

Exhibit B-1: Alternative A
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	62,073	-	-	-	-	-	-	-	-	-	-
Cumulative Square Feet			-	-	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073
Assessed Value Additions	$ 150	3	$ -	$ -	$ 9,310,950	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employees	500	3	-	-	124	-	-	-	-	-	-	-	-	-	-
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950
Cumulative Employees			-	-	124	124	124	124	124	124	124	124	124	124	124
50% of Cumulative Employees			-	-	62	62	62	62	62	62	62	62	62	62	62
Cumulative Equivalent Residents			1,119	2,172	3,681	4,907	5,753	6,827	7,863	8,740	10,094	11,296	12,004	12,370	12,605
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 118,220,000	$ 229,250,000	$ 361,510,950	$ 467,600,950	$ 539,990,950	$ 633,600,950	$ 726,850,950	$ 805,780,950	$ 930,830,950	$ 1,045,260,950	$ 1,109,490,950	$ 1,135,460,950	$ 1,151,540,950
Basic Tax Paid	1.00%	4	1,182,200	2,292,500	3,615,110	4,676,010	5,399,910	6,336,010	7,268,510	8,057,810	9,308,310	10,452,610	11,094,910	11,354,610	11,515,410
Total Property Tax	24.84%	4	$ 293,715	$ 569,567	$ 898,167	$ 1,161,746	$ 1,341,598	$ 1,574,170	$ 1,805,848	$ 2,001,948	$ 2,312,632	$ 2,596,932	$ 2,756,510	$ 2,821,032	$ 2,860,982
Total Property Tax Retained in General Fund	58.33%	4	$ 171,324	$ 332,229	$ 523,901	$ 677,646	$ 782,554	$ 918,213	$ 1,053,351	$ 1,167,736	$ 1,348,958	$ 1,514,790	$ 1,607,872	$ 1,645,508	$ 1,668,811
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 118,220,000	$ 229,250,000	$ 352,200,000	$ 458,290,000	$ 530,680,000	$ 624,290,000	$ 717,540,000	$ 796,470,000	$ 921,520,000	$ 1,035,950,000	$ 1,100,180,000	$ 1,126,150,000	$ 1,142,230,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 9,103	$ 17,652	$ 27,119	$ 35,288	$ 40,862	$ 48,070	$ 55,251	$ 61,328	$ 70,957	$ 79,768	$ 84,714	$ 86,714	$ 87,952
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512
Total Property Transfer Tax			$ 9,103	$ 17,652	$ 27,632	$ 35,800	$ 41,374	$ 48,582	$ 55,763	$ 61,840	$ 71,469	$ 80,280	$ 85,226	$ 87,226	$ 88,464
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 6,247	$ 12,127	$ 20,205	$ 27,050	$ 31,773	$ 37,770	$ 43,554	$ 48,451	$ 56,008	$ 62,718	$ 66,670	$ 68,714	$ 70,025
On-Site Sales Tax Redirected to Property Tax			-	-	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788
Total Property Tax In-Lieu of Sales Tax			$ 6,247	$ 12,127	$ 66,994	$ 73,838	$ 78,562	$ 84,558	$ 90,342	$ 95,239	$ 102,797	$ 109,506	$ 113,458	$ 115,502	$ 116,813
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 31,233,600	$ 60,635,600	$ 101,027,200	$ 135,249,200	$ 158,867,200	$ 188,847,600	$ 217,767,600	$ 242,253,200	$ 280,042,000	$ 313,589,200	$ 333,351,200	$ 343,569,600	$ 350,124,800
Retail Taxable Sales	32.00%	5	9,994,752	19,403,392	32,328,704	43,279,744	50,837,504	60,431,232	69,685,632	77,521,024	89,613,440	100,348,544	106,672,384	109,942,272	112,039,936
Projected Off-Site Taxable Sales	25.00%	5	2,498,688	4,850,848	8,082,176	10,819,936	12,709,376	15,107,808	17,421,408	19,380,256	22,403,360	25,087,136	26,668,096	27,485,568	28,009,984
Sales Tax @1.00% of taxable sales	1.00%	5	24,987	48,508	80,822	108,199	127,094	151,078	174,214	193,803	224,034	250,871	266,681	274,856	280,100
Use Tax @10.50% of sales tax	10.50%	5	2,624	5,093	8,486	11,361	13,345	15,863	18,292	20,349	23,524	26,341	28,002	28,860	29,410
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(6,247)	(12,127)	(20,205)	(27,050)	(31,773)	(37,770)	(43,554)	(48,451)	(56,008)	(62,718)	(66,670)	(68,714)	(70,025)
Total Off-Site Sales Tax Revenue			$ 21,364	$ 41,475	$ 69,103	$ 92,510	$ 108,665	$ 129,172	$ 148,953	$ 165,701	$ 191,549	$ 214,495	$ 228,012	$ 235,002	$ 239,485
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072
Taxable Sales	80%	5	-	-	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)
Total On-Site Sales Tax Allocated to County			$ -	$ -	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015	$ 160,015

Exhibit B-1: Alternative A
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A. Property Tax - Vehicle License Fee															[1]
Assessed Valuation per $1,000			$ 118	$ 229	$ 362	$ 468	$ 540	$ 634	$ 727	$ 806	$ 931	$ 1,045	$ 1,109	$ 1,135	$ 1,152
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 193,290**	**$ 374,824**	**$ 591,070**	**$ 764,528**	**$ 882,885**	**$ 1,035,938**	**$ 1,188,401**	**$ 1,317,452**	**$ 1,521,909**	**$ 1,709,002**	**$ 1,814,018**	**$ 1,856,479**	**$ 1,882,769**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,343	$ 4,548	$ 7,708	$ 10,274	$ 12,046	$ 14,295	$ 16,464	$ 18,300	$ 21,135	$ 23,651	$ 25,133	$ 25,900	$ 26,391
Franchise Fees - Electric	4.44	6	4,969	9,647	16,349	21,794	25,552	30,322	34,923	38,819	44,831	50,169	53,313	54,939	55,981
Franchise Fees - Cable	6.92	6	7,746	15,038	25,056	33,543	39,400	46,836	54,008	60,081	69,453	77,773	82,674	85,208	86,834
Franchise Fees - Refuse	9.04	6	10,116	19,639	33,283	44,367	52,016	61,727	71,093	79,024	91,263	102,129	108,530	111,839	113,962
Franchise Fees - Refuse Household Waste	1.14	6	1,278	2,481	4,204	5,604	6,570	7,797	8,980	9,982	11,528	12,900	13,709	14,127	14,395
Total Franchise Fees			**$ 26,452**	**$ 51,353**	**$ 86,599**	**$ 115,582**	**$ 135,585**	**$ 160,976**	**$ 185,469**	**$ 206,206**	**$ 238,210**	**$ 266,621**	**$ 283,358**	**$ 292,012**	**$ 297,564**
C. Business License Fee	7.55	6	$ -	$ -	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,317	$ 4,499	$ 7,496	$ 10,035	$ 11,787	$ 14,011	$ 16,157	$ 17,974	$ 20,778	$ 23,267	$ 24,733	$ 25,491	$ 25,977
Yard Sale Permits	0.14	6	157	305	508	680	799	949	1,095	1,218	1,408	1,576	1,676	1,727	1,760
Total Licenses & Permits			**$ 2,474**	**$ 4,804**	**$ 8,004**	**$ 10,715**	**$ 12,586**	**$ 14,961**	**$ 17,252**	**$ 19,192**	**$ 22,185**	**$ 24,843**	**$ 26,409**	**$ 27,218**	**$ 27,738**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 532	$ 1,034	$ 1,752	$ 2,335	$ 2,738	$ 3,249	$ 3,742	$ 4,159	$ 4,803	$ 5,375	$ 5,712	$ 5,886	$ 5,998
General Fines	0.32	6	355	689	1,168	1,557	1,825	2,166	2,495	2,773	3,202	3,583	3,808	3,924	3,999
Code Enforcement Fines	0.71	6	799	1,550	2,628	3,503	4,107	4,873	5,613	6,239	7,205	8,063	8,568	8,829	8,997
Administrative Citation Program	0.40	6	444	861	1,460	1,946	2,281	2,707	3,118	3,466	4,003	4,479	4,760	4,905	4,998
Total Fines & Forfeitures			**$ 2,130**	**$ 4,135**	**$ 7,007**	**$ 9,340**	**$ 10,951**	**$ 12,995**	**$ 14,967**	**$ 16,637**	**$ 19,213**	**$ 21,501**	**$ 22,848**	**$ 23,545**	**$ 23,992**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 710	$ 1,378	$ 2,336	$ 3,113	$ 3,650	$ 4,332	$ 4,989	$ 5,546	$ 6,404	$ 7,167	$ 7,616	$ 7,848	$ 7,997
Refuse Penalties & Interest	0.16	6	177	345	584	778	913	1,083	1,247	1,386	1,601	1,792	1,904	1,962	1,999
Total Miscellaneous Revenue			**$ 887**	**$ 1,723**	**$ 2,920**	**$ 3,892**	**$ 4,563**	**$ 5,415**	**$ 6,236**	**$ 6,932**	**$ 8,006**	**$ 8,959**	**$ 9,520**	**$ 9,810**	**$ 9,997**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	2,135	4,146	6,907	9,247	10,862	12,911	14,889	16,563	19,146	21,440	22,791	23,490	23,938
Engineering Fees - Inspections	$ 3.17	6	3,542	6,877	11,458	15,339	18,018	21,418	24,698	27,475	31,761	35,565	37,807	38,965	39,709
Park Fees	0.28	6	314	610	1,016	1,360	1,597	1,899	2,190	2,436	2,816	3,153	3,352	3,454	3,520
Self Hauler fees	0.03	6	31	61	102	136	160	190	219	244	282	315	335	345	352
Recordation of Document Fees	0.13	6	151	293	496	662	776	920	1,060	1,178	1,361	1,523	1,618	1,668	1,699
Vehicle Storage Fees	0.84	6	942	1,829	3,047	4,080	4,792	5,696	6,569	7,307	8,447	9,459	10,055	10,363	10,561
Total Charges for Services			**$ 7,116**	**$ 13,815**	**$ 23,026**	**$ 30,823**	**$ 36,204**	**$ 43,035**	**$ 49,624**	**$ 55,202**	**$ 63,812**	**$ 71,455**	**$ 75,958**	**$ 78,286**	**$ 79,779**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 31,888**	**$ 61,907**	**$ 103,145**	**$ 138,084**	**$ 162,198**	**$ 192,807**	**$ 222,333**	**$ 247,332**	**$ 285,913**	**$ 320,163**	**$ 340,339**	**$ 350,772**	**$ 357,465**

Exhibit B-1: Alternative A
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

			Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs																
A. City Council	$ 1.15		7	$ 1,290	$ 2,505	$ 4,245	$ 5,659	$ 6,634	$ 7,873	$ 9,068	$ 10,079	$ 11,640	$ 13,026	$ 13,842	$ 14,264	$ 14,535
B. City Clerk	1.93		7	2,162	4,198	7,114	9,483	11,118	13,194	15,196	16,891	19,507	21,830	23,198	23,905	24,359
C. General Government	5.16		7	5,770	11,202	18,985	25,307	29,670	35,209	40,552	45,076	52,057	58,255	61,906	63,793	65,004
D. Personnel	0.58		7	645	1,252	2,123	2,829	3,317	3,936	4,534	5,040	5,820	6,513	6,921	7,132	7,268
E. Finance	3.84		7	4,296	8,341	14,135	18,843	22,092	26,216	30,194	33,562	38,760	43,375	46,093	47,499	48,400
F. Police Department			18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81		7	9,859	19,141	31,891	42,694	50,149	59,613	68,742	76,471	88,400	98,990	105,228	108,454	110,523
H. Public Works																
Salaries & Wages	$ 2.56		7	$ 2,867	$ 5,567	$ 9,434	$ 12,576	$ 14,744	$ 17,496	$ 20,151	$ 22,399	$ 25,868	$ 28,948	$ 30,762	$ 31,701	32,302
Benefits	1.04		7	1,160	2,251	3,815	5,086	5,963	7,076	8,150	9,059	10,462	11,708	12,441	12,821	13,064
Operations & Materials	8.11		7	9,074	17,617	29,855	39,798	46,660	55,370	63,772	70,886	81,865	91,611	97,353	100,322	102,226
Engineering	2.06		7	2,304	4,474	7,582	10,106	11,849	14,061	16,195	18,001	20,789	23,264	24,722	25,476	25,960
Traffic Counts	0.02		7	27	52	88	117	137	162	187	208	240	269	286	294	300
Underground Service Alert	0.02		7	27	52	88	117	137	162	187	208	240	269	286	294	300
Contract Services - Street Maintenance	1.59		7	471,183	471,183	607,621	607,621	607,621	749,903	749,903	749,903	817,214	911,330	911,330	911,330	911,330
Contract Services - Street Sweeping	0.02		7	18	34	58	78	91	108	125	139	160	179	190	196	200
Contract Services - Emergency Work	0.16		7	177	345	584	778	913	1,083	1,247	1,386	1,601	1,792	1,904	1,962	1,999
Contract Services - Striping	0.79		7	887	1,723	2,920	3,892	4,563	5,415	6,236	6,932	8,006	8,959	9,520	9,810	9,997
Contract Services - Traffic Signals	3.33		7	3,727	7,235	12,262	16,346	19,164	22,741	26,192	29,114	33,623	37,626	39,985	41,204	41,986
Contract Services - Maintenance	0.08		7	85	165	280	374	438	520	599	665	769	860	914	942	960
Contract Services - Environmental Health Services	0.05		7	53	103	175	234	274	325	374	416	480	538	571	589	600
Contract Services - Tree Trimming	0.63		7	710	1,378	2,336	3,113	3,650	4,332	4,989	5,546	6,404	7,167	7,616	7,848	7,997
Total Public Works				$ 492,300	$ 512,179	$ 677,097	$ 700,234	$ 716,202	$ 878,754	$ 898,307	$ 914,862	$ 1,007,723	$ 1,124,520	$ 1,137,881	$ 1,144,789	$ 1,149,221
I. Engineering	4.80		7	$ 5,366	$ 10,418	$ 17,655	$ 23,535	$ 27,593	$ 32,744	$ 37,713	$ 41,920	$ 48,412	$ 54,176	$ 57,572	$ 59,327	$ 60,453
J. Planning	5.40		7	6,041	11,729	19,877	26,496	31,064	36,863	42,457	47,194	54,503	60,992	64,814	66,791	68,059
K. Public Services	3.45		7	3,855	7,484	12,683	16,907	19,822	23,522	27,092	30,114	34,778	38,919	41,358	42,619	43,428
L. Code Enforcement	2.37		7	2,650	5,145	8,720	11,624	13,628	16,172	18,626	20,704	23,910	26,757	28,434	29,301	29,857
M. Graffiti	1.73		7	1,938	3,763	6,378	8,502	9,968	11,828	13,623	15,143	17,488	19,570	20,797	21,431	21,838
N. Trails	0.24		7	273	531	899	1,199	1,405	1,668	1,921	2,135	2,466	2,759	2,932	3,022	3,079
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14																
Sergeant				$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective				-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy				148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist				69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist				-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)				-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)				-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)				5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services				12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization				964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance				1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)				-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)				333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support				1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance				348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding				3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost				11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget				$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading				$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget				$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance																
Lane Miles (Assumes Beginning of Phase)																
Backbone Roads				27.42												
Interior Roads				19.34		13.54			14.12			6.68	9.34			
Total Lane Miles				46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)			C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
	Lewis	City														
Cost per Lane Mile (See Exhibit C-2)	3,750	$ 10,077	C-2	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077
Total Street Maintenance Cost				$ 471,183	$ 471,183	$ 607,621	$ 607,621	$ 607,621	$ 749,903	$ 749,903	$ 749,903	$ 817,214	$ 911,330	$ 911,330	$ 911,330	$ 911,330

Exhibit B-1: Alternative A
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ -	7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund															
A. Recurring Revenues															
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Total Recurring Revenues			$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Revenue per Unit			$ 378	$ 377	$ 357	$ 345	$ 339	$ 335	$ 333	$ 332	$ 332	$ 333	$ 332	$ 330	$ 328
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	0.11	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ 141,752	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Revenue from Outside Project															
Additional Units within the Fire Station Service Area (e)			-	-	111	111	111	111	111	111	111	111	111	111	111
Fire Revenue per Unit			$ 378	$ 377	$ 357	$ 345	$ 339	$ 335	$ 333	$ 332	$ 332	$ 333	$ 332	$ 330	$ 328
Paramedic Revenue per Unit			19	19	20	19	19	19	19	19	19	19	19	19	19
Total Revenue from Outside Project		8	$ -	$ -	$ 41,812	$ 40,462	$ 39,811	$ 39,321	$ 39,126	$ 38,997	$ 38,969	$ 39,071	$ 39,016	$ 38,756	$ 38,579
Total Recurring Costs			$ 33,625	$ 33,625	$ 127,458	$ 1,224,435	$ 1,225,085	$ 1,219,530	$ 1,219,724	$ 1,219,854	$ 1,212,300	$ 1,212,198	$ 1,212,253	$ 1,212,513	$ 1,212,690
			$ 88,767	$ 203,714	$ 246,808	$ (740,335)	$ (666,041)	$ (563,573)	$ (467,228)	$ (385,642)	$ (248,626)	$ (130,057)	$ (63,616)	$ (36,989)	$ (20,519)
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
Revenue per Unit			$ 19	$ 19	$ 20	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.
(e) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/10/2014.

Exhibit B-1: Alternative A
Table 18 - Police Phasing Analysis
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
Cumulative Residents		1,119	2,172	3,619	4,845	5,691	6,765	7,801	8,678	10,032	11,234	11,942	12,308	12,543
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.89	0.92	1.11	0.83	1.05	1.03	1.03	0.92	0.80	0.80	0.75	0.73	0.72
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.89	0.92	0.83	0.62	0.70	0.74	0.77	0.69	0.60	0.62	0.59	0.57	0.56
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit B-2: Alternative B
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,654,308	$ 470.64	$ 133.80	30.4%
Property Transfer Tax	4	87,154	24.79	7.05	1.6%
Property Tax In Lieu of Sales Tax	4	237,684	67.62	19.22	4.4%
Off-Site Sales and Use Tax	5	231,771	65.94	18.75	4.3%
On-Site Sales and Use Tax	5	581,109	165.32	47.00	10.7%
Property Tax-Vehicle License Fee	6	1,866,407	530.98	150.96	34.3%
Franchise Fees	6	290,743	82.71	23.52	5.3%
Business License Fee	6	3,405	0.97	0.28	0.1%
Licenses & Permits	6	26,844	7.64	2.17	0.5%
Fines & Forfeitures	6	23,534	6.70	1.90	0.4%
Miscellaneous Revenue	6	9,806	2.79	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	77,232	21.97	6.25	1.4%
Gas Tax and Traffic Safety Fund Revenue	10	345,949	98.42	27.98	6.4%
Total Recurring Revenues		**$ 5,435,946**	**$ 1,546.50**	**$ 439.66**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,258	$ 4.06	$ 1.15	0.3%
City Clerk	7	$ 23,894	6.80	1.93	0.5%
General Government	7	$ 63,763	18.14	5.16	1.4%
Personnel	7	$ 7,129	2.03	0.58	0.2%
Finance	7	$ 47,476	13.51	3.84	1.1%
Police Department	7	$ 1,793,496	510.24	145.06	39.8%
Animal Control	7	$ 106,963	30.43	8.65	2.4%
Public Works	7	$ 1,144,679	325.66	92.58	25.4%
Engineering	7	$ 59,299	16.87	4.80	1.3%
Planning	7	$ 66,759	18.99	5.40	1.5%
Public Services	7	$ 42,599	12.12	3.45	0.9%
Code Enforcement	7	$ 29,287	8.33	2.37	0.6%
Parks	7	$ 1,044,320	297.10	84.46	23.2%
Graffiti	7	$ 21,421	6.09	1.73	0.5%
Trails	7	$ 3,020	0.86	0.24	0.1%
Drainage Basins	7	$ 29,700	8.45	2.40	0.7%
Storm Drainage Replacement	7	$ 11,115	3.16	0.90	0.2%
Total Recurring Costs		**$ 4,509,177**	**$ 1,282.84**	**$ 364.70**	**100.0%**
General Fund Surplus/(Deficit)		**$ 926,768**	**$ 263.66**	**$ 74.96**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,181,811	$ 336.22	$ 95.59	
Total Recurring Costs	8	1,211,775	344.74	98.01	
Fire Fund Surplus/(Deficit)		**$ (29,964)**	**$ (8.52)**	**$ (2.42)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 68,837	$ 19.58	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 68,837**	**$ 19.58**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,250,647	$ 355.80	$ 101.15	
Total Recurring Costs		1,211,775	344.74	98.01	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 38,872**	**$ 11.06**	**$ 3.14**	
VI. COMBINED NET FISCAL IMPACT B/4 cfd					
Recurring Revenues		$ 6,686,593	$ 1,902.30	$ 540.81	
Total Recurring Costs		5,720,952	1,627.58	462.71	
Total Surplus/(Deficit)		**$ 965,641**	**$ 274.72**	**$ 78.10**	
VI. COMBINED NET FISCAL IMPACT with Services CFD					
Services CFD Special Tax Revenue		$ 1,107,720	$ 315.14	$ 89.59	
Total Surplus/(Deficit)		**$ 2,073,361**	**$ 689.49**	**$ 196.02**	

Exhibit B-2: Alternative B
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-2: Alternative B
Table 3 - Land Use Assumptions
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation	Services CFD Tax: CFD Rate 0.10% Per Unit	Services CFD Tax: Amount
I. Residential Land Use		(a)	(a)	(a)			
Condo Apartments	40	5	195	$ 210,000	$ 40,950,000	$ 210	$ 40,950
Paired	26	2	173	230,000	39,790,000	230	39,790
Paired	43A	3	130	230,000	29,900,000	230	29,900
HDD	15	2	208	250,000	52,000,000	250	52,000
HDD	25	3	110	250,000	27,500,000	250	27,500
HDD	33	4	105	250,000	26,250,000	250	26,250
6 Pack	27	2	115	250,000	28,750,000	250	28,750
6 Pack	43B	3	99	250,000	24,750,000	250	24,750
4 Pack L	21	2	115	290,000	33,350,000	290	33,350
4 Pack S	22	2	80	270,000	21,600,000	270	21,600
4 Pack S	23	3	77	270,000	20,790,000	270	20,790
SFD - 3,000 Sq. Ft.	3	1	50	310,000	15,500,000	310	15,500
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000	310	17,360
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000	330	30,030
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000	330	31,020
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000	330	35,970
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000	330	37,950
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000	330	14,850
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000	350	12,600
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000	350	16,450
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000	350	22,050
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000	350	54,950
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000	350	53,900
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000	350	18,200
SFD - 4,000 Sq. Ft.	35	4	25	350,000	8,750,000	350	8,750
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000	350	28,350
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000	360	18,360
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000	360	12,960
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000	360	42,120
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000	360	54,720
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000	380	50,540
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000	380	45,220
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000	410	5,330
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000	410	34,440
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000	430	8,170
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000	430	11,610
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000	430	16,770
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000	430	13,330
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000	430	13,330
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000	460	12,880
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000	460	10,580
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000	460	6,900
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000	460	6,900
Total/Weighted Average			3,515	$ 315,141	**$ 1,107,720,000**	$ 315	**$1,107,720**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	1.00	10,890	500	22	150.00	1,633,500
Neighborhood Commercial	3	0.25	13.00	141,570	500	283	150.00	21,235,500
Neighborhood Commercial	40	0.25	1.00	10,890	500	22	150.00	1,633,500
Total			20.70	225,423		451		**$ 33,813,450**

III. Total Residential and Non-Residential **$ 1,141,533,450**

IV. Population Summary

Residential Units	[1]	**3,515**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,139**
Employees	[4]	**451**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	225
Total Equivalent Residents	[3]+[5]=[6]	**12,364**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.

Exhibit B-2: Alternative B
Table 4 - Property Tax Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,141,533,450
Basic Rate			1.000%
Basic Tax Paid		$	11,415,335
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,836,119**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,654,308**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,181,811**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,107,720,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	155,080,800
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	85,294
B. Non-Residential			
Non-Residential Assessed Value	3	$	33,813,450
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	3,381,345
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	1,860
Total Property Transfer Tax	[1]+[2]	**$**	**87,154**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	67,769
On-Site Sales Tax Redirected to Property Tax (e)	5		169,915
Total Property Tax In-Lieu of Sales Tax		**$**	**237,684**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-2: Alternative B
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	338,846,000
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	108,430,720
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 271,077
Use Tax @10.50% of sales tax	10.50%	8	28,463
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(67,769)
Total Off-Site Sales Tax Revenue		$ 85	**$ 231,771**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	10,890	377	80%	3,283,379
Neighborhood Commercial	3	-	141,570	377	80%	42,683,921
Neighborhood Commercial	40	-	10,890	377	80%	3,283,379
Subtotal Taxable Sales for Retail Land Use			225,423			$ 67,965,936
Total Taxable Sales						$ 67,965,936
Sales Tax @1% of taxable sales					1.00%	679,659
Use Tax @10.50% of sales tax (c)					10.50%	71,364
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(169,915)
Total On-Site Sales Tax Revenue						**$ 581,109**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.
(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.
(c) Preliminary estimate for illustration purposes.
(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.
(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-2: Alternative B
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	See Table 4	
Property Tax - Vehicle License Fee	59	3,800,000	100%	See Footnote (g)					**1,866,407**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	See Table 4	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	See Table 5	
Extraction Tax	59	85,000	0%	See Footnote (d)					
Transient Occupancy Tax	59	168,000	0%	See Footnote (d)					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,364	$ 25,887
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,364	54,912
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,139	84,037
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,364	111,786
Franchise Fees - Kiosk Signs	59	5,000	0%	See Footnote (d)					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,364	14,120
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 290,743**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	451	**$ 3,405**
Property Transfer Tax	59	90,000	100%	See Table 4					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,160,555
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,139	$ 25,141
Building Permits - Inspection Fees	59	400,000	100%	See Footnote (e)					
Building Permits - Plan Check Fees	59	65,000	100%	See Footnote (e)					
Building Permits - SMIP	59	3,000	100%	See Footnote (e)					
Building Permits - BSAR Fund	59	2,000	100%	See Footnote (e)					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,139	1,703
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 26,844**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,364	$ 5,883
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,364	3,922
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,364	8,825
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,364	4,903
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,534**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,364	$ 7,845
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Building Rental	59	18,000	0%	See Footnote (d)					
Miscellaneous Revenue	59	1,000	0%	See Footnote (d)					
Volunteer Donations	59	8,500	0%	See Footnote (d)					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,806**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	See Footnote (d)					
State - Other	60	27,240	0%	See Footnote (d)					
Article 19 WDA	60	70,000	0%	See Footnote (d)					
SB90 State Mandate Reimbursements	60	10,000	0%	See Footnote (d)					
San Bernardino Unified School District	60	5,000	0%	See Footnote (d)					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	See Table 10					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,139	23,167
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,139	38,430
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,139	3,407
Police Department Fees	60	160,000	0%	See Footnote (d)					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,139	341
Delinquent Refuse Admin	60	75,000	0%	See Footnote (d)					
Livescan Service Fees	60	1,500	0%	See Footnote (d)					
Foreclosure Registration Fees	60	13,000	0%	See Footnote (d)					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,364	1,667
Sale of Miscellaneous Copies	60	2,000	0%	See Footnote (d)					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,139	10,221
Operating Transfer In-Paramedic Dept.	60	10,000	0%	See Footnote (d)					
Operating Transfer In-Fire Department	60	10,000	0%	See Footnote (d)					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 77,232**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,297,970

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.
(d) Assumes Project will have a de minimis impact on these revenue sources.
(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.
(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.
(g) See Section II of Table 6.

Exhibit B-2: Alternative B
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05	FY 2011-12		Change
Property Tax Vehicle License Fees (VLF)	$ (a) 2,624,088	$ (b) 3,800,000	[1]	1,175,912
City Assessed Valuation	(c) 1,992,355,699	(d) 2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase			=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV			[3]	$ 1,635
Property Tax in Lieu of MVLF:				
Total Residential and Non-Residential Assessed Value (Table 3)			[4]	$ 1,141,533,450
Assessed Valuation / 1,000,000			[5]	$ 1,142
VLF Increase per $1,000,000 increase in AV			[3]	1,635
Property Tax in Lieu of MVLF			=[3]*[5]	$ 1,866,407

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-2: Alternative B
Table 7 - General Fund Cost Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,364	**$ 14,258**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,364	**23,894**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,364	**63,763**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,364	**7,129**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,364	**47,476**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,139	**106,963**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,364	$ 31,685
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,364	12,815
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,364	100,274
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,364	25,464
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Street Maintenance	164	100,000	100%	See Table 16					911,330
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,364	196
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,364	9,806
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,364	41,184
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,364	941
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,364	588
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,364	7,845
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 1,144,679**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,364	**59,299**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,364	**66,759**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,364	**42,599**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,364	**29,287**
N. Parks	188	1,073,620	100%	See Footnote (e)					**1,044,320**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,364	**21,421**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,364	**3,020**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 15,356,030		$ 3,592,834			$ 58.33		$ 4,509,177

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. Park maintenance costs assumed at $32,635 per acre for maintenance of 32 acres.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-2: Alternative B
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					$ 1,181,811
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									$ -
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		$ 1,181,811
Fire Fund Revenue per Unit								[9]	$ 336.22

II. FIRE FUND COST

A. Typical Cost per Station		
Estimated Cost per Station (d)	[1]	$ 1,237,379
Additional Fire Stations Required to Serve Project (d)	[2]	1.00
Percent of Fire Station Costs Allocable to Project	[3]	100%
Total Cost per Station	[1]X[2]X[3]=[4]	**$ 1,237,379**
B. Wildland Fire Protection Agreement Cost		
Acres (f)	[5]	539
Cost per Acre (g)	[6]	$ 25.77
Total Wildland Fire Protection Agreement Cost	[5]X[6]=[7]	**$ 13,890**
C. Revenue from Outside Project		
Additional Units within the Fire Station Service Area (h)	[8]	111
Fire Revenue per Unit	[9]	$ 336.22
Paramedic Revenue per Unit (From Table 9)	[10]	19.58
Total Revenue from Outside Project	[8]*([9]+[10])=[11]	**$ 39,494**
TOTAL FIRE FUND COST	=[4]+[7]-[11]	**$ 1,211,775**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.

(e) Assumes Project will have a de minimis impact on these revenue sources.

(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.

(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.

(h) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/11/2014.

Exhibit B-2: Alternative B
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,364	$ 68,837
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 68,837**
Paramedic Fund Revenue per Unit									$ 19.58
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-2: Alternative B
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,139
Total Gas Tax and Traffic Safety Fund Revenue						**$ 345,949**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-2: Alternative B
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Repo

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	14	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
Property Transfer Tax	14	8,363	16,172	26,627	34,796	40,370	47,578	54,758	60,836	70,373	79,039	83,956	85,891	87,154
Property Tax In Lieu of Sales Tax	14	5,649	10,932	171,949	178,793	183,517	189,513	195,297	200,194	207,655	214,230	226,275	228,242	237,684
Off-Site Sales and Use Tax	14	19,320	37,387	63,102	86,510	102,665	123,171	142,953	159,701	185,219	207,703	220,825	227,551	231,771
On-Site Sales and Use Tax	14	-	-	524,963	524,963	524,963	524,963	524,963	524,963	524,963	524,963	553,036	553,036	581,109
Property Tax-Vehicle License Fee	15	177,577	343,399	579,667	753,124	871,482	1,024,534	1,176,998	1,306,049	1,508,560	1,692,563	1,797,731	1,838,819	1,866,407
Franchise Fees	15	23,921	46,291	81,537	110,520	130,522	155,913	180,406	201,143	232,739	260,579	277,008	285,336	290,743
Business License Fee	15	-	-	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,240	3,240	3,405
Licenses & Permits	15	2,238	4,330	7,309	10,020	11,891	14,266	16,557	18,497	21,452	24,057	25,576	26,355	26,844
Fines & Forfeitures	15	1,926	3,727	6,678	9,012	10,622	12,666	14,638	16,308	18,852	21,093	22,422	23,093	23,534
Miscellaneous Revenue	15	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Intergovernmental Revenue	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	15	6,435	12,453	21,046	28,843	34,224	41,055	47,644	53,223	61,723	69,212	73,584	75,825	77,232
Gas Tax and Traffic Safety Fund Revenue	15	28,837	55,805	94,189	129,128	153,241	183,850	213,376	238,375	276,464	310,026	329,612	339,650	345,949
Total Recurring Revenues		**$ 432,466**	**$ 836,424**	**$ 2,096,719**	**$ 2,540,079**	**$ 2,843,446**	**$ 3,233,970**	**$ 3,620,010**	**$ 3,946,788**	**$ 4,456,057**	**$ 4,915,549**	**$ 5,216,045**	**$ 5,326,514**	**$ 5,435,946**
B. General Fund Recurring Costs														
City Council	16	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
City Clerk	16	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	$ 23,894
General Government	16	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	$ 63,763
Personnel	16	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	$ 7,129
Finance	16	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	$ 47,476
Police Department	18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	16	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	$ 106,963
Public Works	16	490,280	508,138	673,838	696,975	712,943	875,495	895,048	911,603	1,004,138	1,120,478	1,133,654	1,140,302	$ 1,144,679
Engineering	16	4,853	9,391	16,827	22,707	26,765	31,916	36,885	41,092	47,501	53,149	56,497	58,187	$ 59,299
Planning	16	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	$ 66,759
Public Services	16	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	$ 42,599
Code Enforcement	16	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	$ 29,287
Parks	17	-	-	-	832,193	832,193	832,193	832,193	832,193	832,193	832,193	1,044,320	1,044,320	$ 1,044,320
Graffiti	16	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	$ 21,421
Trails	16	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	$ 3,020
Drainage Basins	17	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	17	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 949,059**	**$ 1,127,579**	**$ 1,724,891**	**$ 2,710,279**	**$ 3,135,291**	**$ 3,514,699**	**$ 3,762,673**	**$ 3,814,035**	**$ 3,959,505**	**$ 4,221,805**	**$ 4,474,768**	**$ 4,495,528**	**$ 4,509,177**
Net General Fund Surplus/(Deficit)		**$ (516,593)**	**$ (291,154)**	**$ 371,828**	**$ (170,200)**	**$ (291,845)**	**$ (280,729)**	**$ (142,663)**	**$ 132,753**	**$ 496,552**	**$ 693,743**	**$ 741,278**	**$ 830,986**	**$ 926,768**
II. Fire Fund														
Total Recurring Revenues	17	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Costs	17	33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund Surplus/(Deficit)		**$ 78,817**	**$ 183,816**	**$ 384,367**	**$ (595,562)**	**$ (671,518)**	**$ (569,364)**	**$ (473,225)**	**$ (391,773)**	**$ (256,123)**	**$ (139,597)**	**$ (73,041)**	**$ (47,304)**	**$ (29,964)**
III. Paramedic Fund														
Total Recurring Revenues	17	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 5,633**	**$ 10,902**	**$ 19,534**	**$ 26,359**	**$ 31,070**	**$ 37,049**	**$ 42,817**	**$ 47,701**	**$ 55,141**	**$ 61,698**	**$ 65,584**	**$ 67,546**	**$ 68,837**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 118,076	$ 228,342	$ 386,579	$ 503,238	$ 582,893	$ 685,785	$ 788,093	$ 874,692	$ 1,010,363	$ 1,133,430	$ 1,203,910	$ 1,231,887	$ 1,250,647
Total Recurring Costs		33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 84,451**	**$ 194,717**	**$ 403,901**	**$ (569,203)**	**$ (640,449)**	**$ (532,315)**	**$ (430,408)**	**$ (344,072)**	**$ (200,981)**	**$ (77,900)**	**$ (7,457)**	**$ 20,241**	**$ 38,872**
V. Combined General Fund, Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 550,542	$ 1,064,766	$ 2,483,299	$ 3,043,318	$ 3,426,339	$ 3,919,755	$ 4,408,103	$ 4,821,480	$ 5,466,420	$ 6,048,979	$ 6,419,955	$ 6,558,401	$ 6,686,593
Total Recurring Costs		982,684	1,161,203	1,707,570	3,782,720	4,358,633	4,732,799	4,981,174	5,032,799	5,170,849	5,433,135	5,686,134	5,707,174	5,720,952
Total Surplus/(Deficit)		**$ (432,142)**	**$ (96,437)**	**$ 775,729**	**$ (739,402)**	**$ (932,294)**	**$ (813,044)**	**$ (573,071)**	**$ (211,319)**	**$ 295,571**	**$ 615,844**	**$ 733,821**	**$ 851,227**	**$ 965,641**

Exhibit B-2: Alternative B
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	195		-	-	-	-	-	-	-	-	44	44	44	44	19
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	50		17	17	16	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	25		-	-	-	-	-	-	-	-	6	15	4	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,515		293	274	390	355	245	311	300	254	387	341	199	102	64
Cumulative Units			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Total Cumulative Residents	3.45	3	1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-2: Alternative B
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Repo

I. Residential Assessed Value Additions	Average Value per Unit	O&m cfd per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	210	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 3,990,000
Paired	230,000	230	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	230	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	250	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	250	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	250	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	250	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	250	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	290	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	5,270,000	5,270,000	4,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	2,100,000	5,250,000	1,400,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	360	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	380	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	380	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	410	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	410	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions				$ 108,610,000	$ 101,420,000	$ 113,960,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 123,860,000	$ 112,540,000	$ 62,690,000	$ 25,130,000	$ 15,240,000
Cumulative Residential Assessed Value				$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Total Assessed Value Additions-Average Price				$ 370,683	$ 370,146	$ 292,205	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 320,052	$ 330,029	$ 315,025	$ 246,373	$ 238,125
II CFD Tax - Developed Property																
Annual Additions				$ 108,610	$ 101,420	$ 113,960	$ 106,090	$ 72,390	$ 93,610	$ 93,250	$ 78,930	$ 123,860	$ 112,540	$ 62,690	$ 25,130	$ 15,240
Cumulative Collections on Developed Property				**$ 108,610**	**$ 210,030**	**$ 323,990**	**$ 430,080**	**$ 502,470**	**$ 596,080**	**$ 689,330**	**$ 768,260**	**$ 892,120**	**$ 1,004,660**	**$ 1,067,350**	**$ 1,092,480**	**$ 1,107,720**

Exhibit B-2: Alternative B
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	203,643	-	-	-	-	-	-	-	10,890	-	10,890
Cumulative Square Feet			-	-	203,643	203,643	203,643	203,643	203,643	203,643	203,643	203,643	214,533	214,533	225,423
Assessed Value Additions	$ 150	3	$ -	$ -	$ 30,546,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,633,500	$ -	$ 1,633,500
Employees	500	3	-	-	407	-	-	-	-	-	-	-	22	-	22
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Cumulative Employees			-	-	407	407	407	407	407	407	407	407	429	429	451
50% of Cumulative Employees			-	-	204	204	204	204	204	204	204	204	215	215	225
Cumulative Equivalent Residents			1,012	1,958	3,508	4,734	5,581	6,654	7,690	8,568	9,904	11,082	11,780	12,132	12,364
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 354,536,450	$ 460,626,450	$ 533,016,450	$ 626,626,450	$ 719,876,450	$ 798,806,450	$ 922,666,450	$ 1,035,206,450	$ 1,099,529,950	$ 1,124,659,950	$ 1,141,533,450
Basic Tax Paid	1.00%	4	1,086,100	2,100,300	3,545,365	4,606,265	5,330,165	6,266,265	7,198,765	7,988,065	9,226,665	10,352,065	10,995,300	11,246,600	11,415,335
Total Property Tax	24.84%	4	$ 269,840	$ 521,816	$ 880,839	$ 1,144,418	$ 1,324,270	$ 1,556,842	$ 1,788,520	$ 1,984,620	$ 2,292,348	$ 2,571,951	$ 2,731,762	$ 2,794,197	$ 2,836,119
Total Property Tax Retained in General Fund	58.33%	4	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 8,363	$ 16,172	$ 24,947	$ 33,116	$ 38,690	$ 45,898	$ 53,078	$ 59,156	$ 68,693	$ 77,359	$ 82,186	$ 84,121	$ 85,294
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,770	$ 1,770	$ 1,860
Total Property Transfer Tax			$ 8,363	$ 16,172	$ 26,627	$ 34,796	$ 40,370	$ 47,578	$ 54,758	$ 60,836	$ 70,373	$ 79,039	$ 83,956	$ 85,891	$ 87,154
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 5,649	$ 10,932	$ 18,451	$ 25,295	$ 30,019	$ 36,015	$ 41,799	$ 46,696	$ 54,158	$ 60,732	$ 64,569	$ 66,535	$ 67,769
On-Site Sales Tax Redirected to Property Tax			-	-	153,498	153,498	153,498	153,498	153,498	153,498	153,498	153,498	161,706	161,706	169,915
Total Property Tax In-Lieu of Sales Tax			$ 5,649	$ 10,932	$ 171,949	$ 178,793	$ 183,517	$ 189,513	$ 195,297	$ 200,194	$ 207,655	$ 214,230	$ 226,275	$ 228,242	$ 237,684
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 28,245,200	$ 54,658,800	$ 92,254,800	$ 126,476,800	$ 150,094,800	$ 180,075,200	$ 208,995,200	$ 233,480,800	$ 270,787,600	$ 303,660,000	$ 322,843,600	$ 332,676,400	$ 338,846,000
Retail Taxable Sales	32.00%	5	9,038,464	17,490,816	29,521,536	40,472,576	48,030,336	57,624,064	66,878,464	74,713,856	86,652,032	97,171,200	103,309,952	106,456,448	108,430,720
Projected Off-Site Taxable Sales	25.00%	5	2,259,616	4,372,704	7,380,384	10,118,144	12,007,584	14,406,016	16,719,616	18,678,464	21,663,008	24,292,800	25,827,488	26,614,112	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	5	22,596	43,727	73,804	101,181	120,076	144,060	167,196	186,785	216,630	242,928	258,275	266,141	271,077
Use Tax @10.50% of sales tax	10.50%	5	2,373	4,591	7,749	10,624	12,608	15,126	17,556	19,612	22,746	25,507	27,119	27,945	28,463
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(5,649)	(10,932)	(18,451)	(25,295)	(30,019)	(36,015)	(41,799)	(46,696)	(54,158)	(60,732)	(64,569)	(66,535)	(67,769)
Total Off-Site Sales Tax Revenue			$ 19,320	$ 37,387	$ 63,102	$ 86,510	$ 102,665	$ 123,171	$ 142,953	$ 159,701	$ 185,219	$ 207,703	$ 220,825	$ 227,551	$ 231,771
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 80,853,197	$ 80,853,197	$ 84,957,420
Taxable Sales	80%	5	-	-	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	64,682,558	64,682,558	67,965,936
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	613,992	613,992	613,992	613,992	613,992	613,992	613,992	613,992	646,826	646,826	679,659
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	64,469	64,469	64,469	64,469	64,469	64,469	64,469	64,469	67,917	67,917	71,364
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(161,706)	(161,706)	(169,915)
Total On-Site Sales Tax Allocated to County			$ -	$ -	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 553,036	$ 553,036	$ 581,109

Exhibit B-2: Alternative B
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 [1]
A. Property Tax - Vehicle License Fee															
Assessed Valuation per $1,000			$ 109	$ 210	$ 355	$ 461	$ 533	$ 627	$ 720	$ 799	$ 923	$ 1,035	$ 1,100	$ 1,125	$ 1,142
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 177,577**	**$ 343,399**	**$ 579,667**	**$ 753,124**	**$ 871,482**	**$ 1,024,534**	**$ 1,176,998**	**$ 1,306,049**	**$ 1,508,560**	**$ 1,692,563**	**$ 1,797,731**	**$ 1,838,819**	**$ 1,866,407**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,119	$ 4,100	$ 7,346	$ 9,913	$ 11,684	$ 13,933	$ 16,102	$ 17,939	$ 20,737	$ 23,203	$ 24,664	$ 25,402	$ 25,887
Franchise Fees - Electric	4.44	6	4,494	8,696	15,582	21,027	24,785	29,555	34,156	38,052	43,987	49,218	52,318	53,883	54,912
Franchise Fees - Cable	6.92	6	7,005	13,556	22,880	31,367	37,225	44,660	51,833	57,905	67,158	75,310	80,068	82,506	84,037
Franchise Fees - Refuse	9.04	6	9,148	17,703	31,721	42,805	50,455	60,165	69,532	77,463	89,546	100,193	106,505	109,689	111,786
Franchise Fees - Refuse Household Waste	1.14	6	1,156	2,236	4,007	5,407	6,373	7,600	8,783	9,785	11,311	12,656	13,453	13,856	14,120
Total Franchise Fees			**$ 23,921**	**$ 46,291**	**$ 81,537**	**$ 110,520**	**$ 130,522**	**$ 155,913**	**$ 180,406**	**$ 201,143**	**$ 232,739**	**$ 260,579**	**$ 277,008**	**$ 285,336**	**$ 290,743**
C. Business License Fee	7.55	6	$ -	$ -	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,240	$ 3,240	$ 3,405
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,096	$ 4,055	$ 6,845	$ 9,384	$ 11,136	$ 13,361	$ 15,506	$ 17,323	$ 20,091	$ 22,530	$ 23,953	$ 24,683	$ 25,141
Yard Sale Permits	0.14	6	142	275	464	636	755	905	1,051	1,174	1,361	1,527	1,623	1,672	1,703
Total Licenses & Permits			**$ 2,238**	**$ 4,330**	**$ 7,309**	**$ 10,020**	**$ 11,891**	**$ 14,266**	**$ 16,557**	**$ 18,497**	**$ 21,452**	**$ 24,057**	**$ 25,576**	**$ 26,355**	**$ 26,844**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 481	$ 932	$ 1,670	$ 2,253	$ 2,656	$ 3,167	$ 3,660	$ 4,077	$ 4,713	$ 5,273	$ 5,606	$ 5,773	$ 5,883
General Fines	0.32	6	321	621	1,113	1,502	1,770	2,111	2,440	2,718	3,142	3,516	3,737	3,849	3,922
Code Enforcement Fines	0.71	6	722	1,398	2,504	3,379	3,983	4,750	5,489	6,115	7,069	7,910	8,408	8,660	8,825
Administrative Citation Program	0.40	6	401	776	1,391	1,877	2,213	2,639	3,050	3,397	3,927	4,394	4,671	4,811	4,903
Total Fines & Forfeitures			**$ 1,926**	**$ 3,727**	**$ 6,678**	**$ 9,012**	**$ 10,622**	**$ 12,666**	**$ 14,638**	**$ 16,308**	**$ 18,852**	**$ 21,093**	**$ 22,422**	**$ 23,093**	**$ 23,534**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 642	$ 1,242	$ 2,226	$ 3,004	$ 3,541	$ 4,222	$ 4,879	$ 5,436	$ 6,284	$ 7,031	$ 7,474	$ 7,698	$ 7,845
Refuse Penalties & Interest	0.16	6	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Total Miscellaneous Revenue			**$ 802**	**$ 1,553**	**$ 2,783**	**$ 3,755**	**$ 4,426**	**$ 5,278**	**$ 6,099**	**$ 6,795**	**$ 7,855**	**$ 8,789**	**$ 9,343**	**$ 9,622**	**$ 9,806**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	1,931	3,737	6,307	8,647	10,262	12,312	14,289	15,963	18,514	20,761	22,073	22,745	23,167
Engineering Fees - Inspections	$ 3.17	6	3,203	6,199	10,463	14,344	17,023	20,423	23,703	26,480	30,711	34,439	36,615	37,730	38,430
Park Fees	0.28	6	284	550	928	1,272	1,509	1,811	2,101	2,348	2,723	3,053	3,246	3,345	3,407
Self Hauler fees	0.03	6	28	55	93	127	151	181	210	235	272	305	325	334	341
Recordation of Document Fees	0.13	6	136	264	473	638	752	897	1,037	1,155	1,335	1,494	1,588	1,636	1,667
Vehicle Storage Fees	0.84	6	852	1,649	2,783	3,815	4,527	5,432	6,304	7,043	8,168	9,159	9,738	10,035	10,221
Total Charges for Services			**$ 6,435**	**$ 12,453**	**$ 21,046**	**$ 28,843**	**$ 34,224**	**$ 41,055**	**$ 47,644**	**$ 53,223**	**$ 61,723**	**$ 69,212**	**$ 73,584**	**$ 75,825**	**$ 77,232**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 28,837**	**$ 55,805**	**$ 94,189**	**$ 129,128**	**$ 153,241**	**$ 183,850**	**$ 213,376**	**$ 238,375**	**$ 276,464**	**$ 310,026**	**$ 329,612**	**$ 339,650**	**$ 345,949**

Exhibit B-2: Alternative B
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs															
A. City Council	$ 1.15	7	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
B. City Clerk	1.93	7	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	23,894
C. General Government	5.16	7	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	63,763
D. Personnel	0.58	7	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	7,129
E. Finance	3.84	7	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	47,476
F. Police Department		18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81	7	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	106,963
H. Public Works															
Salaries & Wages	$ 2.56	7	$ 2,593	$ 5,018	$ 8,991	$ 12,133	$ 14,301	$ 17,054	$ 19,709	$ 21,957	$ 25,382	$ 28,399	$ 30,188	$ 31,091	31,685
Benefits	1.04	7	1,049	2,029	3,636	4,907	5,784	6,897	7,971	8,880	10,265	11,486	12,209	12,574	12,815
Operations & Materials	8.11	7	8,206	15,880	28,455	38,397	45,259	53,969	62,372	69,485	80,324	89,875	95,537	98,393	100,274
Engineering	2.06	7	2,084	4,033	7,226	9,751	11,493	13,705	15,839	17,645	20,398	22,823	24,261	24,987	25,464
Traffic Counts	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Underground Service Alert	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Contract Services - Street Maintenance	1.59	7	471,183	471,183	607,621	607,621	607,621	749,903	749,903	749,903	817,214	911,330	911,330	911,330	911,330
Contract Services - Street Sweeping	0.02	7	16	31	56	75	89	106	122	136	157	176	187	192	196
Contract Services - Emergency Work	0.16	7	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Contract Services - Striping	0.79	7	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Contract Services - Traffic Signals	3.33	7	3,370	6,522	11,687	15,770	18,589	22,166	25,617	28,539	32,991	36,913	39,239	40,412	41,184
Contract Services - Maintenance	0.08	7	77	149	267	360	425	507	586	652	754	844	897	924	941
Contract Services - Environmental Health Services	0.05	7	48	93	167	225	266	317	366	408	471	527	561	577	588
Contract Services - Tree Trimming	0.63	7	642	1,242	2,226	3,004	3,541	4,222	4,879	5,436	6,284	7,031	7,474	7,698	7,845
Total Public Works			$ 490,280	$ 508,138	$ 673,838	$ 696,975	$ 712,943	$ 875,495	$ 895,048	$ 911,603	$ 1,004,138	$ 1,120,478	$ 1,133,654	$ 1,140,302	$ 1,144,679
I. Engineering	4.80	7	$ 4,853	$ 9,391	$ 16,827	$ 22,707	$ 26,765	$ 31,916	$ 36,885	$ 41,092	$ 47,501	$ 53,149	$ 56,497	$ 58,187	$ 59,299
J. Planning	5.40	7	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	66,759
K. Public Services	3.45	7	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	42,599
L. Code Enforcement	2.37	7	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	29,287
M. Graffiti	1.73	7	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	21,421
N. Trails	0.24	7	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	3,020
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14															
Sergeant			$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective			-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy			148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist			69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist			-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)			-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)			-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)			5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services			12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization			964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance			1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)			-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)			333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support			1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance			348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding			3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost			11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget			$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading			$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget			$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance															
Lane Miles (Assumes Beginning of Phase)															
Backbone Roads			27.42												
Interior Roads			19.34		13.54			14.12			6.68	9.34			
Total Lane Miles			46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)		C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
	Lewis / City														
Cost per Lane Mile (See Exhibit C-2)	3,750 $ 10,077	C-2	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077
Total Street Maintenance Cost			$ 471,183	$ 471,183	$ 607,621	$ 607,621	$ 607,621	$ 749,903	$ 749,903	$ 749,903	$ 817,214	$ 911,330	$ 911,330	$ 911,330	$ 911,330

Exhibit B-2: Alternative B
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ 32,635	7	$ -	$ -	$ -	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 1,044,320	$ 1,044,320	$ 1,044,320
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund															
A. Recurring Revenues															
Secured Property Tax Retained in Fire Fund	41.67%	4	293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
			$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Revenues			$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	-	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ -	$ 1,087,500	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Revenue from Outside Project															
Additional Units within the Fire Station Service Area (e)			-	-	111	111	111	111	111	111	111	111	111	111	111
Fire Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
Paramedic Revenue per Unit			19	19	20	20	20	20	20	20	20	20	20	20	20
Total Revenue from Outside Project		8	$ -	$ -	$ 44,838	$ 42,576	$ 41,555	$ 40,751	$ 40,350	$ 40,087	$ 39,925	$ 39,940	$ 39,903	$ 39,623	$ 39,494
Total Recurring Costs			$ 33,625	$ 33,625	$ (17,321)	$ 1,072,441	$ 1,223,342	$ 1,218,100	$ 1,218,501	$ 1,218,764	$ 1,211,344	$ 1,211,329	$ 1,211,367	$ 1,211,646	$ 1,211,775
			$ 78,817	$ 183,816	$ 384,367	$ (595,562)	$ (671,518)	$ (569,364)	$ (473,225)	$ (391,773)	$ (256,123)	$ (139,597)	$ (73,041)	$ (47,304)	$ (29,964)
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Revenue per Unit			$ 19	$ 19	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.
(e) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/10/2014.

Exhibit B-2: Alternative B
Table 18 - Police Phasing Analysis
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Cumulative Residents		1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.99	1.02	1.21	0.88	1.12	1.09	1.07	0.96	0.82	0.83	0.78	0.76	0.74
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.99	1.02	0.91	0.66	0.74	0.78	0.80	0.72	0.62	0.64	0.61	0.59	0.58
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit B-3: Alternative C
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
I. GENERAL FUND					
A. Recurring Revenues					
Property Tax	4	$ 1,654,308	$ 470.64	$ 133.80	30.4%
Property Transfer Tax	4	87,154	24.79	7.05	1.6%
Property Tax In Lieu of Sales Tax	4	237,684	67.62	19.22	4.4%
Off-Site Sales and Use Tax	5	231,771	65.94	18.75	4.3%
On-Site Sales and Use Tax	5	581,109	165.32	47.00	10.7%
Property Tax-Vehicle License Fee	6	1,866,407	530.98	150.96	34.3%
Franchise Fees	6	290,743	82.71	23.52	5.3%
Business License Fee	6	3,405	0.97	0.28	0.1%
Licenses & Permits	6	26,844	7.64	2.17	0.5%
Fines & Forfeitures	6	23,534	6.70	1.90	0.4%
Miscellaneous Revenue	6	9,806	2.79	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	77,232	21.97	6.25	1.4%
Gas Tax and Traffic Safety Fund Revenue	10	345,949	98.42	27.98	6.4%
Total Recurring Revenues		**$ 5,435,946**	**$ 1,546.50**	**$ 439.66**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,258	$ 4.06	$ 1.15	0.4%
City Clerk	7	$ 23,894	6.80	1.93	0.7%
General Government	7	$ 63,763	18.14	5.16	1.8%
Personnel	7	$ 7,129	2.03	0.58	0.2%
Finance	7	$ 47,476	13.51	3.84	1.4%
Police Department	7	$ 1,793,496	510.24	145.06	51.8%
Animal Control	7	$ 106,963	30.43	8.65	3.1%
Public Works	7	$ 1,144,679	325.66	92.58	33.0%
Engineering	7	$ 59,299	16.87	4.80	1.7%
Planning	7	$ 66,759	18.99	5.40	1.9%
Public Services	7	$ 42,599	12.12	3.45	1.2%
Code Enforcement	7	$ 29,287	8.33	2.37	0.8%
Parks	7	$ -	-	-	0.0%
Graffiti	7	$ 21,421	6.09	1.73	0.6%
Trails	7	$ 3,020	0.86	0.24	0.1%
Drainage Basins	7	$ 29,700	8.45	2.40	0.9%
Storm Drainage Replacement	7	$ 11,115	3.16	0.90	0.3%
Total Recurring Costs		**$ 3,464,857**	**$ 985.73**	**$ 280.24**	**100.0%**
General Fund Surplus/(Deficit)		**$ 1,971,088**	**$ 560.76**	**$ 159.42**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,181,811	$ 336.22	$ 95.59	
Total Recurring Costs	8	1,211,775	344.74	98.01	
Fire Fund Surplus/(Deficit)		**$ (29,964)**	**$ (8.52)**	**$ (2.42)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 68,837	$ 19.58	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 68,837**	**$ 19.58**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,250,647	$ 355.80	$ 101.15	
Total Recurring Costs		1,211,775	344.74	98.01	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 38,872**	**$ 11.06**	**$ 3.14**	
VI. COMBINED NET FISCAL IMPACT B/4 cfd					
Recurring Revenues		$ 6,686,593	$ 1,902.30	$ 540.81	
Total Recurring Costs		4,676,632	1,330.48	378.25	
Total Surplus/(Deficit)		**$ 2,009,961**	**$ 571.82**	**$ 162.57**	
VI. COMBINED NET FISCAL IMPACT with Services CFD					
Services CFD Special Tax Revenue		$ 1,107,720	$ 315.14	$ 89.59	
Total Surplus/(Deficit)		**$ 3,117,681**	**$ 689.49**	**$ 196.02**	

Exhibit B-3: Alternative C
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-3: Alternative C
Table 3 - Land Use Assumptions
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation	Services CFD Tax: CFD Rate 0.10% Per Unit	Services CFD Tax: Amount
I. Residential Land Use		(a)	(a)	(a)			
Condo Apartments	40	5	195	$ 210,000	$ 40,950,000	$ 210	$ 40,950
Paired	26	2	173	230,000	39,790,000	230	39,790
Paired	43A	3	130	230,000	29,900,000	230	29,900
HDD	15	2	208	250,000	52,000,000	250	52,000
HDD	25	3	110	250,000	27,500,000	250	27,500
HDD	33	4	105	250,000	26,250,000	250	26,250
6 Pack	27	2	115	250,000	28,750,000	250	28,750
6 Pack	43B	3	99	250,000	24,750,000	250	24,750
4 Pack L	21	2	115	290,000	33,350,000	290	33,350
4 Pack S	22	2	80	270,000	21,600,000	270	21,600
4 Pack S	23	3	77	270,000	20,790,000	270	20,790
SFD - 3,000 Sq. Ft.	3	1	50	310,000	15,500,000	310	15,500
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000	310	17,360
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000	330	30,030
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000	330	31,020
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000	330	35,970
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000	330	37,950
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000	330	14,850
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000	350	12,600
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000	350	16,450
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000	350	22,050
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000	350	54,950
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000	350	53,900
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000	350	18,200
SFD - 4,000 Sq. Ft.	35	4	25	350,000	8,750,000	350	8,750
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000	350	28,350
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000	360	18,360
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000	360	12,960
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000	360	42,120
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000	360	54,720
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000	380	50,540
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000	380	45,220
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000	410	5,330
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000	410	34,440
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000	430	8,170
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000	430	11,610
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000	430	16,770
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000	430	13,330
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000	430	13,330
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000	460	12,880
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000	460	10,580
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000	460	6,900
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000	460	6,900
Total/Weighted Average			3,515	$ 315,141	**$ 1,107,720,000**	$ 315	**$ 1,107,720**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	1.00	10,890	500	22	150.00	1,633,500
Neighborhood Commercial	3	0.25	13.00	141,570	500	283	150.00	21,235,500
Neighborhood Commercial	40	0.25	1.00	10,890	500	22	150.00	1,633,500
Total			20.70	225,423		451		**$ 33,813,450**

III. Total Residential and Non-Residential **$ 1,141,533,450**

IV. Population Summary

Residential Units	[1]	**3,515**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,139**
Employees	[4]	**451**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	225
Total Equivalent Residents	[3]+[5]=[6]	**12,364**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.

Exhibit B-3: Alternative C
Table 4 - Property Tax Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,141,533,450
Basic Rate			1.000%
Basic Tax Paid		$	11,415,335
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,836,119**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,654,308**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,181,811**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,107,720,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	155,080,800
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	85,294
B. Non-Residential			
Non-Residential Assessed Value	3	$	33,813,450
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	3,381,345
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	1,860
Total Property Transfer Tax	[1]+[2]	**$**	**87,154**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	67,769
On-Site Sales Tax Redirected to Property Tax (e)	5		169,915
Total Property Tax In-Lieu of Sales Tax		**$**	**237,684**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-3: Alternative C
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	338,846,000
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	108,430,720
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 271,077
Use Tax @10.50% of sales tax	10.50%	8	28,463
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(67,769)
Total Off-Site Sales Tax Revenue		$ 85	**$ 231,771**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	10,890	377	80%	3,283,379
Neighborhood Commercial	3	-	141,570	377	80%	42,683,921
Neighborhood Commercial	40	-	10,890	377	80%	3,283,379
Subtotal Taxable Sales for Retail Land Use			225,423			$ 67,965,936
Total Taxable Sales						$ 67,965,936
Sales Tax @1% of taxable sales					1.00%	679,659
Use Tax @10.50% of sales tax (c)					10.50%	71,364
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(169,915)
Total On-Site Sales Tax Revenue						**$ 581,109**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.

(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.

(c) Preliminary estimate for illustration purposes.

(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.

(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-3: Alternative C
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	See Table 4	
Property Tax - Vehicle License Fee	59	3,800,000	100%	See Footnote (g)					**1,866,407**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	See Table 4	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	See Table 5	
Extraction Tax	59	85,000	0%	See Footnote (d)					
Transient Occupancy Tax	59	168,000	0%	See Footnote (d)					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,364	$ 25,887
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,364	54,912
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,139	84,037
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,364	111,786
Franchise Fees - Kiosk Signs	59	5,000	0%	See Footnote (d)					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,364	14,120
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 290,743**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	451	**$ 3,405**
Property Transfer Tax	59	90,000	100%	See Table 4					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,160,555
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,139	$ 25,141
Building Permits - Inspection Fees	59	400,000	100%	See Footnote (e)					
Building Permits - Plan Check Fees	59	65,000	100%	See Footnote (e)					
Building Permits - SMIP	59	3,000	100%	See Footnote (e)					
Building Permits - BSAR Fund	59	2,000	100%	See Footnote (e)					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,139	1,703
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 26,844**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,364	$ 5,883
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,364	3,922
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,364	8,825
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,364	4,903
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,534**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,364	$ 7,845
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Building Rental	59	18,000	0%	See Footnote (d)					
Miscellaneous Revenue	59	1,000	0%	See Footnote (d)					
Volunteer Donations	59	8,500	0%	See Footnote (d)					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,806**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	See Footnote (d)					
State - Other	60	27,240	0%	See Footnote (d)					
Article 19 WDA	60	70,000	0%	See Footnote (d)					
SB90 State Mandate Reimbursements	60	10,000	0%	See Footnote (d)					
San Bernardino Unified School District	60	5,000	0%	See Footnote (d)					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	See Table 10					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,139	23,167
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,139	38,430
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,139	3,407
Police Department Fees	60	160,000	0%	See Footnote (d)					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,139	341
Delinquent Refuse Admin	60	75,000	0%	See Footnote (d)					
Livescan Service Fees	60	1,500	0%	See Footnote (d)					
Foreclosure Registration Fees	60	13,000	0%	See Footnote (d)					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,364	1,667
Sale of Miscellaneous Copies	60	2,000	0%	See Footnote (d)					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,139	10,221
Operating Transfer In-Paramedic Dept.	60	10,000	0%	See Footnote (d)					
Operating Transfer In-Fire Department	60	10,000	0%	See Footnote (d)					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 77,232**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,297,970

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.
(d) Assumes Project will have a de minimis impact on these revenue sources.
(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.
(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.
(g) See Section II of Table 6.

Exhibit B-3: Alternative C
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05	FY 2011-12		Change
Property Tax Vehicle License Fees (VLF)	$ (a) 2,624,088	$ (b) 3,800,000	[1]	1,175,912
City Assessed Valuation	(c) 1,992,355,699	(d) 2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase			=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV			[3]	$ 1,635

Property Tax in Lieu of MVLF:		
Total Residential and Non-Residential Assessed Value (Table 3)	[4]	$ 1,141,533,450
Assessed Valuation / 1,000,000	[5]	$ 1,142
VLF Increase per $1,000,000 increase in AV	[3]	1,635
Property Tax in Lieu of MVLF	=[3]*[5]	$ 1,866,407

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-3: Alternative C
Table 7 - General Fund Cost Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,364	**$ 14,258**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,364	**23,894**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,364	**63,763**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,364	**7,129**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,364	**47,476**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,139	**106,963**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,364	$ 31,685
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,364	12,815
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,364	100,274
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,364	25,464
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Street Maintenance	164	100,000	100%	See Table 16					911,330
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,364	196
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,364	9,806
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,364	41,184
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,364	941
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,364	588
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,364	7,845
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 1,144,679**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,364	**59,299**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,364	**66,759**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,364	**42,599**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,364	**29,287**
N. Parks	188	-	0%	See Footnote (e)					**-**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,364	**21,421**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,364	**3,020**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 14,282,410		$ 3,592,834			$ 58.33		$ 3,464,857

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. The development of the Harmony Planned Community ("Project") is not anticipated to increase the City's maintenance cost for these parks. Parks to be developed within the Project are anticipated to be HOA maintained.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-3: Alternative C
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					$ 1,181,811
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									$ -
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		$ 1,181,811
Fire Fund Revenue per Unit								[9]	$ 336.22

II. FIRE FUND COST			
A. Typical Cost per Station			
Estimated Cost per Station (d)		[1]	$ 1,237,379
Additional Fire Stations Required to Serve Project (d)		[2]	1.00
Percent of Fire Station Costs Allocable to Project		[3]	100%
Total Cost per Station		[1]X[2]X[3]=[4]	**$ 1,237,379**
B. Wildland Fire Protection Agreement Cost			
Acres (f)		[5]	539
Cost per Acre (g)		[6]	$ 25.77
Total Wildland Fire Protection Agreement Cost		[5]X[6]=[7]	**$ 13,890**
C. Revenue from Outside Project			
Additional Units within the Fire Station Service Area (h)		[8]	111
Fire Revenue per Unit		[9]	$ 336.22
Paramedic Revenue per Unit (From Table 9)		[10]	19.58
Total Revenue from Outside Project		[8]*([9]+[10])=[11]	**$ 39,494**
TOTAL FIRE FUND COST		=[4]+[7]-[11]	**$ 1,211,775**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.

(e) Assumes Project will have a de minimis impact on these revenue sources.

(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.

(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.

(h) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/11/2014.

Exhibit B-3: Alternative C
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,364	$ 68,837
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 68,837**
Paramedic Fund Revenue per Unit									$ 19.58
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-3: Alternative C
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,139
Total Gas Tax and Traffic Safety Fund Revenue						**$ 345,949**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-3: Alternative C
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Repo

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	14	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
Property Transfer Tax	14	8,363	16,172	26,627	34,796	40,370	47,578	54,758	60,836	70,373	79,039	83,956	85,891	87,154
Property Tax In Lieu of Sales Tax	14	5,649	10,932	171,949	178,793	183,517	189,513	195,297	200,194	207,655	214,230	226,275	228,242	237,684
Off-Site Sales and Use Tax	14	19,320	37,387	63,102	86,510	102,665	123,171	142,953	159,701	185,219	207,703	220,825	227,551	231,771
On-Site Sales and Use Tax	14	-	-	524,963	524,963	524,963	524,963	524,963	524,963	524,963	524,963	553,036	553,036	581,109
Property Tax-Vehicle License Fee	15	177,577	343,399	579,667	753,124	871,482	1,024,534	1,176,998	1,306,049	1,508,560	1,692,563	1,797,731	1,838,819	1,866,407
Franchise Fees	15	23,921	46,291	81,537	110,520	130,522	155,913	180,406	201,143	232,739	260,579	277,008	285,336	290,743
Business License Fee	15	-	-	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,240	3,240	3,405
Licenses & Permits	15	2,238	4,330	7,309	10,020	11,891	14,266	16,557	18,497	21,452	24,057	25,576	26,355	26,844
Fines & Forfeitures	15	1,926	3,727	6,678	9,012	10,622	12,666	14,638	16,308	18,852	21,093	22,422	23,093	23,534
Miscellaneous Revenue	15	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Intergovernmental Revenue	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	15	6,435	12,453	21,046	28,843	34,224	41,055	47,644	53,223	61,723	69,212	73,584	75,825	77,232
Gas Tax and Traffic Safety Fund Revenue	15	28,837	55,805	94,189	129,128	153,241	183,850	213,376	238,375	276,464	310,026	329,612	339,650	345,949
Total Recurring Revenues		**$ 432,466**	**$ 836,424**	**$ 2,096,719**	**$ 2,540,079**	**$ 2,843,446**	**$ 3,233,970**	**$ 3,620,010**	**$ 3,946,788**	**$ 4,456,057**	**$ 4,915,549**	**$ 5,216,045**	**$ 5,326,514**	**$ 5,435,946**
B. General Fund Recurring Costs														
City Council	16	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
City Clerk	16	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	$ 23,894
General Government	16	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	$ 63,763
Personnel	16	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	$ 7,129
Finance	16	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	$ 47,476
Police Department	18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	16	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	$ 106,963
Public Works	16	490,280	508,138	673,838	696,975	712,943	875,495	895,048	911,603	1,004,138	1,120,478	1,133,654	1,140,302	$ 1,144,679
Engineering	16	4,853	9,391	16,827	22,707	26,765	31,916	36,885	41,092	47,501	53,149	56,497	58,187	$ 59,299
Planning	16	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	$ 66,759
Public Services	16	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	$ 42,599
Code Enforcement	16	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	$ 29,287
Parks	17	-	-	-	-	-	-	-	-	-	-	-	-	$ -
Graffiti	16	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	$ 21,421
Trails	16	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	$ 3,020
Drainage Basins	17	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	17	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 949,059**	**$ 1,127,579**	**$ 1,724,891**	**$ 1,878,086**	**$ 2,303,099**	**$ 2,682,507**	**$ 2,930,480**	**$ 2,981,843**	**$ 3,127,312**	**$ 3,389,613**	**$ 3,430,448**	**$ 3,451,208**	**$ 3,464,857**
Net General Fund Surplus/(Deficit)		**$ (516,593)**	**$ (291,154)**	**$ 371,828**	**$ 661,993**	**$ 540,347**	**$ 551,464**	**$ 689,530**	**$ 964,946**	**$ 1,328,745**	**$ 1,525,936**	**$ 1,785,598**	**$ 1,875,306**	**$ 1,971,088**
II. Fire Fund														
Total Recurring Revenues	17	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Costs	17	33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund Surplus/(Deficit)		**$ 78,817**	**$ 183,816**	**$ 384,367**	**$ (595,562)**	**$ (671,518)**	**$ (569,364)**	**$ (473,225)**	**$ (391,773)**	**$ (256,123)**	**$ (139,597)**	**$ (73,041)**	**$ (47,304)**	**$ (29,964)**
III. Paramedic Fund														
Total Recurring Revenues	17	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 5,633**	**$ 10,902**	**$ 19,534**	**$ 26,359**	**$ 31,070**	**$ 37,049**	**$ 42,817**	**$ 47,701**	**$ 55,141**	**$ 61,698**	**$ 65,584**	**$ 67,546**	**$ 68,837**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 118,076	$ 228,342	$ 386,579	$ 503,238	$ 582,893	$ 685,785	$ 788,093	$ 874,692	$ 1,010,363	$ 1,133,430	$ 1,203,910	$ 1,231,887	$ 1,250,647
Total Recurring Costs		33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 84,451**	**$ 194,717**	**$ 403,901**	**$ (569,203)**	**$ (640,449)**	**$ (532,315)**	**$ (430,408)**	**$ (344,072)**	**$ (200,981)**	**$ (77,900)**	**$ (7,457)**	**$ 20,241**	**$ 38,872**
V. Combined General Fund, Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 550,542	$ 1,064,766	$ 2,483,299	$ 3,043,318	$ 3,426,339	$ 3,919,755	$ 4,408,103	$ 4,821,480	$ 5,466,420	$ 6,048,979	$ 6,419,955	$ 6,558,401	$ 6,686,593
Total Recurring Costs		982,684	1,161,203	1,707,570	2,950,527	3,526,440	3,900,607	4,148,981	4,200,607	4,338,657	4,600,942	4,641,814	4,662,854	4,676,632
Total Surplus/(Deficit)		**$ (432,142)**	**$ (96,437)**	**$ 775,729**	**$ 92,790**	**$ (100,101)**	**$ 19,148**	**$ 259,122**	**$ 620,874**	**$ 1,127,764**	**$ 1,448,036**	**$ 1,778,141**	**$ 1,895,547**	**$ 2,009,961**

Exhibit B-3: Alternative C
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	195		-	-	-	-	-	-	-	-	44	44	44	44	19
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	50		17	17	16	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	25		-	-	-	-	-	-	-	-	6	15	4	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,515		293	274	390	355	245	311	300	254	387	341	199	102	64
Cumulative Units			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Total Cumulative Residents	3.45	3	1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-3: Alternative C
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Repo

I. Residential Assessed Value Additions	Average Value per Unit	O&m cfd per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	210	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 3,990,000
Paired	230,000	230	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	230	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	250	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	250	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	250	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	250	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	250	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	290	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	270	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	5,270,000	5,270,000	4,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	310	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	330	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	2,100,000	5,250,000	1,400,000	-	-
SFD - 4,000 Sq. Ft.	350,000	350	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	360	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	360	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	380	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	380	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	410	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	410	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	430	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	460	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions				$ 108,610,000	$ 101,420,000	$ 113,960,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 123,860,000	$ 112,540,000	$ 62,690,000	$ 25,130,000	$ 15,240,000
Cumulative Residential Assessed Value				$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Total Assessed Value Additions-Average Price				$ 370,683	$ 370,146	$ 292,205	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 320,052	$ 330,029	$ 315,025	$ 246,373	$ 238,125
II CFD Tax - Developed Property																
Annual Additions				$ 108,610	$ 101,420	$ 113,960	$ 106,090	$ 72,390	$ 93,610	$ 93,250	$ 78,930	$ 123,860	$ 112,540	$ 62,690	$ 25,130	$ 15,240
Cumulative Collections on Developed Property				**$ 108,610**	**$ 210,030**	**$ 323,990**	**$ 430,080**	**$ 502,470**	**$ 596,080**	**$ 689,330**	**$ 768,260**	**$ 892,120**	**$ 1,004,660**	**$ 1,067,350**	**$ 1,092,480**	**$ 1,107,720**

Exhibit B-3: Alternative C
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	203,643	-	-	-	-	-	-	-	10,890	-	10,890
Cumulative Square Feet			-	-	203,643	203,643	203,643	203,643	203,643	203,643	203,643	203,643	214,533	214,533	225,423
Assessed Value Additions	$ 150	3	$ -	$ -	$ 30,546,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,633,500	$ -	$ 1,633,500
Employees	500	3	-	-	407	-	-	-	-	-	-	-	22	-	22
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Cumulative Employees			-	-	407	407	407	407	407	407	407	407	429	429	451
50% of Cumulative Employees			-	-	204	204	204	204	204	204	204	204	215	215	225
Cumulative Equivalent Residents			1,012	1,958	3,508	4,734	5,581	6,654	7,690	8,568	9,904	11,082	11,780	12,132	12,364
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 354,536,450	$ 460,626,450	$ 533,016,450	$ 626,626,450	$ 719,876,450	$ 798,806,450	$ 922,666,450	$ 1,035,206,450	$ 1,099,529,950	$ 1,124,659,950	$ 1,141,533,450
Basic Tax Paid	1.00%	4	1,086,100	2,100,300	3,545,365	4,606,265	5,330,165	6,266,265	7,198,765	7,988,065	9,226,665	10,352,065	10,995,300	11,246,600	11,415,335
Total Property Tax	24.84%	4	$ 269,840	$ 521,816	$ 880,839	$ 1,144,418	$ 1,324,270	$ 1,556,842	$ 1,788,520	$ 1,984,620	$ 2,292,348	$ 2,571,951	$ 2,731,762	$ 2,794,197	$ 2,836,119
Total Property Tax Retained in General Fund	58.33%	4	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 8,363	$ 16,172	$ 24,947	$ 33,116	$ 38,690	$ 45,898	$ 53,078	$ 59,156	$ 68,693	$ 77,359	$ 82,186	$ 84,121	$ 85,294
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,770	$ 1,770	$ 1,860
Total Property Transfer Tax			$ 8,363	$ 16,172	$ 26,627	$ 34,796	$ 40,370	$ 47,578	$ 54,758	$ 60,836	$ 70,373	$ 79,039	$ 83,956	$ 85,891	$ 87,154
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 5,649	$ 10,932	$ 18,451	$ 25,295	$ 30,019	$ 36,015	$ 41,799	$ 46,696	$ 54,158	$ 60,732	$ 64,569	$ 66,535	$ 67,769
On-Site Sales Tax Redirected to Property Tax			-	-	153,498	153,498	153,498	153,498	153,498	153,498	153,498	153,498	161,706	161,706	169,915
Total Property Tax In-Lieu of Sales Tax			$ 5,649	$ 10,932	$ 171,949	$ 178,793	$ 183,517	$ 189,513	$ 195,297	$ 200,194	$ 207,655	$ 214,230	$ 226,275	$ 228,242	$ 237,684
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 28,245,200	$ 54,658,800	$ 92,254,800	$ 126,476,800	$ 150,094,800	$ 180,075,200	$ 208,995,200	$ 233,480,800	$ 270,787,600	$ 303,660,000	$ 322,843,600	$ 332,676,400	$ 338,846,000
Retail Taxable Sales	32.00%	5	9,038,464	17,490,816	29,521,536	40,472,576	48,030,336	57,624,064	66,878,464	74,713,856	86,652,032	97,171,200	103,309,952	106,456,448	108,430,720
Projected Off-Site Taxable Sales	25.00%	5	2,259,616	4,372,704	7,380,384	10,118,144	12,007,584	14,406,016	16,719,616	18,678,464	21,663,008	24,292,800	25,827,488	26,614,112	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	5	22,596	43,727	73,804	101,181	120,076	144,060	167,196	186,785	216,630	242,928	258,275	266,141	271,077
Use Tax @10.50% of sales tax	10.50%	5	2,373	4,591	7,749	10,624	12,608	15,126	17,556	19,612	22,746	25,507	27,119	27,945	28,463
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(5,649)	(10,932)	(18,451)	(25,295)	(30,019)	(36,015)	(41,799)	(46,696)	(54,158)	(60,732)	(64,569)	(66,535)	(67,769)
Total Off-Site Sales Tax Revenue			$ 19,320	$ 37,387	$ 63,102	$ 86,510	$ 102,665	$ 123,171	$ 142,953	$ 159,701	$ 185,219	$ 207,703	$ 220,825	$ 227,551	$ 231,771
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 80,853,197	$ 80,853,197	$ 84,957,420
Taxable Sales	80%	5	-	-	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	64,682,558	64,682,558	67,965,936
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	613,992	613,992	613,992	613,992	613,992	613,992	613,992	613,992	646,826	646,826	679,659
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	64,469	64,469	64,469	64,469	64,469	64,469	64,469	64,469	67,917	67,917	71,364
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(161,706)	(161,706)	(169,915)
Total On-Site Sales Tax Allocated to County			$ -	$ -	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 553,036	$ 553,036	$ 581,109

Exhibit B-3: Alternative C
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A. Property Tax - Vehicle License Fee															[1]
Assessed Valuation per $1,000			$ 109	$ 210	$ 355	$ 461	$ 533	$ 627	$ 720	$ 799	$ 923	$ 1,035	$ 1,100	$ 1,125	$ 1,142
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 177,577**	**$ 343,399**	**$ 579,667**	**$ 753,124**	**$ 871,482**	**$ 1,024,534**	**$ 1,176,998**	**$ 1,306,049**	**$ 1,508,560**	**$ 1,692,563**	**$ 1,797,731**	**$ 1,838,819**	**$ 1,866,407**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,119	$ 4,100	$ 7,346	$ 9,913	$ 11,684	$ 13,933	$ 16,102	$ 17,939	$ 20,737	$ 23,203	$ 24,664	$ 25,402	$ 25,887
Franchise Fees - Electric	4.44	6	4,494	8,696	15,582	21,027	24,785	29,555	34,156	38,052	43,987	49,218	52,318	53,883	54,912
Franchise Fees - Cable	6.92	6	7,005	13,556	22,880	31,367	37,225	44,660	51,833	57,905	67,158	75,310	80,068	82,506	84,037
Franchise Fees - Refuse	9.04	6	9,148	17,703	31,721	42,805	50,455	60,165	69,532	77,463	89,546	100,193	106,505	109,689	111,786
Franchise Fees - Refuse Household Waste	1.14	6	1,156	2,236	4,007	5,407	6,373	7,600	8,783	9,785	11,311	12,656	13,453	13,856	14,120
Total Franchise Fees			**$ 23,921**	**$ 46,291**	**$ 81,537**	**$ 110,520**	**$ 130,522**	**$ 155,913**	**$ 180,406**	**$ 201,143**	**$ 232,739**	**$ 260,579**	**$ 277,008**	**$ 285,336**	**$ 290,743**
C. Business License Fee	7.55	6	$ -	$ -	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,240	$ 3,240	$ 3,405
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,096	$ 4,055	$ 6,845	$ 9,384	$ 11,136	$ 13,361	$ 15,506	$ 17,323	$ 20,091	$ 22,530	$ 23,953	$ 24,683	$ 25,141
Yard Sale Permits	0.14	6	142	275	464	636	755	905	1,051	1,174	1,361	1,527	1,623	1,672	1,703
Total Licenses & Permits			**$ 2,238**	**$ 4,330**	**$ 7,309**	**$ 10,020**	**$ 11,891**	**$ 14,266**	**$ 16,557**	**$ 18,497**	**$ 21,452**	**$ 24,057**	**$ 25,576**	**$ 26,355**	**$ 26,844**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 481	$ 932	$ 1,670	$ 2,253	$ 2,656	$ 3,167	$ 3,660	$ 4,077	$ 4,713	$ 5,273	$ 5,606	$ 5,773	$ 5,883
General Fines	0.32	6	321	621	1,113	1,502	1,770	2,111	2,440	2,718	3,142	3,516	3,737	3,849	3,922
Code Enforcement Fines	0.71	6	722	1,398	2,504	3,379	3,983	4,750	5,489	6,115	7,069	7,910	8,408	8,660	8,825
Administrative Citation Program	0.40	6	401	776	1,391	1,877	2,213	2,639	3,050	3,397	3,927	4,394	4,671	4,811	4,903
Total Fines & Forfeitures			**$ 1,926**	**$ 3,727**	**$ 6,678**	**$ 9,012**	**$ 10,622**	**$ 12,666**	**$ 14,638**	**$ 16,308**	**$ 18,852**	**$ 21,093**	**$ 22,422**	**$ 23,093**	**$ 23,534**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 642	$ 1,242	$ 2,226	$ 3,004	$ 3,541	$ 4,222	$ 4,879	$ 5,436	$ 6,284	$ 7,031	$ 7,474	$ 7,698	$ 7,845
Refuse Penalties & Interest	0.16	6	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Total Miscellaneous Revenue			**$ 802**	**$ 1,553**	**$ 2,783**	**$ 3,755**	**$ 4,426**	**$ 5,278**	**$ 6,099**	**$ 6,795**	**$ 7,855**	**$ 8,789**	**$ 9,343**	**$ 9,622**	**$ 9,806**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	1,931	3,737	6,307	8,647	10,262	12,312	14,289	15,963	18,514	20,761	22,073	22,745	23,167
Engineering Fees - Inspections	$ 3.17	6	3,203	6,199	10,463	14,344	17,023	20,423	23,703	26,480	30,711	34,439	36,615	37,730	38,430
Park Fees	0.28	6	284	550	928	1,272	1,509	1,811	2,101	2,348	2,723	3,053	3,246	3,345	3,407
Self Hauler fees	0.03	6	28	55	93	127	151	181	210	235	272	305	325	334	341
Recordation of Document Fees	0.13	6	136	264	473	638	752	897	1,037	1,155	1,335	1,494	1,588	1,636	1,667
Vehicle Storage Fees	0.84	6	852	1,649	2,783	3,815	4,527	5,432	6,304	7,043	8,168	9,159	9,738	10,035	10,221
Total Charges for Services			**$ 6,435**	**$ 12,453**	**$ 21,046**	**$ 28,843**	**$ 34,224**	**$ 41,055**	**$ 47,644**	**$ 53,223**	**$ 61,723**	**$ 69,212**	**$ 73,584**	**$ 75,825**	**$ 77,232**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 28,837**	**$ 55,805**	**$ 94,189**	**$ 129,128**	**$ 153,241**	**$ 183,850**	**$ 213,376**	**$ 238,375**	**$ 276,464**	**$ 310,026**	**$ 329,612**	**$ 339,650**	**$ 345,949**

Exhibit B-3: Alternative C
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs															
A. City Council	$ 1.15	7	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
B. City Clerk	1.93	7	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	23,894
C. General Government	5.16	7	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	63,763
D. Personnel	0.58	7	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	7,129
E. Finance	3.84	7	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	47,476
F. Police Department		18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81	7	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	106,963
H. Public Works															
Salaries & Wages	$ 2.56	7	$ 2,593	$ 5,018	$ 8,991	$ 12,133	$ 14,301	$ 17,054	$ 19,709	$ 21,957	$ 25,382	$ 28,399	$ 30,188	$ 31,091	31,685
Benefits	1.04	7	1,049	2,029	3,636	4,907	5,784	6,897	7,971	8,880	10,265	11,486	12,209	12,574	12,815
Operations & Materials	8.11	7	8,206	15,880	28,455	38,397	45,259	53,969	62,372	69,485	80,324	89,875	95,537	98,393	100,274
Engineering	2.06	7	2,084	4,033	7,226	9,751	11,493	13,705	15,839	17,645	20,398	22,823	24,261	24,987	25,464
Traffic Counts	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Underground Service Alert	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Contract Services - Street Maintenance	1.59	7	471,183	471,183	607,621	607,621	607,621	749,903	749,903	749,903	817,214	911,330	911,330	911,330	911,330
Contract Services - Street Sweeping	0.02	7	16	31	56	75	89	106	122	136	157	176	187	192	196
Contract Services - Emergency Work	0.16	7	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Contract Services - Striping	0.79	7	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Contract Services - Traffic Signals	3.33	7	3,370	6,522	11,687	15,770	18,589	22,166	25,617	28,539	32,991	36,913	39,239	40,412	41,184
Contract Services - Maintenance	0.08	7	77	149	267	360	425	507	586	652	754	844	897	924	941
Contract Services - Environmental Health Services	0.05	7	48	93	167	225	266	317	366	408	471	527	561	577	588
Contract Services - Tree Trimming	0.63	7	642	1,242	2,226	3,004	3,541	4,222	4,879	5,436	6,284	7,031	7,474	7,698	7,845
Total Public Works			$ 490,280	$ 508,138	$ 673,838	$ 696,975	$ 712,943	$ 875,495	$ 895,048	$ 911,603	$ 1,004,138	$ 1,120,478	$ 1,133,654	$ 1,140,302	$ 1,144,679
I. Engineering	4.80	7	$ 4,853	$ 9,391	$ 16,827	$ 22,707	$ 26,765	$ 31,916	$ 36,885	$ 41,092	$ 47,501	$ 53,149	$ 56,497	$ 58,187	$ 59,299
J. Planning	5.40	7	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	66,759
K. Public Services	3.45	7	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	42,599
L. Code Enforcement	2.37	7	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	29,287
M. Graffiti	1.73	7	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	21,421
N. Trails	0.24	7	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	3,020
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14															
Sergeant			$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective			-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy			148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist			69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist			-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)			-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)			-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)			5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services			12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization			964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance			1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)			-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)			333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support			1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance			348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding			3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost			11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget			$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading			$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget			$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance															
Lane Miles (Assumes Beginning of Phase)															
Backbone Roads			27.42												
Interior Roads			19.34		13.54			14.12			6.68	9.34			
Total Lane Miles			46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)		C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
	Lewis / City														
Cost per Lane Mile (See Exhibit C-2)	3,750 $ 10,077	C-2	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077	$ 10,077
Total Street Maintenance Cost			$ 471,183	$ 471,183	$ 607,621	$ 607,621	$ 607,621	$ 749,903	$ 749,903	$ 749,903	$ 817,214	$ 911,330	$ 911,330	$ 911,330	$ 911,330

Exhibit B-3: Alternative C
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ -	7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
A. Recurring Revenues															
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Revenues			$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	-	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ -	$ 1,087,500	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Revenue from Outside Project															
Additional Units within the Fire Station Service Area (e)			-	-	111	111	111	111	111	111	111	111	111	111	111
Fire Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
Paramedic Revenue per Unit			19	19	20	20	20	20	20	20	20	20	20	20	20
Total Revenue from Outside Project		8	$ -	$ -	$ 44,838	$ 42,576	$ 41,555	$ 40,751	$ 40,350	$ 40,087	$ 39,925	$ 39,940	$ 39,903	$ 39,623	$ 39,494
Total Recurring Costs			$ 33,625	$ 33,625	$ (17,321)	$ 1,072,441	$ 1,223,342	$ 1,218,100	$ 1,218,501	$ 1,218,764	$ 1,211,344	$ 1,211,329	$ 1,211,367	$ 1,211,646	$ 1,211,775
			$ 78,817	$ 183,816	$ 384,367	$ (595,562)	$ (671,518)	$ (569,364)	$ (473,225)	$ (391,773)	$ (256,123)	$ (139,597)	$ (73,041)	$ (47,304)	$ (29,964)
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Revenue per Unit			$ 19	$ 19	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.
(e) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/10/2014.

Exhibit B-3: Alternative C
Table 18 - Police Phasing Analysis
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Cumulative Residents		1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.99	1.02	1.21	0.88	1.12	1.09	1.07	0.96	0.82	0.83	0.78	0.76	0.74
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.99	1.02	0.91	0.66	0.74	0.78	0.80	0.72	0.62	0.64	0.61	0.59	0.58
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit C-1
Street Maintenance Cost Calculations
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Description - City Maintained	Quantity (a)	Unit	Lewis April 2014 Unit Cost	Ref	City Oct. 2015 Unit Cost		City Total Cost
Linear Feet of Roadway	477,540						
1. Street Sweeping	90.44	Curb Mile	$ 47.50	(d)	$ 47.50	(d)	$ 4,296
2. Slurry Seal (SS)							
Place (SS)	8,951,144	SF	$ 0.12	(d)	$ 0.16	(d)	$ 1,432,183
Mobilization	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Striping	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Crack Seal	20.0% of SS	Lump Sum	179,023		179,023		179,023
Traffic Control	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Subtotal							1,761,206
Contingency (15%)							264,181
Total Slurry Seal							**$ 2,025,387**
3. Grind and Overlay							
Grind	8,951,144	SF	$ 0.08	(d)	$ 0.32	(d)	$ 2,864,366
Mobilization	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
.15" Asphalt & Conc. Overlay (Estimate @.0105	8,951,144	SF	0.60	(c)	0.88	(c)	7,877,007
Striping	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Traffic Control	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Subtotal							$ 10,891,373
Contingency (15%)							1,633,706
Total Grind and Overlay							**$ 12,525,079**
4. Remove and Reconstruct							
a. Curb and Sidewalk Component							
6" Curb & Gutter	477,540	LF	9.00	(b)	34.27	(b)	16,365,289
Concrete Median Curb	72,407	LF	9.00	(b)	19.15	(b)	1,386,594
Interior Streets Curb	-	LF	9.00	(b)	19.15	(b)	-
Concrete Sidewalk/Trail	2,413,041	SF	3.00	(b)	5.16	(b)	12,451,294
Mobilization	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Subtotal							$ 30,253,177
Estimated Failure Rate							10%
Total Curb and Sidewalk							$ 3,025,318
b. Street Component							
Grind	8,951,144	SF	$ 0.10	(d)	$ 0.32	(d)	$ 2,864,366
Mobilization	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
.25" Asphalt & Concrete Overlay (Estimate)	8,951,144	SF	0.60	(c)	$ 1.32	(c)	11,815,511
Striping	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Traffic Control	1	Lump Sum	50,000	(b)	50,000	(b)	50,000
Total Street Component							$ 14,829,877
Subtotal Remove and Reconstruct							$ 17,855,195
Contingency (15%)							2,678,279
Total Remove and Reconstruct							**$ 20,533,474**
Total							**$ 38,113,554**
				Cost Per Lane Mile			$ 10,077

Footnotes
(a) Per public roadway calculations provided by Placeworks dated April 2014.
(b) Per Lewis Operating Companies email dated 4/23/2014.
(c) Per call with Lewis Operating Companies on 4/24/2014.
(d) Per Lewis Operating Companies email dated 4/28/2014.

Exhibit C-2
Hypothetical Street Maintenance Schedule-City
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

Linear Feet of Public Road	477,540
Lane Miles	90.4
Total	$ 911,362
Cost Per Lane Mile	$ 10,077
Balance Year 42	(0.00)

	Buildout Annual Cost	Per Unit	Street Sweeping	Slurry Seal (a)	Grind and Overlay (a)	Remove & Reconstruct	Subtotal	Other Costs	Total Annual Expenditures	Earnings (b)	Annual Fund Balance-End
Exhibit Reference			C-1	C-1	C-1	C-1					
0	$ 911,362	$ 139	$ 4,296	$ 2,025,387	$ 12,525,079	$ 20,533,474	$ 35,088,236	$ 90,299	$ -	$ -	$ -
1	911,362	139	4,296				4,296	90,299	94,595	-	816,767
2	911,362	139	4,296				4,296	90,299	94,595	28,013	1,661,547
3	911,362	139	4,296				4,296	90,299	94,595	56,987	2,535,300
4	911,362	139	4,296				4,296	90,299	94,595	86,954	3,439,021
5	911,362	139	4,296				4,296	90,299	94,595	117,950	4,373,738
6	911,362	139	4,296				4,296	90,299	94,595	150,008	5,340,513
7	911,362	139	4,296	2,025,387			2,029,683	90,299	2,119,982	183,166	4,315,059
8	911,362	139	4,296				4,296	90,299	94,595	147,996	5,279,822
9	911,362	139	4,296				4,296	90,299	94,595	181,085	6,277,673
10	911,362	139	4,296				4,296	90,299	94,595	215,308	7,309,748
11	911,362	139	4,296				4,296	90,299	94,595	250,706	8,377,221
12	911,362	139	4,296				4,296	90,299	94,595	287,318	9,481,305
13	911,362	139	4,296				4,296	90,299	94,595	325,185	10,623,257
14	911,362	139	4,296	2,025,387			2,029,683	90,299	2,119,982	364,351	9,778,988
15	911,362	139	4,296				4,296	90,299	94,595	335,395	10,931,150
16	911,362	139	4,296				4,296	90,299	94,595	374,911	12,122,828
17	911,362	139	4,296				4,296	90,299	94,595	415,783	13,355,377
18	911,362	139	4,296				4,296	90,299	94,595	458,056	14,630,200
19	911,362	139	4,296				4,296	90,299	94,595	501,779	15,948,746
20	911,362	139	4,296				4,296	90,299	94,595	547,002	17,312,515
21	911,362	139	4,296		12,525,079		12,529,375	90,299	12,619,674	593,776	6,197,978
22	911,362	139	4,296				4,296	90,299	94,595	212,575	7,227,320
23	911,362	139	4,296				4,296	90,299	94,595	247,879	8,291,966
24	911,362	139	4,296				4,296	90,299	94,595	284,394	9,393,126
25	911,362	139	4,296				4,296	90,299	94,595	322,161	10,532,054
26	911,362	139	4,296				4,296	90,299	94,595	361,223	11,710,044
27	911,362	139	4,296				4,296	90,299	94,595	401,625	12,928,436
28	911,362	139	4,296	2,025,387			2,029,683	90,299	2,119,982	443,413	12,163,229
29	911,362	139	4,296				4,296	90,299	94,595	417,168	13,397,164
30	911,362	139	4,296				4,296	90,299	94,595	459,489	14,673,420
31	911,362	139	4,296				4,296	90,299	94,595	503,262	15,993,448
32	911,362	139	4,296				4,296	90,299	94,595	548,535	17,358,750
33	911,362	139	4,296				4,296	90,299	94,595	595,362	18,770,878
34	911,362	139	4,296				4,296	90,299	94,595	643,794	20,231,439
35	911,362	139	4,296	2,025,387			2,029,683	90,299	2,119,982	693,888	19,716,707
36	911,362	139	4,296				4,296	90,299	94,595	676,234	21,209,707
37	911,362	139	4,296				4,296	90,299	94,595	727,440	22,753,914
38	911,362	139	4,296				4,296	90,299	94,595	780,402	24,351,083
39	911,362	139	4,296				4,296	90,299	94,595	835,181	26,003,031
40	911,362	139	4,296				4,296	90,299	94,595	891,839	27,711,637
41	911,362	139	4,296				4,296	90,299	94,595	950,440	29,478,844
42	911,362	139	4,296			20,533,474	20,537,770	90,299	20,628,069	676,234	$ (0.0)
Totals			$ 180,434	$ 8,101,548	$ 12,525,079	$ 20,533,474	$ 41,340,535	$ 3,792,558	$ 45,133,093		

Footnotes:
(a) Timing of cost per call with Client on 4/24/2014.
(b) Represents earnings invested at Local Agency Investment Fund Rate ("LAIF RATE") of 3.43%, a 20 year average from 1994 to 2013 per the California State Treasurer. See Exhibit I.

Exhibit C-3
Storm Drainage Reserve Calculation
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

	Beginning Balance	Reserve Deposit	Earnings	Ending Balance	Replacement Cost
1	$ -	$ 8,764	$ 150	$ 8,914	$ 1,500,000
2	8,914	8,939	459	18,313	1,524,880
3	18,313	9,118	784	28,215	1,550,173
4	28,215	9,300	1,127	38,643	1,575,885
5	38,643	9,486	1,488	49,617	1,602,024
6	49,617	9,676	1,868	61,161	1,628,597
7	61,161	9,870	2,267	73,298	1,655,610
8	73,298	10,067	2,687	86,051	1,683,071
9	86,051	10,268	3,127	99,447	1,710,988
10	99,447	10,474	3,590	113,512	1,739,368
11	113,512	10,683	4,076	128,271	1,768,218
12	128,271	10,897	4,586	143,754	1,797,547
13	143,754	11,115	5,121	159,990	1,827,363
14	159,990	11,337	5,682	177,009	1,857,673
15	177,009	11,564	6,269	194,842	1,888,485
16	194,842	11,795	6,885	213,523	1,919,809
17	213,523	12,031	7,530	233,083	1,951,653
18	233,083	12,272	8,205	253,560	1,984,024
19	253,560	12,517	8,911	274,988	2,016,933
20	274,988	12,768	9,650	297,406	2,050,387
21	297,406	13,023	10,424	320,852	2,084,397
22	320,852	13,283	11,232	345,368	2,118,970
23	345,368	13,549	12,078	370,994	2,154,117
24	370,994	13,820	12,961	397,776	2,189,847
25	397,776	14,096	13,884	425,756	2,226,169
26	425,756	14,378	14,849	454,984	2,263,094
27	454,984	14,666	15,856	485,506	2,300,632
28	485,506	14,959	16,908	517,373	2,338,792
29	517,373	15,258	18,006	550,638	2,377,585
30	550,638	15,564	19,152	585,354	2,417,021
31	585,354	15,875	20,348	621,577	2,457,112
32	621,577	16,192	21,596	659,366	2,497,867
33	659,366	16,516	22,898	698,779	2,539,299
34	698,779	16,846	24,255	739,881	2,581,418
35	739,881	17,183	25,671	782,735	2,624,235
36	782,735	17,527	27,146	827,409	2,667,763
37	827,409	17,878	28,685	873,971	2,712,012
38	873,971	18,235	30,288	922,494	2,756,996
39	922,494	18,600	31,958	973,052	2,802,725
40	973,052	18,972	33,699	1,025,723	2,849,214
41	1,025,723	19,351	35,512	1,080,585	2,896,473
42	1,080,585	19,738	37,400	1,137,724	2,944,516
43	1,137,724	20,133	39,366	1,197,223	2,993,356
44	1,197,223	20,536	41,414	1,259,173	3,043,006
45	1,259,173	20,946	43,546	1,323,665	3,093,480
46	1,323,665	21,365	45,765	1,390,795	3,144,791
47	1,390,795	21,793	48,075	1,460,662	3,196,952
48	1,460,662	22,229	50,478	1,533,369	3,249,980
49	1,533,369	22,673	52,980	1,609,022	3,303,886
50	1,609,022	23,127	55,582	1,687,730	3,358,687
51	1,687,730	23,589	58,289	1,769,609	3,414,397
52	1,769,609	24,061	61,106	1,854,776	3,471,031
53	1,854,776	24,542	64,035	1,943,353	3,528,604
54	1,943,353	25,033	67,081	2,035,467	3,587,132
55	2,035,467	25,534	70,249	2,131,250	3,646,631
56	2,131,250	26,044	73,543	2,230,838	3,707,117
57	2,230,838	26,565	76,968	2,334,371	3,768,606
58	2,334,371	27,096	80,528	2,441,995	3,831,115
59	2,441,995	27,638	84,228	2,553,861	3,894,661
60	2,553,861	28,191	88,075	2,670,127	3,959,261
61	2,670,127	28,755	92,072	2,790,954	4,024,932
62	2,790,954	29,330	96,226	2,916,510	4,091,693
63	2,916,510	29,917	100,542	3,046,969	4,159,561
64	3,046,969	30,515	105,027	3,182,510	4,228,554
65	3,182,510	31,125	109,686	3,323,322	4,298,692
66	3,323,322	31,748	114,526	3,469,596	4,369,994
67	3,469,596	32,383	119,554	3,621,532	4,442,478
68	3,621,532	33,030	124,776	3,779,339	4,516,164
69	3,779,339	33,691	130,200	3,943,229	4,591,073
70	3,943,229	34,365	135,832	4,113,426	4,667,224
71	4,113,426	35,052	141,681	4,290,160	4,744,638
72	4,290,160	35,753	147,755	4,473,668	4,823,336
73	4,473,668	36,468	154,061	4,664,197	4,903,340
74	4,664,197	37,198	160,608	4,862,003	4,984,670
75	4,862,003	37,942	167,405	5,067,350	5,067,350

Assumptions

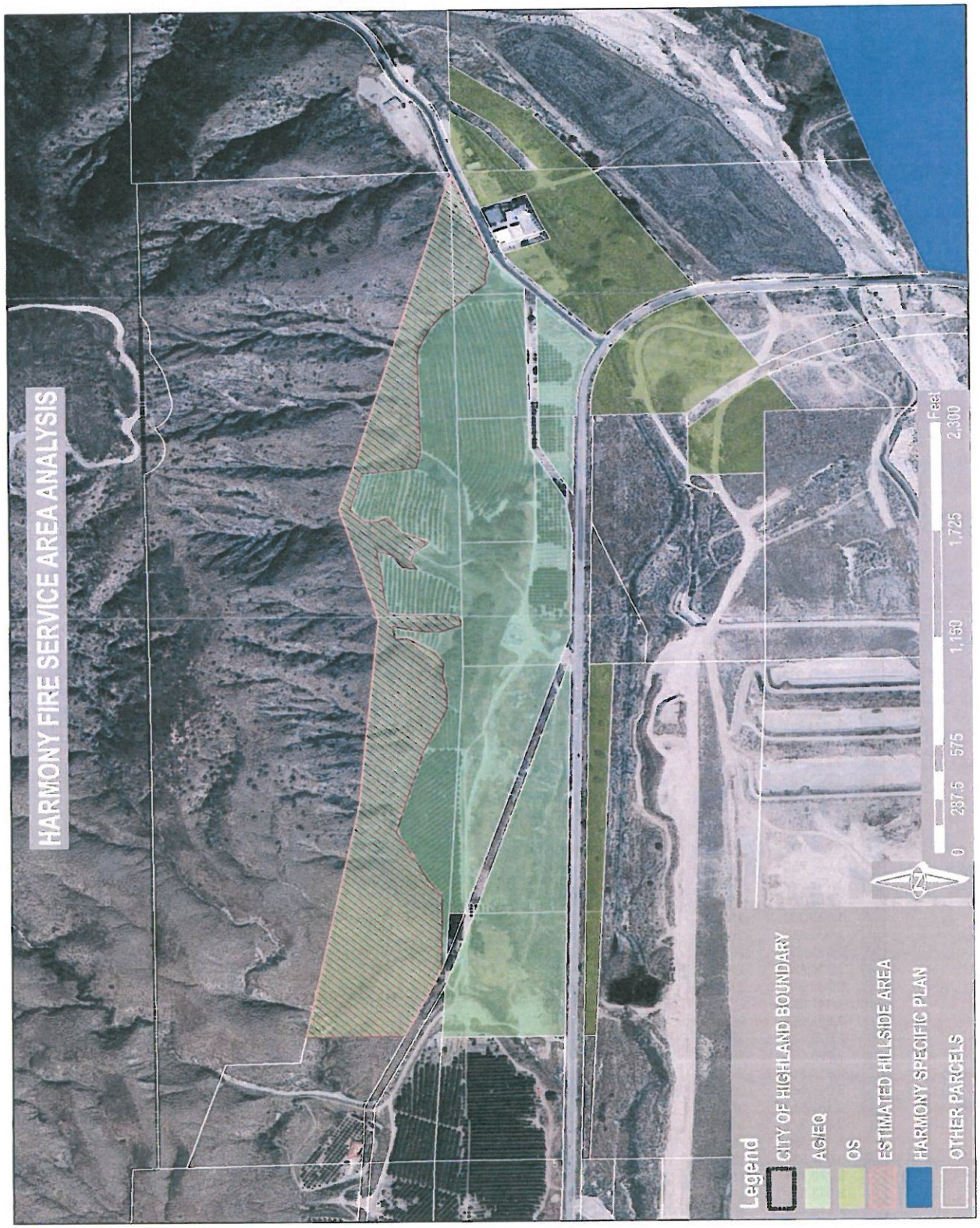
Storm Drain Cost (a)	$ 1,500,000
LAIF Rate (b)	3.43%
CPI (c)	1.66%
Annual Contribution Increase	2.00%
Annual Reserve Deposit	$ 8,764
Annual Reserve Percentage	0.58%

(a) Assumes a 10% failure rate on $15,000,000 cost or $1,500,000.

(b) Local Agency Investment Fund Rate ("LAIF RATE") represents a 20 year average from 1994 to 2013 per the California State Treasurer. See Exhibit I.

(c) Represents the 20 year average of the Consumer Price Index for Los Angeles, Riverside and Orange County from 1994 to 2013 per the Bureau of Labor Statistics. See Exhibit H.

Exhibit D-1
Map of Firestation 4 Service Area Outside of Project
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report



Source: Map of Fire Station 4 Service Area outside of Project per memo from Larry Mainez at the City of Highland, dated 6/11/2014.

Exhibit D-2
Calculation of Units Outside of Project
Harmony Planned Community
October 23, 2015 update to June 19, 2014 Report

APN (a)	Zoning (a)	Estimated Acres (a)
Estimated Acres Outside of Project		
Open Space Acres:		
29706129	Open Space	9.67
29706105	Open Space	0.92
29706106	Open Space	2.62
29706129	Open Space	6.72
29706129	Open Space	3.33
29710122	Open Space	2.48
29710122	Open Space	1.21
Open Space Acres Subtotal		26.95
AQ/EQ Acres:		
29720105	AG/EQ	38.24
29706106	AG/EQ	6.08
29706109	AG/EQ	4.85
29706120	AG/EQ	8.08
29706126	AG/EQ	2.38
29706120	AG/EQ	0.99
29706105	AG/EQ	7.24
29706107	AG/EQ	7.11
29706125	AG/EQ	1.95
29706113	AG/EQ	4.62
AG/EQ Acres Subtotal		81.54
Total Estimated Acres		**108.49**
Less Hillside Acres		25.87
Less Open Space Acres		26.95
Total Developable Acres		**55.67**
Dwelling Units per Acre		2
Total Units Outside of Project		**111**

Footnotes:

(a) Land use information and calculation for units in Fire Station 4 Service Area outside of Project per memo from Larry Mainez at the City of Highland, dated 6/11/2014.

FISCAL IMPACT ANALYSIS

FOR

THE HARMONY PLANNED COMMUNITY

June 19, 2014

Prepared For:

County of Orange / LCD Greenspot, LLC

Prepared By:

DPFG

DEVELOPMENT PLANNING & FINANCING GROUP, INC.

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C-3. Storm Drainage Reserve Calculation
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1. Purpose of Fiscal Impact Analysis

Development Planning & Financing Group has prepared this Fiscal Impact Analysis ("FIA") to determine the estimated fiscal impacts on the City of Highland ("City") in connection with the proposed development of the Harmony Planned Community ("Project"). The reader should be aware that the FIA contains estimates or projections of the Project's future revenue and cost impact on the City, and actual fiscal results may vary from estimates because events and circumstances can occur in a manner different than described in the FIA.

This FIA contains a description of the Project, calculation methodologies, conclusions, and revenues and expenses projected for the Project's alternative scenarios: Alternative A, Alternative B, and Alternative C ("Alternative Scenarios"). The differences among the Alternative Scenarios are as follows:

Assumptions	Alternative A	Alternative B	Alternative C
20 Acre Commercial Overlay	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
Park Maintenance	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
Offsetting Fire and Paramedic Revenues	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project

The summary of the Alternative Scenarios is attached as Exhibit A. Detailed calculations, attached as Exhibit B-1, Exhibit B-2, and Exhibit B-3, are organized as follows:

Table	Description	Alternative (Page)		
		A	B	C
1	Fiscal Impact Analysis Summary	3	22	41
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16	Phased General Fund Recurring Costs	19	38	57
17	Phased General Fund Recurring Costs and Fire Fund and Paramedic Fund Impact	20	39	58
18	Police Phasing Analysis	21	40	59

2. Project Description

The County of Orange owns the Project and has engaged LCD Greenspot, LLC ("Developer") to assist with entitling the Project for development, the Project is anticipated to be developed over a period of 13 years.

Encompassing approximately 1,658 acres of land in the City of Highland, the table below shows the total residential units developed in a wide variety of unit types and sizes as well as the total acres of neighborhood commercial land use that the Project is anticipated to provide.

Assumptions	Alternative A	Alternative B	Alternative C
Residential Units	3,632	3,515	3,515
Neighborhood Commercial Acres	5.7	20.7	20.7

3. Limiting Conditions

The FIA is subject to the following limiting conditions:

- The FIA contains an analysis of recurring revenues and costs to the City from development of the Project. The FIA is based on estimates, assumptions and other information developed from DPFG's research, interviews, meetings, and correspondences with City and County staff, California Department of Finance, and information from DPFG's database which was collected through fiscal impact analyses previously prepared by DPFG and others.

- The sources of information and basis of the estimates are stated herein. While we believe the sources of information are reliable, DPFG does not express an opinion or any other form of assurance on the accuracy of such information.

- The analysis of recurring revenues and cost impacts to the City contained in the FIA 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 report relates to broad expectations of future events or market conditions.

- Since the analyses contained herein are based on estimates and assumptions which are inherently subject to uncertainty and variation depending on evolving events, DPFG cannot represent that results 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 the projections.

4. General Sources of Information and Methodologies Used in FIA

The FIA was prepared to estimate the allocable revenue and cost impacts to the City's general fund ("General Fund"), fire fund ("Fire Fund") and paramedic fund ("Paramedic Fund") as a result of the Project's development. The FIA uses a combination of case study methods and multiplier methods to estimate Project impacts. When projecting fiscal impacts using a multiplier method, the FIA determines per capita/employee impacts by applying the appropriate per capita, per employee and per equivalent resident factors ("Factors") to the Project's land use assumptions. The FIA calculates equivalent residents by adding residential population plus 50% of employees. Employment is reduced by 50% to account for the estimated less frequent use of City public services by employees than residents. Factors were calculated using the City of Highland Fiscal Years 2011-2013 Adopted Budget ("Budget"). Cost and revenue Factors are projected in 2011 dollars, and are not adjusted for inflation.

Information used in preparing the FIA was obtained from the following sources:

1. City of Highland Fiscal Years 2011-2013 Adopted Budget
2. City of Highland
3. California Department of Forestry and Fire Protection ("Cal Fire")
4. San Bernardino County Sheriff
5. LCD Greenspot, LLC (land use information)
6. The California Department of Finance (population information)
7. The California Employment Development Department (employment information)
8. San Bernardino County Auditor-Controller's Office (fiscal year 2011-12 share of the basic tax information)
9. The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute (sales tax generation data)
10. Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011 (household income data)
11. U.S. Department of Labor (household expenditure data)

The following table shows selected assumptions used in the FIA:

City Residential Population (a)	53,444
Residents Per Household (a)	3.45
City Employment (b)	19,200
City Share of the Basic Tax (c)	24.8448%
Share of Property Tax Retained in the General Fund (d)	58.33%
Share of Property Tax Retained in the Fire Fund (d)	41.67%
Average Household Income (e)	$96,400
Commercial Sales Tax Generation per Sq. Ft. (f)	$377

(a) Per the California Department of Finance as of January 1, 2011.
(b) Per the California Employment Development Department, November 2011.
(c) Per San Bernardino County Auditor/Controller, See Exhibit B-1, Exhibit B-2, and Exhibit B-3, Table 2.
(d) Per information provided by City staff. See Exhibit B-1, Exhibit B-2, and Exhibit B-3, Table 4.
(e) Per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.
(f) Per the Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

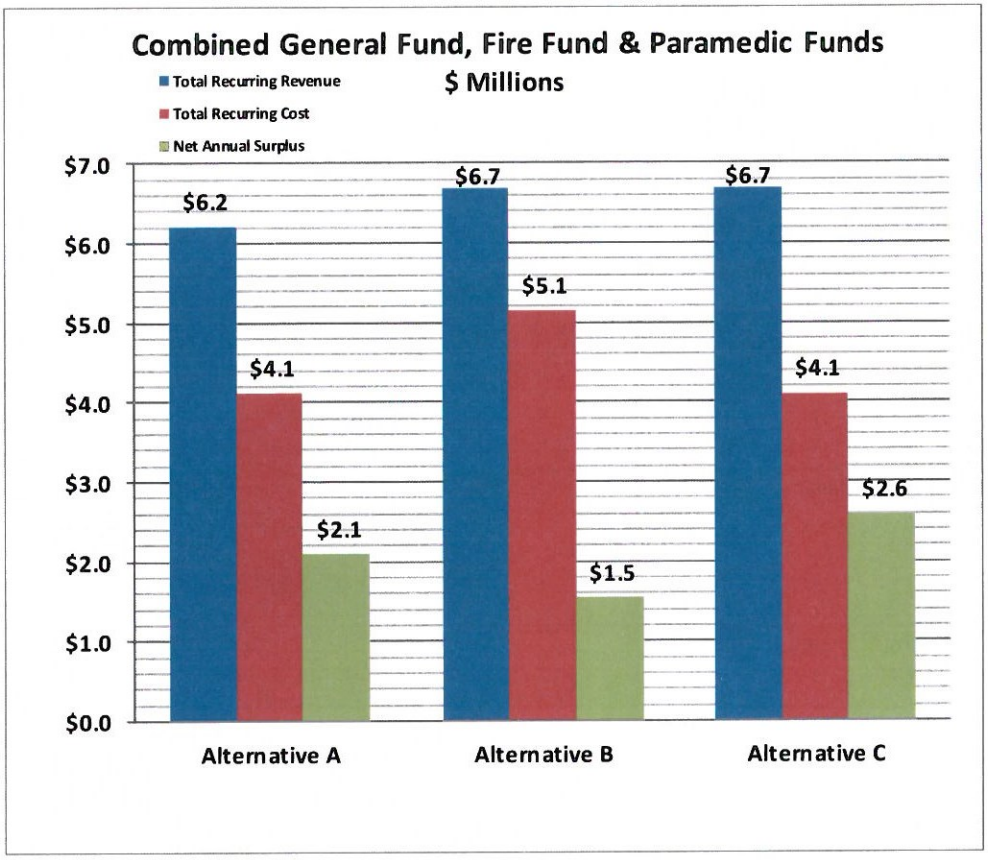
5. FIA Summary and Conclusions

The FIA examines the financial impact the Project will have on the General Fund, Fire Fund and Paramedic Fund. The Project will generate additional revenue for the General Fund primarily through increased property taxes, vehicle license fees, sales tax, gas tax, and franchise fees. The additional costs incurred to the General Fund consist primarily of police, and public works services costs. The Project's direct impact to the General Fund, Fire Fund, and Paramedic Fund is summarized in the table below.

At buildout, the Project is anticipated to generate a surplus to the City on an annual basis under each of the Alternative Scenarios.

Assumptions	**Report Section**	**Alternative A**	**Alternative B**	**Alternative C**
Exhibit Reference		B-1	B-2	B-3
20 Acre Commercial Overlay	1	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
Park Maintenance	1	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
Offsetting Fire and Paramedic Revenues	8	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project	Includes 111 Units from Outside of the Project
General Fund				
Recurring Revenues	6	$4,953,830	$5,435,946	$5,435,946
Recurring Costs	7	$2,908,126	$3,936,967	$2,892,647
Surplus / (Deficit)		$2,045,704	$1,498,979	$2,543,299
Fire Fund				
Recurring Revenues	8	$1,192,171	$1,181,811	$1,181,811
Recurring Costs	8	$1,212,690	$1,211,775	$1,211,775
Surplus / (Deficit)		$(20,519)	$(29,964)	$(29,964)
Paramedic Fund				
Recurring Revenues	9	$70,177	$68,837	$68,837
Recurring Costs	9	$-	$-	$-
Surplus / (Deficit)		$70,177	$68,837	$68,837
Combined Fire Fund & Paramedic Fund				
Recurring Revenues		$1,262,348	$1,250,647	$1,250,647
Recurring Costs		$1,212,690	$1,211,775	$1,211,775
Surplus / (Deficit)		$49,658	$38,872	$38,872
Combined Net Fiscal Impact				
Recurring Revenues		$6,216,178	$6,686,593	$6,686,593
Recurring Costs		$4,120,816	$5,148,742	$4,104,422
Surplus / (Deficit)		$2,095,362	$1,537,851	$2,582,171

The chart below shows the total recurring revenues, total recurring costs and net annual surpluses the Project is anticipated to generate at buildout under each of the Alternative Scenarios.



The FIA does not consider the impact of potential revenues and/or reduced General Fund costs due to a City Landscape Maintenance District or Community Facilities District which could serve to increase the ongoing annual surplus.

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6. Recurring Revenues

6.1 Property Tax

In addition to other ad valorem charges imposed by various local agencies, land owners in the State of California ("State") are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each county in California is divided into various tax rate areas ("TRA" or "TRAs"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRAs. Table 2 of Exhibits B-1 through B-3 shows the share of the basic tax applicable to each of the four TRAs that are within the Project.

In 1992, to meet its obligations to fund education at specific levels under Proposition 98, the State enacted legislation that shifted partial financial responsibility for funding education to local governments (cities, counties, and special districts). The State did this by instructing county auditors to shift the allocation of local property tax revenues to educational revenue augmentation funds ("ERAF") to support schools. As such, the FIA calculates a weighted average share of the basic tax after the shift of revenue to ERAF.

As shown in Table 2 of Exhibits B-1 through B-3, the Project is within four different tax rate areas, but tax rate area 104002 is excluded from the share of the basic tax calculations since this tax rate area does not appear to contribute a share of its property tax to the City. The FIA calculates the Project's weighted average post-ERAF share of the basic tax to be 24.8448%.

Revenue amounts are determined assuming the calculated 24.8448% weighted average share of the basic tax. This number is then adjusted based on the City's historical General Fund vs. Fire Fund split. Per information provided by City staff, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

Revenue amounts are calculated after adjusting for the 58.33% that is retained in the General Fund. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

6.2 Property Transfer Tax

The City receives property transfer tax revenue as new or existing property is sold and ownership is transferred. In accordance with California Revenue and Taxation Code Section 11911, a county may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A city within the county that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the county and city levy the transfer tax, a credit shall be allowed against the amount imposed by the county in the amount of tax that is imposed by the city. The City's share of the tax is $0.55 per $1,000 of value transferred. The FIA assumes a residential turnover rate of 14.00% of total assessed value per year (i.e. properties change ownership every 7 years on average) and a non-residential turnover rate of 10.00% of total assessed value per year (i.e. properties change ownership every 10 years on average). Revenue amounts are calculated using these assumptions. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

6.3 Sales and Use Tax

Under the California Sales and Use Tax Law, the sale of tangible personal property is subject to sales or use tax unless exempt or otherwise excluded. When the sales tax applies, the use tax does not apply and the opposite is also true. The sales tax is imposed on all retailers for the privilege of selling tangible personal property in the State and is measured by the retailer's gross receipts. Use tax is imposed on purchasers of tangible personal property from any retailer for the purpose of storage, use, or other consumption in the State and is measured by the sales price of the property purchased. If an out-of-state retailer is engaged in business in this state, it is required to register with the State and collect the use tax from the purchaser at the time of making the sale. Purchases made over the Internet or out-of-state are the most common transactions subject to a use tax.

There is a 7.50% statewide sales and use tax base rate that is collected by the State. Since January 1, 2013, the State government has received 6.50% of the 7.50% and local governments receive the remaining 1% which is transferred to the local government's general fund.

6.3.1 Property Tax In-Lieu Sales Tax

This analysis assumes that 0.25% of sales and use tax is redirected to property tax per the Sales Tax Triple Flip ("Triple Flip"). In March 2004, voters approved Proposition 57, the California Economic Recovery Bond Act which allowed the State to purchase bonds to reduce the State budget deficit. The legislature enacted provisions that changed how sales and use taxes and other revenues are distributed to schools and local governments on and after July 1, 2004. These changes will remain in effect until the State Director of Finance notifies the Board of Equalization that the State's bond obligations have been satisfied.

Under the new revenue "swapping" procedures commonly referred to as the Triple Flip, the local government portion of the statewide sales tax rate will decrease by 0.25%, and the state portion will increase by 0.25%. The County Auditor in each county uses property tax revenues to reimburse the county and cities within the county. County Auditors set aside some funds from the County Educational Revenue Augmentation Fund and place them in a Sales and Use Tax Compensation Fund. In January and May of each year, the State Director of Finance instructs County Auditors to allocate revenues from the Compensation Fund to the county and to the cities within the county. Revenue amounts are calculated based on the on-site and off-site sales tax calculations. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

6.3.2 Off-Site Sales and Use Tax

The City will receive sales tax revenue from taxable purchases made within the City but outside the Project area by the Project's residents ("Off-Site Sales"). The FIA assumes that households within the Project will have an average annual income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011. The FIA assumes that 32% of household income is spent on retail taxable expenditures per information obtained from the Bureau of Labor Statistics, and that 25% of retail taxable expenditures are captured through Off-Site Sales within the City. After calculating the Project's total taxable Off-Site Sales captured in the City, the FIA assumes the City receives sales tax revenue of 1% of taxable sales. Revenue amounts are calculated applying this methodology. See detailed calculations in Table 5 of Exhibits B-1 through B-3. This analysis assumes use tax revenue at 10.5% of sales tax revenue.

6.3.3 On-Site Sales and Use Tax

The FIA assumes that the City will receive sales tax revenue from taxable purchases made within the Project. The FIA assumes that retail land use will generate approximately $377 of total sales per building square foot per the Dollars & Cents of Shopping Centers, published by the Urban Land Institute, and that 80% of the sales will be taxable. Revenue amounts are calculated applying this methodology. See detailed calculations in Table 5 of Exhibits B-1 through B-3. This analysis assumes use tax revenue at 10.5% of sales tax revenue.

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6.4 Property Tax In-Lieu of Vehicle License Fees ("VLF")

Revenue amounts are calculated on a valuation basis. See detailed calculations in Table 6 Section II of Exhibits B-1 through B-3.

6.5 Franchise Fees

The City receives utility franchise fee revenue from utility franchises which service the local area and the Project. Revenue amounts are calculated based on various applicable per capita and per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.6 Business License Fee

A business license fee is a fee paid annually for the privilege of conducting business within the City. Revenue amounts are calculated based on a per employee multiplier determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.7 Licenses and Permits

Revenue amounts are calculated based on various applicable per capita multipliers calculated determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.8 Fines & Forfeitures

Revenue amounts are calculated based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.9 Miscellaneous Revenue

Revenue amounts are calculated based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.10 Intergovernmental Revenue

For purposes of the FIA, there are no intergovernmental revenues anticipated to be generated as a result of the Project.

6.11 Gas Tax Revenue

Revenue amounts are calculated based on the per capita multiplier determined from a 5-year average of the budgets from Fiscal Year 2007-08 to Fiscal Year 2011-12 provided by City staff. See detailed calculations in Table 10 of Exhibits B-1 through B-3.

6.12 Charges for Services

Revenue amounts are calculated based on various applicable per capita and per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

7. Recurring Costs

7.1 City Council

Per the Budget, the city council, which consists of the mayor, mayor pro-term, and three council members, serves as the policy making body of the City.

The FIA assumes a 50% marginal increase as City council costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.2 City Clerk

The office of the City clerk is a service department that fulfills the responsibilities of an election official, legislative administrator and record manager for the City.

The FIA assumes a 50% marginal increase as City clerk costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.3 General Government

General government services include the operations of the City manager and administrative services. The City manager serves as the chief administrative officer of the City and is responsible for the management of all municipal affairs. Administrative services include providing contract maintenance, major purchase analysis, and staff support as required by the City manager and City council.

The FIA assumes a 50% marginal increase as general government costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.4 Personnel

The personnel department is responsible for human resources functions such as recruitment, training programs, employee benefits monitoring, compensation studies and employee relations.

The FIA assumes a 50% marginal increase as personnel costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.5 Finance

The finance department administers all financial recording and reporting functions and prepares the fiscal budget and financial statements for the City.

The FIA assumes a 50% marginal increase as finance costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.6 Police Department

The City contracts with the San Bernardino County Sheriff's Department for police protection services.

Cost amounts are calculated per the adjusted phased police department budget by Lieutenant Anthony DeCecio dated February 12, 2014. See detailed calculations in Table 18 of Exhibits B-1 through B-3. Table 18 also contains a phasing plan as provided by Lieutenant Anthony DeCecio.

7.7 Animal Control

The City contracts with San Bernardino County for animal care, animal control and shelter services.

Cost amounts are based on a per capita multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.8 Public Works

The public works department consists of two divisions: maintenance services and public services. Maintenance services include street maintenance, weed abatement, traffic signal maintenance, storm drain maintenance, street sweeping, striping/traffic signage, tree trimming, building and grounds maintenance, and parkway maintenance. Public services include crossing guards, bus shelter contract, graffiti abatement, and assessment district administration.

Cost amounts are based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3. Street maintenance and replacement costs are included in Exhibits C-1 and C-2.

7.9 Engineering

The engineering department provides engineering services through contracts with a number of engineering firms under the direction of the Public Works Director/City Engineer. This department is responsible for the conditioning, plan checking and inspection of grading, street, traffic and storm drain improvements associated with development projects.

The FIA assumes a marginal increase of 47% per information obtained from the City's Community Development Director on April 14, 2014. Cost amounts are calculated after adjusting for the 47% marginal increase and are based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.10 Planning

The planning department is part of the Community Development Department and primarily serves as the City's Planning Agency. To assist the public through the land use entitlement and development process the department meets weekly with various individuals and developers and is the clearinghouse for general statistical information regarding past current and proposed development. This department has a responsibility to oversee maintenance and ensure implementation of the General Plan and Land Use Development Code and makes recommendations for revisions as appropriate to meet the changing vision of the City.

The FIA assumes a marginal increase of 51% per information obtained from the City's Community Development Director on April 14, 2014. Cost amounts are calculated after adjusting for the 51% marginal increase and are based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.11 Public Services

The public services department serves as the program manager and coordinator of several state and federal mandated programs. The public service department manages solid waste, the City's National Pollution Discharge Elimination System Program, and the household hazardous waste program.

The FIA assumes a 50% marginal increase as public services costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.12 Code Enforcement

The code enforcement division enforces City municipal codes and State laws. Code enforcement staff responds to concerns related to land use, public nuisance, vehicle abatement, substandard housing, street vendors, and business license requirements.

The FIA assumes a 50% marginal increase as code enforcement costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.13 Parks

Alternative A and Alternative C assume the Project's parks and open space are maintained by an HOA. The FIAs for Alternative A and Alternative C, assume 0% marginal increase as it is not anticipating the City's park costs will increase as a result of the Project.

Alternative B assumes that parks are maintained by the City. The Alternative B FIA assumes park maintenance costs of $32,635 per acre for maintenance of 32 acres.

7.14 Graffiti

The Graffiti Abatement Program is currently staffed by one full-time employee who removes graffiti primarily from public property and some private properties.

Cost amounts are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.15 Trails

The trails budget provides for the maintenance of various public trails within the City.

Cost amounts are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.16 Drainage Basins

Cost amounts are based on the assumption that drainage basins are maintained by the City at drainage basin maintenance costs of $1,980 per acre for maintenance of 15 acres.

7.17 Storm Drainage Replacement

Replacement cost amounts for storm drainage are based on a reserve calculation that has been prepared and included as Exhibit C-3.

8. Recurring Fire Fund Fiscal Impact

The City contracts with Cal Fire for fire protection services. Table 8 of Exhibits B-1 through B-3, summarizes the Project's fiscal impact on the Fire Fund.

The Fire Fund is primarily funded by property tax revenue. Revenue amounts are calculated assuming a 24.8448% weighted average share of the basic tax. See detailed calculations in Table 4 of Exhibits B-1 through B-3. Per City staff, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

Revenue amounts are calculated after adjusting for the 41.67% that is retained in the Fire Fund. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

This FIA assumes that the Project will require one additional fire station. The FIA currently attributes 100% of the estimated operating cost of the fire station to the Project. The additional fire station will service residents outside of the Project area that will contribute to the station's operating budget. Per Larry Mainez at the City of Highland, there will be additional revenue generated from within the service area for the additional fire station outside the Project. 111 units outside of the Project will provide additional revenue to offset the cost of operating the fire station. The offsetting revenues of the 111 units outside of the Project assumes an equivalent fire and paramedic revenue per unit to the units in the Harmony Project. Jim Rissmiller at the City of Highland has reviewed the appropriate service area in determining potential development areas for these assumptions. See map of the service area and detailed calculations in Exhibits D-1 and D-2.

The FIA uses the case study method to calculate recurring costs to the Fire Fund. Per Jim Rissmiller, the cost to staff and operate a fire station in the City of Highland, including paramedic staffing and operation costs, is approximately $1,237,379 annually. Jim Rissmiller also provided us with anticipated annual Wildland Fire Protection Agreement costs of $25.77 per wildland acre. See detailed calculations in Tables 8 and 17 of Exhibits B-1 through B-3.

9. Recurring Paramedic Fund Fiscal Impact

The City contracts with Cal Fire for paramedic services. See detailed calculations in Table 9 of Exhibits B-1 through B-3.

Revenue amounts are calculated based on a citywide paramedic tax from homeowners and from businesses as well as a transfer in from the Fire Department. The FIA calculates revenue amounts based on a per equivalent resident determined from the Budget. See detailed calculations in Table 9 of Exhibits B-1 through B-3.

The FIA assumes that additional paramedics required to serve the Project will operate out of the Project funded fire station. As discussed in Section 8, paramedic staffing and operation costs are included in the Fire Fund cost estimates.

At buildout, the Project is projected to have a positive annual fiscal impact on the Paramedic Fund.

10. Glossary of Selected Defined Terms and Acronyms

Budget	City of Highland Fiscal Years 2011-2013 Adopted Budget
Cal Fire	California Department of Forestry and Fire Protection
City	City of Highland
Developer	LCD Greenspot, LLC
DPFG	Development, Planning & Financing Group
ERAF	Educational Revenue Augmentation Fund
Factors	Per Capita, Per Employee, and Per Equivalent Resident Factors
FIA	Fiscal Impact Analysis
General Fund	City of Highland General Fund
Fire Fund	City of Highland Fire Fund
Paramedic Fund	City of Highland Paramedic Fund
Project	Harmony Planned Community
State	State of California
Triple Flip	Revenue "Swapping" Procedures
TRA	Tax Rate Area
VLF	Vehicle License Fees

Exhibit A
Scenario Summary
Harmony Planned Community
June 19, 2014

Scenario	**Alternative A**	**Alternative B**	**Alternative C**
Exhibit in Detailed Report	**B-1**	**B-2**	**B-3**
Analysis Date	6/19/2014	6/19/2014	6/19/2014
Key Assumptions:			
1. 20 Acre Commercial Overlay	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
2. Park Maintenance	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
3. Offsetting Fire and Paramedic Revenues	Includes 111 Units from Outside of Project	Includes 111 Units from Outside of Project	Includes 111 Units from Outside of Project
I. GENERAL FUND			
Recurring Revenues	$ 4,953,830	$ 5,435,946	$ 5,435,946
Total Recurring Costs	2,908,126	3,936,967	2,892,647
Surplus/(Deficit)	**$ 2,045,704**	**$ 1,498,979**	**$ 2,543,299**
II. FIRE FUND			
Recurring Revenues	$ 1,192,171	$ 1,181,811	$ 1,181,811
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Surplus/(Deficit)	**$ (20,519)**	**$ (29,964)**	**$ (29,964)**
III. PARAMEDIC FUND			
Recurring Revenues	$ 70,177	$ 68,837	$ 68,837
Total Recurring Costs	-	-	-
Surplus/(Deficit)	**$ 70,177**	**$ 68,837**	**$ 68,837**
IV. COMBINED FIRE FUND & PARAMEDIC FUND			
Recurring Revenues	$ 1,262,348	$ 1,250,647	$ 1,250,647
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Surplus/(Deficit)	**$ 49,658**	**$ 38,872**	**$ 38,872**
V. COMBINED NET FISCAL IMPACT			
Recurring Revenues	$ 6,216,178	$ 6,686,593	$ 6,686,593
Total Recurring Costs	4,120,816	5,148,742	4,104,422
Surplus/(Deficit)	**$ 2,095,362**	**$ 1,537,851**	**$ 2,582,171**

Scenario	**Alternative A**	**Alternative B**	**Alternative C**
TIME PHASED NET FISCAL IMPACT - No Inflation			
Total Through 2027	**$ 10,374,995**	**$ 6,390,882**	**$ 15,349,189**
Sum of Deficits Through 2027	**$ (349,211)**	**$ (1,489,369)**	**$ (136,293)**
2015	$ (92,184)	$ (136,293)	$ (136,293)
2016	287,631	199,412	199,412
2017	582,961	1,157,245	1,157,245
2018	(107,193)	(357,887)	474,306
2019	(149,834)	(550,778)	281,414
2020	59,066	(342,192)	490,001
2021	299,246	(102,218)	729,974
2022	661,131	259,533	1,091,726
2023	1,216,023	808,688	1,640,880
2024	1,604,262	1,188,054	2,020,246
2025	1,898,543	1,306,031	2,350,351
2026	2,019,983	1,423,437	2,467,757
2027	2,095,362	1,537,851	2,582,171

Exhibit A
Scenario Summary
Harmony Planned Community
June 19, 2014

Scenario	**Alternative A**	**Alternative B**	**Alternative C**
Exhibit in Detailed Report	**B-1**	**B-2**	**B-3**
Analysis Date	6/19/2014	6/19/2014	6/19/2014
I. GENERAL FUND			
A. Recurring Revenues			
Property Tax	$ 1,668,811	$ 1,654,308	$ 1,654,308
Property Transfer Tax	88,464	87,154	87,154
Property Tax In Lieu of Sales Tax	116,813	237,684	237,684
Off-Site Sales and Use Tax	239,485	231,771	231,771
On-Site Sales and Use Tax	160,015	581,109	581,109
Property Tax-Vehicle License Fee	1,882,769	1,866,407	1,866,407
Franchise Fees	297,564	290,743	290,743
Business License Fee	938	3,405	3,405
Licenses & Permits	27,738	26,844	26,844
Fines & Forfeitures	23,992	23,534	23,534
Miscellaneous Revenue	9,997	9,806	9,806
Intergovernmental Revenue	-	-	-
Charges for Services	79,779	77,232	77,232
Gas Tax and Traffic Safety Fund Revenue	357,465	345,949	345,949
Total Recurring Revenues	**$ 4,953,830**	**$ 5,435,946**	**$ 5,435,946**
B. Recurring Costs			
City Council	$ 14,535	$ 14,258	$ 14,258
City Clerk	24,359	23,894	23,894
General Government	65,004	63,763	63,763
Personnel	7,268	7,129	7,129
Finance	48,400	47,476	47,476
Police Department	1,793,496	1,793,496	1,793,496
Animal Control	110,523	106,963	106,963
Public Works	577,011	572,469	572,469
Engineering	60,453	59,299	59,299
Planning	68,059	66,759	66,759
Public Services	43,428	42,599	42,599
Code Enforcement	29,857	29,287	29,287
Parks	-	1,044,320	-
Graffiti	21,838	21,421	21,421
Trails	3,079	3,020	3,020
Drainage Basins	29,700	29,700	29,700
Storm Drainage Replacement	11,115	11,115	11,115
Total Recurring Costs	**$ 2,908,126**	**$ 3,936,967**	**$ 2,892,647**
General Fund Surplus/(Deficit)	**$ 2,045,704**	**$ 1,498,979**	**$ 2,543,299**
II. FIRE FUND			
Recurring Revenues	$ 1,192,171	$ 1,181,811	$ 1,181,811
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Fire Fund Surplus/(Deficit)	**$ (20,519)**	**$ (29,964)**	**$ (29,964)**
III. PARAMEDIC FUND			
Recurring Revenues	$ 70,177	$ 68,837	$ 68,837
Total Recurring Costs	-	-	-
Paramedic Fund Surplus/(Deficit)	**$ 70,177**	**$ 68,837**	**$ 68,837**
IV. COMBINED FIRE FUND & PARAMEDIC FUND			
Recurring Revenues	$ 1,262,348	$ 1,250,647	$ 1,250,647
Total Recurring Costs	1,212,690	1,211,775	1,211,775
Fire Fund & Paramedic Fund Surplus/(Deficit)	**$ 49,658**	**$ 38,872**	**$ 38,872**
V. COMBINED NET FISCAL IMPACT			
Recurring Revenues	$ 6,216,178	$ 6,686,593	$ 6,686,593
Total Recurring Costs	4,120,816	5,148,742	4,104,422
Total Surplus/(Deficit)	**$ 2,095,362**	**$ 1,537,851**	**$ 2,582,171**

Exhibit B-1: Alternative A
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
June 19, 2014

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,668,811	$ 459.47	$ 132.40	33.7%
Property Transfer Tax	4	88,464	24.36	7.02	1.8%
Property Tax In Lieu of Sales Tax	4	116,813	32.16	9.27	2.4%
Off-Site Sales and Use Tax	5	239,485	65.94	19.00	4.8%
On-Site Sales and Use Tax	5	160,015	44.06	12.69	3.2%
Property Tax-Vehicle License Fee	6	1,882,769	518.38	149.37	38.0%
Franchise Fees	6	297,564	81.93	23.61	6.0%
Business License Fee	6	938	0.26	0.07	0.0%
Licenses & Permits	6	27,738	7.64	2.20	0.6%
Fines & Forfeitures	6	23,992	6.61	1.90	0.5%
Miscellaneous Revenue	6	9,997	2.75	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	79,779	21.97	6.33	1.6%
Gas Tax and Traffic Safety Fund Revenue	10	357,465	98.42	28.36	7.2%
Total Recurring Revenues		**$ 4,953,830**	**$ 1,363.94**	**$ 393.02**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,535	$ 4.00	$ 1.15	0.5%
City Clerk	7	$ 24,359	6.71	1.93	0.8%
General Government	7	$ 65,004	17.90	5.16	2.2%
Personnel	7	$ 7,268	2.00	0.58	0.2%
Finance	7	$ 48,400	13.33	3.84	1.7%
Police Department	7	$ 1,793,496	493.80	142.29	61.7%
Animal Control	7	$ 110,523	30.43	8.77	3.8%
Public Works	7	$ 577,011	158.87	45.78	19.8%
Engineering	7	$ 60,453	16.64	4.80	2.1%
Planning	7	$ 68,059	18.74	5.40	2.3%
Public Services	7	$ 43,428	11.96	3.45	1.5%
Code Enforcement	7	$ 29,857	8.22	2.37	1.0%
Parks	7	$ -	-	-	0.0%
Graffiti	7	$ 21,838	6.01	1.73	0.8%
Trails	7	$ 3,079	0.85	0.24	0.1%
Drainage Basins	7	$ 29,700	8.18	2.36	1.0%
Storm Drainage Replacement	7	$ 11,115	3.06	0.88	0.4%
Total Recurring Costs		**$ 2,908,126**	**$ 800.70**	**$ 230.72**	**100.0%**
General Fund Surplus/(Deficit)		**$ 2,045,704**	**$ 563.24**	**$ 162.30**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,192,171	$ 328.24	$ 94.58	
Total Recurring Costs	8	1,212,690	333.89	96.21	
Fire Fund Surplus/(Deficit)		**$ (20,519)**	**$ (5.65)**	**$ (1.63)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 70,177	$ 19.32	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 70,177**	**$ 19.32**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,262,348	$ 347.56	$ 100.15	
Total Recurring Costs		1,212,690	333.89	96.21	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 49,658**	**$ 13.67**	**$ 3.94**	
V. COMBINED NET FISCAL IMPACT					
Recurring Revenues		$ 6,216,178	$ 1,711.50	$ 493.17	
Total Recurring Costs		4,120,816	1,134.59	326.93	
Total Surplus/(Deficit)		**$ 2,095,362**	**$ 576.92**	**$ 166.24**	

Exhibit B-1: Alternative A
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
June 19, 2014

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-1: Alternative A
Table 3 - Land Use Assumptions
Harmony Planned Community
June 19, 2014

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation
I. Residential Land Use		(a)	(a)	(a)	
Condo Apartments	40	5	215	$ 210,000	$ 45,150,000
Paired	26	2	173	230,000	39,790,000
Paired	43A	3	130	230,000	29,900,000
HDD	15	2	208	250,000	52,000,000
HDD	25	3	110	250,000	27,500,000
HDD	33	4	105	250,000	26,250,000
6 Pack	27	2	115	250,000	28,750,000
6 Pack	43B	3	99	250,000	24,750,000
4 Pack L	21	2	115	290,000	33,350,000
4 Pack S	22	2	80	270,000	21,600,000
4 Pack S	23	3	77	270,000	20,790,000
SFD - 3,000 Sq. Ft.	3	1	141	310,000	43,710,000
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000
SFD - 4,000 Sq. Ft.	35	4	31	350,000	10,850,000
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000
Total/Weighted Average			3,632	$ 314,491	**$ 1,142,230,000**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	-	-	500	-	150.00	-
Neighborhood Commercial	3	0.25	-	-	500	-	150.00	-
Neighborhood Commercial	40	0.25	-	-	500	-	150.00	-
Total			5.70	62,073		124		**$ 9,310,950**

III. Total Residential and Non-Residential **$ 1,151,540,950**

IV. Population Summary

Residential Units	[1]	**3,632**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,543**
Employees	[4]	**124**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	62
Total Equivalent Residents	[3]+[5]=[6]	**12,605**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.

Exhibit B-1: Alternative A
Table 4 - Property Tax Calculations
Harmony Planned Community
June 19, 2014

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,151,540,950
Basic Rate			1.000%
Basic Tax Paid		$	11,515,410
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,860,982**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,668,811**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,192,171**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,142,230,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	159,912,200
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	87,952
B. Non-Residential			
Non-Residential Assessed Value	3	$	9,310,950
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	931,095
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	512
Total Property Transfer Tax	[1]+[2]	**$**	**88,464**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	70,025
On-Site Sales Tax Redirected to Property Tax (e)	5		46,788
Total Property Tax In-Lieu of Sales Tax		**$**	**116,813**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-1: Alternative A
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
June 19, 2014

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	350,124,800
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	112,039,936
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	28,009,984
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 280,100
Use Tax @10.50% of sales tax	10.50%	8	29,410
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(70,025)
Total Off-Site Sales Tax Revenue		$ 85	**$ 239,485**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	-	377	80%	-
Neighborhood Commercial	3	-	-	377	80%	-
Neighborhood Commercial	40	-	-	377	80%	-
Subtotal Taxable Sales for Retail Land Use			62,073			$ 18,715,258
Total Taxable Sales						$ 18,715,258
Sales Tax @1% of taxable sales					1.00%	187,153
Use Tax @10.50% of sales tax (c)					10.50%	19,651
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(46,788)
Total On-Site Sales Tax Revenue						**$ 160,015**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.

(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.

(c) Preliminary estimate for illustration purposes.

(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.

(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-1: Alternative A
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	-------- See Table 4 --------	
Property Tax - Vehicle License Fee	59	3,800,000	100%	---------- See Footnote (g) ----------					**1,882,769**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	-------- See Table 4 --------	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	-------- See Table 5 --------	
Extraction Tax	59	85,000	0%	---------- See Footnote (d) ----------					
Transient Occupancy Tax	59	168,000	0%	---------- See Footnote (d) ----------					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,605	$ 26,391
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,605	55,981
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,543	86,834
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,605	113,962
Franchise Fees - Kiosk Signs	59	5,000	0%	---------- See Footnote (d) ----------					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,605	14,395
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 297,564**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	124	**$ 938**
Property Transfer Tax	59	90,000	100%	---------- See Table 4 ----------					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,181,271
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,543	$ 25,977
Building Permits - Inspection Fees	59	400,000	100%	---------- See Footnote (e) ----------					
Building Permits - Plan Check Fees	59	65,000	100%	---------- See Footnote (e) ----------					
Building Permits - SMIP	59	3,000	100%	---------- See Footnote (e) ----------					
Building Permits - BSAR Fund	59	2,000	100%	---------- See Footnote (e) ----------					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,543	1,760
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 27,738**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,605	$ 5,998
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,605	3,999
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,605	8,997
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,605	4,998
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,992**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,605	$ 7,997
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,605	1,999
Building Rental	59	18,000	0%	---------- See Footnote (d) ----------					
Miscellaneous Revenue	59	1,000	0%	---------- See Footnote (d) ----------					
Volunteer Donations	59	8,500	0%	---------- See Footnote (d) ----------					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,997**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	---------- See Footnote (d) ----------					
State - Other	60	27,240	0%	---------- See Footnote (d) ----------					
Article 19 WDA	60	70,000	0%	---------- See Footnote (d) ----------					
SB90 State Mandate Reimbursements	60	10,000	0%	---------- See Footnote (d) ----------					
San Bernardino Unified School District	60	5,000	0%	---------- See Footnote (d) ----------					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	---------- See Table 10 ----------					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,543	23,938
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,543	39,709
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,543	3,520
Police Department Fees	60	160,000	0%	---------- See Footnote (d) ----------					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,543	352
Delinquent Refuse Admin	60	75,000	0%	---------- See Footnote (d) ----------					
Livescan Service Fees	60	1,500	0%	---------- See Footnote (d) ----------					
Foreclosure Registration Fees	60	13,000	0%	---------- See Footnote (d) ----------					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,605	1,699
Sale of Miscellaneous Copies	60	2,000	0%	---------- See Footnote (d) ----------					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,543	10,561
Operating Transfer In-Paramedic Dept.	60	10,000	0%	---------- See Footnote (d) ----------					
Operating Transfer In-Fire Department	60	10,000	0%	---------- See Footnote (d) ----------					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 79,779**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,322,777

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.
(d) Assumes Project will have a de minimis impact on these revenue sources.
(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.
(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.
(g) See Section II of Table 6.

Exhibit B-1: Alternative A
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
June 19, 2014

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05		FY 2011-12			Change
Property Tax Vehicle License Fees (VLF)	$ (a)	2,624,088	$ (b)	3,800,000	[1]	1,175,912
City Assessed Valuation	(c)	1,992,355,699	(d)	2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase					=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV					[3]	$ 1,635

Property Tax in Lieu of MVLF:		
Total Residential and Non-Residential Assessed Value (Table 3)	[4]	$ 1,151,540,950
Assessed Valuation / 1,000,000	[5]	$ 1,152
VLF Increase per $1,000,000 increase in AV	[3]	1,635
Property Tax in Lieu of MVLF	=[3]*[5]	$ 1,882,769

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-1: Alternative A
Table 7 - General Fund Cost Calculations
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,605	**$ 14,535**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,605	**24,359**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,605	**65,004**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,605	**7,268**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,605	**48,400**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,543	**110,523**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,605	$ 32,302
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,605	13,064
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,605	102,226
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,605	25,960
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,605	300
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,605	300
Street Maintenance	164	100,000	100%	See Table 16					339,120
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,605	200
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,605	1,999
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,605	9,997
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,605	41,986
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,605	960
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,605	600
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,605	7,997
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 577,011**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,605	**60,453**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,605	**68,059**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,605	**43,428**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,605	**29,857**
N. Parks	188	-	0%	See Footnote (e)					**-**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,605	**21,838**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,605	**3,079**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 14,282,410		$ 3,592,834			$ 58.33		$ 2,908,126

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. The development of the Harmony Planned Community ("Project") is not anticipated to increase the City's maintenance cost for these parks. Parks to be developed within the Project are anticipated to be HOA maintained.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-1: Alternative A
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					**$ 1,192,171**
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									**$ -**
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		**$ 1,192,171**
Fire Fund Revenue per Unit								[9]	$ 328.24
II. FIRE FUND COST									
A. Typical Cost per Station									
Estimated Cost per Station (d)				[1] $ 1,237,379					
Additional Fire Stations Required to Serve Project (d)				[2] 1.00					
Percent of Fire Station Costs Allocable to Project				[3] 100%					
Total Cost per Station				[1]X[2]X[3]=[4] **$ 1,237,379**					
B. Wildland Fire Protection Agreement Cost									
Acres (f)				[5] 539					
Cost per Acre (g)				[6] $ 25.77					
Total Wildland Fire Protection Agreement Cost				[5]X[6]=[7] **$ 13,890**					
C. Revenue from Outside Project									
Additional Units within the Fire Station Service Area (h)				[8] 111					
Fire Revenue per Unit				[9] $ 328.24					
Paramedic Revenue per Unit (From Table 9)				[10] 19.32					
Total Revenue from Outside Project				[8]*([9]+[10])=[11] **$ 38,579**					
TOTAL FIRE FUND COST				=[4]+[7]-[11] **$ 1,212,690**					

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.

(e) Assumes Project will have a de minimis impact on these revenue sources.

(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.

(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.

(h) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/11/2014.

See Exhibits D-1 and D-2.

Exhibit B-1: Alternative A
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,605	$ 70,177
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 70,177**
Paramedic Fund Revenue per Unit									$ 19.32
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-1: Alternative A
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
June 19, 2014

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,543
Total Gas Tax and Traffic Safety Fund Revenue						**$ 357,465**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-1: Alternative A
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
June 19, 2014

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	14	$ 171,324	$ 332,229	$ 523,901	$ 677,646	$ 782,554	$ 918,213	$ 1,053,351	$ 1,167,736	$ 1,348,958	$ 1,514,790	$ 1,607,872	$ 1,645,508	$ 1,668,811
Property Transfer Tax	14	9,103	17,652	27,632	35,800	41,374	48,582	55,763	61,840	71,469	80,280	85,226	87,226	88,464
Property Tax In Lieu of Sales Tax	14	6,247	12,127	66,994	73,838	78,562	84,558	90,342	95,239	102,797	109,506	113,458	115,502	116,813
Off-Site Sales and Use Tax	14	21,364	41,475	69,103	92,510	108,665	129,172	148,953	165,701	191,549	214,495	228,012	235,002	239,485
On-Site Sales and Use Tax	14	-	-	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015
Property Tax-Vehicle License Fee	15	193,290	374,824	591,070	764,528	882,885	1,035,938	1,188,401	1,317,452	1,521,909	1,709,002	1,814,018	1,856,479	1,882,769
Franchise Fees	15	26,452	51,353	86,599	115,582	135,585	160,976	185,469	206,206	238,210	266,621	283,358	292,012	297,564
Business License Fee	15	-	-	938	938	938	938	938	938	938	938	938	938	938
Licenses & Permits	15	2,474	4,804	8,004	10,715	12,586	14,961	17,252	19,192	22,185	24,843	26,409	27,218	27,738
Fines & Forfeitures	15	2,130	4,135	7,007	9,340	10,951	12,995	14,967	16,637	19,213	21,501	22,848	23,545	23,992
Miscellaneous Revenue	15	887	1,723	2,920	3,892	4,563	5,415	6,236	6,932	8,006	8,959	9,520	9,810	9,997
Intergovernmental Revenue	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	15	7,116	13,815	23,026	30,823	36,204	43,035	49,624	55,202	63,812	71,455	75,958	78,286	79,779
Gas Tax and Traffic Safety Fund Revenue	15	31,888	61,907	103,145	138,084	162,198	192,807	222,333	247,332	285,913	320,163	340,339	350,772	357,465
Total Recurring Revenues		**$ 472,276**	**$ 916,042**	**$ 1,670,353**	**$ 2,113,713**	**$ 2,417,079**	**$ 2,807,603**	**$ 3,193,643**	**$ 3,520,422**	**$ 4,034,973**	**$ 4,502,569**	**$ 4,767,972**	**$ 4,882,313**	**$ 4,953,830**
B. General Fund Recurring Costs														
City Council	16	$ 1,290	$ 2,505	$ 4,245	$ 5,659	$ 6,634	$ 7,873	$ 9,068	$ 10,079	$ 11,640	$ 13,026	$ 13,842	$ 14,264	$ 14,535
City Clerk	16	2,162	4,198	7,114	9,483	11,118	13,194	15,196	16,891	19,507	21,830	23,198	23,905	$ 24,359
General Government	16	5,770	11,202	18,985	25,307	29,670	35,209	40,552	45,076	52,057	58,255	61,906	63,793	$ 65,004
Personnel	16	645	1,252	2,123	2,829	3,317	3,936	4,534	5,040	5,820	6,513	6,921	7,132	$ 7,268
Finance	16	4,296	8,341	14,135	18,843	22,092	26,216	30,194	33,562	38,760	43,375	46,093	47,499	$ 48,400
Police Department	18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	16	9,859	19,141	31,891	42,694	50,149	59,613	68,742	76,471	88,400	98,990	105,228	108,454	$ 110,523
Public Works	16	196,452	216,330	295,581	318,719	334,687	407,902	427,455	444,009	494,606	552,309	565,671	572,579	$ 577,011
Engineering	16	5,366	10,418	17,655	23,535	27,593	32,744	37,713	41,920	48,412	54,176	57,572	59,327	$ 60,453
Planning	16	6,041	11,729	19,877	26,496	31,064	36,863	42,457	47,194	54,503	60,992	64,814	66,791	$ 68,059
Public Services	16	3,855	7,484	12,683	16,907	19,822	23,522	27,092	30,114	34,778	38,919	41,358	42,619	$ 43,428
Code Enforcement	16	2,650	5,145	8,720	11,624	13,628	16,172	18,626	20,704	23,910	26,757	28,434	29,301	$ 29,857
Parks	17	-	-	-	-	-	-	-	-	-	-	-	-	$ -
Graffiti	16	1,938	3,763	6,378	8,502	9,968	11,828	13,623	15,143	17,488	19,570	20,797	21,431	$ 21,838
Trails	16	273	531	899	1,199	1,405	1,668	1,921	2,135	2,466	2,759	2,932	3,022	$ 3,079
Drainage Basins	17	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	17	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 659,455**	**$ 844,219**	**$ 1,354,696**	**$ 1,507,891**	**$ 1,932,903**	**$ 2,222,975**	**$ 2,470,948**	**$ 2,522,311**	**$ 2,626,524**	**$ 2,831,140**	**$ 2,872,644**	**$ 2,894,211**	**$ 2,908,126**
Net General Fund Surplus/(Deficit)		**$ (187,180)**	**$ 71,823**	**$ 315,657**	**$ 605,822**	**$ 484,176**	**$ 584,629**	**$ 722,695**	**$ 998,111**	**$ 1,408,450**	**$ 1,671,428**	**$ 1,895,328**	**$ 1,988,103**	**$ 2,045,704**
II. Fire Fund														
Total Recurring Revenues	17	$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Total Recurring Costs	17	33,625	33,625	127,458	1,224,435	1,225,085	1,219,530	1,219,724	1,219,854	1,212,300	1,212,198	1,212,253	1,212,513	1,212,690
Net Fire Fund Surplus/(Deficit)		**$ 88,767**	**$ 203,714**	**$ 246,808**	**$ (740,335)**	**$ (666,041)**	**$ (563,573)**	**$ (467,228)**	**$ (385,642)**	**$ (248,626)**	**$ (130,057)**	**$ (63,616)**	**$ (36,989)**	**$ (20,519)**
III. Paramedic Fund														
Total Recurring Revenues	17	$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 6,229**	**$ 12,094**	**$ 20,495**	**$ 27,321**	**$ 32,031**	**$ 38,011**	**$ 43,779**	**$ 48,662**	**$ 56,199**	**$ 62,890**	**$ 66,831**	**$ 68,869**	**$ 70,177**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 128,621	$ 249,432	$ 394,761	$ 511,420	$ 591,075	$ 693,967	$ 796,275	$ 882,874	$ 1,019,873	$ 1,145,031	$ 1,215,469	$ 1,244,393	$ 1,262,348
Total Recurring Costs		33,625	33,625	127,458	1,224,435	1,225,085	1,219,530	1,219,724	1,219,854	1,212,300	1,212,198	1,212,253	1,212,513	1,212,690
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 94,996**	**$ 215,808**	**$ 267,304**	**$ (713,015)**	**$ (634,010)**	**$ (525,562)**	**$ (423,449)**	**$ (336,980)**	**$ (192,427)**	**$ (67,167)**	**$ 3,216**	**$ 31,880**	**$ 49,658**
V. Combined General Fund, Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 600,896	$ 1,165,475	$ 2,065,114	$ 2,625,133	$ 3,008,154	$ 3,501,571	$ 3,989,919	$ 4,403,296	$ 5,054,846	$ 5,647,600	$ 5,983,441	$ 6,126,706	$ 6,216,178
Total Recurring Costs		693,080	877,844	1,482,153	2,732,326	3,157,989	3,442,504	3,690,673	3,742,165	3,838,824	4,043,338	4,084,898	4,106,724	4,120,816
Total Surplus/(Deficit)		**$ (92,184)**	**$ 287,631**	**$ 582,961**	**$ (107,193)**	**$ (149,834)**	**$ 59,066**	**$ 299,246**	**$ 661,131**	**$ 1,216,023**	**$ 1,604,262**	**$ 1,898,543**	**$ 2,019,983**	**$ 2,095,362**

Exhibit B-1: Alternative A
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
June 19, 2014

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	215		-	-	-	-	-	-	-	-	48	48	48	48	23
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	141		48	48	45	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	31		-	-	-	-	-	-	-	-	7	18	6	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,632		324	305	419	355	245	311	300	254	392	348	205	106	68
Cumulative Units			324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
Total Cumulative Residents	3.45	3	1,119	2,172	3,619	4,845	5,691	6,765	7,801	8,678	10,032	11,234	11,942	12,308	12,543

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-1: Alternative A
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
June 19, 2014

I. Residential Assessed Value Additions	Average Value per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,080,000	$ 10,080,000	$ 10,080,000	$ 10,080,000	$ 4,830,000
Paired	230,000	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	14,880,000	14,880,000	13,950,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	2,450,000	6,300,000	2,100,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions			$ 118,220,000	$ 111,030,000	$ 122,950,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 125,050,000	$ 114,430,000	$ 64,230,000	$ 25,970,000	$ 16,080,000
Cumulative Residential Assessed Value			$ 118,220,000	$ 229,250,000	$ 352,200,000	$ 458,290,000	$ 530,680,000	$ 624,290,000	$ 717,540,000	$ 796,470,000	$ 921,520,000	$ 1,035,950,000	$ 1,100,180,000	$ 1,126,150,000	$ 1,142,230,000
Total Assessed Value Additions-Average Price			$ 364,877	$ 364,033	$ 293,437	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 319,005	$ 328,822	$ 313,317	$ 245,000	$ 236,471

Exhibit B-1: Alternative A
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	62,073	-	-	-	-	-	-	-	-	-	-
Cumulative Square Feet			-	-	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073
Assessed Value Additions	$ 150	3	$ -	$ -	$ 9,310,950	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employees	500	3	-	-	124	-	-	-	-	-	-	-	-	-	-
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950
Cumulative Employees			-	-	124	124	124	124	124	124	124	124	124	124	124
50% of Cumulative Employees			-	-	62	62	62	62	62	62	62	62	62	62	62
Cumulative Equivalent Residents			1,119	2,172	3,681	4,907	5,753	6,827	7,863	8,740	10,094	11,296	12,004	12,370	12,605
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 118,220,000	$ 229,250,000	$ 361,510,950	$ 467,600,950	$ 539,990,950	$ 633,600,950	$ 726,850,950	$ 805,780,950	$ 930,830,950	$ 1,045,260,950	$ 1,109,490,950	$ 1,135,460,950	$ 1,151,540,950
Basic Tax Paid	1.00%	4	1,182,200	2,292,500	3,615,110	4,676,010	5,399,910	6,336,010	7,268,510	8,057,810	9,308,310	10,452,610	11,094,910	11,354,610	11,515,410
Total Property Tax	24.84%	4	**$ 293,715**	**$ 569,567**	**$ 898,167**	**$ 1,161,746**	**$ 1,341,598**	**$ 1,574,170**	**$ 1,805,848**	**$ 2,001,948**	**$ 2,312,632**	**$ 2,596,932**	**$ 2,756,510**	**$ 2,821,032**	**$ 2,860,982**
Total Property Tax Retained in General Fund	58.33%	4	**$ 171,324**	**$ 332,229**	**$ 523,901**	**$ 677,646**	**$ 782,554**	**$ 918,213**	**$ 1,053,351**	**$ 1,167,736**	**$ 1,348,958**	**$ 1,514,790**	**$ 1,607,872**	**$ 1,645,508**	**$ 1,668,811**
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 118,220,000	$ 229,250,000	$ 352,200,000	$ 458,290,000	$ 530,680,000	$ 624,290,000	$ 717,540,000	$ 796,470,000	$ 921,520,000	$ 1,035,950,000	$ 1,100,180,000	$ 1,126,150,000	$ 1,142,230,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 9,103	$ 17,652	$ 27,119	$ 35,288	$ 40,862	$ 48,070	$ 55,251	$ 61,328	$ 70,957	$ 79,768	$ 84,714	$ 86,714	$ 87,952
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512
Total Property Transfer Tax			**$ 9,103**	**$ 17,652**	**$ 27,632**	**$ 35,800**	**$ 41,374**	**$ 48,582**	**$ 55,763**	**$ 61,840**	**$ 71,469**	**$ 80,280**	**$ 85,226**	**$ 87,226**	**$ 88,464**
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 6,247	$ 12,127	$ 20,205	$ 27,050	$ 31,773	$ 37,770	$ 43,554	$ 48,451	$ 56,008	$ 62,718	$ 66,670	$ 68,714	$ 70,025
On-Site Sales Tax Redirected to Property Tax			-	-	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788
Total Property Tax In-Lieu of Sales Tax			**$ 6,247**	**$ 12,127**	**$ 66,994**	**$ 73,838**	**$ 78,562**	**$ 84,558**	**$ 90,342**	**$ 95,239**	**$ 102,797**	**$ 109,506**	**$ 113,458**	**$ 115,502**	**$ 116,813**
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 31,233,600	$ 60,635,600	$ 101,027,200	$ 135,249,200	$ 158,867,200	$ 188,847,600	$ 217,767,600	$ 242,253,200	$ 280,042,000	$ 313,589,200	$ 333,351,200	$ 343,569,600	$ 350,124,800
Retail Taxable Sales	32.00%	5	9,994,752	19,403,392	32,328,704	43,279,744	50,837,504	60,431,232	69,685,632	77,521,024	89,613,440	100,348,544	106,672,384	109,942,272	112,039,936
Projected Off-Site Taxable Sales	25.00%	5	2,498,688	4,850,848	8,082,176	10,819,936	12,709,376	15,107,808	17,421,408	19,380,256	22,403,360	25,087,136	26,668,096	27,485,568	28,009,984
Sales Tax @1.00% of taxable sales	1.00%	5	24,987	48,508	80,822	108,199	127,094	151,078	174,214	193,803	224,034	250,871	266,681	274,856	280,100
Use Tax @10.50% of sales tax	10.50%	5	2,624	5,093	8,486	11,361	13,345	15,863	18,292	20,349	23,524	26,341	28,002	28,860	29,410
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(6,247)	(12,127)	(20,205)	(27,050)	(31,773)	(37,770)	(43,554)	(48,451)	(56,008)	(62,718)	(66,670)	(68,714)	(70,025)
Total Off-Site Sales Tax Revenue			**$ 21,364**	**$ 41,475**	**$ 69,103**	**$ 92,510**	**$ 108,665**	**$ 129,172**	**$ 148,953**	**$ 165,701**	**$ 191,549**	**$ 214,495**	**$ 228,012**	**$ 235,002**	**$ 239,485**
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072
Taxable Sales	80%	5	-	-	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)
Total On-Site Sales Tax Allocated to County			**$ -**	**$ -**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**

Exhibit B-1: Alternative A
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 [1]
A. Property Tax - Vehicle License Fee															
Assessed Valuation per $1,000			$ 118	$ 229	$ 362	$ 468	$ 540	$ 634	$ 727	$ 806	$ 931	$ 1,045	$ 1,109	$ 1,135	$ 1,152
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 193,290**	**$ 374,824**	**$ 591,070**	**$ 764,528**	**$ 882,885**	**$ 1,035,938**	**$ 1,188,401**	**$ 1,317,452**	**$ 1,521,909**	**$ 1,709,002**	**$ 1,814,018**	**$ 1,856,479**	**$ 1,882,769**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,343	$ 4,548	$ 7,708	$ 10,274	$ 12,046	$ 14,295	$ 16,464	$ 18,300	$ 21,135	$ 23,651	$ 25,133	$ 25,900	$ 26,391
Franchise Fees - Electric	4.44	6	4,969	9,647	16,349	21,794	25,552	30,322	34,923	38,819	44,831	50,169	53,313	54,939	55,981
Franchise Fees - Cable	6.92	6	7,746	15,038	25,056	33,543	39,400	46,836	54,008	60,081	69,453	77,773	82,674	85,208	86,834
Franchise Fees - Refuse	9.04	6	10,116	19,639	33,283	44,367	52,016	61,727	71,093	79,024	91,263	102,129	108,530	111,839	113,962
Franchise Fees - Refuse Household Waste	1.14	6	1,278	2,481	4,204	5,604	6,570	7,797	8,980	9,982	11,528	12,900	13,709	14,127	14,395
Total Franchise Fees			**$ 26,452**	**$ 51,353**	**$ 86,599**	**$ 115,582**	**$ 135,585**	**$ 160,976**	**$ 185,469**	**$ 206,206**	**$ 238,210**	**$ 266,621**	**$ 283,358**	**$ 292,012**	**$ 297,564**
C. Business License Fee	7.55	6	$ -	$ -	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,317	$ 4,499	$ 7,496	$ 10,035	$ 11,787	$ 14,011	$ 16,157	$ 17,974	$ 20,778	$ 23,267	$ 24,733	$ 25,491	$ 25,977
Yard Sale Permits	0.14	6	157	305	508	680	799	949	1,095	1,218	1,408	1,576	1,676	1,727	1,760
Total Licenses & Permits			**$ 2,474**	**$ 4,804**	**$ 8,004**	**$ 10,715**	**$ 12,586**	**$ 14,961**	**$ 17,252**	**$ 19,192**	**$ 22,185**	**$ 24,843**	**$ 26,409**	**$ 27,218**	**$ 27,738**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 532	$ 1,034	$ 1,752	$ 2,335	$ 2,738	$ 3,249	$ 3,742	$ 4,159	$ 4,803	$ 5,375	$ 5,712	$ 5,886	$ 5,998
General Fines	0.32	6	355	689	1,168	1,557	1,825	2,166	2,495	2,773	3,202	3,583	3,808	3,924	3,999
Code Enforcement Fines	0.71	6	799	1,550	2,628	3,503	4,107	4,873	5,613	6,239	7,205	8,063	8,568	8,829	8,997
Administrative Citation Program	0.40	6	444	861	1,460	1,946	2,281	2,707	3,118	3,466	4,003	4,479	4,760	4,905	4,998
Total Fines & Forfeitures			**$ 2,130**	**$ 4,135**	**$ 7,007**	**$ 9,340**	**$ 10,951**	**$ 12,995**	**$ 14,967**	**$ 16,637**	**$ 19,213**	**$ 21,501**	**$ 22,848**	**$ 23,545**	**$ 23,992**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 710	$ 1,378	$ 2,336	$ 3,113	$ 3,650	$ 4,332	$ 4,989	$ 5,546	$ 6,404	$ 7,167	$ 7,616	$ 7,848	$ 7,997
Refuse Penalties & Interest	0.16	6	177	345	584	778	913	1,083	1,247	1,386	1,601	1,792	1,904	1,962	1,999
Total Miscellaneous Revenue			**$ 887**	**$ 1,723**	**$ 2,920**	**$ 3,892**	**$ 4,563**	**$ 5,415**	**$ 6,236**	**$ 6,932**	**$ 8,006**	**$ 8,959**	**$ 9,520**	**$ 9,810**	**$ 9,997**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	2,135	4,146	6,907	9,247	10,862	12,911	14,889	16,563	19,146	21,440	22,791	23,490	23,938
Engineering Fees - Inspections	$ 3.17	6	3,542	6,877	11,458	15,339	18,018	21,418	24,698	27,475	31,761	35,565	37,807	38,965	39,709
Park Fees	0.28	6	314	610	1,016	1,360	1,597	1,899	2,190	2,436	2,816	3,153	3,352	3,454	3,520
Self Hauler fees	0.03	6	31	61	102	136	160	190	219	244	282	315	335	345	352
Recordation of Document Fees	0.13	6	151	293	496	662	776	920	1,060	1,178	1,361	1,523	1,618	1,668	1,699
Vehicle Storage Fees	0.84	6	942	1,829	3,047	4,080	4,792	5,696	6,569	7,307	8,447	9,459	10,055	10,363	10,561
Total Charges for Services			**$ 7,116**	**$ 13,815**	**$ 23,026**	**$ 30,823**	**$ 36,204**	**$ 43,035**	**$ 49,624**	**$ 55,202**	**$ 63,812**	**$ 71,455**	**$ 75,958**	**$ 78,286**	**$ 79,779**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 31,888**	**$ 61,907**	**$ 103,145**	**$ 138,084**	**$ 162,198**	**$ 192,807**	**$ 222,333**	**$ 247,332**	**$ 285,913**	**$ 320,163**	**$ 340,339**	**$ 350,772**	**$ 357,465**

Exhibit B-1: Alternative A
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs															
A. City Council	$ 1.15	7	$ 1,290	$ 2,505	$ 4,245	$ 5,659	$ 6,634	$ 7,873	$ 9,068	$ 10,079	$ 11,640	$ 13,026	$ 13,842	$ 14,264	$ 14,535
B. City Clerk	1.93	7	2,162	4,198	7,114	9,483	11,118	13,194	15,196	16,891	19,507	21,830	23,198	23,905	24,359
C. General Government	5.16	7	5,770	11,202	18,985	25,307	29,670	35,209	40,552	45,076	52,057	58,255	61,906	63,793	65,004
D. Personnel	0.58	7	645	1,252	2,123	2,829	3,317	3,936	4,534	5,040	5,820	6,513	6,921	7,132	7,268
E. Finance	3.84	7	4,296	8,341	14,135	18,843	22,092	26,216	30,194	33,562	38,760	43,375	46,093	47,499	48,400
F. Police Department		18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81	7	9,859	19,141	31,891	42,694	50,149	59,613	68,742	76,471	88,400	98,990	105,228	108,454	110,523
H. Public Works															
Salaries & Wages	$ 2.56	7	$ 2,867	$ 5,567	$ 9,434	$ 12,576	$ 14,744	$ 17,496	$ 20,151	$ 22,399	$ 25,868	$ 28,948	$ 30,762	$ 31,701	32,302
Benefits	1.04	7	1,160	2,251	3,815	5,086	5,963	7,076	8,150	9,059	10,462	11,708	12,441	12,821	13,064
Operations & Materials	8.11	7	9,074	17,617	29,855	39,798	46,660	55,370	63,772	70,886	81,865	91,611	97,353	100,322	102,226
Engineering	2.06	7	2,304	4,474	7,582	10,106	11,849	14,061	16,195	18,001	20,789	23,264	24,722	25,476	25,960
Traffic Counts	0.02	7	27	52	88	117	137	162	187	208	240	269	286	294	300
Underground Service Alert	0.02	7	27	52	88	117	137	162	187	208	240	269	286	294	300
Contract Services - Street Maintenance	1.59	7	175,334	175,334	226,105	226,105	226,105	279,050	279,050	279,050	304,098	339,120	339,120	339,120	339,120
Contract Services - Street Sweeping	0.02	7	18	34	58	78	91	108	125	139	160	179	190	196	200
Contract Services - Emergency Work	0.16	7	177	345	584	778	913	1,083	1,247	1,386	1,601	1,792	1,904	1,962	1,999
Contract Services - Striping	0.79	7	887	1,723	2,920	3,892	4,563	5,415	6,236	6,932	8,006	8,959	9,520	9,810	9,997
Contract Services - Traffic Signals	3.33	7	3,727	7,235	12,262	16,346	19,164	22,741	26,192	29,114	33,623	37,626	39,985	41,204	41,986
Contract Services - Maintenance	0.08	7	85	165	280	374	438	520	599	665	769	860	914	942	960
Contract Services - Environmental Health Services	0.05	7	53	103	175	234	274	325	374	416	480	538	571	589	600
Contract Services - Tree Trimming	0.63	7	710	1,378	2,336	3,113	3,650	4,332	4,989	5,546	6,404	7,167	7,616	7,848	7,997
Total Public Works			$ 196,452	$ 216,330	$ 295,581	$ 318,719	$ 334,687	$ 407,902	$ 427,455	$ 444,009	$ 494,606	$ 552,309	$ 565,671	$ 572,579	$ 577,011
I. Engineering	4.80	7	$ 5,366	$ 10,418	$ 17,655	$ 23,535	$ 27,593	$ 32,744	$ 37,713	$ 41,920	$ 48,412	$ 54,176	$ 57,572	$ 59,327	$ 60,453
J. Planning	5.40	7	6,041	11,729	19,877	26,496	31,064	36,863	42,457	47,194	54,503	60,992	64,814	66,791	68,059
K. Public Services	3.45	7	3,855	7,484	12,683	16,907	19,822	23,522	27,092	30,114	34,778	38,919	41,358	42,619	43,428
L. Code Enforcement	2.37	7	2,650	5,145	8,720	11,624	13,628	16,172	18,626	20,704	23,910	26,757	28,434	29,301	29,857
M. Graffiti	1.73	7	1,938	3,763	6,378	8,502	9,968	11,828	13,623	15,143	17,488	19,570	20,797	21,431	21,838
N. Trails	0.24	7	273	531	899	1,199	1,405	1,668	1,921	2,135	2,466	2,759	2,932	3,022	3,079
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14															
Sergeant			$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective			-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy			148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist			69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist			-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)			-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)			-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)			5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services			12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization			964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance			1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)			-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)			333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support			1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance			348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding			3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost			11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget			$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading			$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget			$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance															
Lane Miles (Assumes Beginning of Phase)															
Backbone Roads			27.42												
Interior Roads			19.34		13.54			14.12			6.68	9.34			
Total Lane Miles			46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)		C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
Cost per Lane Mile (See Exhibit C-2)		C-2	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750
Total Street Maintenance Cost			$ 175,334	$ 175,334	$ 226,105	$ 226,105	$ 226,105	$ 279,050	$ 279,050	$ 279,050	$ 304,098	$ 339,120	$ 339,120	$ 339,120	$ 339,120

Exhibit B-1: Alternative A
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ -	7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund			324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
A. Recurring Revenues															
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Total Recurring Revenues			$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Revenue per Unit			$ 378	$ 377	$ 357	$ 345	$ 339	$ 335	$ 333	$ 332	$ 332	$ 333	$ 332	$ 330	$ 328
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	0.11	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ 141,752	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Revenue from Outside Project															
Additional Units within the Fire Station Service Area (e)			-	-	111	111	111	111	111	111	111	111	111	111	111
Fire Revenue per Unit			$ 378	$ 377	$ 357	$ 345	$ 339	$ 335	$ 333	$ 332	$ 332	$ 333	$ 332	$ 330	$ 328
Paramedic Revenue per Unit			19	19	20	19	19	19	19	19	19	19	19	19	19
Total Revenue from Outside Project		8	$ -	$ -	$ 41,812	$ 40,462	$ 39,811	$ 39,321	$ 39,126	$ 38,997	$ 38,969	$ 39,071	$ 39,016	$ 38,756	$ 38,579
Total Recurring Costs			$ 33,625	$ 33,625	$ 127,458	$ 1,224,435	$ 1,225,085	$ 1,219,530	$ 1,219,724	$ 1,219,854	$ 1,212,300	$ 1,212,198	$ 1,212,253	$ 1,212,513	$ 1,212,690
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
Revenue per Unit			$ 19	$ 19	$ 20	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19	$ 19

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.
(e) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/10/2014. See Exhibits D-1 and D-2.

Exhibit B-1: Alternative A
Table 18 - Police Phasing Analysis
Harmony Planned Community
June 19, 2014

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
Cumulative Residents		1,119	2,172	3,619	4,845	5,691	6,765	7,801	8,678	10,032	11,234	11,942	12,308	12,543
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.89	0.92	1.11	0.83	1.05	1.03	1.03	0.92	0.80	0.80	0.75	0.73	0.72
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.89	0.92	0.83	0.62	0.70	0.74	0.77	0.69	0.60	0.62	0.59	0.57	0.56
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit B-2: Alternative B
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
June 19, 2014

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,654,308	$ 470.64	$ 133.80	30.4%
Property Transfer Tax	4	87,154	24.79	7.05	1.6%
Property Tax In Lieu of Sales Tax	4	237,684	67.62	19.22	4.4%
Off-Site Sales and Use Tax	5	231,771	65.94	18.75	4.3%
On-Site Sales and Use Tax	5	581,109	165.32	47.00	10.7%
Property Tax-Vehicle License Fee	6	1,866,407	530.98	150.96	34.3%
Franchise Fees	6	290,743	82.71	23.52	5.3%
Business License Fee	6	3,405	0.97	0.28	0.1%
Licenses & Permits	6	26,844	7.64	2.17	0.5%
Fines & Forfeitures	6	23,534	6.70	1.90	0.4%
Miscellaneous Revenue	6	9,806	2.79	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	77,232	21.97	6.25	1.4%
Gas Tax and Traffic Safety Fund Revenue	10	345,949	98.42	27.98	6.4%
Total Recurring Revenues		**$ 5,435,946**	**$ 1,546.50**	**$ 439.66**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,258	$ 4.06	$ 1.15	0.4%
City Clerk	7	$ 23,894	6.80	1.93	0.6%
General Government	7	$ 63,763	18.14	5.16	1.6%
Personnel	7	$ 7,129	2.03	0.58	0.2%
Finance	7	$ 47,476	13.51	3.84	1.2%
Police Department	7	$ 1,793,496	510.24	145.06	45.6%
Animal Control	7	$ 106,963	30.43	8.65	2.7%
Public Works	7	$ 572,469	162.86	46.30	14.5%
Engineering	7	$ 59,299	16.87	4.80	1.5%
Planning	7	$ 66,759	18.99	5.40	1.7%
Public Services	7	$ 42,599	12.12	3.45	1.1%
Code Enforcement	7	$ 29,287	8.33	2.37	0.7%
Parks	7	$ 1,044,320	297.10	84.46	26.5%
Graffiti	7	$ 21,421	6.09	1.73	0.5%
Trails	7	$ 3,020	0.86	0.24	0.1%
Drainage Basins	7	$ 29,700	8.45	2.40	0.8%
Storm Drainage Replacement	7	$ 11,115	3.16	0.90	0.3%
Total Recurring Costs		**$ 3,936,967**	**$ 1,120.05**	**$ 318.42**	**100.0%**
General Fund Surplus/(Deficit)		**$ 1,498,979**	**$ 426.45**	**$ 121.24**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,181,811	$ 336.22	$ 95.59	
Total Recurring Costs	8	1,211,775	344.74	98.01	
Fire Fund Surplus/(Deficit)		**$ (29,964)**	**$ (8.52)**	**$ (2.42)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 68,837	$ 19.58	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 68,837**	**$ 19.58**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,250,647	$ 355.80	$ 101.15	
Total Recurring Costs		1,211,775	344.74	98.01	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 38,872**	**$ 11.06**	**$ 3.14**	
V. COMBINED NET FISCAL IMPACT					
Recurring Revenues		$ 6,686,593	$ 1,902.30	$ 540.81	
Total Recurring Costs		5,148,742	1,464.79	416.43	
Total Surplus/(Deficit)		**$ 1,537,851**	**$ 437.51**	**$ 124.38**	

Exhibit B-2: Alternative B
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
June 19, 2014

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-2: Alternative B
Table 3 - Land Use Assumptions
Harmony Planned Community
June 19, 2014

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation
I. Residential Land Use		(a)	(a)	(a)	
Condo Apartments	40	5	195	$ 210,000	$ 40,950,000
Paired	26	2	173	230,000	39,790,000
Paired	43A	3	130	230,000	29,900,000
HDD	15	2	208	250,000	52,000,000
HDD	25	3	110	250,000	27,500,000
HDD	33	4	105	250,000	26,250,000
6 Pack	27	2	115	250,000	28,750,000
6 Pack	43B	3	99	250,000	24,750,000
4 Pack L	21	2	115	290,000	33,350,000
4 Pack S	22	2	80	270,000	21,600,000
4 Pack S	23	3	77	270,000	20,790,000
SFD - 3,000 Sq. Ft.	3	1	50	310,000	15,500,000
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000
SFD - 4,000 Sq. Ft.	35	4	25	350,000	8,750,000
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000
Total/Weighted Average			3,515	$ 315,141	**$ 1,107,720,000**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	1.00	10,890	500	22	150.00	1,633,500
Neighborhood Commercial	3	0.25	13.00	141,570	500	283	150.00	21,235,500
Neighborhood Commercial	40	0.25	1.00	10,890	500	22	150.00	1,633,500
Total			20.70	225,423		451		**$ 33,813,450**

III. Total Residential and Non-Residential **$ 1,141,533,450**

IV. Population Summary

Residential Units	[1]	**3,515**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,139**
Employees	[4]	**451**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	225
Total Equivalent Residents	[3]+[5]=[6]	**12,364**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.

Exhibit B-2: Alternative B
Table 4 - Property Tax Calculations
Harmony Planned Community
June 19, 2014

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,141,533,450
Basic Rate			1.000%
Basic Tax Paid		$	11,415,335
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,836,119**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,654,308**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,181,811**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,107,720,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	155,080,800
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	85,294
B. Non-Residential			
Non-Residential Assessed Value	3	$	33,813,450
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	3,381,345
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	1,860
Total Property Transfer Tax	[1]+[2]	**$**	**87,154**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	67,769
On-Site Sales Tax Redirected to Property Tax (e)	5		169,915
Total Property Tax In-Lieu of Sales Tax		**$**	**237,684**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-2: Alternative B
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
June 19, 2014

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	338,846,000
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	108,430,720
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 271,077
Use Tax @10.50% of sales tax	10.50%	8	28,463
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(67,769)
Total Off-Site Sales Tax Revenue		$ 85	**$ 231,771**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	10,890	377	80%	3,283,379
Neighborhood Commercial	3	-	141,570	377	80%	42,683,921
Neighborhood Commercial	40	-	10,890	377	80%	3,283,379
Subtotal Taxable Sales for Retail Land Use			225,423			$ 67,965,936
Total Taxable Sales						$ 67,965,936
Sales Tax @1% of taxable sales					1.00%	679,659
Use Tax @10.50% of sales tax (c)					10.50%	71,364
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(169,915)
Total On-Site Sales Tax Revenue						**$ 581,109**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.

(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.

(c) Preliminary estimate for illustration purposes.

(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.

(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-2: Alternative B
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	-------- See Table 4 --------	
Property Tax - Vehicle License Fee	59	3,800,000	100%	---------- See Footnote (g) ----------					**1,866,407**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	-------- See Table 4 --------	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	-------- See Table 5 --------	
Extraction Tax	59	85,000	0%	---------- See Footnote (d) ----------					
Transient Occupancy Tax	59	168,000	0%	---------- See Footnote (d) ----------					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,364	$ 25,887
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,364	54,912
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,139	84,037
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,364	111,786
Franchise Fees - Kiosk Signs	59	5,000	0%	---------- See Footnote (d) ----------					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,364	14,120
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 290,743**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	451	**$ 3,405**
Property Transfer Tax	59	90,000	100%	---------- See Table 4 ----------					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,160,555
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,139	$ 25,141
Building Permits - Inspection Fees	59	400,000	100%	---------- See Footnote (e) ----------					
Building Permits - Plan Check Fees	59	65,000	100%	---------- See Footnote (e) ----------					
Building Permits - SMIP	59	3,000	100%	---------- See Footnote (e) ----------					
Building Permits - BSAR Fund	59	2,000	100%	---------- See Footnote (e) ----------					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,139	1,703
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 26,844**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,364	$ 5,883
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,364	3,922
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,364	8,825
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,364	4,903
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,534**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,364	$ 7,845
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Building Rental	59	18,000	0%	---------- See Footnote (d) ----------					
Miscellaneous Revenue	59	1,000	0%	---------- See Footnote (d) ----------					
Volunteer Donations	59	8,500	0%	---------- See Footnote (d) ----------					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,806**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	---------- See Footnote (d) ----------					
State - Other	60	27,240	0%	---------- See Footnote (d) ----------					
Article 19 WDA	60	70,000	0%	---------- See Footnote (d) ----------					
SB90 State Mandate Reimbursements	60	10,000	0%	---------- See Footnote (d) ----------					
San Bernardino Unified School District	60	5,000	0%	---------- See Footnote (d) ----------					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	---------- See Table 10 ----------					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,139	23,167
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,139	38,430
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,139	3,407
Police Department Fees	60	160,000	0%	---------- See Footnote (d) ----------					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,139	341
Delinquent Refuse Admin	60	75,000	0%	---------- See Footnote (d) ----------					
Livescan Service Fees	60	1,500	0%	---------- See Footnote (d) ----------					
Foreclosure Registration Fees	60	13,000	0%	---------- See Footnote (d) ----------					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,364	1,667
Sale of Miscellaneous Copies	60	2,000	0%	---------- See Footnote (d) ----------					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,139	10,221
Operating Transfer In-Paramedic Dept.	60	10,000	0%	---------- See Footnote (d) ----------					
Operating Transfer In-Fire Department	60	10,000	0%	---------- See Footnote (d) ----------					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 77,232**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,297,970

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.
(d) Assumes Project will have a de minimis impact on these revenue sources.
(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.
(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.
(g) See Section II of Table 6.

Exhibit B-2: Alternative B
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
June 19, 2014

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05		FY 2011-12			Change
Property Tax Vehicle License Fees (VLF)	$ (a)	2,624,088	$ (b)	3,800,000	[1]	1,175,912
City Assessed Valuation	(c)	1,992,355,699	(d)	2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase					=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV					[3]	$ 1,635

Property Tax in Lieu of MVLF:		
Total Residential and Non-Residential Assessed Value (Table 3)	[4]	$ 1,141,533,450
Assessed Valuation / 1,000,000	[5]	$ 1,142
VLF Increase per $1,000,000 increase in AV	[3]	1,635
Property Tax in Lieu of MVLF	=[3]*[5]	$ 1,866,407

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-2: Alternative B
Table 7 - General Fund Cost Calculations
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,364	**$ 14,258**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,364	**23,894**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,364	**63,763**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,364	**7,129**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,364	**47,476**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,139	**106,963**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,364	$ 31,685
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,364	12,815
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,364	100,274
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,364	25,464
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Street Maintenance	164	100,000	100%	See Table 16					339,120
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,364	196
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,364	9,806
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,364	41,184
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,364	941
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,364	588
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,364	7,845
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 572,469**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,364	**59,299**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,364	**66,759**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,364	**42,599**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,364	**29,287**
N. Parks	188	1,073,620	100%	See Footnote (e)					**1,044,320**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,364	**21,421**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,364	**3,020**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 15,356,030		$ 3,592,834			$ 58.33		$ 3,936,967

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. Park maintenance costs assumed at $32,635 per acre for maintenance of 32 acres.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-2: Alternative B
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					**$ 1,181,811**
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									**$ -**
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		**$ 1,181,811**
Fire Fund Revenue per Unit								[9]	$ 336.22

II. FIRE FUND COST		
A. Typical Cost per Station		
Estimated Cost per Station (d)	[1]	$ 1,237,379
Additional Fire Stations Required to Serve Project (d)	[2]	1.00
Percent of Fire Station Costs Allocable to Project	[3]	100%
Total Cost per Station	[1]X[2]X[3]=[4]	**$ 1,237,379**
B. Wildland Fire Protection Agreement Cost		
Acres (f)	[5]	539
Cost per Acre (g)	[6]	$ 25.77
Total Wildland Fire Protection Agreement Cost	[5]X[6]=[7]	**$ 13,890**
C. Revenue from Outside Project		
Additional Units within the Fire Station Service Area (h)	[8]	111
Fire Revenue per Unit	[9]	$ 336.22
Paramedic Revenue per Unit (From Table 9)	[10]	19.58
Total Revenue from Outside Project	[8]*([9]+[10])=[11]	**$ 39,494**
TOTAL FIRE FUND COST	=[4]+[7]-[11]	**$ 1,211,775**

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.
(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.
(e) Assumes Project will have a de minimis impact on these revenue sources.
(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.
(h) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/11/2014.
See Exhibits D-1 and D-2.

Exhibit B-2: Alternative B
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,364	$ 68,837
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 68,837**
Paramedic Fund Revenue per Unit									$ 19.58
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-2: Alternative B
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
June 19, 2014

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,139
Total Gas Tax and Traffic Safety Fund Revenue						**$ 345,949**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-2: Alternative B
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
June 19, 2014

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	14	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
Property Transfer Tax	14	8,363	16,172	26,627	34,796	40,370	47,578	54,758	60,836	70,373	79,039	83,956	85,891	87,154
Property Tax In Lieu of Sales Tax	14	5,649	10,932	171,949	178,793	183,517	189,513	195,297	200,194	207,655	214,230	226,275	228,242	237,684
Off-Site Sales and Use Tax	14	19,320	37,387	63,102	86,510	102,665	123,171	142,953	159,701	185,219	207,703	220,825	227,551	231,771
On-Site Sales and Use Tax	14	-	-	524,963	524,963	524,963	524,963	524,963	524,963	524,963	524,963	553,036	553,036	581,109
Property Tax-Vehicle License Fee	15	177,577	343,399	579,667	753,124	871,482	1,024,534	1,176,998	1,306,049	1,508,560	1,692,563	1,797,731	1,838,819	1,866,407
Franchise Fees	15	23,921	46,291	81,537	110,520	130,522	155,913	180,406	201,143	232,739	260,579	277,008	285,336	290,743
Business License Fee	15	-	-	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,240	3,240	3,405
Licenses & Permits	15	2,238	4,330	7,309	10,020	11,891	14,266	16,557	18,497	21,452	24,057	25,576	26,355	26,844
Fines & Forfeitures	15	1,926	3,727	6,678	9,012	10,622	12,666	14,638	16,308	18,852	21,093	22,422	23,093	23,534
Miscellaneous Revenue	15	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Intergovernmental Revenue	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	15	6,435	12,453	21,046	28,843	34,224	41,055	47,644	53,223	61,723	69,212	73,584	75,825	77,232
Gas Tax and Traffic Safety Fund Revenue	15	28,837	55,805	94,189	129,128	153,241	183,850	213,376	238,375	276,464	310,026	329,612	339,650	345,949
Total Recurring Revenues		**$ 432,466**	**$ 836,424**	**$ 2,096,719**	**$ 2,540,079**	**$ 2,843,446**	**$ 3,233,970**	**$ 3,620,010**	**$ 3,946,788**	**$ 4,456,057**	**$ 4,915,549**	**$ 5,216,045**	**$ 5,326,514**	**$ 5,435,946**
B. General Fund Recurring Costs														
City Council	16	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
City Clerk	16	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	$ 23,894
General Government	16	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	$ 63,763
Personnel	16	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	$ 7,129
Finance	16	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	$ 47,476
Police Department	18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	16	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	$ 106,963
Public Works	16	194,431	212,289	292,322	315,459	331,428	404,643	424,196	440,750	491,021	548,268	561,444	568,092	$ 572,469
Engineering	16	4,853	9,391	16,827	22,707	26,765	31,916	36,885	41,092	47,501	53,149	56,497	58,187	$ 59,299
Planning	16	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	$ 66,759
Public Services	16	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	$ 42,599
Code Enforcement	16	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	$ 29,287
Parks	17	-	-	-	832,193	832,193	832,193	832,193	832,193	832,193	832,193	1,044,320	1,044,320	$ 1,044,320
Graffiti	16	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	$ 21,421
Trails	16	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	$ 3,020
Drainage Basins	17	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	17	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 653,211**	**$ 831,730**	**$ 1,343,375**	**$ 2,328,763**	**$ 2,753,776**	**$ 3,043,847**	**$ 3,291,821**	**$ 3,343,183**	**$ 3,446,389**	**$ 3,649,595**	**$ 3,902,557**	**$ 3,923,318**	**$ 3,936,967**
Net General Fund Surplus/(Deficit)		**$ (220,744)**	**$ 4,694**	**$ 753,344**	**$ 211,316**	**$ 89,670**	**$ 190,123**	**$ 328,189**	**$ 603,605**	**$ 1,009,669**	**$ 1,265,954**	**$ 1,313,488**	**$ 1,403,196**	**$ 1,498,979**
II. Fire Fund														
Total Recurring Revenues	17	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Costs	17	33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund Surplus/(Deficit)		**$ 78,817**	**$ 183,816**	**$ 384,367**	**$ (595,562)**	**$ (671,518)**	**$ (569,364)**	**$ (473,225)**	**$ (391,773)**	**$ (256,123)**	**$ (139,597)**	**$ (73,041)**	**$ (47,304)**	**$ (29,964)**
III. Paramedic Fund														
Total Recurring Revenues	17	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 5,633**	**$ 10,902**	**$ 19,534**	**$ 26,359**	**$ 31,070**	**$ 37,049**	**$ 42,817**	**$ 47,701**	**$ 55,141**	**$ 61,698**	**$ 65,584**	**$ 67,546**	**$ 68,837**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 118,076	$ 228,342	$ 386,579	$ 503,238	$ 582,893	$ 685,785	$ 788,093	$ 874,692	$ 1,010,363	$ 1,133,430	$ 1,203,910	$ 1,231,887	$ 1,250,647
Total Recurring Costs		33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 84,451**	**$ 194,717**	**$ 403,901**	**$ (569,203)**	**$ (640,449)**	**$ (532,315)**	**$ (430,408)**	**$ (344,072)**	**$ (200,981)**	**$ (77,900)**	**$ (7,457)**	**$ 20,241**	**$ 38,872**
V. Combined General Fund, Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 550,542	$ 1,064,766	$ 2,483,299	$ 3,043,318	$ 3,426,339	$ 3,919,755	$ 4,408,103	$ 4,821,480	$ 5,466,420	$ 6,048,979	$ 6,419,955	$ 6,558,401	$ 6,686,593
Total Recurring Costs		686,835	865,355	1,326,054	3,401,204	3,977,117	4,261,947	4,510,322	4,561,947	4,657,733	4,860,925	5,113,924	5,134,964	5,148,742
Total Surplus/(Deficit)		**$ (136,293)**	**$ 199,412**	**$ 1,157,245**	**$ (357,887)**	**$ (550,778)**	**$ (342,192)**	**$ (102,218)**	**$ 259,533**	**$ 808,688**	**$ 1,188,054**	**$ 1,306,031**	**$ 1,423,437**	**$ 1,537,851**

Exhibit B-2: Alternative B
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
June 19, 2014

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	195		-	-	-	-	-	-	-	-	44	44	44	44	19
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	50		17	17	16	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	25		-	-	-	-	-	-	-	-	6	15	4	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,515		293	274	390	355	245	311	300	254	387	341	199	102	64
Cumulative Units			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Total Cumulative Residents	3.45	3	1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-2: Alternative B
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
June 19, 2014

I. Residential Assessed Value Additions	Average Value per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 3,990,000
Paired	230,000	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	5,270,000	5,270,000	4,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	2,100,000	5,250,000	1,400,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions			$ 108,610,000	$ 101,420,000	$ 113,960,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 123,860,000	$ 112,540,000	$ 62,690,000	$ 25,130,000	$ 15,240,000
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Total Assessed Value Additions-Average Price			$ 370,683	$ 370,146	$ 292,205	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 320,052	$ 330,029	$ 315,025	$ 246,373	$ 238,125

Exhibit B-2: Alternative B
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	203,643	-	-	-	-	-	-	-	10,890	-	10,890
Cumulative Square Feet			-	-	203,643	203,643	203,643	203,643	203,643	203,643	203,643	203,643	214,533	214,533	225,423
Assessed Value Additions	$ 150	3	$ -	$ -	$ 30,546,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,633,500	$ -	$ 1,633,500
Employees	500	3	-	-	407	-	-	-	-	-	-	-	22	-	22
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Cumulative Employees			-	-	407	407	407	407	407	407	407	407	429	429	451
50% of Cumulative Employees			-	-	204	204	204	204	204	204	204	204	215	215	225
Cumulative Equivalent Residents			1,012	1,958	3,508	4,734	5,581	6,654	7,690	8,568	9,904	11,082	11,780	12,132	12,364
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 354,536,450	$ 460,626,450	$ 533,016,450	$ 626,626,450	$ 719,876,450	$ 798,806,450	$ 922,666,450	$ 1,035,206,450	$ 1,099,529,950	$ 1,124,659,950	$ 1,141,533,450
Basic Tax Paid	1.00%	4	1,086,100	2,100,300	3,545,365	4,606,265	5,330,165	6,266,265	7,198,765	7,988,065	9,226,665	10,352,065	10,995,300	11,246,600	11,415,335
Total Property Tax	24.84%	4	$ 269,840	$ 521,816	$ 880,839	$ 1,144,418	$ 1,324,270	$ 1,556,842	$ 1,788,520	$ 1,984,620	$ 2,292,348	$ 2,571,951	$ 2,731,762	$ 2,794,197	$ 2,836,119
Total Property Tax Retained in General Fund	58.33%	4	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 8,363	$ 16,172	$ 24,947	$ 33,116	$ 38,690	$ 45,898	$ 53,078	$ 59,156	$ 68,693	$ 77,359	$ 82,186	$ 84,121	$ 85,294
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,770	$ 1,770	$ 1,860
Total Property Transfer Tax			$ 8,363	$ 16,172	$ 26,627	$ 34,796	$ 40,370	$ 47,578	$ 54,758	$ 60,836	$ 70,373	$ 79,039	$ 83,956	$ 85,891	$ 87,154
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 5,649	$ 10,932	$ 18,451	$ 25,295	$ 30,019	$ 36,015	$ 41,799	$ 46,696	$ 54,158	$ 60,732	$ 64,569	$ 66,535	$ 67,769
On-Site Sales Tax Redirected to Property Tax			-	-	153,498	153,498	153,498	153,498	153,498	153,498	153,498	153,498	161,706	161,706	169,915
Total Property Tax In-Lieu of Sales Tax			$ 5,649	$ 10,932	$ 171,949	$ 178,793	$ 183,517	$ 189,513	$ 195,297	$ 200,194	$ 207,655	$ 214,230	$ 226,275	$ 228,242	$ 237,684
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 28,245,200	$ 54,658,800	$ 92,254,800	$ 126,476,800	$ 150,094,800	$ 180,075,200	$ 208,995,200	$ 233,480,800	$ 270,787,600	$ 303,660,000	$ 322,843,600	$ 332,676,400	$ 338,846,000
Retail Taxable Sales	32.00%	5	9,038,464	17,490,816	29,521,536	40,472,576	48,030,336	57,624,064	66,878,464	74,713,856	86,652,032	97,171,200	103,309,952	106,456,448	108,430,720
Projected Off-Site Taxable Sales	25.00%	5	2,259,616	4,372,704	7,380,384	10,118,144	12,007,584	14,406,016	16,719,616	18,678,464	21,663,008	24,292,800	25,827,488	26,614,112	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	5	22,596	43,727	73,804	101,181	120,076	144,060	167,196	186,785	216,630	242,928	258,275	266,141	271,077
Use Tax @10.50% of sales tax	10.50%	5	2,373	4,591	7,749	10,624	12,608	15,126	17,556	19,612	22,746	25,507	27,119	27,945	28,463
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(5,649)	(10,932)	(18,451)	(25,295)	(30,019)	(36,015)	(41,799)	(46,696)	(54,158)	(60,732)	(64,569)	(66,535)	(67,769)
Total Off-Site Sales Tax Revenue			$ 19,320	$ 37,387	$ 63,102	$ 86,510	$ 102,665	$ 123,171	$ 142,953	$ 159,701	$ 185,219	$ 207,703	$ 220,825	$ 227,551	$ 231,771
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 80,853,197	$ 80,853,197	$ 84,957,420
Taxable Sales	80%	5	-	-	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	64,682,558	64,682,558	67,965,936
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	613,992	613,992	613,992	613,992	613,992	613,992	613,992	613,992	646,826	646,826	679,659
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	64,469	64,469	64,469	64,469	64,469	64,469	64,469	64,469	67,917	67,917	71,364
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(161,706)	(161,706)	(169,915)
Total On-Site Sales Tax Allocated to County			$ -	$ -	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 553,036	$ 553,036	$ 581,109

Exhibit B-2: Alternative B
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A. Property Tax - Vehicle License Fee															[1]
Assessed Valuation per $1,000			$ 109	$ 210	$ 355	$ 461	$ 533	$ 627	$ 720	$ 799	$ 923	$ 1,035	$ 1,100	$ 1,125	$ 1,142
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 177,577**	**$ 343,399**	**$ 579,667**	**$ 753,124**	**$ 871,482**	**$ 1,024,534**	**$ 1,176,998**	**$ 1,306,049**	**$ 1,508,560**	**$ 1,692,563**	**$ 1,797,731**	**$ 1,838,819**	**$ 1,866,407**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,119	$ 4,100	$ 7,346	$ 9,913	$ 11,684	$ 13,933	$ 16,102	$ 17,939	$ 20,737	$ 23,203	$ 24,664	$ 25,402	$ 25,887
Franchise Fees - Electric	4.44	6	4,494	8,696	15,582	21,027	24,785	29,555	34,156	38,052	43,987	49,218	52,318	53,883	54,912
Franchise Fees - Cable	6.92	6	7,005	13,556	22,880	31,367	37,225	44,660	51,833	57,905	67,158	75,310	80,068	82,506	84,037
Franchise Fees - Refuse	9.04	6	9,148	17,703	31,721	42,805	50,455	60,165	69,532	77,463	89,546	100,193	106,505	109,689	111,786
Franchise Fees - Refuse Household Waste	1.14	6	1,156	2,236	4,007	5,407	6,373	7,600	8,783	9,785	11,311	12,656	13,453	13,856	14,120
Total Franchise Fees			**$ 23,921**	**$ 46,291**	**$ 81,537**	**$ 110,520**	**$ 130,522**	**$ 155,913**	**$ 180,406**	**$ 201,143**	**$ 232,739**	**$ 260,579**	**$ 277,008**	**$ 285,336**	**$ 290,743**
C. Business License Fee	7.55	6	$ -	$ -	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,240	$ 3,240	$ 3,405
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,096	$ 4,055	$ 6,845	$ 9,384	$ 11,136	$ 13,361	$ 15,506	$ 17,323	$ 20,091	$ 22,530	$ 23,953	$ 24,683	$ 25,141
Yard Sale Permits	0.14	6	142	275	464	636	755	905	1,051	1,174	1,361	1,527	1,623	1,672	1,703
Total Licenses & Permits			**$ 2,238**	**$ 4,330**	**$ 7,309**	**$ 10,020**	**$ 11,891**	**$ 14,266**	**$ 16,557**	**$ 18,497**	**$ 21,452**	**$ 24,057**	**$ 25,576**	**$ 26,355**	**$ 26,844**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 481	$ 932	$ 1,670	$ 2,253	$ 2,656	$ 3,167	$ 3,660	$ 4,077	$ 4,713	$ 5,273	$ 5,606	$ 5,773	$ 5,883
General Fines	0.32	6	321	621	1,113	1,502	1,770	2,111	2,440	2,718	3,142	3,516	3,737	3,849	3,922
Code Enforcement Fines	0.71	6	722	1,398	2,504	3,379	3,983	4,750	5,489	6,115	7,069	7,910	8,408	8,660	8,825
Administrative Citation Program	0.40	6	401	776	1,391	1,877	2,213	2,639	3,050	3,397	3,927	4,394	4,671	4,811	4,903
Total Fines & Forfeitures			**$ 1,926**	**$ 3,727**	**$ 6,678**	**$ 9,012**	**$ 10,622**	**$ 12,666**	**$ 14,638**	**$ 16,308**	**$ 18,852**	**$ 21,093**	**$ 22,422**	**$ 23,093**	**$ 23,534**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 642	$ 1,242	$ 2,226	$ 3,004	$ 3,541	$ 4,222	$ 4,879	$ 5,436	$ 6,284	$ 7,031	$ 7,474	$ 7,698	$ 7,845
Refuse Penalties & Interest	0.16	6	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Total Miscellaneous Revenue			**$ 802**	**$ 1,553**	**$ 2,783**	**$ 3,755**	**$ 4,426**	**$ 5,278**	**$ 6,099**	**$ 6,795**	**$ 7,855**	**$ 8,789**	**$ 9,343**	**$ 9,622**	**$ 9,806**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	1,931	3,737	6,307	8,647	10,262	12,312	14,289	15,963	18,514	20,761	22,073	22,745	23,167
Engineering Fees - Inspections	$ 3.17	6	3,203	6,199	10,463	14,344	17,023	20,423	23,703	26,480	30,711	34,439	36,615	37,730	38,430
Park Fees	0.28	6	284	550	928	1,272	1,509	1,811	2,101	2,348	2,723	3,053	3,246	3,345	3,407
Self Hauler fees	0.03	6	28	55	93	127	151	181	210	235	272	305	325	334	341
Recordation of Document Fees	0.13	6	136	264	473	638	752	897	1,037	1,155	1,335	1,494	1,588	1,636	1,667
Vehicle Storage Fees	0.84	6	852	1,649	2,783	3,815	4,527	5,432	6,304	7,043	8,168	9,159	9,738	10,035	10,221
Total Charges for Services			**$ 6,435**	**$ 12,453**	**$ 21,046**	**$ 28,843**	**$ 34,224**	**$ 41,055**	**$ 47,644**	**$ 53,223**	**$ 61,723**	**$ 69,212**	**$ 73,584**	**$ 75,825**	**$ 77,232**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 28,837**	**$ 55,805**	**$ 94,189**	**$ 129,128**	**$ 153,241**	**$ 183,850**	**$ 213,376**	**$ 238,375**	**$ 276,464**	**$ 310,026**	**$ 329,612**	**$ 339,650**	**$ 345,949**

Exhibit B-2: Alternative B
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs															
A. City Council	$ 1.15	7	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
B. City Clerk	1.93	7	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	23,894
C. General Government	5.16	7	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	63,763
D. Personnel	0.58	7	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	7,129
E. Finance	3.84	7	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	47,476
F. Police Department		18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81	7	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	106,963
H. Public Works															
Salaries & Wages	$ 2.56	7	$ 2,593	$ 5,018	$ 8,991	$ 12,133	$ 14,301	$ 17,054	$ 19,709	$ 21,957	$ 25,382	$ 28,399	$ 30,188	$ 31,091	31,685
Benefits	1.04	7	1,049	2,029	3,636	4,907	5,784	6,897	7,971	8,880	10,265	11,486	12,209	12,574	12,815
Operations & Materials	8.11	7	8,206	15,880	28,455	38,397	45,259	53,969	62,372	69,485	80,324	89,875	95,537	98,393	100,274
Engineering	2.06	7	2,084	4,033	7,226	9,751	11,493	13,705	15,839	17,645	20,398	22,823	24,261	24,987	25,464
Traffic Counts	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Underground Service Alert	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Contract Services - Street Maintenance	1.59	7	175,334	175,334	226,105	226,105	226,105	279,050	279,050	279,050	304,098	339,120	339,120	339,120	339,120
Contract Services - Street Sweeping	0.02	7	16	31	56	75	89	106	122	136	157	176	187	192	196
Contract Services - Emergency Work	0.16	7	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Contract Services - Striping	0.79	7	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Contract Services - Traffic Signals	3.33	7	3,370	6,522	11,687	15,770	18,589	22,166	25,617	28,539	32,991	36,913	39,239	40,412	41,184
Contract Services - Maintenance	0.08	7	77	149	267	360	425	507	586	652	754	844	897	924	941
Contract Services - Environmental Health Services	0.05	7	48	93	167	225	266	317	366	408	471	527	561	577	588
Contract Services - Tree Trimming	0.63	7	642	1,242	2,226	3,004	3,541	4,222	4,879	5,436	6,284	7,031	7,474	7,698	7,845
Total Public Works			$ 194,431	$ 212,289	$ 292,322	$ 315,459	$ 331,428	$ 404,643	$ 424,196	$ 440,750	$ 491,021	$ 548,268	$ 561,444	$ 568,092	$ 572,469
I. Engineering	4.80	7	$ 4,853	$ 9,391	$ 16,827	$ 22,707	$ 26,765	$ 31,916	$ 36,885	$ 41,092	$ 47,501	$ 53,149	$ 56,497	$ 58,187	$ 59,299
J. Planning	5.40	7	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	66,759
K. Public Services	3.45	7	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	42,599
L. Code Enforcement	2.37	7	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	29,287
M. Graffiti	1.73	7	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	21,421
N. Trails	0.24	7	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	3,020
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14															
Sergeant			$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective			-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy			148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist			69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist			-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)			-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)			-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)			5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services			12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization			964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance			1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)			-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)			333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support			1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance			348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding			3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost			11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget			$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading			$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget			$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance															
Lane Miles (Assumes Beginning of Phase)															
Backbone Roads			27.42												
Interior Roads			19.34		13.54			14.12			6.68	9.34			
Total Lane Miles			46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)		C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
Cost per Lane Mile (See Exhibit C-2)		C-2	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750
Total Street Maintenance Cost			$ 175,334	$ 175,334	$ 226,105	$ 226,105	$ 226,105	$ 279,050	$ 279,050	$ 279,050	$ 304,098	$ 339,120	$ 339,120	$ 339,120	$ 339,120

Exhibit B-2: Alternative B
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ 32,635	7	$ -	$ -	$ -	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 1,044,320	$ 1,044,320	$ 1,044,320
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
A. Recurring Revenues															
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Revenues			$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	-	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ -	$ 1,087,500	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Revenue from Outside Project															
Additional Units within the Fire Station Service Area (e)			-	-	111	111	111	111	111	111	111	111	111	111	111
Fire Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
Paramedic Revenue per Unit			19	19	20	20	20	20	20	20	20	20	20	20	20
Total Revenue from Outside Project		8	$ -	$ -	$ 44,838	$ 42,576	$ 41,555	$ 40,751	$ 40,350	$ 40,087	$ 39,925	$ 39,940	$ 39,903	$ 39,623	$ 39,494
Total Recurring Costs			$ 33,625	$ 33,625	$ (17,321)	$ 1,072,441	$ 1,223,342	$ 1,218,100	$ 1,218,501	$ 1,218,764	$ 1,211,344	$ 1,211,329	$ 1,211,367	$ 1,211,646	$ 1,211,775
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Revenue per Unit			$ 19	$ 19	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.
(e) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/10/2014. See Exhibits D-1 and D-2.

Exhibit B-2: Alternative B
Table 18 - Police Phasing Analysis
Harmony Planned Community
June 19, 2014

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Cumulative Residents		1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.99	1.02	1.21	0.88	1.12	1.09	1.07	0.96	0.82	0.83	0.78	0.76	0.74
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.99	1.02	0.91	0.66	0.74	0.78	0.80	0.72	0.62	0.64	0.61	0.59	0.58
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit B-3: Alternative C
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
June 19, 2014

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,654,308	$ 470.64	$ 133.80	30.4%
Property Transfer Tax	4	87,154	24.79	7.05	1.6%
Property Tax In Lieu of Sales Tax	4	237,684	67.62	19.22	4.4%
Off-Site Sales and Use Tax	5	231,771	65.94	18.75	4.3%
On-Site Sales and Use Tax	5	581,109	165.32	47.00	10.7%
Property Tax-Vehicle License Fee	6	1,866,407	530.98	150.96	34.3%
Franchise Fees	6	290,743	82.71	23.52	5.3%
Business License Fee	6	3,405	0.97	0.28	0.1%
Licenses & Permits	6	26,844	7.64	2.17	0.5%
Fines & Forfeitures	6	23,534	6.70	1.90	0.4%
Miscellaneous Revenue	6	9,806	2.79	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	77,232	21.97	6.25	1.4%
Gas Tax and Traffic Safety Fund Revenue	10	345,949	98.42	27.98	6.4%
Total Recurring Revenues		**$ 5,435,946**	**$ 1,546.50**	**$ 439.66**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,258	$ 4.06	$ 1.15	0.5%
City Clerk	7	$ 23,894	6.80	1.93	0.8%
General Government	7	$ 63,763	18.14	5.16	2.2%
Personnel	7	$ 7,129	2.03	0.58	0.2%
Finance	7	$ 47,476	13.51	3.84	1.6%
Police Department	7	$ 1,793,496	510.24	145.06	62.0%
Animal Control	7	$ 106,963	30.43	8.65	3.7%
Public Works	7	$ 572,469	162.86	46.30	19.8%
Engineering	7	$ 59,299	16.87	4.80	2.0%
Planning	7	$ 66,759	18.99	5.40	2.3%
Public Services	7	$ 42,599	12.12	3.45	1.5%
Code Enforcement	7	$ 29,287	8.33	2.37	1.0%
Parks	7	$ -	-	-	0.0%
Graffiti	7	$ 21,421	6.09	1.73	0.7%
Trails	7	$ 3,020	0.86	0.24	0.1%
Drainage Basins	7	$ 29,700	8.45	2.40	1.0%
Storm Drainage Replacement	7	$ 11,115	3.16	0.90	0.4%
Total Recurring Costs		**$ 2,892,647**	**$ 822.94**	**$ 233.96**	**100.0%**
General Fund Surplus/(Deficit)		**$ 2,543,299**	**$ 723.56**	**$ 205.70**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,181,811	$ 336.22	$ 95.59	
Total Recurring Costs	8	1,211,775	344.74	98.01	
Fire Fund Surplus/(Deficit)		**$ (29,964)**	**$ (8.52)**	**$ (2.42)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 68,837	$ 19.58	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 68,837**	**$ 19.58**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,250,647	$ 355.80	$ 101.15	
Total Recurring Costs		1,211,775	344.74	98.01	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 38,872**	**$ 11.06**	**$ 3.14**	
V. COMBINED NET FISCAL IMPACT					
Recurring Revenues		$ 6,686,593	$ 1,902.30	$ 540.81	
Total Recurring Costs		4,104,422	1,167.69	331.97	
Total Surplus/(Deficit)		**$ 2,582,171**	**$ 734.61**	**$ 208.85**	

Exhibit B-3: Alternative C
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
June 19, 2014

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-3: Alternative C
Table 3 - Land Use Assumptions
Harmony Planned Community
June 19, 2014

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation
I. Residential Land Use		(a)	(a)	(a)	
Condo Apartments	40	5	195	$ 210,000	$ 40,950,000
Paired	26	2	173	230,000	39,790,000
Paired	43A	3	130	230,000	29,900,000
HDD	15	2	208	250,000	52,000,000
HDD	25	3	110	250,000	27,500,000
HDD	33	4	105	250,000	26,250,000
6 Pack	27	2	115	250,000	28,750,000
6 Pack	43B	3	99	250,000	24,750,000
4 Pack L	21	2	115	290,000	33,350,000
4 Pack S	22	2	80	270,000	21,600,000
4 Pack S	23	3	77	270,000	20,790,000
SFD - 3,000 Sq. Ft.	3	1	50	310,000	15,500,000
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000
SFD - 4,000 Sq. Ft.	35	4	25	350,000	8,750,000
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000
Total/Weighted Average			3,515	$ 315,141	**$ 1,107,720,000**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	1.00	10,890	500	22	150.00	1,633,500
Neighborhood Commercial	3	0.25	13.00	141,570	500	283	150.00	21,235,500
Neighborhood Commercial	40	0.25	1.00	10,890	500	22	150.00	1,633,500
Total			20.70	225,423		451		**$ 33,813,450**

III. Total Residential and Non-Residential **$ 1,141,533,450**

IV. Population Summary

Residential Units	[1]	**3,515**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,139**
Employees	[4]	**451**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	225
Total Equivalent Residents	[3]+[5]=[6]	**12,364**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.

Exhibit B-3: Alternative C
Table 4 - Property Tax Calculations
Harmony Planned Community
June 19, 2014

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,141,533,450
Basic Rate			1.000%
Basic Tax Paid		$	11,415,335
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,836,119**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,654,308**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,181,811**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,107,720,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	155,080,800
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	85,294
B. Non-Residential			
Non-Residential Assessed Value	3	$	33,813,450
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	3,381,345
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	1,860
Total Property Transfer Tax	[1]+[2]	**$**	**87,154**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	67,769
On-Site Sales Tax Redirected to Property Tax (e)	5		169,915
Total Property Tax In-Lieu of Sales Tax		**$**	**237,684**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-3: Alternative C
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
June 19, 2014

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	338,846,000
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	108,430,720
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 271,077
Use Tax @10.50% of sales tax	10.50%	8	28,463
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(67,769)
Total Off-Site Sales Tax Revenue		$ 85	**$ 231,771**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	10,890	377	80%	3,283,379
Neighborhood Commercial	3	-	141,570	377	80%	42,683,921
Neighborhood Commercial	40	-	10,890	377	80%	3,283,379
Subtotal Taxable Sales for Retail Land Use			225,423			$ 67,965,936
Total Taxable Sales						$ 67,965,936
Sales Tax @1% of taxable sales					1.00%	679,659
Use Tax @10.50% of sales tax (c)					10.50%	71,364
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(169,915)
Total On-Site Sales Tax Revenue						**$ 581,109**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.

(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.

(c) Preliminary estimate for illustration purposes.

(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.

(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-3: Alternative C
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	-------- See Table 4 --------	
Property Tax - Vehicle License Fee	59	3,800,000	100%	---------- See Footnote (g) ----------					**1,866,407**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	-------- See Table 4 --------	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	-------- See Table 5 --------	
Extraction Tax	59	85,000	0%	---------- See Footnote (d) ----------					
Transient Occupancy Tax	59	168,000	0%	---------- See Footnote (d) ----------					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,364	$ 25,887
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,364	54,912
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,139	84,037
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,364	111,786
Franchise Fees - Kiosk Signs	59	5,000	0%	---------- See Footnote (d) ----------					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,364	14,120
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 290,743**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	451	**$ 3,405**
Property Transfer Tax	59	90,000	100%	---------- See Table 4 ----------					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,160,555
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,139	$ 25,141
Building Permits - Inspection Fees	59	400,000	100%	---------- See Footnote (e) ----------					
Building Permits - Plan Check Fees	59	65,000	100%	---------- See Footnote (e) ----------					
Building Permits - SMIP	59	3,000	100%	---------- See Footnote (e) ----------					
Building Permits - BSAR Fund	59	2,000	100%	---------- See Footnote (e) ----------					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,139	1,703
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 26,844**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,364	$ 5,883
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,364	3,922
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,364	8,825
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,364	4,903
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,534**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,364	$ 7,845
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Building Rental	59	18,000	0%	---------- See Footnote (d) ----------					
Miscellaneous Revenue	59	1,000	0%	---------- See Footnote (d) ----------					
Volunteer Donations	59	8,500	0%	---------- See Footnote (d) ----------					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,806**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	---------- See Footnote (d) ----------					
State - Other	60	27,240	0%	---------- See Footnote (d) ----------					
Article 19 WDA	60	70,000	0%	---------- See Footnote (d) ----------					
SB90 State Mandate Reimbursements	60	10,000	0%	---------- See Footnote (d) ----------					
San Bernardino Unified School District	60	5,000	0%	---------- See Footnote (d) ----------					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	---------- See Table 10 ----------					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,139	23,167
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,139	38,430
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,139	3,407
Police Department Fees	60	160,000	0%	---------- See Footnote (d) ----------					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,139	341
Delinquent Refuse Admin	60	75,000	0%	---------- See Footnote (d) ----------					
Livescan Service Fees	60	1,500	0%	---------- See Footnote (d) ----------					
Foreclosure Registration Fees	60	13,000	0%	---------- See Footnote (d) ----------					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,364	1,667
Sale of Miscellaneous Copies	60	2,000	0%	---------- See Footnote (d) ----------					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,139	10,221
Operating Transfer In-Paramedic Dept.	60	10,000	0%	---------- See Footnote (d) ----------					
Operating Transfer In-Fire Department	60	10,000	0%	---------- See Footnote (d) ----------					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 77,232**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,297,970

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.
(d) Assumes Project will have a de minimis impact on these revenue sources.
(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.
(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.
(g) See Section II of Table 6.

Exhibit B-3: Alternative C
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
June 19, 2014

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05		FY 2011-12			Change
Property Tax Vehicle License Fees (VLF)	$ (a)	2,624,088	$ (b)	3,800,000	[1]	1,175,912
City Assessed Valuation	(c)	1,992,355,699	(d)	2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase					=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV					[3]	$ 1,635
Property Tax in Lieu of MVLF:						
Total Residential and Non-Residential Assessed Value (Table 3)					[4]	$ 1,141,533,450
Assessed Valuation / 1,000,000					[5]	$ 1,142
VLF Increase per $1,000,000 increase in AV					[3]	1,635
Property Tax in Lieu of MVLF					=[3]*[5]	$ 1,866,407

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-3: Alternative C
Table 7 - General Fund Cost Calculations
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,364	**$ 14,258**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,364	**23,894**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,364	**63,763**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,364	**7,129**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,364	**47,476**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,139	**106,963**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,364	$ 31,685
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,364	12,815
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,364	100,274
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,364	25,464
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Street Maintenance	164	100,000	100%	See Table 16					339,120
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,364	196
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,364	9,806
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,364	41,184
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,364	941
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,364	588
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,364	7,845
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 572,469**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,364	**59,299**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,364	**66,759**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,364	**42,599**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,364	**29,287**
N. Parks	188	-	0%	See Footnote (e)					**-**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,364	**21,421**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,364	**3,020**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 14,282,410		$ 3,592,834			$ 58.33		$ 2,892,647

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. The development of the Harmony Planned Community ("Project") is not anticipated to increase the City's maintenance cost for these parks. Parks to be developed within the Project are anticipated to be HOA maintained.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-3: Alternative C
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					**$ 1,181,811**
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									**$ -**
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		**$ 1,181,811**
Fire Fund Revenue per Unit								[9]	$ 336.22

II. FIRE FUND COST			
A. Typical Cost per Station			
Estimated Cost per Station (d)		[1]	$ 1,237,379
Additional Fire Stations Required to Serve Project (d)		[2]	1.00
Percent of Fire Station Costs Allocable to Project		[3]	100%
Total Cost per Station		[1]X[2]X[3]=[4]	**$ 1,237,379**
B. Wildland Fire Protection Agreement Cost			
Acres (f)		[5]	539
Cost per Acre (g)		[6]	$ 25.77
Total Wildland Fire Protection Agreement Cost		[5]X[6]=[7]	**$ 13,890**
C. Revenue from Outside Project			
Additional Units within the Fire Station Service Area (h)		[8]	111
Fire Revenue per Unit		[9]	$ 336.22
Paramedic Revenue per Unit (From Table 9)		[10]	19.58
Total Revenue from Outside Project		[8]*([9]+[10])=[11]	**$ 39,494**
TOTAL FIRE FUND COST		=[4]+[7]-[11]	**$ 1,211,775**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.

(e) Assumes Project will have a de minimis impact on these revenue sources.

(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.

(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.

(h) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/11/2014.

See Exhibits D-1 and D-2.

Exhibit B-3: Alternative C
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
June 19, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,364	$ 68,837
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 68,837**
Paramedic Fund Revenue per Unit									$ 19.58
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-3: Alternative C
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
June 19, 2014

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,139
Total Gas Tax and Traffic Safety Fund Revenue						**$ 345,949**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-3: Alternative C
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
June 19, 2014

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	14	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
Property Transfer Tax	14	8,363	16,172	26,627	34,796	40,370	47,578	54,758	60,836	70,373	79,039	83,956	85,891	87,154
Property Tax In Lieu of Sales Tax	14	5,649	10,932	171,949	178,793	183,517	189,513	195,297	200,194	207,655	214,230	226,275	228,242	237,684
Off-Site Sales and Use Tax	14	19,320	37,387	63,102	86,510	102,665	123,171	142,953	159,701	185,219	207,703	220,825	227,551	231,771
On-Site Sales and Use Tax	14	-	-	524,963	524,963	524,963	524,963	524,963	524,963	524,963	524,963	553,036	553,036	581,109
Property Tax-Vehicle License Fee	15	177,577	343,399	579,667	753,124	871,482	1,024,534	1,176,998	1,306,049	1,508,560	1,692,563	1,797,731	1,838,819	1,866,407
Franchise Fees	15	23,921	46,291	81,537	110,520	130,522	155,913	180,406	201,143	232,739	260,579	277,008	285,336	290,743
Business License Fee	15	-	-	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,240	3,240	3,405
Licenses & Permits	15	2,238	4,330	7,309	10,020	11,891	14,266	16,557	18,497	21,452	24,057	25,576	26,355	26,844
Fines & Forfeitures	15	1,926	3,727	6,678	9,012	10,622	12,666	14,638	16,308	18,852	21,093	22,422	23,093	23,534
Miscellaneous Revenue	15	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Intergovernmental Revenue	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	15	6,435	12,453	21,046	28,843	34,224	41,055	47,644	53,223	61,723	69,212	73,584	75,825	77,232
Gas Tax and Traffic Safety Fund Revenue	15	28,837	55,805	94,189	129,128	153,241	183,850	213,376	238,375	276,464	310,026	329,612	339,650	345,949
Total Recurring Revenues		**$ 432,466**	**$ 836,424**	**$ 2,096,719**	**$ 2,540,079**	**$ 2,843,446**	**$ 3,233,970**	**$ 3,620,010**	**$ 3,946,788**	**$ 4,456,057**	**$ 4,915,549**	**$ 5,216,045**	**$ 5,326,514**	**$ 5,435,946**
B. General Fund Recurring Costs														
City Council	16	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
City Clerk	16	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	$ 23,894
General Government	16	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	$ 63,763
Personnel	16	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	$ 7,129
Finance	16	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	$ 47,476
Police Department	18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	16	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	$ 106,963
Public Works	16	194,431	212,289	292,322	315,459	331,428	404,643	424,196	440,750	491,021	548,268	561,444	568,092	$ 572,469
Engineering	16	4,853	9,391	16,827	22,707	26,765	31,916	36,885	41,092	47,501	53,149	56,497	58,187	$ 59,299
Planning	16	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	$ 66,759
Public Services	16	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	$ 42,599
Code Enforcement	16	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	$ 29,287
Parks	17	-	-	-	-	-	-	-	-	-	-	-	-	$ -
Graffiti	16	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	$ 21,421
Trails	16	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	$ 3,020
Drainage Basins	17	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	17	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 653,211**	**$ 831,730**	**$ 1,343,375**	**$ 1,496,571**	**$ 1,921,583**	**$ 2,211,654**	**$ 2,459,628**	**$ 2,510,991**	**$ 2,614,196**	**$ 2,817,403**	**$ 2,858,237**	**$ 2,878,998**	**$ 2,892,647**
Net General Fund Surplus/(Deficit)		**$ (220,744)**	**$ 4,694**	**$ 753,344**	**$ 1,043,509**	**$ 921,863**	**$ 1,022,316**	**$ 1,160,382**	**$ 1,435,798**	**$ 1,841,861**	**$ 2,098,146**	**$ 2,357,808**	**$ 2,447,516**	**$ 2,543,299**
II. Fire Fund														
Total Recurring Revenues	17	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Costs	17	33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund Surplus/(Deficit)		**$ 78,817**	**$ 183,816**	**$ 384,367**	**$ (595,562)**	**$ (671,518)**	**$ (569,364)**	**$ (473,225)**	**$ (391,773)**	**$ (256,123)**	**$ (139,597)**	**$ (73,041)**	**$ (47,304)**	**$ (29,964)**
III. Paramedic Fund														
Total Recurring Revenues	17	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 5,633**	**$ 10,902**	**$ 19,534**	**$ 26,359**	**$ 31,070**	**$ 37,049**	**$ 42,817**	**$ 47,701**	**$ 55,141**	**$ 61,698**	**$ 65,584**	**$ 67,546**	**$ 68,837**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 118,076	$ 228,342	$ 386,579	$ 503,238	$ 582,893	$ 685,785	$ 788,093	$ 874,692	$ 1,010,363	$ 1,133,430	$ 1,203,910	$ 1,231,887	$ 1,250,647
Total Recurring Costs		33,625	33,625	(17,321)	1,072,441	1,223,342	1,218,100	1,218,501	1,218,764	1,211,344	1,211,329	1,211,367	1,211,646	1,211,775
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 84,451**	**$ 194,717**	**$ 403,901**	**$ (569,203)**	**$ (640,449)**	**$ (532,315)**	**$ (430,408)**	**$ (344,072)**	**$ (200,981)**	**$ (77,900)**	**$ (7,457)**	**$ 20,241**	**$ 38,872**
V. Combined General Fund, Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 550,542	$ 1,064,766	$ 2,483,299	$ 3,043,318	$ 3,426,339	$ 3,919,755	$ 4,408,103	$ 4,821,480	$ 5,466,420	$ 6,048,979	$ 6,419,955	$ 6,558,401	$ 6,686,593
Total Recurring Costs		686,835	865,355	1,326,054	2,569,012	3,144,925	3,429,755	3,678,129	3,729,754	3,825,540	4,028,732	4,069,604	4,090,644	4,104,422
Total Surplus/(Deficit)		**$ (136,293)**	**$ 199,412**	**$ 1,157,245**	**$ 474,306**	**$ 281,414**	**$ 490,001**	**$ 729,974**	**$ 1,091,726**	**$ 1,640,880**	**$ 2,020,246**	**$ 2,350,351**	**$ 2,467,757**	**$ 2,582,171**

Exhibit B-3: Alternative C
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
June 19, 2014

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	195		-	-	-	-	-	-	-	-	44	44	44	44	19
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	50		17	17	16	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	25		-	-	-	-	-	-	-	-	6	15	4	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,515		293	274	390	355	245	311	300	254	387	341	199	102	64
Cumulative Units			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Total Cumulative Residents	3.45	3	1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-3: Alternative C
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
June 19, 2014

I. Residential Assessed Value Additions	Average Value per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 3,990,000
Paired	230,000	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	5,270,000	5,270,000	4,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	2,100,000	5,250,000	1,400,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions			$ 108,610,000	$ 101,420,000	$ 113,960,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 123,860,000	$ 112,540,000	$ 62,690,000	$ 25,130,000	$ 15,240,000
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Total Assessed Value Additions-Average Price			$ 370,683	$ 370,146	$ 292,205	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 320,052	$ 330,029	$ 315,025	$ 246,373	$ 238,125

Exhibit B-3: Alternative C
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	203,643	-	-	-	-	-	-	-	10,890	-	10,890
Cumulative Square Feet			-	-	203,643	203,643	203,643	203,643	203,643	203,643	203,643	203,643	214,533	214,533	225,423
Assessed Value Additions	$ 150	3	$ -	$ -	$ 30,546,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,633,500	$ -	$ 1,633,500
Employees	500	3	-	-	407	-	-	-	-	-	-	-	22	-	22
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Cumulative Employees			-	-	407	407	407	407	407	407	407	407	429	429	451
50% of Cumulative Employees			-	-	204	204	204	204	204	204	204	204	215	215	225
Cumulative Equivalent Residents			1,012	1,958	3,508	4,734	5,581	6,654	7,690	8,568	9,904	11,082	11,780	12,132	12,364
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 354,536,450	$ 460,626,450	$ 533,016,450	$ 626,626,450	$ 719,876,450	$ 798,806,450	$ 922,666,450	$ 1,035,206,450	$ 1,099,529,950	$ 1,124,659,950	$ 1,141,533,450
Basic Tax Paid	1.00%	4	1,086,100	2,100,300	3,545,365	4,606,265	5,330,165	6,266,265	7,198,765	7,988,065	9,226,665	10,352,065	10,995,300	11,246,600	11,415,335
Total Property Tax	24.84%	4	$ 269,840	$ 521,816	$ 880,839	$ 1,144,418	$ 1,324,270	$ 1,556,842	$ 1,788,520	$ 1,984,620	$ 2,292,348	$ 2,571,951	$ 2,731,762	$ 2,794,197	$ 2,836,119
Total Property Tax Retained in General Fund	58.33%	4	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 8,363	$ 16,172	$ 24,947	$ 33,116	$ 38,690	$ 45,898	$ 53,078	$ 59,156	$ 68,693	$ 77,359	$ 82,186	$ 84,121	$ 85,294
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,770	$ 1,770	$ 1,860
Total Property Transfer Tax			$ 8,363	$ 16,172	$ 26,627	$ 34,796	$ 40,370	$ 47,578	$ 54,758	$ 60,836	$ 70,373	$ 79,039	$ 83,956	$ 85,891	$ 87,154
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 5,649	$ 10,932	$ 18,451	$ 25,295	$ 30,019	$ 36,015	$ 41,799	$ 46,696	$ 54,158	$ 60,732	$ 64,569	$ 66,535	$ 67,769
On-Site Sales Tax Redirected to Property Tax			-	-	153,498	153,498	153,498	153,498	153,498	153,498	153,498	153,498	161,706	161,706	169,915
Total Property Tax In-Lieu of Sales Tax			$ 5,649	$ 10,932	$ 171,949	$ 178,793	$ 183,517	$ 189,513	$ 195,297	$ 200,194	$ 207,655	$ 214,230	$ 226,275	$ 228,242	$ 237,684
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 28,245,200	$ 54,658,800	$ 92,254,800	$ 126,476,800	$ 150,094,800	$ 180,075,200	$ 208,995,200	$ 233,480,800	$ 270,787,600	$ 303,660,000	$ 322,843,600	$ 332,676,400	$ 338,846,000
Retail Taxable Sales	32.00%	5	9,038,464	17,490,816	29,521,536	40,472,576	48,030,336	57,624,064	66,878,464	74,713,856	86,652,032	97,171,200	103,309,952	106,456,448	108,430,720
Projected Off-Site Taxable Sales	25.00%	5	2,259,616	4,372,704	7,380,384	10,118,144	12,007,584	14,406,016	16,719,616	18,678,464	21,663,008	24,292,800	25,827,488	26,614,112	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	5	22,596	43,727	73,804	101,181	120,076	144,060	167,196	186,785	216,630	242,928	258,275	266,141	271,077
Use Tax @10.50% of sales tax	10.50%	5	2,373	4,591	7,749	10,624	12,608	15,126	17,556	19,612	22,746	25,507	27,119	27,945	28,463
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(5,649)	(10,932)	(18,451)	(25,295)	(30,019)	(36,015)	(41,799)	(46,696)	(54,158)	(60,732)	(64,569)	(66,535)	(67,769)
Total Off-Site Sales Tax Revenue			$ 19,320	$ 37,387	$ 63,102	$ 86,510	$ 102,665	$ 123,171	$ 142,953	$ 159,701	$ 185,219	$ 207,703	$ 220,825	$ 227,551	$ 231,771
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 80,853,197	$ 80,853,197	$ 84,957,420
Taxable Sales	80%	5	-	-	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	64,682,558	64,682,558	67,965,936
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	613,992	613,992	613,992	613,992	613,992	613,992	613,992	613,992	646,826	646,826	679,659
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	64,469	64,469	64,469	64,469	64,469	64,469	64,469	64,469	67,917	67,917	71,364
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(161,706)	(161,706)	(169,915)
Total On-Site Sales Tax Allocated to County			$ -	$ -	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 553,036	$ 553,036	$ 581,109

Exhibit B-3: Alternative C
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A. Property Tax - Vehicle License Fee															[1]
Assessed Valuation per $1,000			$ 109	$ 210	$ 355	$ 461	$ 533	$ 627	$ 720	$ 799	$ 923	$ 1,035	$ 1,100	$ 1,125	$ 1,142
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 177,577**	**$ 343,399**	**$ 579,667**	**$ 753,124**	**$ 871,482**	**$ 1,024,534**	**$ 1,176,998**	**$ 1,306,049**	**$ 1,508,560**	**$ 1,692,563**	**$ 1,797,731**	**$ 1,838,819**	**$ 1,866,407**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,119	$ 4,100	$ 7,346	$ 9,913	$ 11,684	$ 13,933	$ 16,102	$ 17,939	$ 20,737	$ 23,203	$ 24,664	$ 25,402	$ 25,887
Franchise Fees - Electric	4.44	6	4,494	8,696	15,582	21,027	24,785	29,555	34,156	38,052	43,987	49,218	52,318	53,883	54,912
Franchise Fees - Cable	6.92	6	7,005	13,556	22,880	31,367	37,225	44,660	51,833	57,905	67,158	75,310	80,068	82,506	84,037
Franchise Fees - Refuse	9.04	6	9,148	17,703	31,721	42,805	50,455	60,165	69,532	77,463	89,546	100,193	106,505	109,689	111,786
Franchise Fees - Refuse Household Waste	1.14	6	1,156	2,236	4,007	5,407	6,373	7,600	8,783	9,785	11,311	12,656	13,453	13,856	14,120
Total Franchise Fees			**$ 23,921**	**$ 46,291**	**$ 81,537**	**$ 110,520**	**$ 130,522**	**$ 155,913**	**$ 180,406**	**$ 201,143**	**$ 232,739**	**$ 260,579**	**$ 277,008**	**$ 285,336**	**$ 290,743**
C. Business License Fee	7.55	6	$ -	$ -	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,240	$ 3,240	$ 3,405
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,096	$ 4,055	$ 6,845	$ 9,384	$ 11,136	$ 13,361	$ 15,506	$ 17,323	$ 20,091	$ 22,530	$ 23,953	$ 24,683	$ 25,141
Yard Sale Permits	0.14	6	142	275	464	636	755	905	1,051	1,174	1,361	1,527	1,623	1,672	1,703
Total Licenses & Permits			**$ 2,238**	**$ 4,330**	**$ 7,309**	**$ 10,020**	**$ 11,891**	**$ 14,266**	**$ 16,557**	**$ 18,497**	**$ 21,452**	**$ 24,057**	**$ 25,576**	**$ 26,355**	**$ 26,844**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 481	$ 932	$ 1,670	$ 2,253	$ 2,656	$ 3,167	$ 3,660	$ 4,077	$ 4,713	$ 5,273	$ 5,606	$ 5,773	$ 5,883
General Fines	0.32	6	321	621	1,113	1,502	1,770	2,111	2,440	2,718	3,142	3,516	3,737	3,849	3,922
Code Enforcement Fines	0.71	6	722	1,398	2,504	3,379	3,983	4,750	5,489	6,115	7,069	7,910	8,408	8,660	8,825
Administrative Citation Program	0.40	6	401	776	1,391	1,877	2,213	2,639	3,050	3,397	3,927	4,394	4,671	4,811	4,903
Total Fines & Forfeitures			**$ 1,926**	**$ 3,727**	**$ 6,678**	**$ 9,012**	**$ 10,622**	**$ 12,666**	**$ 14,638**	**$ 16,308**	**$ 18,852**	**$ 21,093**	**$ 22,422**	**$ 23,093**	**$ 23,534**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 642	$ 1,242	$ 2,226	$ 3,004	$ 3,541	$ 4,222	$ 4,879	$ 5,436	$ 6,284	$ 7,031	$ 7,474	$ 7,698	$ 7,845
Refuse Penalties & Interest	0.16	6	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Total Miscellaneous Revenue			**$ 802**	**$ 1,553**	**$ 2,783**	**$ 3,755**	**$ 4,426**	**$ 5,278**	**$ 6,099**	**$ 6,795**	**$ 7,855**	**$ 8,789**	**$ 9,343**	**$ 9,622**	**$ 9,806**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	1,931	3,737	6,307	8,647	10,262	12,312	14,289	15,963	18,514	20,761	22,073	22,745	23,167
Engineering Fees - Inspections	$ 3.17	6	3,203	6,199	10,463	14,344	17,023	20,423	23,703	26,480	30,711	34,439	36,615	37,730	38,430
Park Fees	0.28	6	284	550	928	1,272	1,509	1,811	2,101	2,348	2,723	3,053	3,246	3,345	3,407
Self Hauler fees	0.03	6	28	55	93	127	151	181	210	235	272	305	325	334	341
Recordation of Document Fees	0.13	6	136	264	473	638	752	897	1,037	1,155	1,335	1,494	1,588	1,636	1,667
Vehicle Storage Fees	0.84	6	852	1,649	2,783	3,815	4,527	5,432	6,304	7,043	8,168	9,159	9,738	10,035	10,221
Total Charges for Services			**$ 6,435**	**$ 12,453**	**$ 21,046**	**$ 28,843**	**$ 34,224**	**$ 41,055**	**$ 47,644**	**$ 53,223**	**$ 61,723**	**$ 69,212**	**$ 73,584**	**$ 75,825**	**$ 77,232**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 28,837**	**$ 55,805**	**$ 94,189**	**$ 129,128**	**$ 153,241**	**$ 183,850**	**$ 213,376**	**$ 238,375**	**$ 276,464**	**$ 310,026**	**$ 329,612**	**$ 339,650**	**$ 345,949**

Exhibit B-3: Alternative C
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs															
A. City Council	$ 1.15	7	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
B. City Clerk	1.93	7	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	23,894
C. General Government	5.16	7	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	63,763
D. Personnel	0.58	7	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	7,129
E. Finance	3.84	7	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	47,476
F. Police Department		18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81	7	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	106,963
H. Public Works															
Salaries & Wages	$ 2.56	7	$ 2,593	$ 5,018	$ 8,991	$ 12,133	$ 14,301	$ 17,054	$ 19,709	$ 21,957	$ 25,382	$ 28,399	$ 30,188	$ 31,091	31,685
Benefits	1.04	7	1,049	2,029	3,636	4,907	5,784	6,897	7,971	8,880	10,265	11,486	12,209	12,574	12,815
Operations & Materials	8.11	7	8,206	15,880	28,455	38,397	45,259	53,969	62,372	69,485	80,324	89,875	95,537	98,393	100,274
Engineering	2.06	7	2,084	4,033	7,226	9,751	11,493	13,705	15,839	17,645	20,398	22,823	24,261	24,987	25,464
Traffic Counts	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Underground Service Alert	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Contract Services - Street Maintenance	1.59	7	175,334	175,334	226,105	226,105	226,105	279,050	279,050	279,050	304,098	339,120	339,120	339,120	339,120
Contract Services - Street Sweeping	0.02	7	16	31	56	75	89	106	122	136	157	176	187	192	196
Contract Services - Emergency Work	0.16	7	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Contract Services - Striping	0.79	7	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Contract Services - Traffic Signals	3.33	7	3,370	6,522	11,687	15,770	18,589	22,166	25,617	28,539	32,991	36,913	39,239	40,412	41,184
Contract Services - Maintenance	0.08	7	77	149	267	360	425	507	586	652	754	844	897	924	941
Contract Services - Environmental Health Services	0.05	7	48	93	167	225	266	317	366	408	471	527	561	577	588
Contract Services - Tree Trimming	0.63	7	642	1,242	2,226	3,004	3,541	4,222	4,879	5,436	6,284	7,031	7,474	7,698	7,845
Total Public Works			$ 194,431	$ 212,289	$ 292,322	$ 315,459	$ 331,428	$ 404,643	$ 424,196	$ 440,750	$ 491,021	$ 548,268	$ 561,444	$ 568,092	$ 572,469
I. Engineering	4.80	7	$ 4,853	$ 9,391	$ 16,827	$ 22,707	$ 26,765	$ 31,916	$ 36,885	$ 41,092	$ 47,501	$ 53,149	$ 56,497	$ 58,187	$ 59,299
J. Planning	5.40	7	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	66,759
K. Public Services	3.45	7	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	42,599
L. Code Enforcement	2.37	7	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	29,287
M. Graffiti	1.73	7	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	21,421
N. Trails	0.24	7	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	3,020
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14															
Sergeant			$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective			-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy			148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist			69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist			-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)			-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)			-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)			5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services			12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization			964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance			1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)			-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)			333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support			1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance			348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding			3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost			11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget			$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading			$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget			$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance															
Lane Miles (Assumes Beginning of Phase)															
Backbone Roads			27.42												
Interior Roads			19.34		13.54			14.12			6.68	9.34			
Total Lane Miles			46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)		C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
Cost per Lane Mile (See Exhibit C-2)		C-2	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750
Total Street Maintenance Cost			$ 175,334	$ 175,334	$ 226,105	$ 226,105	$ 226,105	$ 279,050	$ 279,050	$ 279,050	$ 304,098	$ 339,120	$ 339,120	$ 339,120	$ 339,120

Exhibit B-3: Alternative C
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
June 19, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ -	7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
A. Recurring Revenues															
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Revenues			$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	-	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ -	$ 1,087,500	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Revenue from Outside Project															
Additional Units within the Fire Station Service Area (e)			-	-	111	111	111	111	111	111	111	111	111	111	111
Fire Revenue per Unit			$ 384	$ 383	$ 384	$ 363	$ 354	$ 347	$ 344	$ 341	$ 340	$ 340	$ 340	$ 337	$ 336
Paramedic Revenue per Unit			19	19	20	20	20	20	20	20	20	20	20	20	20
Total Revenue from Outside Project		8	$ -	$ -	$ 44,838	$ 42,576	$ 41,555	$ 40,751	$ 40,350	$ 40,087	$ 39,925	$ 39,940	$ 39,903	$ 39,623	$ 39,494
Total Recurring Costs			$ 33,625	$ 33,625	$ (17,321)	$ 1,072,441	$ 1,223,342	$ 1,218,100	$ 1,218,501	$ 1,218,764	$ 1,211,344	$ 1,211,329	$ 1,211,367	$ 1,211,646	$ 1,211,775
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Revenue per Unit			$ 19	$ 19	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.
(e) There will be additional revenue generated from within the service area for Fire Station 4 outside the Project. 111 units outside of the Project completed by Year 3 will provide additional revenue to offset the cost of operating the fire station per information from Larry Mainez at the City of Highland, dated 6/10/2014. See Exhibits D-1 and D-2.

Exhibit B-3: Alternative C
Table 18 - Police Phasing Analysis
Harmony Planned Community
June 19, 2014

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Cumulative Residents		1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.99	1.02	1.21	0.88	1.12	1.09	1.07	0.96	0.82	0.83	0.78	0.76	0.74
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.99	1.02	0.91	0.66	0.74	0.78	0.80	0.72	0.62	0.64	0.61	0.59	0.58
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit C-1
Street Maintenance Cost Calculations
Harmony Planned Community
June 19, 2014

Description - City Maintained	Quantity (a)	Unit	Unit Cost		Total Cost
Linear Feet of Roadway	477,540				
1. Street Sweeping	90.44	Curb Mile	$ 47.50	(d)	$ 4,296
2. Slurry Seal (SS)					
Place (SS)	8,951,144	SF	$ 0.12	(d)	$ 1,074,137
Mobilization	1	Lump Sum	50,000	(b)	50,000
Striping	1	Lump Sum	50,000	(b)	50,000
Crack Seal	20.0% of SS	Lump Sum	179,023		179,023
Traffic Control	1	Lump Sum	50,000	(b)	50,000
Subtotal					1,403,160
Contingency (15%)					210,474
Total Slurry Seal					**$ 1,613,634**
3. Grind and Overlay					
Grind	8,951,144	SF	$ 0.08	(d)	$ 716,092
Mobilization	1	Lump Sum	50,000	(b)	50,000
.15" Asphalt & Conc. Overlay (Estimate @.0105	8,951,144	SF	0.60	(c)	5,370,687
Striping	1	Lump Sum	50,000	(b)	50,000
Traffic Control	1	Lump Sum	50,000	(b)	50,000
Subtotal					$ 6,236,778
Contingency (15%)					935,517
Total Grind and Overlay					**$ 7,172,295**
4. Remove and Reconstruct					
a. Curb and Sidewalk Component					
6" Curb & Gutter	477,540	LF	9.00	(b)	4,297,858
Concrete Median Curb	72,407	LF	9.00	(b)	651,663
Interior Streets Curb	-	LF	9.00	(b)	-
Concrete Sidewalk/Trail	2,413,041	SF	3.00	(b)	7,239,124
Mobilization	1	Lump Sum	50,000	(b)	50,000
Subtotal					$ 12,238,646
Estimated Failure Rate					10%
Total Curb and Sidewalk					$ 1,223,865
b. Street Component					
Grind	8,951,144	SF	$ 0.10	(d)	$ 895,114
Mobilization	1	Lump Sum	50,000	(b)	50,000
.25" Asphalt & Concrete Overlay (Estimate)	8,951,144	SF	0.60	(c)	5,370,687
Striping	1	Lump Sum	50,000	(b)	50,000
Traffic Control	1	Lump Sum	50,000	(b)	50,000
Total Street Component					$ 6,415,801
Subtotal Remove and Reconstruct					$ 7,639,666
Contingency (15%)					1,145,950
Total Remove and Reconstruct					**$ 8,785,615**
Total					**$ 18,799,705**

Footnotes
(a) Per public roadway calculations provided by Placeworks dated April 2014.
(b) Per Lewis Operating Companies email dated 4/23/2014.
(c) Per call with Lewis Operating Companies on 4/24/2014.
(d) Per Lewis Operating Companies email dated 4/28/2014.

Exhibit C-2
Hypothetical Street Maintenance Schedule
Harmony Planned Community
June 19, 2014

Linear Feet of Public Road	477,540
Lane Miles	90.4
Total	$ 339,132
Cost Per Lane Mile	$ 3,750
Balance Year 36	-

	Buildout Annual Cost	Per Unit	Street Sweeping	Slurry Seal (a)	Grind and Overlay (a)	Remove & Reconstruct	Subtotal	Total Annual Expenditures	Earnings (b)	Annual Fund Balance-End
Exhibit Reference			C-1	C-1	C-1	C-1				
0	$ 339,132	$ 52	$ 4,296	$ 1,613,634	$ 7,172,295	$ 8,785,615	$ 17,575,841	$ -	$ -	$ -
1	339,132	52	4,296				4,296	4,296	-	334,836
2	339,132	52	4,296				4,296	4,296	11,484	681,155
3	339,132	52	4,296				4,296	4,296	23,362	1,039,353
4	339,132	52	4,296				4,296	4,296	35,647	1,409,836
5	339,132	52	4,296				4,296	4,296	48,354	1,793,025
6	339,132	52	4,296				4,296	4,296	61,496	2,189,357
7	339,132	52	4,296				4,296	4,296	75,089	2,599,283
8	339,132	52	4,296				4,296	4,296	89,149	3,023,267
9	339,132	52	4,296				4,296	4,296	103,691	3,461,793
10	339,132	52	4,296				4,296	4,296	118,731	3,915,360
11	339,132	52	4,296				4,296	4,296	134,287	4,384,483
12	339,132	52	4,296				4,296	4,296	150,377	4,869,695
13	339,132	52	4,296				4,296	4,296	167,018	5,371,549
14	339,132	52	4,296				4,296	4,296	184,231	5,890,616
15	339,132	52	4,296	1,613,634			1,617,930	1,617,930	202,033	4,813,850
16	339,132	52	4,296				4,296	4,296	165,103	5,313,789
17	339,132	52	4,296				4,296	4,296	182,250	5,830,875
18	339,132	52	4,296				4,296	4,296	199,984	6,365,695
19	339,132	52	4,296				4,296	4,296	218,327	6,918,858
20	339,132	52	4,296				4,296	4,296	237,300	7,490,993
21	339,132	52	4,296				4,296	4,296	256,922	8,082,751
22	339,132	52	4,296				4,296	4,296	277,218	8,694,805
23	339,132	52	4,296				4,296	4,296	298,210	9,327,851
24	339,132	52	4,296				4,296	4,296	319,922	9,982,608
25	339,132	52	4,296				4,296	4,296	342,379	10,659,822
26	339,132	52	4,296				4,296	4,296	365,605	11,360,263
27	339,132	52	4,296				4,296	4,296	389,629	12,084,728
28	339,132	52	4,296				4,296	4,296	414,476	12,834,039
29	339,132	52	4,296				4,296	4,296	440,175	13,609,050
30	339,132	52	4,296	1,613,634	7,172,295		8,790,225	8,790,225	466,756	5,624,713
31	339,132	52	4,296				4,296	4,296	192,914	6,152,463
32	339,132	52	4,296				4,296	4,296	211,014	6,698,312
33	339,132	52	4,296				4,296	4,296	229,735	7,262,883
34	339,132	52	4,296				4,296	4,296	249,099	7,846,818
35	339,132	52	4,296				4,296	4,296	269,126	8,450,780
36	339,132	52	4,296			8,785,615	8,789,912	8,789,912	289,841	$ -
Totals			$ 154,658	$ 3,227,268	$ 7,172,295	$ 8,785,615	$ 19,339,837	$ 19,339,837		

Footnotes:

(a) Timing of cost per call with Client on 4/24/2014.

(b) Represents earnings invested at Local Agency Investment Fund Rate ("LAIF RATE") of 3.43%, a 20 year average from 1994 to 2013 per the California State Treasurer. See Exhibit I.

Exhibit C-3
Storm Drainage Reserve Calculation
Harmony Planned Community
June 19, 2014

	Beginning Balance	Reserve Deposit	Earnings	Ending Balance	Replacement Cost
1	$ -	$ 8,764	$ 150	$ 8,914	$ 1,500,000
2	8,914	8,939	459	18,313	1,524,880
3	18,313	9,118	784	28,215	1,550,173
4	28,215	9,300	1,127	38,643	1,575,885
5	38,643	9,486	1,488	49,617	1,602,024
6	49,617	9,676	1,868	61,161	1,628,597
7	61,161	9,870	2,267	73,298	1,655,610
8	73,298	10,067	2,687	86,051	1,683,071
9	86,051	10,268	3,127	99,447	1,710,988
10	99,447	10,474	3,590	113,512	1,739,368
11	113,512	10,683	4,076	128,271	1,768,218
12	128,271	10,897	4,586	143,754	1,797,547
13	143,754	11,115	5,121	159,990	1,827,363
14	159,990	11,337	5,682	177,009	1,857,673
15	177,009	11,564	6,269	194,842	1,888,485
16	194,842	11,795	6,885	213,523	1,919,809
17	213,523	12,031	7,530	233,083	1,951,653
18	233,083	12,272	8,205	253,560	1,984,024
19	253,560	12,517	8,911	274,988	2,016,933
20	274,988	12,768	9,650	297,406	2,050,387
21	297,406	13,023	10,424	320,852	2,084,397
22	320,852	13,283	11,232	345,368	2,118,970
23	345,368	13,549	12,078	370,994	2,154,117
24	370,994	13,820	12,961	397,776	2,189,847
25	397,776	14,096	13,884	425,756	2,226,169
26	425,756	14,378	14,849	454,984	2,263,094
27	454,984	14,666	15,856	485,506	2,300,632
28	485,506	14,959	16,908	517,373	2,338,792
29	517,373	15,258	18,006	550,638	2,377,585
30	550,638	15,564	19,152	585,354	2,417,021
31	585,354	15,875	20,348	621,577	2,457,112
32	621,577	16,192	21,596	659,366	2,497,867
33	659,366	16,516	22,898	698,779	2,539,299
34	698,779	16,846	24,255	739,881	2,581,418
35	739,881	17,183	25,671	782,735	2,624,235
36	782,735	17,527	27,146	827,409	2,667,763
37	827,409	17,878	28,685	873,971	2,712,012
38	873,971	18,235	30,288	922,494	2,756,996
39	922,494	18,600	31,958	973,052	2,802,725
40	973,052	18,972	33,699	1,025,723	2,849,214
41	1,025,723	19,351	35,512	1,080,585	2,896,473
42	1,080,585	19,738	37,400	1,137,724	2,944,516
43	1,137,724	20,133	39,366	1,197,223	2,993,356
44	1,197,223	20,536	41,414	1,259,173	3,043,006
45	1,259,173	20,946	43,546	1,323,665	3,093,480
46	1,323,665	21,365	45,765	1,390,795	3,144,791
47	1,390,795	21,793	48,075	1,460,662	3,196,952
48	1,460,662	22,229	50,478	1,533,369	3,249,980
49	1,533,369	22,673	52,980	1,609,022	3,303,886
50	1,609,022	23,127	55,582	1,687,730	3,358,687
51	1,687,730	23,589	58,289	1,769,609	3,414,397
52	1,769,609	24,061	61,106	1,854,776	3,471,031
53	1,854,776	24,542	64,035	1,943,353	3,528,604
54	1,943,353	25,033	67,081	2,035,467	3,587,132
55	2,035,467	25,534	70,249	2,131,250	3,646,631
56	2,131,250	26,044	73,543	2,230,838	3,707,117
57	2,230,838	26,565	76,968	2,334,371	3,768,606
58	2,334,371	27,096	80,528	2,441,995	3,831,115
59	2,441,995	27,638	84,228	2,553,861	3,894,661
60	2,553,861	28,191	88,075	2,670,127	3,959,261
61	2,670,127	28,755	92,072	2,790,954	4,024,932
62	2,790,954	29,330	96,226	2,916,510	4,091,693
63	2,916,510	29,917	100,542	3,046,969	4,159,561
64	3,046,969	30,515	105,027	3,182,510	4,228,554
65	3,182,510	31,125	109,686	3,323,322	4,298,692
66	3,323,322	31,748	114,526	3,469,596	4,369,994
67	3,469,596	32,383	119,554	3,621,532	4,442,478
68	3,621,532	33,030	124,776	3,779,339	4,516,164
69	3,779,339	33,691	130,200	3,943,229	4,591,073
70	3,943,229	34,365	135,832	4,113,426	4,667,224
71	4,113,426	35,052	141,681	4,290,160	4,744,638
72	4,290,160	35,753	147,755	4,473,668	4,823,336
73	4,473,668	36,468	154,061	4,664,197	4,903,340
74	4,664,197	37,198	160,608	4,862,003	4,984,670
75	4,862,003	37,942	167,405	5,067,350	5,067,350

Assumptions

Storm Drain Cost (a)	$ 1,500,000
LAIF Rate (b)	3.43%
CPI (c)	1.66%
Annual Contribution Increase	2.00%
Annual Reserve Deposit	$ 8,764
Annual Reserve Percentage	0.58%

(a) Assumes a 10% failure rate on $15,000,000 cost or $1,500,000.

(b) Local Agency Investment Fund Rate ("LAIF RATE") represents a 20 year average from 1994 to 2013 per the California State Treasurer. See Exhibit I.

(c) Represents the 20 year average of the Consumer Price Index for Los Angeles, Riverside and Orange County from 1994 to 2013 per the Bureau of Labor Statistics. See Exhibit H.

Exhibit D-1
Map of Firestation 4 Service Area Outside of Project
Harmony Planned Community
June 19, 2014

Source: Map of Fire Station 4 Service Area outside of Project per memo from Larry Mainez at the City of Highland, dated 6/11/2014.

Exhibit D-2
Calculation of Units Outside of Project
Harmony Planned Community
June 19, 2014

APN (a)	Zoning (a)	Estimated Acres (a)
Estimated Acres Outside of Project		
Open Space Acres:		
29706129	Open Space	9.67
29706105	Open Space	0.92
29706106	Open Space	2.62
29706129	Open Space	6.72
29706129	Open Space	3.33
29710122	Open Space	2.48
29710122	Open Space	1.21
Open Space Acres Subtotal		26.95
AQ/EQ Acres:		
29720105	AG/EQ	38.24
29706106	AG/EQ	6.08
29706109	AG/EQ	4.85
29706120	AG/EQ	8.08
29706126	AG/EQ	2.38
29706120	AG/EQ	0.99
29706105	AG/EQ	7.24
29706107	AG/EQ	7.11
29706125	AG/EQ	1.95
29706113	AG/EQ	4.62
AG/EQ Acres Subtotal		81.54
Total Estimated Acres		**108.49**
Less Hillside Acres		25.87
Less Open Space Acres		26.95
Total Developable Acres		**55.67**
Dwelling Units per Acre		2
Total Units Outside of Project		**111**

Footnotes:

(a) Land use information and calculation for units in Fire Station 4 Service Area outside of Project per memo from Larry Mainez at the City of Highland, dated 6/11/2014.

FISCAL IMPACT ANALYSIS

FOR

THE HARMONY PLANNED COMMUNITY

April 29, 2014

Prepared For:

County of Orange / LCD Greenspot, LLC

Prepared By:

DPFG

DEVELOPMENT PLANNING & FINANCING GROUP, INC.

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1. Purpose of Fiscal Impact Analysis

Development Planning & Financing Group has prepared this Fiscal Impact Analysis ("FIA") to determine the estimated fiscal impacts on the City of Highland ("City") in connection with the proposed development of the Harmony Planned Community ("Project"). The reader should be aware that the FIA contains estimates or projections of the Project's future revenue and cost impact on the City, and actual fiscal results may vary from estimates because events and circumstances can occur in a manner different than described in the FIA.

This FIA contains a description of the Project, calculation methodologies, conclusions, and revenues and expenses projected for the Project's alternative scenarios: Alternative A, Alternative B, and Alternative C ("Alternative Scenarios"). The differences among the Alternative Scenarios are as follows:

Assumptions	Alternative A	Alternative B	Alternative C
20 Acre Commercial Overlay	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
Park Maintenance	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)

The summary of the Alternative Scenarios is attached as Exhibit A. Detailed calculations, attached as Exhibit B-1, Exhibit B-2, and Exhibit B-3, are organized as follows:

Table	Description	Alternative (Page)		
		A	B	C
1	Fiscal Impact Analysis Summary	3	22	41
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17	Phased General Fund Recurring Costs and Fire Fund and Paramedic Fund Impact	20	39	58
18	Police Phasing Analysis	21	40	59

2. Project Description

The County of Orange owns the Project and has engaged LCD Greenspot, LLC ("Developer") to assist with entitling the Project for development, the Project is anticipated to be developed over a period of 13 years.

Encompassing approximately 1,658 acres of land in the City of Highland, the table below shows the total residential units developed in a wide variety of unit types and sizes as well as the total acres of neighborhood commercial land use that the Project is anticipated to provide.

Assumptions	Alternative A	Alternative B	Alternative C
Residential Units	3,632	3,515	3,515
Neighborhood Commercial Acres	5.7	20.7	20.7

3. Limiting Conditions

The FIA is subject to the following limiting conditions:

- The FIA contains an analysis of recurring revenues and costs to the City from development of the Project. The FIA is based on estimates, assumptions and other information developed from DPFG's research, interviews, meetings, and correspondences with City and County staff, California Department of Finance, and information from DPFG's database which was collected through fiscal impact analyses previously prepared by DPFG and others.

- The sources of information and basis of the estimates are stated herein. While we believe the sources of information are reliable, DPFG does not express an opinion or any other form of assurance on the accuracy of such information.

- The analysis of recurring revenues and cost impacts to the City contained in the FIA 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 report relates to broad expectations of future events or market conditions.

- Since the analyses contained herein are based on estimates and assumptions which are inherently subject to uncertainty and variation depending on evolving events, DPFG cannot represent that results 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 the projections.

4. General Sources of Information and Methodologies Used in FIA

The FIA was prepared to estimate the allocable revenue and cost impacts to the City's general fund ("General Fund"), fire fund ("Fire Fund") and paramedic fund ("Paramedic Fund") as a result of the Project's development. The FIA uses a combination of case study methods and multiplier methods to estimate Project impacts. When projecting fiscal impacts using a multiplier method, the FIA determines per capita/employee impacts by applying the appropriate per capita, per employee and per equivalent resident factors ("Factors") to the Project's land use assumptions. The FIA calculates equivalent residents by adding residential population plus 50% of employees. Employment is reduced by 50% to account for the estimated less frequent use of City public services by employees than residents. Factors were calculated using the City of Highland Fiscal Years 2011-2013 Adopted Budget ("Budget"). Cost and revenue Factors are projected in 2011 dollars, and are not adjusted for inflation.

Information used in preparing the FIA was obtained from the following sources:

1. City of Highland Fiscal Years 2011-2013 Adopted Budget
2. City of Highland
3. California Department of Forestry and Fire Protection ("Cal Fire")
4. San Bernardino County Sheriff
5. LCD Greenspot, LLC (land use information)
6. The California Department of Finance (population information)
7. The California Employment Development Department (employment information)
8. San Bernardino County Auditor-Controller's Office (fiscal year 2011-12 share of the basic tax information)
9. The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute (sales tax generation data)
10. Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011 (household income data)
11. U.S. Department of Labor (household expenditure data)

The following table shows selected assumptions used in the FIA:

City Residential Population (a)	53,444
Residents Per Household (a)	3.45
City Employment (b)	19,200
City Share of the Basic Tax (c)	24.8448%
Share of Property Tax Retained in the General Fund (d)	58.33%
Share of Property Tax Retained in the Fire Fund (d)	41.67%
Average Household Income (e)	$96,400
Commercial Sales Tax Generation per Sq. Ft. (f)	$377

(a) Per the California Department of Finance as of January 1, 2011.
(b) Per the California Employment Development Department, November 2011.
(c) Per San Bernardino County Auditor/Controller, See Exhibit B-1, Exhibit B-2, and Exhibit B-3, Table 2.
(d) Per information provided by City staff. See Exhibit B-1, Exhibit B-2, and Exhibit B-3, Table 4.
(e) Per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.
(f) Per the Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

5. FIA Summary and Conclusions

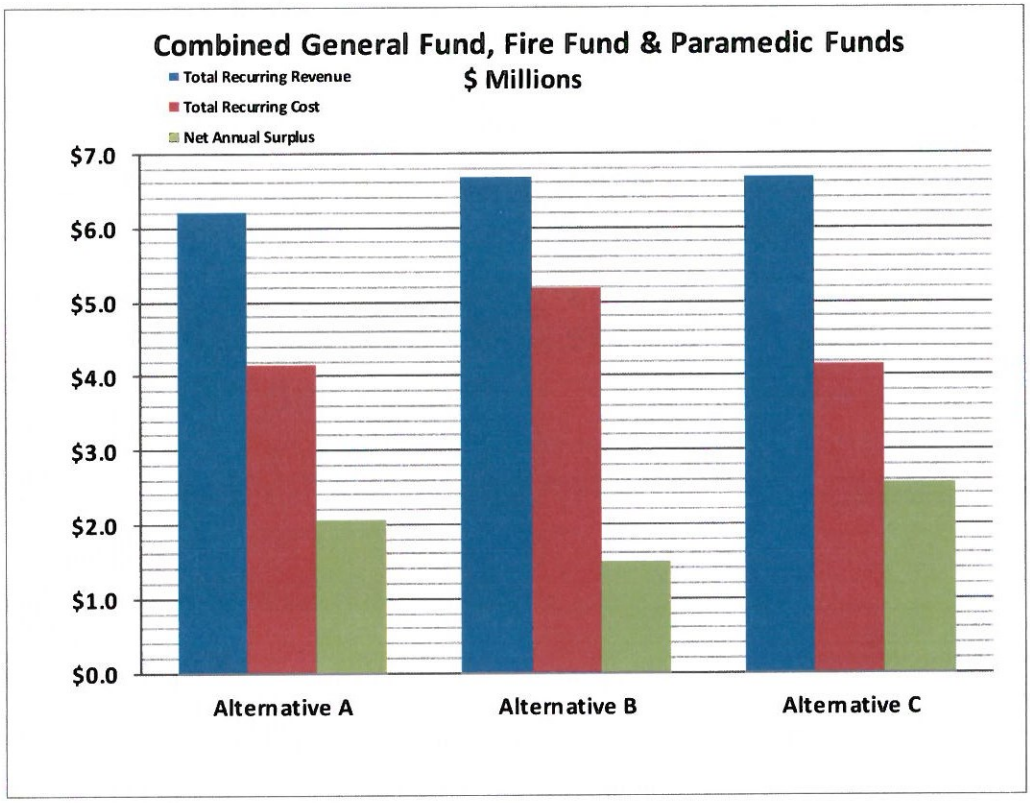
The FIA examines the financial impact the Project will have on the General Fund, Fire Fund and Paramedic Fund. The Project will generate additional revenue for the General Fund primarily through increased property taxes, vehicle license fees, sales tax, gas tax, and franchise fees. The additional costs incurred to the General Fund consist primarily of police, and public works services costs. The Project's direct impact to the General Fund, Fire Fund, and Paramedic Fund is summarized in the table below.

At buildout, the Project is anticipated to generate a surplus to the City on an annual basis under each of the Alternative Scenarios.

Assumptions	**Report Section**	**Alternative A**	**Alternative B**	**Alternative C**
Exhibit Reference		B-1	B-2	B-3
20 Acre Commercial Overlay	1	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
Park Maintenance	1	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
General Fund				
Recurring Revenues	6	$4,953,830	$5,435,946	$5,435,946
Recurring Costs	7	$2,908,126	$3,936,967	$2,892,647
Surplus / (Deficit)		$2,045,704	$1,498,979	$2,543,299
Fire Fund				
Recurring Revenues	8	$1,192,171	$1,181,811	$1,181,811
Recurring Costs	8	$1,251,269	$1,251,269	$1,251,269
Surplus / (Deficit) (a)		$(59,098)	$(69,459)	$(69,459)
Paramedic Fund				
Recurring Revenues	9	$70,177	$68,837	$68,837
Recurring Costs	9	$-	$-	$-
Surplus / (Deficit)		$70,177	$68,837	$68,837
Combined Fire Fund & Paramedic Fund				
Recurring Revenues		$1,262,348	$1,250,647	$1,250,647
Recurring Costs		$1,251,269	$1,251,269	$1,251,269
Surplus / (Deficit)		$11,079	$(622)	$(622)
Combined Net Fiscal Impact				
Recurring Revenues		$6,216,178	$6,686,593	$6,686,593
Recurring Costs		$4,159,396	$5,188,236	$4,143,916
Surplus / (Deficit)		$2,056,783	$1,498,357	$2,542,677

(a) Note: Per conversation with City staff, the analysis assumes 41.67% of the City's share of the 1.00% is allocated to the Fire Fund. If the allocation to the Fire Fund is adjusted to 43.74% for Alternative A and 44.12% for Alternatives B and C, the fiscal impact on the Fire Fund is break even under each of the Alternative Scenarios.

The chart below shows the total recurring revenues, total recurring costs and net annual surpluses the Project is anticipated to generate at buildout under each of the Alternative Scenarios.



The FIA does not consider the impact of potential revenues and/or reduced General Fund costs due to a City Landscape Maintenance District or Community Facilities District which could serve to increase the ongoing annual surplus.

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6. Recurring Revenues

6.1 Property Tax

In addition to other ad valorem charges imposed by various local agencies, land owners in the State of California ("State") are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each county in California is divided into various tax rate areas ("TRA" or "TRAs"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRAs. Table 2 of Exhibits B-1 through B-3 shows the share of the basic tax applicable to each of the four TRAs that are within the Project.

In 1992, to meet its obligations to fund education at specific levels under Proposition 98, the State enacted legislation that shifted partial financial responsibility for funding education to local governments (cities, counties, and special districts). The State did this by instructing county auditors to shift the allocation of local property tax revenues to educational revenue augmentation funds ("ERAF") to support schools. As such, the FIA calculates a weighted average share of the basic tax after the shift of revenue to ERAF.

As shown in Table 2 of Exhibits B-1 through B-3, the Project is within four different tax rate areas, but tax rate area 104002 is excluded from the share of the basic tax calculations since this tax rate area does not appear to contribute a share of its property tax to the City. The FIA calculates the Project's weighted average post-ERAF share of the basic tax to be 24.8448%.

Revenue amounts are determined assuming the calculated 24.8448% weighted average share of the basic tax. This number is then adjusted based on the City's historical General Fund vs. Fire Fund split. Per information provided by City staff, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

Revenue amounts are calculated after adjusting for the 58.33% that is retained in the General Fund. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

6.2 Property Transfer Tax

The City receives property transfer tax revenue as new or existing property is sold and ownership is transferred. In accordance with California Revenue and Taxation Code Section 11911, a county may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A city within the county that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the county and city levy the transfer tax, a credit shall be allowed against the amount imposed by the county in the amount of tax that is imposed by the city. The City's share of the tax is $0.55 per $1,000 of value transferred. The FIA assumes a residential turnover rate of 14.00% of total assessed value per year (i.e. properties change ownership every 7 years on average) and a non-residential turnover rate of 10.00% of total assessed value per year (i.e. properties change ownership every 10 years on average). Revenue amounts are calculated using these assumptions. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

6.3 Sales and Use Tax

Under the California Sales and Use Tax Law, the sale of tangible personal property is subject to sales or use tax unless exempt or otherwise excluded. When the sales tax applies, the use tax does not apply and the opposite is also true. The sales tax is imposed on all retailers for the privilege of selling tangible personal property in the State and is measured by the retailer's gross receipts. Use tax is imposed on purchasers of tangible personal property from any retailer for the purpose of storage, use, or other consumption in the State and is measured by the sales price of the property purchased. If an out-of-state retailer is engaged in business in this state, it is required to register with the State and collect the use tax from the purchaser at the time of making the sale. Purchases made over the Internet or out-of-state are the most common transactions subject to a use tax.

There is a 7.50% statewide sales and use tax base rate that is collected by the State. Since January 1, 2013, the State government has received 6.50% of the 7.50% and local governments receive the remaining 1% which is transferred to the local government's general fund.

6.3.1 Property Tax In-Lieu Sales Tax

This analysis assumes that 0.25% of sales and use tax is redirected to property tax per the Sales Tax Triple Flip ("Triple Flip"). In March 2004, voters approved Proposition 57, the California Economic Recovery Bond Act which allowed the State to purchase bonds to reduce the State budget deficit. The legislature enacted provisions that changed how sales and use taxes and other revenues are distributed to schools and local governments on and after July 1, 2004. These changes will remain in effect until the State Director of Finance notifies the Board of Equalization that the State's bond obligations have been satisfied.

Under the new revenue "swapping" procedures commonly referred to as the Triple Flip, the local government portion of the statewide sales tax rate will decrease by 0.25%, and the state portion will increase by 0.25%. The County Auditor in each county uses property tax revenues to reimburse the county and cities within the county. County Auditors set aside some funds from the County Educational Revenue Augmentation Fund and place them in a Sales and Use Tax Compensation Fund. In January and May of each year, the State Director of Finance instructs County Auditors to allocate revenues from the Compensation Fund to the county and to the cities within the county. Revenue amounts are calculated based on the on-site and off-site sales tax calculations. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

6.3.2 Off-Site Sales and Use Tax

The City will receive sales tax revenue from taxable purchases made within the City but outside the Project area by the Project's residents ("Off-Site Sales"). The FIA assumes that households within the Project will have an average annual income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011. The FIA assumes that 32% of household income is spent on retail taxable expenditures per information obtained from the Bureau of Labor Statistics, and that 25% of retail taxable expenditures are captured through Off-Site Sales within the City. After calculating the Project's total taxable Off-Site Sales captured in the City, the FIA assumes the City receives sales tax revenue of 1% of taxable sales. Revenue amounts are calculated applying this methodology. See detailed calculations in Table 5 of Exhibits B-1 through B-3. This analysis assumes use tax revenue at 10.5% of sales tax revenue.

6.3.3 On-Site Sales and Use Tax

The FIA assumes that the City will receive sales tax revenue from taxable purchases made within the Project. The FIA assumes that retail land use will generate approximately $377 of total sales per building square foot per the Dollars & Cents of Shopping Centers, published by the Urban Land Institute, and that 80% of the sales will be taxable. Revenue amounts are calculated applying this methodology. See detailed calculations in Table 5 of Exhibits B-1 through B-3. This analysis assumes use tax revenue at 10.5% of sales tax revenue.

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6.4 Property Tax In-Lieu of Vehicle License Fees ("VLF")

Revenue amounts are calculated on a valuation basis. See detailed calculations in Table 6 Section II of Exhibits B-1 through B-3.

6.5 Franchise Fees

The City receives utility franchise fee revenue from utility franchises which service the local area and the Project. Revenue amounts are calculated based on various applicable per capita and per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.6 Business License Fee

A business license fee is a fee paid annually for the privilege of conducting business within the City. Revenue amounts are calculated based on a per employee multiplier determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.7 Licenses and Permits

Revenue amounts are calculated based on various applicable per capita multipliers calculated determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.8 Fines & Forfeitures

Revenue amounts are calculated based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.9 Miscellaneous Revenue

Revenue amounts are calculated based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

6.10 Intergovernmental Revenue

For purposes of the FIA, there are no intergovernmental revenues anticipated to be generated as a result of the Project.

6.11 Gas Tax Revenue

Revenue amounts are calculated based on the per capita multiplier determined from a 5-year average of the budgets from Fiscal Year 2007-08 to Fiscal Year 2011-12 provided by City staff. See detailed calculations in Table 10 of Exhibits B-1 through B-3.

6.12 Charges for Services

Revenue amounts are calculated based on various applicable per capita and per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 6 of Exhibits B-1 through B-3.

7. Recurring Costs

7.1 City Council

Per the Budget, the city council, which consists of the mayor, mayor pro-term, and three council members, serves as the policy making body of the City.

The FIA assumes a 50% marginal increase as City council costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.2 City Clerk

The office of the City clerk is a service department that fulfills the responsibilities of an election official, legislative administrator and record manager for the City.

The FIA assumes a 50% marginal increase as City clerk costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.3 General Government

General government services include the operations of the City manager and administrative services. The City manager serves as the chief administrative officer of the City and is responsible for the management of all municipal affairs. Administrative services include providing contract maintenance, major purchase analysis, and staff support as required by the City manager and City council.

The FIA assumes a 50% marginal increase as general government costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.4 Personnel

The personnel department is responsible for human resources functions such as recruitment, training programs, employee benefits monitoring, compensation studies and employee relations.

The FIA assumes a 50% marginal increase as personnel costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.5 Finance

The finance department administers all financial recording and reporting functions and prepares the fiscal budget and financial statements for the City.

The FIA assumes a 50% marginal increase as finance costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.6 Police Department

The City contracts with the San Bernardino County Sheriff's Department for police protection services.

Cost amounts are calculated per the adjusted phased police department budget by Lieutenant Anthony DeCecio dated February 12, 2014. See detailed calculations in Table 18 of Exhibits B-1 through B-3. Table 18 also contains a phasing plan as provided by Lieutenant Anthony DeCecio.

7.7 Animal Control

The City contracts with San Bernardino County for animal care, animal control and shelter services.

Cost amounts are based on a per capita multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.8 Public Works

The public works department consists of two divisions: maintenance services and public services. Maintenance services include street maintenance, weed abatement, traffic signal maintenance, storm drain maintenance, street sweeping, striping/traffic signage, tree trimming, building and grounds maintenance, and parkway maintenance. Public services include crossing guards, bus shelter contract, graffiti abatement, and assessment district administration.

Cost amounts are based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3. Street maintenance and replacement costs are included in Exhibits C-1 and C-2.

7.9 Engineering

The engineering department provides engineering services through contracts with a number of engineering firms under the direction of the Public Works Director/City Engineer. This department is responsible for the conditioning, plan checking and inspection of grading, street, traffic and storm drain improvements associated with development projects.

The FIA assumes a marginal increase of 47% per information obtained from the City's Community Development Director on April 14, 2014. Cost amounts are calculated after adjusting for the 47% marginal increase and are based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.10 Planning

The planning department is part of the Community Development Department and primarily serves as the City's Planning Agency. To assist the public through the land use entitlement and development process the department meets weekly with various individuals and developers and is the clearinghouse for general statistical information regarding past current and proposed development. This department has a responsibility to oversee maintenance and ensure implementation of the General Plan and Land Use Development Code and makes recommendations for revisions as appropriate to meet the changing vision of the City.

The FIA assumes a marginal increase of 51% per information obtained from the City's Community Development Director on April 14, 2014. Cost amounts are calculated after adjusting for the 51% marginal increase and are based on various applicable per equivalent resident multipliers determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.11 Public Services

The public services department serves as the program manager and coordinator of several state and federal mandated programs. The public service department manages solid waste, the City's National Pollution Discharge Elimination System Program, and the household hazardous waste program.

The FIA assumes a 50% marginal increase as public services costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.12 Code Enforcement

The code enforcement division enforces City municipal codes and State laws. Code enforcement staff responds to concerns related to land use, public nuisance, vehicle abatement, substandard housing, street vendors, and business license requirements.

The FIA assumes a 50% marginal increase as code enforcement costs do not typically have a 1:1 relationship with population growth from the Project. Cost amounts are calculated after adjusting for a 50% marginal increase and are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.13 Parks

Alternative A and Alternative C assume the Project's parks and open space are maintained by an HOA. The FIAs for Alternative A and Alternative C, assume 0% marginal increase as it is not anticipating the City's park costs will increase as a result of the Project.

Alternative B assumes that parks are maintained by the City. The Alternative B FIA assumes park maintenance costs of $32,635 per acre for maintenance of 32 acres.

7.14 Graffiti

The Graffiti Abatement Program is currently staffed by one full-time employee who removes graffiti primarily from public property and some private properties.

Cost amounts are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.15 Trails

The trails budget provides for the maintenance of various public trails within the City.

Cost amounts are based on a per equivalent resident multiplier determined from the Budget. See detailed calculations in Table 7 of Exhibits B-1 through B-3.

7.16 Drainage Basins

Cost amounts are based on the assumption that drainage basins are maintained by the City at drainage basin maintenance costs of $1,980 per acre for maintenance of 15 acres.

7.17 Storm Drainage Replacement

Replacement cost amounts for storm drainage are based on a reserve calculation that has been prepared and included as Exhibit C-3.

8. Recurring Fire Fund Fiscal Impact

The City contracts with Cal Fire for fire protection services. Table 8 of Exhibits B-1 through B-3, summarizes the Project's fiscal impact on the Fire Fund.

The Fire Fund is primarily funded by property tax revenue. Revenue amounts are calculated assuming a 24.8448% weighted average share of the basic tax. See detailed calculations in Table 4 of Exhibits B-1 through B-3. Per City staff, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

> ***Note: If the allocation to the Fire Fund is adjusted to 43.74% for Alternative A and 44.12% for Alternatives B and C, the fiscal impact on the Fire Fund is break even under each of the Alternative Scenarios.***

Revenue amounts are calculated after adjusting for the 41.67% that is retained in the Fire Fund. See detailed calculations in Table 4 of Exhibits B-1 through B-3.

This FIA assumes that the Project will require one additional fire station. The FIA currently attributes 100% of the estimated operating cost of the fire station to the Project. More research would need to be done to determine if the additional fire station will service residents outside of the Project area that will contribute the station's operating budget.

The FIA uses the case study method to calculate recurring costs to the Fire Fund. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland, including paramedic staffing and operation costs, is approximately $1,237,379 annually. Jim Rissmiller also provided us with anticipated annual Wildland Fire Protection Agreement costs of $25.77 per wildland acre. See detailed calculations in Tables 8 and 17 of Exhibits B-1 through B-3.

9. Recurring Paramedic Fund Fiscal Impact

The City contracts with Cal Fire for paramedic services. See detailed calculations in Table 9 of Exhibits B-1 through B-3.

Revenue amounts are calculated based on a citywide paramedic tax from homeowners and from businesses as well as a transfer in from the Fire Department. The FIA calculates revenue amounts based on a per equivalent resident determined from the Budget. See detailed calculations in Table 9 of Exhibits B-1 through B-3.

The FIA assumes that additional paramedics required to serve the Project will operate out of the Project funded fire station. As discussed in Section 8, paramedic staffing and operation costs are included in the Fire Fund cost estimates.

At buildout, the Project is projected to have a positive annual fiscal impact on the Paramedic Fund.

10. Glossary of Selected Defined Terms and Acronyms

Budget	City of Highland Fiscal Years 2011-2013 Adopted Budget
Cal Fire	California Department of Forestry and Fire Protection
City	City of Highland
Developer	LCD Greenspot, LLC
DPFG	Development, Planning & Financing Group
ERAF	Educational Revenue Augmentation Fund
Factors	Per Capita, Per Employee, and Per Equivalent Resident Factors
FIA	Fiscal Impact Analysis
General Fund	City of Highland General Fund
Fire Fund	City of Highland Fire Fund
Paramedic Fund	City of Highland Paramedic Fund
Project	Harmony Planned Community
State	State of California
Triple Flip	Revenue "Swapping" Procedures
TRA	Tax Rate Area
VLF	Vehicle License Fees

Exhibit A
Scenario Summary
Harmony Planned Community
April 29, 2014

Scenario	**Alternative A**	**Alternative B**	**Alternative C**
Exhibit	**B-1**	**B-2**	**B-3**
Analysis Date	4/29/2014	4/29/2014	4/29/2014
Key Assumptions:			
1. 20 Acre Commercial Overlay	Without Commercial Overlay	With Commercial Overlay	With Commercial Overlay
2. Park Maintenance	No Added Cost to City (HOA Maintained)	32 Acres @ $32,635 per acre ($1,044,320/year)	No Added Cost to City (HOA Maintained)
I. GENERAL FUND			
Recurring Revenues	$ 4,953,830	$ 5,435,946	$ 5,435,946
Total Recurring Costs	2,908,126	3,936,967	2,892,647
Surplus/(Deficit)	**$ 2,045,704**	**$ 1,498,979**	**$ 2,543,299**
II. FIRE FUND			
Recurring Revenues	$ 1,192,171	$ 1,181,811	$ 1,181,811
Total Recurring Costs	1,251,269	1,251,269	1,251,269
Surplus/(Deficit)	**$ (59,098)**	**$ (69,459)**	**$ (69,459)**
III. PARAMEDIC FUND			
Recurring Revenues	$ 70,177	$ 68,837	$ 68,837
Total Recurring Costs	-	-	-
Surplus/(Deficit)	**$ 70,177**	**$ 68,837**	**$ 68,837**
IV. COMBINED FIRE FUND & PARAMEDIC FUND			
Recurring Revenues	$ 1,262,348	$ 1,250,647	$ 1,250,647
Total Recurring Costs	1,251,269	1,251,269	1,251,269
Surplus/(Deficit)	**$ 11,079**	**$ (622)**	**$ (622)**
V. COMBINED NET FISCAL IMPACT			
Recurring Revenues	$ 6,216,178	$ 6,686,593	$ 6,686,593
Total Recurring Costs	4,159,396	5,188,236	4,143,916
Surplus/(Deficit)	**$ 2,056,783**	**$ 1,498,357**	**$ 2,542,677**

Scenario	**Alternative A**	**Alternative B**	**Alternative C**
TIME PHASED NET FISCAL IMPACT - No Inflation			
Total Through 2027	**$ 9,941,074**	**$ 5,941,840**	**$ 14,900,147**
Sum of Deficits Through 2027	**$ (429,484)**	**$ (1,654,600)**	**$ (136,293)**
2015	$ (92,184)	$ (136,293)	$ (136,293)
2016	287,631	199,412	199,412
2017	541,149	1,112,406	1,112,406
2018	(147,655)	(400,463)	431,730
2019	(189,646)	(592,333)	239,859
2020	19,745	(382,942)	449,250
2021	260,119	(142,568)	689,624
2022	622,134	219,446	1,051,639
2023	1,177,053	768,762	1,600,955
2024	1,565,190	1,148,114	1,980,307
2025	1,859,527	1,266,128	2,310,448
2026	1,981,227	1,383,814	2,428,134
2027	2,056,783	1,498,357	2,542,677

Exhibit A
Scenario Summary
Harmony Planned Community
April 29, 2014

Scenario	Alternative A	Alternative B	Alternative C
Exhibit	B-1	B-2	B-3
Analysis Date	4/29/2014	4/29/2014	4/29/2014
I. GENERAL FUND			
A. Recurring Revenues			
Property Tax	$ 1,668,811	$ 1,654,308	$ 1,654,308
Property Transfer Tax	88,464	87,154	87,154
Property Tax In Lieu of Sales Tax	116,813	237,684	237,684
Off-Site Sales and Use Tax	239,485	231,771	231,771
On-Site Sales and Use Tax	160,015	581,109	581,109
Property Tax-Vehicle License Fee	1,882,769	1,866,407	1,866,407
Franchise Fees	297,564	290,743	290,743
Business License Fee	938	3,405	3,405
Licenses & Permits	27,738	26,844	26,844
Fines & Forfeitures	23,992	23,534	23,534
Miscellaneous Revenue	9,997	9,806	9,806
Intergovernmental Revenue	-	-	-
Charges for Services	79,779	77,232	77,232
Gas Tax and Traffic Safety Fund Revenue	357,465	345,949	345,949
Total Recurring Revenues	**$ 4,953,830**	**$ 5,435,946**	**$ 5,435,946**
B. Recurring Costs			
City Council	$ 14,535	$ 14,258	$ 14,258
City Clerk	24,359	23,894	23,894
General Government	65,004	63,763	63,763
Personnel	7,268	7,129	7,129
Finance	48,400	47,476	47,476
Police Department	1,793,496	1,793,496	1,793,496
Animal Control	110,523	106,963	106,963
Public Works	577,011	572,469	572,469
Engineering	60,453	59,299	59,299
Planning	68,059	66,759	66,759
Public Services	43,428	42,599	42,599
Code Enforcement	29,857	29,287	29,287
Parks	-	1,044,320	-
Graffiti	21,838	21,421	21,421
Trails	3,079	3,020	3,020
Drainage Basins	29,700	29,700	29,700
Storm Drainage Replacement	11,115	11,115	11,115
Total Recurring Costs	**$ 2,908,126**	**$ 3,936,967**	**$ 2,892,647**
General Fund Surplus/(Deficit)	**$ 2,045,704**	**$ 1,498,979**	**$ 2,543,299**
II. FIRE FUND			
Recurring Revenues	$ 1,192,171	$ 1,181,811	$ 1,181,811
Total Recurring Costs	1,251,269	1,251,269	1,251,269
Fire Fund Surplus/(Deficit)	**$ (59,098)**	**$ (69,459)**	**$ (69,459)**
III. PARAMEDIC FUND			
Recurring Revenues	$ 70,177	$ 68,837	$ 68,837
Total Recurring Costs	-	-	-
Paramedic Fund Surplus/(Deficit)	**$ 70,177**	**$ 68,837**	**$ 68,837**
IV. COMBINED FIRE FUND & PARAMEDIC FUND			
Recurring Revenues	$ 1,262,348	$ 1,250,647	$ 1,250,647
Total Recurring Costs	1,251,269	1,251,269	1,251,269
Fire Fund & Paramedic Fund Surplus/(Deficit)	**$ 11,079**	**$ (622)**	**$ (622)**
V. COMBINED NET FISCAL IMPACT			
Recurring Revenues	$ 6,216,178	$ 6,686,593	$ 6,686,593
Total Recurring Costs	4,159,396	5,188,236	4,143,916
Total Surplus/(Deficit)	**$ 2,056,783**	**$ 1,498,357**	**$ 2,542,677**

Exhibit B-1: Alternative A
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
April 29, 2014

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,668,811	$ 459.47	$ 132.40	33.7%
Property Transfer Tax	4	88,464	24.36	7.02	1.8%
Property Tax In Lieu of Sales Tax	4	116,813	32.16	9.27	2.4%
Off-Site Sales and Use Tax	5	239,485	65.94	19.00	4.8%
On-Site Sales and Use Tax	5	160,015	44.06	12.69	3.2%
Property Tax-Vehicle License Fee	6	1,882,769	518.38	149.37	38.0%
Franchise Fees	6	297,564	81.93	23.61	6.0%
Business License Fee	6	938	0.26	0.07	0.0%
Licenses & Permits	6	27,738	7.64	2.20	0.6%
Fines & Forfeitures	6	23,992	6.61	1.90	0.5%
Miscellaneous Revenue	6	9,997	2.75	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	79,779	21.97	6.33	1.6%
Gas Tax and Traffic Safety Fund Revenue	10	357,465	98.42	28.36	7.2%
Total Recurring Revenues		**$ 4,953,830**	**$ 1,363.94**	**$ 393.02**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,535	$ 4.00	$ 1.15	0.5%
City Clerk	7	$ 24,359	6.71	1.93	0.8%
General Government	7	$ 65,004	17.90	5.16	2.2%
Personnel	7	$ 7,268	2.00	0.58	0.2%
Finance	7	$ 48,400	13.33	3.84	1.7%
Police Department	7	$ 1,793,496	493.80	142.29	61.7%
Animal Control	7	$ 110,523	30.43	8.77	3.8%
Public Works	7	$ 577,011	158.87	45.78	19.8%
Engineering	7	$ 60,453	16.64	4.80	2.1%
Planning	7	$ 68,059	18.74	5.40	2.3%
Public Services	7	$ 43,428	11.96	3.45	1.5%
Code Enforcement	7	$ 29,857	8.22	2.37	1.0%
Parks	7	$ -	-	-	0.0%
Graffiti	7	$ 21,838	6.01	1.73	0.8%
Trails	7	$ 3,079	0.85	0.24	0.1%
Drainage Basins	7	$ 29,700	8.18	2.36	1.0%
Storm Drainage Replacement	7	$ 11,115	3.06	0.88	0.4%
Total Recurring Costs		**$ 2,908,126**	**$ 800.70**	**$ 230.72**	**100.0%**
General Fund Surplus/(Deficit)		**$ 2,045,704**	**$ 563.24**	**$ 162.30**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,192,171	$ 328.24	$ 94.58	
Total Recurring Costs	8	1,251,269	344.51	99.27	
Fire Fund Surplus/(Deficit)		**$ (59,098)**	**$ (16.27)**	**$ (4.69)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 70,177	$ 19.32	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 70,177**	**$ 19.32**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,262,348	$ 347.56	$ 100.15	
Total Recurring Costs		1,251,269	344.51	99.27	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 11,079**	**$ 3.05**	**$ 0.88**	
V. COMBINED NET FISCAL IMPACT					
Recurring Revenues		$ 6,216,178	$ 1,711.50	$ 493.17	
Total Recurring Costs		4,159,396	1,145.21	329.99	
Total Surplus/(Deficit)		**$ 2,056,783**	**$ 566.29**	**$ 163.18**	

Exhibit B-1: Alternative A
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
April 29, 2014

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-1: Alternative A
Table 3 - Land Use Assumptions
Harmony Planned Community
April 29, 2014

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation
I. Residential Land Use		(a)	(a)	(a)	
Condo Apartments	40	5	215	$ 210,000	$ 45,150,000
Paired	26	2	173	230,000	39,790,000
Paired	43A	3	130	230,000	29,900,000
HDD	15	2	208	250,000	52,000,000
HDD	25	3	110	250,000	27,500,000
HDD	33	4	105	250,000	26,250,000
6 Pack	27	2	115	250,000	28,750,000
6 Pack	43B	3	99	250,000	24,750,000
4 Pack L	21	2	115	290,000	33,350,000
4 Pack S	22	2	80	270,000	21,600,000
4 Pack S	23	3	77	270,000	20,790,000
SFD - 3,000 Sq. Ft.	3	1	141	310,000	43,710,000
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000
SFD - 4,000 Sq. Ft.	35	4	31	350,000	10,850,000
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000
Total/Weighted Average			3,632	$ 314,491	**$ 1,142,230,000**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	-	-	500	-	150.00	-
Neighborhood Commercial	3	0.25	-	-	500	-	150.00	-
Neighborhood Commercial	40	0.25	-	-	500	-	150.00	-
Total			5.70	62,073		124		**$ 9,310,950**

III. Total Residential and Non-Residential **$ 1,151,540,950**

IV. Population Summary

Residential Units	[1]	**3,632**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,543**
Employees	[4]	**124**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	62
Total Equivalent Residents	[3]+[5]=[6]	**12,605**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.

Exhibit B-1: Alternative A
Table 4 - Property Tax Calculations
Harmony Planned Community
April 29, 2014

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,151,540,950
Basic Rate			1.000%
Basic Tax Paid		$	11,515,410
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,860,982**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,668,811**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,192,171**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,142,230,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	159,912,200
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	87,952
B. Non-Residential			
Non-Residential Assessed Value	3	$	9,310,950
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	931,095
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	512
Total Property Transfer Tax	[1]+[2]	**$**	**88,464**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	70,025
On-Site Sales Tax Redirected to Property Tax (e)	5		46,788
Total Property Tax In-Lieu of Sales Tax		**$**	**116,813**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-1: Alternative A
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
April 29, 2014

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	350,124,800
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	112,039,936
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	28,009,984
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 280,100
Use Tax @10.50% of sales tax	10.50%	8	29,410
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(70,025)
Total Off-Site Sales Tax Revenue		$ 85	**$ 239,485**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	-	377	80%	-
Neighborhood Commercial	3	-	-	377	80%	-
Neighborhood Commercial	40	-	-	377	80%	-
Subtotal Taxable Sales for Retail Land Use			62,073			$ 18,715,258
Total Taxable Sales						$ 18,715,258
Sales Tax @1% of taxable sales					1.00%	187,153
Use Tax @10.50% of sales tax (c)					10.50%	19,651
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(46,788)
Total On-Site Sales Tax Revenue						**$ 160,015**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.

(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.

(c) Preliminary estimate for illustration purposes.

(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.

(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-1: Alternative A
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	-------- See Table 4 --------	
Property Tax - Vehicle License Fee	59	3,800,000	100%	---------- See Footnote (g) ----------					**1,882,769**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	-------- See Table 4 --------	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	-------- See Table 5 --------	
Extraction Tax	59	85,000	0%	---------- See Footnote (d) ----------					
Transient Occupancy Tax	59	168,000	0%	---------- See Footnote (d) ----------					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,605	$ 26,391
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,605	55,981
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,543	86,834
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,605	113,962
Franchise Fees - Kiosk Signs	59	5,000	0%	---------- See Footnote (d) ----------					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,605	14,395
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 297,564**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	124	**$ 938**
Property Transfer Tax	59	90,000	100%	---------- See Table 4 ----------					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,181,271
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,543	$ 25,977
Building Permits - Inspection Fees	59	400,000	100%	---------- See Footnote (e) ----------					
Building Permits - Plan Check Fees	59	65,000	100%	---------- See Footnote (e) ----------					
Building Permits - SMIP	59	3,000	100%	---------- See Footnote (e) ----------					
Building Permits - BSAR Fund	59	2,000	100%	---------- See Footnote (e) ----------					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,543	1,760
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 27,738**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,605	$ 5,998
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,605	3,999
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,605	8,997
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,605	4,998
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,992**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,605	$ 7,997
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,605	1,999
Building Rental	59	18,000	0%	---------- See Footnote (d) ----------					
Miscellaneous Revenue	59	1,000	0%	---------- See Footnote (d) ----------					
Volunteer Donations	59	8,500	0%	---------- See Footnote (d) ----------					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,997**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	---------- See Footnote (d) ----------					
State - Other	60	27,240	0%	---------- See Footnote (d) ----------					
Article 19 WDA	60	70,000	0%	---------- See Footnote (d) ----------					
SB90 State Mandate Reimbursements	60	10,000	0%	---------- See Footnote (d) ----------					
San Bernardino Unified School District	60	5,000	0%	---------- See Footnote (d) ----------					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	---------- See Table 10 ----------					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,543	23,938
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,543	39,709
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,543	3,520
Police Department Fees	60	160,000	0%	---------- See Footnote (d) ----------					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,543	352
Delinquent Refuse Admin	60	75,000	0%	---------- See Footnote (d) ----------					
Livescan Service Fees	60	1,500	0%	---------- See Footnote (d) ----------					
Foreclosure Registration Fees	60	13,000	0%	---------- See Footnote (d) ----------					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,605	1,699
Sale of Miscellaneous Copies	60	2,000	0%	---------- See Footnote (d) ----------					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,543	10,561
Operating Transfer In-Paramedic Dept.	60	10,000	0%	---------- See Footnote (d) ----------					
Operating Transfer In-Fire Department	60	10,000	0%	---------- See Footnote (d) ----------					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 79,779**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,322,777

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.
(d) Assumes Project will have a de minimis impact on these revenue sources.
(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.
(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.
(g) See Section II of Table 6.

Exhibit B-1: Alternative A
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
April 29, 2014

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05		FY 2011-12			Change
Property Tax Vehicle License Fees (VLF)	$ (a)	2,624,088	$ (b)	3,800,000	[1]	1,175,912
City Assessed Valuation	(c)	1,992,355,699	(d)	2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase					=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV					[3]	$ 1,635

Property Tax in Lieu of MVLF:		
Total Residential and Non-Residential Assessed Value (Table 3)	[4]	$ 1,151,540,950
Assessed Valuation / 1,000,000	[5]	$ 1,152
VLF Increase per $1,000,000 increase in AV	[3]	1,635
Property Tax in Lieu of MVLF	=[3]*[5]	$ 1,882,769

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-1: Alternative A
Table 7 - General Fund Cost Calculations
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,605	**$ 14,535**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,605	**24,359**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,605	**65,004**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,605	**7,268**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,605	**48,400**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,543	**110,523**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,605	$ 32,302
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,605	13,064
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,605	102,226
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,605	25,960
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,605	300
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,605	300
Street Maintenance	164	100,000	100%	See Table 16					339,120
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,605	200
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,605	1,999
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,605	9,997
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,605	41,986
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,605	960
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,605	600
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,605	7,997
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 577,011**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,605	**60,453**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,605	**68,059**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,605	**43,428**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,605	**29,857**
N. Parks	188	-	0%	See Footnote (e)					**-**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,605	**21,838**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,605	**3,079**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 14,282,410		$ 3,592,834			$ 58.33		$ 2,908,126

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. The development of the Harmony Planned Community ("Project") is not anticipated to increase the City's maintenance cost for these parks. Parks to be developed within the Project are anticipated to be HOA maintained.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-1: Alternative A
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					$ 1,192,171
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									$ -
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		**$ 1,192,171**

II. FIRE FUND COST		
A. Typical Cost per Station		
Estimated Cost per Station (d)	[1]	$ 1,237,379
Additional Fire Stations Required to Serve Project (d)	[2]	1.00
Percent of Fire Station Costs Allocable to Project	[3]	100%
Total Cost per Station	[1]X[2]X[3]=[4]	$ 1,237,379
B. Wildland Fire Protection Agreement Cost		
Acres (f)	[5]	539
Cost per Acre (g)	[6]	$ 25.77
Total Wildland Fire Protection Agreement Cost	[5]X[6]=[7]	$ 13,890
TOTAL FIRE FUND COST		**$ 1,251,269**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.

(e) Assumes Project will have a de minimis impact on these revenue sources.

(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.

(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.

Exhibit B-1: Alternative A
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,605	$ 70,177
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 70,177**
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-1: Alternative A
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
April 29, 2014

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,543
Total Gas Tax and Traffic Safety Fund Revenue						**$ 357,465**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-1: Alternative A
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
April 29, 2014

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	22	$ 171,324	$ 332,229	$ 523,901	$ 677,646	$ 782,554	$ 918,213	$ 1,053,351	$ 1,167,736	$ 1,348,958	$ 1,514,790	$ 1,607,872	$ 1,645,508	$ 1,668,811
Property Transfer Tax	22	9,103	17,652	27,632	35,800	41,374	48,582	55,763	61,840	71,469	80,280	85,226	87,226	88,464
Property Tax In Lieu of Sales Tax	22	6,247	12,127	66,994	73,838	78,562	84,558	90,342	95,239	102,797	109,506	113,458	115,502	116,813
Off-Site Sales and Use Tax	22	21,364	41,475	69,103	92,510	108,665	129,172	148,953	165,701	191,549	214,495	228,012	235,002	239,485
On-Site Sales and Use Tax	22	-	-	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015	160,015
Property Tax-Vehicle License Fee	23	193,290	374,824	591,070	764,528	882,885	1,035,938	1,188,401	1,317,452	1,521,909	1,709,002	1,814,018	1,856,479	1,882,769
Franchise Fees	23	26,452	51,353	86,599	115,582	135,585	160,976	185,469	206,206	238,210	266,621	283,358	292,012	297,564
Business License Fee	23	-	-	938	938	938	938	938	938	938	938	938	938	938
Licenses & Permits	23	2,474	4,804	8,004	10,715	12,586	14,961	17,252	19,192	22,185	24,843	26,409	27,218	27,738
Fines & Forfeitures	23	2,130	4,135	7,007	9,340	10,951	12,995	14,967	16,637	19,213	21,501	22,848	23,545	23,992
Miscellaneous Revenue	23	887	1,723	2,920	3,892	4,563	5,415	6,236	6,932	8,006	8,959	9,520	9,810	9,997
Intergovernmental Revenue	23	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	23	7,116	13,815	23,026	30,823	36,204	43,035	49,624	55,202	63,812	71,455	75,958	78,286	79,779
Gas Tax and Traffic Safety Fund Revenue	23	31,888	61,907	103,145	138,084	162,198	192,807	222,333	247,332	285,913	320,163	340,339	350,772	357,465
Total Recurring Revenues		**$ 472,276**	**$ 916,042**	**$ 1,670,353**	**$ 2,113,713**	**$ 2,417,079**	**$ 2,807,603**	**$ 3,193,643**	**$ 3,520,422**	**$ 4,034,973**	**$ 4,502,569**	**$ 4,767,972**	**$ 4,882,313**	**$ 4,953,830**
B. General Fund Recurring Costs														
City Council	24	$ 1,290	$ 2,505	$ 4,245	$ 5,659	$ 6,634	$ 7,873	$ 9,068	$ 10,079	$ 11,640	$ 13,026	$ 13,842	$ 14,264	$ 14,535
City Clerk	24	2,162	4,198	7,114	9,483	11,118	13,194	15,196	16,891	19,507	21,830	23,198	23,905	$ 24,359
General Government	24	5,770	11,202	18,985	25,307	29,670	35,209	40,552	45,076	52,057	58,255	61,906	63,793	$ 65,004
Personnel	24	645	1,252	2,123	2,829	3,317	3,936	4,534	5,040	5,820	6,513	6,921	7,132	$ 7,268
Finance	24	4,296	8,341	14,135	18,843	22,092	26,216	30,194	33,562	38,760	43,375	46,093	47,499	$ 48,400
Police Department	24	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	24	9,859	19,141	31,891	42,694	50,149	59,613	68,742	76,471	88,400	98,990	105,228	108,454	$ 110,523
Public Works	24	196,452	216,330	295,581	318,719	334,687	407,902	427,455	444,009	494,606	552,309	565,671	572,579	$ 577,011
Engineering	23	5,366	10,418	17,655	23,535	27,593	32,744	37,713	41,920	48,412	54,176	57,572	59,327	$ 60,453
Planning	23	6,041	11,729	19,877	26,496	31,064	36,863	42,457	47,194	54,503	60,992	64,814	66,791	$ 68,059
Public Services	24	3,855	7,484	12,683	16,907	19,822	23,522	27,092	30,114	34,778	38,919	41,358	42,619	$ 43,428
Code Enforcement	24	2,650	5,145	8,720	11,624	13,628	16,172	18,626	20,704	23,910	26,757	28,434	29,301	$ 29,857
Parks	25	-	-	-	-	-	-	-	-	-	-	-	-	$ -
Graffiti	24	1,938	3,763	6,378	8,502	9,968	11,828	13,623	15,143	17,488	19,570	20,797	21,431	$ 21,838
Trails	24	273	531	899	1,199	1,405	1,668	1,921	2,135	2,466	2,759	2,932	3,022	$ 3,079
Drainage Basins	25	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	25	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 659,455**	**$ 844,219**	**$ 1,354,696**	**$ 1,507,891**	**$ 1,932,903**	**$ 2,222,975**	**$ 2,470,948**	**$ 2,522,311**	**$ 2,626,524**	**$ 2,831,140**	**$ 2,872,644**	**$ 2,894,211**	**$ 2,908,126**
Net General Fund Surplus/(Deficit)		**$ (187,180)**	**$ 71,823**	**$ 315,657**	**$ 605,822**	**$ 484,176**	**$ 584,629**	**$ 722,695**	**$ 998,111**	**$ 1,408,450**	**$ 1,671,428**	**$ 1,895,328**	**$ 1,988,103**	**$ 2,045,704**
II. Fire Fund														
Total Recurring Revenues	25	$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Total Recurring Costs	25	33,625	33,625	169,269	1,264,897	1,264,897	1,258,851	1,258,851	1,258,851	1,251,269	1,251,269	1,251,269	1,251,269	1,251,269
Net Fire Fund Surplus/(Deficit)		**$ 88,767**	**$ 203,714**	**$ 204,997**	**$ (780,797)**	**$ (705,853)**	**$ (602,894)**	**$ (506,354)**	**$ (424,639)**	**$ (287,595)**	**$ (169,128)**	**$ (102,632)**	**$ (75,745)**	**$ (59,098)**
III. Paramedic Fund														
Total Recurring Revenues	25	$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 6,229**	**$ 12,094**	**$ 20,495**	**$ 27,321**	**$ 32,031**	**$ 38,011**	**$ 43,779**	**$ 48,662**	**$ 56,199**	**$ 62,890**	**$ 66,831**	**$ 68,869**	**$ 70,177**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 128,621	$ 249,432	$ 394,761	$ 511,420	$ 591,075	$ 693,967	$ 796,275	$ 882,874	$ 1,019,873	$ 1,145,031	$ 1,215,469	$ 1,244,393	$ 1,262,348
Total Recurring Costs		33,625	33,625	169,269	1,264,897	1,264,897	1,258,851	1,258,851	1,258,851	1,251,269	1,251,269	1,251,269	1,251,269	1,251,269
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 94,996**	**$ 215,808**	**$ 225,492**	**$ (753,476)**	**$ (673,822)**	**$ (564,884)**	**$ (462,575)**	**$ (375,977)**	**$ (231,396)**	**$ (106,238)**	**$ (35,800)**	**$ (6,876)**	**$ 11,079**
V. Combined General Fund, Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 600,896	$ 1,165,475	$ 2,065,114	$ 2,625,133	$ 3,008,154	$ 3,501,571	$ 3,989,919	$ 4,403,296	$ 5,054,846	$ 5,647,600	$ 5,983,441	$ 6,126,706	$ 6,216,178
Total Recurring Costs		693,080	877,844	1,523,965	2,772,788	3,197,800	3,481,826	3,729,799	3,781,162	3,877,793	4,082,410	4,123,914	4,145,480	4,159,396
Total Surplus/(Deficit)		**$ (92,184)**	**$ 287,631**	**$ 541,149**	**$ (147,655)**	**$ (189,646)**	**$ 19,745**	**$ 260,119**	**$ 622,134**	**$ 1,177,053**	**$ 1,565,190**	**$ 1,859,527**	**$ 1,981,227**	**$ 2,056,783**

Exhibit B-1: Alternative A
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
April 29, 2014

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	215		-	-	-	-	-	-	-	-	48	48	48	48	23
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	141		48	48	45	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	31		-	-	-	-	-	-	-	-	7	18	6	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,632		324	305	419	355	245	311	300	254	392	348	205	106	68
Cumulative Units			324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
Total Cumulative Residents	3.45	3	1,119	2,172	3,619	4,845	5,691	6,765	7,801	8,678	10,032	11,234	11,942	12,308	12,543

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-1: Alternative A
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
April 29, 2014

I. Residential Assessed Value Additions	Average Value per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,080,000	$ 10,080,000	$ 10,080,000	$ 10,080,000	$ 4,830,000
Paired	230,000	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	14,880,000	14,880,000	13,950,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	2,450,000	6,300,000	2,100,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions			$ 118,220,000	$ 111,030,000	$ 122,950,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 125,050,000	$ 114,430,000	$ 64,230,000	$ 25,970,000	$ 16,080,000
Cumulative Residential Assessed Value			$ 118,220,000	$ 229,250,000	$ 352,200,000	$ 458,290,000	$ 530,680,000	$ 624,290,000	$ 717,540,000	$ 796,470,000	$ 921,520,000	$ 1,035,950,000	$ 1,100,180,000	$ 1,126,150,000	$ 1,142,230,000
Total Assessed Value Additions-Average Price			$ 364,877	$ 364,033	$ 293,437	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 319,005	$ 328,822	$ 313,317	$ 245,000	$ 236,471

Exhibit B-1: Alternative A
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	62,073	-	-	-	-	-	-	-	-	-	-
Cumulative Square Feet			-	-	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073	62,073
Assessed Value Additions	$ 150	3	$ -	$ -	$ 9,310,950	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employees	500	3	-	-	124	-	-	-	-	-	-	-	-	-	-
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950
Cumulative Employees			-	-	124	124	124	124	124	124	124	124	124	124	124
50% of Cumulative Employees			-	-	62	62	62	62	62	62	62	62	62	62	62
Cumulative Equivalent Residents			1,119	2,172	3,681	4,907	5,753	6,827	7,863	8,740	10,094	11,296	12,004	12,370	12,605
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 118,220,000	$ 229,250,000	$ 361,510,950	$ 467,600,950	$ 539,990,950	$ 633,600,950	$ 726,850,950	$ 805,780,950	$ 930,830,950	$ 1,045,260,950	$ 1,109,490,950	$ 1,135,460,950	$ 1,151,540,950
Basic Tax Paid	1.00%	4	1,182,200	2,292,500	3,615,110	4,676,010	5,399,910	6,336,010	7,268,510	8,057,810	9,308,310	10,452,610	11,094,910	11,354,610	11,515,410
Total Property Tax	24.84%	4	**$ 293,715**	**$ 569,567**	**$ 898,167**	**$ 1,161,746**	**$ 1,341,598**	**$ 1,574,170**	**$ 1,805,848**	**$ 2,001,948**	**$ 2,312,632**	**$ 2,596,932**	**$ 2,756,510**	**$ 2,821,032**	**$ 2,860,982**
Total Property Tax Retained in General Fund	58.33%	4	**$ 171,324**	**$ 332,229**	**$ 523,901**	**$ 677,646**	**$ 782,554**	**$ 918,213**	**$ 1,053,351**	**$ 1,167,736**	**$ 1,348,958**	**$ 1,514,790**	**$ 1,607,872**	**$ 1,645,508**	**$ 1,668,811**
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 118,220,000	$ 229,250,000	$ 352,200,000	$ 458,290,000	$ 530,680,000	$ 624,290,000	$ 717,540,000	$ 796,470,000	$ 921,520,000	$ 1,035,950,000	$ 1,100,180,000	$ 1,126,150,000	$ 1,142,230,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 9,103	$ 17,652	$ 27,119	$ 35,288	$ 40,862	$ 48,070	$ 55,251	$ 61,328	$ 70,957	$ 79,768	$ 84,714	$ 86,714	$ 87,952
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950	$ 9,310,950
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512	$ 512
Total Property Transfer Tax			**$ 9,103**	**$ 17,652**	**$ 27,632**	**$ 35,800**	**$ 41,374**	**$ 48,582**	**$ 55,763**	**$ 61,840**	**$ 71,469**	**$ 80,280**	**$ 85,226**	**$ 87,226**	**$ 88,464**
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 6,247	$ 12,127	$ 20,205	$ 27,050	$ 31,773	$ 37,770	$ 43,554	$ 48,451	$ 56,008	$ 62,718	$ 66,670	$ 68,714	$ 70,025
On-Site Sales Tax Redirected to Property Tax			-	-	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788
Total Property Tax In-Lieu of Sales Tax			**$ 6,247**	**$ 12,127**	**$ 66,994**	**$ 73,838**	**$ 78,562**	**$ 84,558**	**$ 90,342**	**$ 95,239**	**$ 102,797**	**$ 109,506**	**$ 113,458**	**$ 115,502**	**$ 116,813**
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 31,233,600	$ 60,635,600	$ 101,027,200	$ 135,249,200	$ 158,867,200	$ 188,847,600	$ 217,767,600	$ 242,253,200	$ 280,042,000	$ 313,589,200	$ 333,351,200	$ 343,569,600	$ 350,124,800
Retail Taxable Sales	32.00%	5	9,994,752	19,403,392	32,328,704	43,279,744	50,837,504	60,431,232	69,685,632	77,521,024	89,613,440	100,348,544	106,672,384	109,942,272	112,039,936
Projected Off-Site Taxable Sales	25.00%	5	2,498,688	4,850,848	8,082,176	10,819,936	12,709,376	15,107,808	17,421,408	19,380,256	22,403,360	25,087,136	26,668,096	27,485,568	28,009,984
Sales Tax @1.00% of taxable sales	1.00%	5	24,987	48,508	80,822	108,199	127,094	151,078	174,214	193,803	224,034	250,871	266,681	274,856	280,100
Use Tax @10.50% of sales tax	10.50%	5	2,624	5,093	8,486	11,361	13,345	15,863	18,292	20,349	23,524	26,341	28,002	28,860	29,410
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(6,247)	(12,127)	(20,205)	(27,050)	(31,773)	(37,770)	(43,554)	(48,451)	(56,008)	(62,718)	(66,670)	(68,714)	(70,025)
Total Off-Site Sales Tax Revenue			**$ 21,364**	**$ 41,475**	**$ 69,103**	**$ 92,510**	**$ 108,665**	**$ 129,172**	**$ 148,953**	**$ 165,701**	**$ 191,549**	**$ 214,495**	**$ 228,012**	**$ 235,002**	**$ 239,485**
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072	$ 23,394,072
Taxable Sales	80%	5	-	-	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258	18,715,258
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153	187,153
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651	19,651
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)	(46,788)
Total On-Site Sales Tax Allocated to County			**$ -**	**$ -**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**	**$ 160,015**

Exhibit B-1: Alternative A
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
															[1]
A. Property Tax - Vehicle License Fee															
Assessed Valuation per $1,000			$ 118	$ 229	$ 362	$ 468	$ 540	$ 634	$ 727	$ 806	$ 931	$ 1,045	$ 1,109	$ 1,135	$ 1,152
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 193,290**	**$ 374,824**	**$ 591,070**	**$ 764,528**	**$ 882,885**	**$ 1,035,938**	**$ 1,188,401**	**$ 1,317,452**	**$ 1,521,909**	**$ 1,709,002**	**$ 1,814,018**	**$ 1,856,479**	**$ 1,882,769**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,343	$ 4,548	$ 7,708	$ 10,274	$ 12,046	$ 14,295	$ 16,464	$ 18,300	$ 21,135	$ 23,651	$ 25,133	$ 25,900	$ 26,391
Franchise Fees - Electric	4.44	6	4,969	9,647	16,349	21,794	25,552	30,322	34,923	38,819	44,831	50,169	53,313	54,939	55,981
Franchise Fees - Cable	6.92	6	7,746	15,038	25,056	33,543	39,400	46,836	54,008	60,081	69,453	77,773	82,674	85,208	86,834
Franchise Fees - Refuse	9.04	6	10,116	19,639	33,283	44,367	52,016	61,727	71,093	79,024	91,263	102,129	108,530	111,839	113,962
Franchise Fees - Refuse Household Waste	1.14	6	1,278	2,481	4,204	5,604	6,570	7,797	8,980	9,982	11,528	12,900	13,709	14,127	14,395
Total Franchise Fees			**$ 26,452**	**$ 51,353**	**$ 86,599**	**$ 115,582**	**$ 135,585**	**$ 160,976**	**$ 185,469**	**$ 206,206**	**$ 238,210**	**$ 266,621**	**$ 283,358**	**$ 292,012**	**$ 297,564**
C. Business License Fee	7.55	6	$ -	$ -	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,317	$ 4,499	$ 7,496	$ 10,035	$ 11,787	$ 14,011	$ 16,157	$ 17,974	$ 20,778	$ 23,267	$ 24,733	$ 25,491	$ 25,977
Yard Sale Permits	0.14	6	157	305	508	680	799	949	1,095	1,218	1,408	1,576	1,676	1,727	1,760
Total Licenses & Permits			**$ 2,474**	**$ 4,804**	**$ 8,004**	**$ 10,715**	**$ 12,586**	**$ 14,961**	**$ 17,252**	**$ 19,192**	**$ 22,185**	**$ 24,843**	**$ 26,409**	**$ 27,218**	**$ 27,738**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 532	$ 1,034	$ 1,752	$ 2,335	$ 2,738	$ 3,249	$ 3,742	$ 4,159	$ 4,803	$ 5,375	$ 5,712	$ 5,886	$ 5,998
General Fines	0.32	6	355	689	1,168	1,557	1,825	2,166	2,495	2,773	3,202	3,583	3,808	3,924	3,999
Code Enforcement Fines	0.71	6	799	1,550	2,628	3,503	4,107	4,873	5,613	6,239	7,205	8,063	8,568	8,829	8,997
Administrative Citation Program	0.40	6	444	861	1,460	1,946	2,281	2,707	3,118	3,466	4,003	4,479	4,760	4,905	4,998
Total Fines & Forfeitures			**$ 2,130**	**$ 4,135**	**$ 7,007**	**$ 9,340**	**$ 10,951**	**$ 12,995**	**$ 14,967**	**$ 16,637**	**$ 19,213**	**$ 21,501**	**$ 22,848**	**$ 23,545**	**$ 23,992**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 710	$ 1,378	$ 2,336	$ 3,113	$ 3,650	$ 4,332	$ 4,989	$ 5,546	$ 6,404	$ 7,167	$ 7,616	$ 7,848	$ 7,997
Refuse Penalties & Interest	0.16	6	177	345	584	778	913	1,083	1,247	1,386	1,601	1,792	1,904	1,962	1,999
Total Miscellaneous Revenue			**$ 887**	**$ 1,723**	**$ 2,920**	**$ 3,892**	**$ 4,563**	**$ 5,415**	**$ 6,236**	**$ 6,932**	**$ 8,006**	**$ 8,959**	**$ 9,520**	**$ 9,810**	**$ 9,997**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	2,135	4,146	6,907	9,247	10,862	12,911	14,889	16,563	19,146	21,440	22,791	23,490	23,938
Engineering Fees - Inspections	$ 3.17	6	3,542	6,877	11,458	15,339	18,018	21,418	24,698	27,475	31,761	35,565	37,807	38,965	39,709
Park Fees	0.28	6	314	610	1,016	1,360	1,597	1,899	2,190	2,436	2,816	3,153	3,352	3,454	3,520
Self Hauler fees	0.03	6	31	61	102	136	160	190	219	244	282	315	335	345	352
Recordation of Document Fees	0.13	6	151	293	496	662	776	920	1,060	1,178	1,361	1,523	1,618	1,668	1,699
Vehicle Storage Fees	0.84	6	942	1,829	3,047	4,080	4,792	5,696	6,569	7,307	8,447	9,459	10,055	10,363	10,561
Total Charges for Services			**$ 7,116**	**$ 13,815**	**$ 23,026**	**$ 30,823**	**$ 36,204**	**$ 43,035**	**$ 49,624**	**$ 55,202**	**$ 63,812**	**$ 71,455**	**$ 75,958**	**$ 78,286**	**$ 79,779**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 31,888**	**$ 61,907**	**$ 103,145**	**$ 138,084**	**$ 162,198**	**$ 192,807**	**$ 222,333**	**$ 247,332**	**$ 285,913**	**$ 320,163**	**$ 340,339**	**$ 350,772**	**$ 357,465**

Exhibit B-1: Alternative A
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs															
A. City Council	$ 1.15	7	$ 1,290	$ 2,505	$ 4,245	$ 5,659	$ 6,634	$ 7,873	$ 9,068	$ 10,079	$ 11,640	$ 13,026	$ 13,842	$ 14,264	$ 14,535
B. City Clerk	1.93	7	2,162	4,198	7,114	9,483	11,118	13,194	15,196	16,891	19,507	21,830	23,198	23,905	24,359
C. General Government	5.16	7	5,770	11,202	18,985	25,307	29,670	35,209	40,552	45,076	52,057	58,255	61,906	63,793	65,004
D. Personnel	0.58	7	645	1,252	2,123	2,829	3,317	3,936	4,534	5,040	5,820	6,513	6,921	7,132	7,268
E. Finance	3.84	7	4,296	8,341	14,135	18,843	22,092	26,216	30,194	33,562	38,760	43,375	46,093	47,499	48,400
F. Police Department		18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81	7	9,859	19,141	31,891	42,694	50,149	59,613	68,742	76,471	88,400	98,990	105,228	108,454	110,523
H. Public Works															
Salaries & Wages	$ 2.56	7	$ 2,867	$ 5,567	$ 9,434	$ 12,576	$ 14,744	$ 17,496	$ 20,151	$ 22,399	$ 25,868	$ 28,948	$ 30,762	$ 31,701	32,302
Benefits	1.04	7	1,160	2,251	3,815	5,086	5,963	7,076	8,150	9,059	10,462	11,708	12,441	12,821	13,064
Operations & Materials	8.11	7	9,074	17,617	29,855	39,798	46,660	55,370	63,772	70,886	81,865	91,611	97,353	100,322	102,226
Engineering	2.06	7	2,304	4,474	7,582	10,106	11,849	14,061	16,195	18,001	20,789	23,264	24,722	25,476	25,960
Traffic Counts	0.02	7	27	52	88	117	137	162	187	208	240	269	286	294	300
Underground Service Alert	0.02	7	27	52	88	117	137	162	187	208	240	269	286	294	300
Contract Services - Street Maintenance	1.59	7	175,334	175,334	226,105	226,105	226,105	279,050	279,050	279,050	304,098	339,120	339,120	339,120	339,120
Contract Services - Street Sweeping	0.02	7	18	34	58	78	91	108	125	139	160	179	190	196	200
Contract Services - Emergency Work	0.16	7	177	345	584	778	913	1,083	1,247	1,386	1,601	1,792	1,904	1,962	1,999
Contract Services - Striping	0.79	7	887	1,723	2,920	3,892	4,563	5,415	6,236	6,932	8,006	8,959	9,520	9,810	9,997
Contract Services - Traffic Signals	3.33	7	3,727	7,235	12,262	16,346	19,164	22,741	26,192	29,114	33,623	37,626	39,985	41,204	41,986
Contract Services - Maintenance	0.08	7	85	165	280	374	438	520	599	665	769	860	914	942	960
Contract Services - Environmental Health Services	0.05	7	53	103	175	234	274	325	374	416	480	538	571	589	600
Contract Services - Tree Trimming	0.63	7	710	1,378	2,336	3,113	3,650	4,332	4,989	5,546	6,404	7,167	7,616	7,848	7,997
Total Public Works			$ 196,452	$ 216,330	$ 295,581	$ 318,719	$ 334,687	$ 407,902	$ 427,455	$ 444,009	$ 494,606	$ 552,309	$ 565,671	$ 572,579	$ 577,011
I. Engineering	4.80	7	$ 5,366	$ 10,418	$ 17,655	$ 23,535	$ 27,593	$ 32,744	$ 37,713	$ 41,920	$ 48,412	$ 54,176	$ 57,572	$ 59,327	$ 60,453
J. Planning	5.40	7	6,041	11,729	19,877	26,496	31,064	36,863	42,457	47,194	54,503	60,992	64,814	66,791	68,059
K. Public Services	3.45	7	3,855	7,484	12,683	16,907	19,822	23,522	27,092	30,114	34,778	38,919	41,358	42,619	43,428
L. Code Enforcement	2.37	7	2,650	5,145	8,720	11,624	13,628	16,172	18,626	20,704	23,910	26,757	28,434	29,301	29,857
M. Graffiti	1.73	7	1,938	3,763	6,378	8,502	9,968	11,828	13,623	15,143	17,488	19,570	20,797	21,431	21,838
N. Trails	0.24	7	273	531	899	1,199	1,405	1,668	1,921	2,135	2,466	2,759	2,932	3,022	3,079
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14															
Sergeant			$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective			-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy			148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist			69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist			-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)			-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)			-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)			5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services			12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization			964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance			1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)			-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)			333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support			1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance			348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding			3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost			11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget			$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading			$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget			$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance															
Lane Miles (Assumes Beginning of Phase)															
Backbone Roads			27.42												
Interior Roads			19.34		13.54			14.12			6.68	9.34			
Total Lane Miles			46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)		C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
Cost per Lane Mile (See Exhibit C-2)		C-2	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750
Total Street Maintenance Cost			$ 175,334	$ 175,334	$ 226,105	$ 226,105	$ 226,105	$ 279,050	$ 279,050	$ 279,050	$ 304,098	$ 339,120	$ 339,120	$ 339,120	$ 339,120

Exhibit B-1: Alternative A
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ -	7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund			324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
A. Recurring Revenues															
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
Total Recurring Revenues			$ 122,391	$ 237,339	$ 374,266	$ 484,100	$ 559,044	$ 655,957	$ 752,497	$ 834,212	$ 963,674	$ 1,082,141	$ 1,148,638	$ 1,175,524	$ 1,192,171
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	0.11	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ 141,752	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Total Recurring Costs			$ 33,625	$ 33,625	$ 169,269	$ 1,264,897	$ 1,264,897	$ 1,258,851	$ 1,258,851	$ 1,258,851	$ 1,251,269	$ 1,251,269	$ 1,251,269	$ 1,251,269	$ 1,251,269
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 6,229	$ 12,094	$ 20,495	$ 27,321	$ 32,031	$ 38,011	$ 43,779	$ 48,662	$ 56,199	$ 62,890	$ 66,831	$ 68,869	$ 70,177

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-1: Alternative A
Table 18 - Police Phasing Analysis
Harmony Planned Community
April 29, 2014

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		324	629	1,048	1,403	1,648	1,959	2,259	2,513	2,905	3,253	3,458	3,564	3,632
Cumulative Residents		1,119	2,172	3,619	4,845	5,691	6,765	7,801	8,678	10,032	11,234	11,942	12,308	12,543
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.89	0.92	1.11	0.83	1.05	1.03	1.03	0.92	0.80	0.80	0.75	0.73	0.72
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.89	0.92	0.83	0.62	0.70	0.74	0.77	0.69	0.60	0.62	0.59	0.57	0.56
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit B-2: Alternative B
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
April 29, 2014

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,654,308	$ 470.64	$ 133.80	30.4%
Property Transfer Tax	4	87,154	24.79	7.05	1.6%
Property Tax In Lieu of Sales Tax	4	237,684	67.62	19.22	4.4%
Off-Site Sales and Use Tax	5	231,771	65.94	18.75	4.3%
On-Site Sales and Use Tax	5	581,109	165.32	47.00	10.7%
Property Tax-Vehicle License Fee	6	1,866,407	530.98	150.96	34.3%
Franchise Fees	6	290,743	82.71	23.52	5.3%
Business License Fee	6	3,405	0.97	0.28	0.1%
Licenses & Permits	6	26,844	7.64	2.17	0.5%
Fines & Forfeitures	6	23,534	6.70	1.90	0.4%
Miscellaneous Revenue	6	9,806	2.79	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	77,232	21.97	6.25	1.4%
Gas Tax and Traffic Safety Fund Revenue	10	345,949	98.42	27.98	6.4%
Total Recurring Revenues		**$ 5,435,946**	**$ 1,546.50**	**$ 439.66**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,258	$ 4.06	$ 1.15	0.4%
City Clerk	7	$ 23,894	6.80	1.93	0.6%
General Government	7	$ 63,763	18.14	5.16	1.6%
Personnel	7	$ 7,129	2.03	0.58	0.2%
Finance	7	$ 47,476	13.51	3.84	1.2%
Police Department	7	$ 1,793,496	510.24	145.06	45.6%
Animal Control	7	$ 106,963	30.43	8.65	2.7%
Public Works	7	$ 572,469	162.86	46.30	14.5%
Engineering	7	$ 59,299	16.87	4.80	1.5%
Planning	7	$ 66,759	18.99	5.40	1.7%
Public Services	7	$ 42,599	12.12	3.45	1.1%
Code Enforcement	7	$ 29,287	8.33	2.37	0.7%
Parks	7	$ 1,044,320	297.10	84.46	26.5%
Graffiti	7	$ 21,421	6.09	1.73	0.5%
Trails	7	$ 3,020	0.86	0.24	0.1%
Drainage Basins	7	$ 29,700	8.45	2.40	0.8%
Storm Drainage Replacement	7	$ 11,115	3.16	0.90	0.3%
Total Recurring Costs		**$ 3,936,967**	**$ 1,120.05**	**$ 318.42**	**100.0%**
General Fund Surplus/(Deficit)		**$ 1,498,979**	**$ 426.45**	**$ 121.24**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,181,811	$ 336.22	$ 95.59	
Total Recurring Costs	8	1,251,269	355.98	101.20	
Fire Fund Surplus/(Deficit)		**$ (69,459)**	**$ (19.76)**	**$ (5.62)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 68,837	$ 19.58	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 68,837**	**$ 19.58**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,250,647	$ 355.80	$ 101.15	
Total Recurring Costs		1,251,269	355.98	101.20	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ (622)**	**$ (0.18)**	**$ (0.05)**	
V. COMBINED NET FISCAL IMPACT					
Recurring Revenues		$ 6,686,593	$ 1,902.30	$ 540.81	
Total Recurring Costs		5,188,236	1,476.03	419.63	
Total Surplus/(Deficit)		**$ 1,498,357**	**$ 426.28**	**$ 121.19**	

Exhibit B-2: Alternative B
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
April 29, 2014

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-2: Alternative B
Table 3 - Land Use Assumptions
Harmony Planned Community
April 29, 2014

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation
I. Residential Land Use		(a)	(a)	(a)	
Condo Apartments	40	5	195	$ 210,000	$ 40,950,000
Paired	26	2	173	230,000	39,790,000
Paired	43A	3	130	230,000	29,900,000
HDD	15	2	208	250,000	52,000,000
HDD	25	3	110	250,000	27,500,000
HDD	33	4	105	250,000	26,250,000
6 Pack	27	2	115	250,000	28,750,000
6 Pack	43B	3	99	250,000	24,750,000
4 Pack L	21	2	115	290,000	33,350,000
4 Pack S	22	2	80	270,000	21,600,000
4 Pack S	23	3	77	270,000	20,790,000
SFD - 3,000 Sq. Ft.	3	1	50	310,000	15,500,000
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000
SFD - 4,000 Sq. Ft.	35	4	25	350,000	8,750,000
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000
Total/Weighted Average			3,515	$ 315,141	**$ 1,107,720,000**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	1.00	10,890	500	22	150.00	1,633,500
Neighborhood Commercial	3	0.25	13.00	141,570	500	283	150.00	21,235,500
Neighborhood Commercial	40	0.25	1.00	10,890	500	22	150.00	1,633,500
Total			20.70	225,423		451		**$ 33,813,450**

III. Total Residential and Non-Residential **$ 1,141,533,450**

IV. Population Summary

Residential Units	[1]	**3,515**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,139**
Employees	[4]	**451**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	225
Total Equivalent Residents	[3]+[5]=[6]	**12,364**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.

Exhibit B-2: Alternative B
Table 4 - Property Tax Calculations
Harmony Planned Community
April 29, 2014

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,141,533,450
Basic Rate			1.000%
Basic Tax Paid		$	11,415,335
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,836,119**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,654,308**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,181,811**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,107,720,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	155,080,800
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	85,294
B. Non-Residential			
Non-Residential Assessed Value	3	$	33,813,450
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	3,381,345
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	1,860
Total Property Transfer Tax	[1]+[2]	**$**	**87,154**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	67,769
On-Site Sales Tax Redirected to Property Tax (e)	5		169,915
Total Property Tax In-Lieu of Sales Tax		**$**	**237,684**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-2: Alternative B
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
April 29, 2014

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	338,846,000
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	108,430,720
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 271,077
Use Tax @10.50% of sales tax	10.50%	8	28,463
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(67,769)
Total Off-Site Sales Tax Revenue		$ 85	**$ 231,771**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	10,890	377	80%	3,283,379
Neighborhood Commercial	3	-	141,570	377	80%	42,683,921
Neighborhood Commercial	40	-	10,890	377	80%	3,283,379
Subtotal Taxable Sales for Retail Land Use			225,423			$ 67,965,936
Total Taxable Sales						$ 67,965,936
Sales Tax @1% of taxable sales					1.00%	679,659
Use Tax @10.50% of sales tax (c)					10.50%	71,364
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(169,915)
Total On-Site Sales Tax Revenue						**$ 581,109**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.

(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.

(c) Preliminary estimate for illustration purposes.

(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.

(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-2: Alternative B
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	-------- See Table 4 --------	
Property Tax - Vehicle License Fee	59	3,800,000	100%	---------- See Footnote (g) ----------					**1,866,407**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	-------- See Table 4 --------	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	-------- See Table 5 --------	
Extraction Tax	59	85,000	0%	---------- See Footnote (d) ----------					
Transient Occupancy Tax	59	168,000	0%	---------- See Footnote (d) ----------					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,364	$ 25,887
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,364	54,912
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,139	84,037
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,364	111,786
Franchise Fees - Kiosk Signs	59	5,000	0%	---------- See Footnote (d) ----------					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,364	14,120
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 290,743**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	451	**$ 3,405**
Property Transfer Tax	59	90,000	100%	---------- See Table 4 ----------					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,160,555
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,139	$ 25,141
Building Permits - Inspection Fees	59	400,000	100%	---------- See Footnote (e) ----------					
Building Permits - Plan Check Fees	59	65,000	100%	---------- See Footnote (e) ----------					
Building Permits - SMIP	59	3,000	100%	---------- See Footnote (e) ----------					
Building Permits - BSAR Fund	59	2,000	100%	---------- See Footnote (e) ----------					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,139	1,703
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 26,844**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,364	$ 5,883
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,364	3,922
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,364	8,825
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,364	4,903
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,534**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,364	$ 7,845
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Building Rental	59	18,000	0%	---------- See Footnote (d) ----------					
Miscellaneous Revenue	59	1,000	0%	---------- See Footnote (d) ----------					
Volunteer Donations	59	8,500	0%	---------- See Footnote (d) ----------					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,806**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	---------- See Footnote (d) ----------					
State - Other	60	27,240	0%	---------- See Footnote (d) ----------					
Article 19 WDA	60	70,000	0%	---------- See Footnote (d) ----------					
SB90 State Mandate Reimbursements	60	10,000	0%	---------- See Footnote (d) ----------					
San Bernardino Unified School District	60	5,000	0%	---------- See Footnote (d) ----------					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	---------- See Table 10 ----------					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,139	23,167
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,139	38,430
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,139	3,407
Police Department Fees	60	160,000	0%	---------- See Footnote (d) ----------					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,139	341
Delinquent Refuse Admin	60	75,000	0%	---------- See Footnote (d) ----------					
Livescan Service Fees	60	1,500	0%	---------- See Footnote (d) ----------					
Foreclosure Registration Fees	60	13,000	0%	---------- See Footnote (d) ----------					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,364	1,667
Sale of Miscellaneous Copies	60	2,000	0%	---------- See Footnote (d) ----------					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,139	10,221
Operating Transfer In-Paramedic Dept.	60	10,000	0%	---------- See Footnote (d) ----------					
Operating Transfer In-Fire Department	60	10,000	0%	---------- See Footnote (d) ----------					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 77,232**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,297,970

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.
(d) Assumes Project will have a de minimis impact on these revenue sources.
(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.
(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.
(g) See Section II of Table 6.

Exhibit B-2: Alternative B
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
April 29, 2014

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05		FY 2011-12			Change
Property Tax Vehicle License Fees (VLF)	$ (a)	2,624,088	$ (b)	3,800,000	[1]	1,175,912
City Assessed Valuation	(c)	1,992,355,699	(d)	2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase					=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV					[3]	$ 1,635

Property Tax in Lieu of MVLF:		
Total Residential and Non-Residential Assessed Value (Table 3)	[4]	$ 1,141,533,450
Assessed Valuation / 1,000,000	[5]	$ 1,142
VLF Increase per $1,000,000 increase in AV	[3]	1,635
Property Tax in Lieu of MVLF	=[3]*[5]	$ 1,866,407

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-2: Alternative B
Table 7 - General Fund Cost Calculations
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,364	**$ 14,258**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,364	**23,894**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,364	**63,763**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,364	**7,129**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,364	**47,476**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,139	**106,963**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,364	$ 31,685
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,364	12,815
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,364	100,274
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,364	25,464
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Street Maintenance	164	100,000	100%	See Table 16					339,120
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,364	196
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,364	9,806
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,364	41,184
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,364	941
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,364	588
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,364	7,845
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 572,469**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,364	**59,299**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,364	**66,759**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,364	**42,599**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,364	**29,287**
N. Parks	188	1,073,620	100%	See Footnote (e)					**1,044,320**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,364	**21,421**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,364	**3,020**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 15,356,030		$ 3,592,834			$ 58.33		$ 3,936,967

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. Park maintenance costs assumed at $32,635 per acre for maintenance of 32 acres.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-2: Alternative B
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					$ 1,181,811
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									$ -
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		**$ 1,181,811**

II. FIRE FUND COST		
A. Typical Cost per Station		
Estimated Cost per Station (d)	[1]	$ 1,237,379
Additional Fire Stations Required to Serve Project (d)	[2]	1.00
Percent of Fire Station Costs Allocable to Project	[3]	100%
Total Cost per Station	[1]X[2]X[3]=[4]	$ 1,237,379
B. Wildland Fire Protection Agreement Cost		
Acres (f)	[5]	539
Cost per Acre (g)	[6]	$ 25.77
Total Wildland Fire Protection Agreement Cost	[5]X[6]=[7]	$ 13,890
TOTAL FIRE FUND COST		**$ 1,251,269**

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.
(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.
(e) Assumes Project will have a de minimis impact on these revenue sources.
(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.

Exhibit B-2: Alternative B
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,364	$ 68,837
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 68,837**
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-2: Alternative B
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
April 29, 2014

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,139
Total Gas Tax and Traffic Safety Fund Revenue						**$ 345,949**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-2: Alternative B
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
April 29, 2014

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	22	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
Property Transfer Tax	22	8,363	16,172	26,627	34,796	40,370	47,578	54,758	60,836	70,373	79,039	83,956	85,891	87,154
Property Tax In Lieu of Sales Tax	22	5,649	10,932	171,949	178,793	183,517	189,513	195,297	200,194	207,655	214,230	226,275	228,242	237,684
Off-Site Sales and Use Tax	22	19,320	37,387	63,102	86,510	102,665	123,171	142,953	159,701	185,219	207,703	220,825	227,551	231,771
On-Site Sales and Use Tax	22	-	-	524,963	524,963	524,963	524,963	524,963	524,963	524,963	524,963	553,036	553,036	581,109
Property Tax-Vehicle License Fee	23	177,577	343,399	579,667	753,124	871,482	1,024,534	1,176,998	1,306,049	1,508,560	1,692,563	1,797,731	1,838,819	1,866,407
Franchise Fees	23	23,921	46,291	81,537	110,520	130,522	155,913	180,406	201,143	232,739	260,579	277,008	285,336	290,743
Business License Fee	23	-	-	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,240	3,240	3,405
Licenses & Permits	23	2,238	4,330	7,309	10,020	11,891	14,266	16,557	18,497	21,452	24,057	25,576	26,355	26,844
Fines & Forfeitures	23	1,926	3,727	6,678	9,012	10,622	12,666	14,638	16,308	18,852	21,093	22,422	23,093	23,534
Miscellaneous Revenue	23	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Intergovernmental Revenue	23	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	23	6,435	12,453	21,046	28,843	34,224	41,055	47,644	53,223	61,723	69,212	73,584	75,825	77,232
Gas Tax and Traffic Safety Fund Revenue	23	28,837	55,805	94,189	129,128	153,241	183,850	213,376	238,375	276,464	310,026	329,612	339,650	345,949
Total Recurring Revenues		**$ 432,466**	**$ 836,424**	**$ 2,096,719**	**$ 2,540,079**	**$ 2,843,446**	**$ 3,233,970**	**$ 3,620,010**	**$ 3,946,788**	**$ 4,456,057**	**$ 4,915,549**	**$ 5,216,045**	**$ 5,326,514**	**$ 5,435,946**
B. General Fund Recurring Costs														
City Council	24	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
City Clerk	24	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	$ 23,894
General Government	24	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	$ 63,763
Personnel	24	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	$ 7,129
Finance	24	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	$ 47,476
Police Department	24	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	24	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	$ 106,963
Public Works	24	194,431	212,289	292,322	315,459	331,428	404,643	424,196	440,750	491,021	548,268	561,444	568,092	$ 572,469
Engineering	23	4,853	9,391	16,827	22,707	26,765	31,916	36,885	41,092	47,501	53,149	56,497	58,187	$ 59,299
Planning	23	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	$ 66,759
Public Services	24	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	$ 42,599
Code Enforcement	24	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	$ 29,287
Parks	25	-	-	-	832,193	832,193	832,193	832,193	832,193	832,193	832,193	1,044,320	1,044,320	$ 1,044,320
Graffiti	24	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	$ 21,421
Trails	24	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	$ 3,020
Drainage Basins	25	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	25	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 653,211**	**$ 831,730**	**$ 1,343,375**	**$ 2,328,763**	**$ 2,753,776**	**$ 3,043,847**	**$ 3,291,821**	**$ 3,343,183**	**$ 3,446,389**	**$ 3,649,595**	**$ 3,902,557**	**$ 3,923,318**	**$ 3,936,967**
Net General Fund Surplus/(Deficit)		**$ (220,744)**	**$ 4,694**	**$ 753,344**	**$ 211,316**	**$ 89,670**	**$ 190,123**	**$ 328,189**	**$ 603,605**	**$ 1,009,669**	**$ 1,265,954**	**$ 1,313,488**	**$ 1,403,196**	**$ 1,498,979**
II. Fire Fund														
Total Recurring Revenues	25	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Costs	25	33,625	33,625	27,517	1,115,017	1,264,897	1,258,851	1,258,851	1,258,851	1,251,269	1,251,269	1,251,269	1,251,269	1,251,269
Net Fire Fund Surplus/(Deficit)		**$ 78,817**	**$ 183,816**	**$ 339,529**	**$ (638,138)**	**$ (713,073)**	**$ (610,115)**	**$ (513,575)**	**$ (431,860)**	**$ (296,048)**	**$ (179,537)**	**$ (112,944)**	**$ (86,927)**	**$ (69,459)**
III. Paramedic Fund														
Total Recurring Revenues	25	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 5,633**	**$ 10,902**	**$ 19,534**	**$ 26,359**	**$ 31,070**	**$ 37,049**	**$ 42,817**	**$ 47,701**	**$ 55,141**	**$ 61,698**	**$ 65,584**	**$ 67,546**	**$ 68,837**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 118,076	$ 228,342	$ 386,579	$ 503,238	$ 582,893	$ 685,785	$ 788,093	$ 874,692	$ 1,010,363	$ 1,133,430	$ 1,203,910	$ 1,231,887	$ 1,250,647
Total Recurring Costs		33,625	33,625	27,517	1,115,017	1,264,897	1,258,851	1,258,851	1,258,851	1,251,269	1,251,269	1,251,269	1,251,269	1,251,269
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 84,451**	**$ 194,717**	**$ 359,062**	**$ (611,779)**	**$ (682,004)**	**$ (573,066)**	**$ (470,758)**	**$ (384,159)**	**$ (240,907)**	**$ (117,839)**	**$ (47,360)**	**$ (19,382)**	**$ (622)**
V. Combined General Fund, Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 550,542	$ 1,064,766	$ 2,483,299	$ 3,043,318	$ 3,426,339	$ 3,919,755	$ 4,408,103	$ 4,821,480	$ 5,466,420	$ 6,048,979	$ 6,419,955	$ 6,558,401	$ 6,686,593
Total Recurring Costs		686,835	865,355	1,370,892	3,443,780	4,018,672	4,302,698	4,550,671	4,602,034	4,697,658	4,900,864	5,153,827	5,174,587	5,188,236
Total Surplus/(Deficit)		**$ (136,293)**	**$ 199,412**	**$ 1,112,406**	**$ (400,463)**	**$ (592,333)**	**$ (382,942)**	**$ (142,568)**	**$ 219,446**	**$ 768,762**	**$ 1,148,114**	**$ 1,266,128**	**$ 1,383,814**	**$ 1,498,357**

Exhibit B-2: Alternative B
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
April 29, 2014

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	195		-	-	-	-	-	-	-	-	44	44	44	44	19
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	50		17	17	16	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	25		-	-	-	-	-	-	-	-	6	15	4	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,515		293	274	390	355	245	311	300	254	387	341	199	102	64
Cumulative Units			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Total Cumulative Residents	3.45	3	1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-2: Alternative B
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
April 29, 2014

I. Residential Assessed Value Additions	Average Value per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 3,990,000
Paired	230,000	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	5,270,000	5,270,000	4,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	2,100,000	5,250,000	1,400,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions			$ 108,610,000	$ 101,420,000	$ 113,960,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 123,860,000	$ 112,540,000	$ 62,690,000	$ 25,130,000	$ 15,240,000
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Total Assessed Value Additions-Average Price			$ 370,683	$ 370,146	$ 292,205	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 320,052	$ 330,029	$ 315,025	$ 246,373	$ 238,125

Exhibit B-2: Alternative B
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	203,643	-	-	-	-	-	-	-	10,890	-	10,890
Cumulative Square Feet			-	-	203,643	203,643	203,643	203,643	203,643	203,643	203,643	203,643	214,533	214,533	225,423
Assessed Value Additions	$ 150	3	$ -	$ -	$ 30,546,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,633,500	$ -	$ 1,633,500
Employees	500	3	-	-	407	-	-	-	-	-	-	-	22	-	22
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Cumulative Employees			-	-	407	407	407	407	407	407	407	407	429	429	451
50% of Cumulative Employees			-	-	204	204	204	204	204	204	204	204	215	215	225
Cumulative Equivalent Residents			1,012	1,958	3,508	4,734	5,581	6,654	7,690	8,568	9,904	11,082	11,780	12,132	12,364
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 354,536,450	$ 460,626,450	$ 533,016,450	$ 626,626,450	$ 719,876,450	$ 798,806,450	$ 922,666,450	$ 1,035,206,450	$ 1,099,529,950	$ 1,124,659,950	$ 1,141,533,450
Basic Tax Paid	1.00%	4	1,086,100	2,100,300	3,545,365	4,606,265	5,330,165	6,266,265	7,198,765	7,988,065	9,226,665	10,352,065	10,995,300	11,246,600	11,415,335
Total Property Tax	24.84%	4	$ 269,840	$ 521,816	$ 880,839	$ 1,144,418	$ 1,324,270	$ 1,556,842	$ 1,788,520	$ 1,984,620	$ 2,292,348	$ 2,571,951	$ 2,731,762	$ 2,794,197	$ 2,836,119
Total Property Tax Retained in General Fund	58.33%	4	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 8,363	$ 16,172	$ 24,947	$ 33,116	$ 38,690	$ 45,898	$ 53,078	$ 59,156	$ 68,693	$ 77,359	$ 82,186	$ 84,121	$ 85,294
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,770	$ 1,770	$ 1,860
Total Property Transfer Tax			$ 8,363	$ 16,172	$ 26,627	$ 34,796	$ 40,370	$ 47,578	$ 54,758	$ 60,836	$ 70,373	$ 79,039	$ 83,956	$ 85,891	$ 87,154
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 5,649	$ 10,932	$ 18,451	$ 25,295	$ 30,019	$ 36,015	$ 41,799	$ 46,696	$ 54,158	$ 60,732	$ 64,569	$ 66,535	$ 67,769
On-Site Sales Tax Redirected to Property Tax			-	-	153,498	153,498	153,498	153,498	153,498	153,498	153,498	153,498	161,706	161,706	169,915
Total Property Tax In-Lieu of Sales Tax			$ 5,649	$ 10,932	$ 171,949	$ 178,793	$ 183,517	$ 189,513	$ 195,297	$ 200,194	$ 207,655	$ 214,230	$ 226,275	$ 228,242	$ 237,684
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 28,245,200	$ 54,658,800	$ 92,254,800	$ 126,476,800	$ 150,094,800	$ 180,075,200	$ 208,995,200	$ 233,480,800	$ 270,787,600	$ 303,660,000	$ 322,843,600	$ 332,676,400	$ 338,846,000
Retail Taxable Sales	32.00%	5	9,038,464	17,490,816	29,521,536	40,472,576	48,030,336	57,624,064	66,878,464	74,713,856	86,652,032	97,171,200	103,309,952	106,456,448	108,430,720
Projected Off-Site Taxable Sales	25.00%	5	2,259,616	4,372,704	7,380,384	10,118,144	12,007,584	14,406,016	16,719,616	18,678,464	21,663,008	24,292,800	25,827,488	26,614,112	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	5	22,596	43,727	73,804	101,181	120,076	144,060	167,196	186,785	216,630	242,928	258,275	266,141	271,077
Use Tax @10.50% of sales tax	10.50%	5	2,373	4,591	7,749	10,624	12,608	15,126	17,556	19,612	22,746	25,507	27,119	27,945	28,463
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(5,649)	(10,932)	(18,451)	(25,295)	(30,019)	(36,015)	(41,799)	(46,696)	(54,158)	(60,732)	(64,569)	(66,535)	(67,769)
Total Off-Site Sales Tax Revenue			$ 19,320	$ 37,387	$ 63,102	$ 86,510	$ 102,665	$ 123,171	$ 142,953	$ 159,701	$ 185,219	$ 207,703	$ 220,825	$ 227,551	$ 231,771
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 80,853,197	$ 80,853,197	$ 84,957,420
Taxable Sales	80%	5	-	-	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	64,682,558	64,682,558	67,965,936
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	613,992	613,992	613,992	613,992	613,992	613,992	613,992	613,992	646,826	646,826	679,659
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	64,469	64,469	64,469	64,469	64,469	64,469	64,469	64,469	67,917	67,917	71,364
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(161,706)	(161,706)	(169,915)
Total On-Site Sales Tax Allocated to County			$ -	$ -	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 524,963	$ 553,036	$ 553,036	$ 581,109

Exhibit B-2: Alternative B
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A. Property Tax - Vehicle License Fee															[1]
Assessed Valuation per $1,000			$ 109	$ 210	$ 355	$ 461	$ 533	$ 627	$ 720	$ 799	$ 923	$ 1,035	$ 1,100	$ 1,125	$ 1,142
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 177,577**	**$ 343,399**	**$ 579,667**	**$ 753,124**	**$ 871,482**	**$ 1,024,534**	**$ 1,176,998**	**$ 1,306,049**	**$ 1,508,560**	**$ 1,692,563**	**$ 1,797,731**	**$ 1,838,819**	**$ 1,866,407**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,119	$ 4,100	$ 7,346	$ 9,913	$ 11,684	$ 13,933	$ 16,102	$ 17,939	$ 20,737	$ 23,203	$ 24,664	$ 25,402	$ 25,887
Franchise Fees - Electric	4.44	6	4,494	8,696	15,582	21,027	24,785	29,555	34,156	38,052	43,987	49,218	52,318	53,883	54,912
Franchise Fees - Cable	6.92	6	7,005	13,556	22,880	31,367	37,225	44,660	51,833	57,905	67,158	75,310	80,068	82,506	84,037
Franchise Fees - Refuse	9.04	6	9,148	17,703	31,721	42,805	50,455	60,165	69,532	77,463	89,546	100,193	106,505	109,689	111,786
Franchise Fees - Refuse Household Waste	1.14	6	1,156	2,236	4,007	5,407	6,373	7,600	8,783	9,785	11,311	12,656	13,453	13,856	14,120
Total Franchise Fees			**$ 23,921**	**$ 46,291**	**$ 81,537**	**$ 110,520**	**$ 130,522**	**$ 155,913**	**$ 180,406**	**$ 201,143**	**$ 232,739**	**$ 260,579**	**$ 277,008**	**$ 285,336**	**$ 290,743**
C. Business License Fee	7.55	6	$ -	$ -	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,240	$ 3,240	$ 3,405
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,096	$ 4,055	$ 6,845	$ 9,384	$ 11,136	$ 13,361	$ 15,506	$ 17,323	$ 20,091	$ 22,530	$ 23,953	$ 24,683	$ 25,141
Yard Sale Permits	0.14	6	142	275	464	636	755	905	1,051	1,174	1,361	1,527	1,623	1,672	1,703
Total Licenses & Permits			**$ 2,238**	**$ 4,330**	**$ 7,309**	**$ 10,020**	**$ 11,891**	**$ 14,266**	**$ 16,557**	**$ 18,497**	**$ 21,452**	**$ 24,057**	**$ 25,576**	**$ 26,355**	**$ 26,844**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 481	$ 932	$ 1,670	$ 2,253	$ 2,656	$ 3,167	$ 3,660	$ 4,077	$ 4,713	$ 5,273	$ 5,606	$ 5,773	$ 5,883
General Fines	0.32	6	321	621	1,113	1,502	1,770	2,111	2,440	2,718	3,142	3,516	3,737	3,849	3,922
Code Enforcement Fines	0.71	6	722	1,398	2,504	3,379	3,983	4,750	5,489	6,115	7,069	7,910	8,408	8,660	8,825
Administrative Citation Program	0.40	6	401	776	1,391	1,877	2,213	2,639	3,050	3,397	3,927	4,394	4,671	4,811	4,903
Total Fines & Forfeitures			**$ 1,926**	**$ 3,727**	**$ 6,678**	**$ 9,012**	**$ 10,622**	**$ 12,666**	**$ 14,638**	**$ 16,308**	**$ 18,852**	**$ 21,093**	**$ 22,422**	**$ 23,093**	**$ 23,534**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 642	$ 1,242	$ 2,226	$ 3,004	$ 3,541	$ 4,222	$ 4,879	$ 5,436	$ 6,284	$ 7,031	$ 7,474	$ 7,698	$ 7,845
Refuse Penalties & Interest	0.16	6	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Total Miscellaneous Revenue			**$ 802**	**$ 1,553**	**$ 2,783**	**$ 3,755**	**$ 4,426**	**$ 5,278**	**$ 6,099**	**$ 6,795**	**$ 7,855**	**$ 8,789**	**$ 9,343**	**$ 9,622**	**$ 9,806**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	1,931	3,737	6,307	8,647	10,262	12,312	14,289	15,963	18,514	20,761	22,073	22,745	23,167
Engineering Fees - Inspections	$ 3.17	6	3,203	6,199	10,463	14,344	17,023	20,423	23,703	26,480	30,711	34,439	36,615	37,730	38,430
Park Fees	0.28	6	284	550	928	1,272	1,509	1,811	2,101	2,348	2,723	3,053	3,246	3,345	3,407
Self Hauler fees	0.03	6	28	55	93	127	151	181	210	235	272	305	325	334	341
Recordation of Document Fees	0.13	6	136	264	473	638	752	897	1,037	1,155	1,335	1,494	1,588	1,636	1,667
Vehicle Storage Fees	0.84	6	852	1,649	2,783	3,815	4,527	5,432	6,304	7,043	8,168	9,159	9,738	10,035	10,221
Total Charges for Services			**$ 6,435**	**$ 12,453**	**$ 21,046**	**$ 28,843**	**$ 34,224**	**$ 41,055**	**$ 47,644**	**$ 53,223**	**$ 61,723**	**$ 69,212**	**$ 73,584**	**$ 75,825**	**$ 77,232**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 28,837**	**$ 55,805**	**$ 94,189**	**$ 129,128**	**$ 153,241**	**$ 183,850**	**$ 213,376**	**$ 238,375**	**$ 276,464**	**$ 310,026**	**$ 329,612**	**$ 339,650**	**$ 345,949**

Exhibit B-2: Alternative B
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs															
A. City Council	$ 1.15	7	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
B. City Clerk	1.93	7	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	23,894
C. General Government	5.16	7	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	63,763
D. Personnel	0.58	7	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	7,129
E. Finance	3.84	7	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	47,476
F. Police Department		18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81	7	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	106,963
H. Public Works															
Salaries & Wages	$ 2.56	7	$ 2,593	$ 5,018	$ 8,991	$ 12,133	$ 14,301	$ 17,054	$ 19,709	$ 21,957	$ 25,382	$ 28,399	$ 30,188	$ 31,091	31,685
Benefits	1.04	7	1,049	2,029	3,636	4,907	5,784	6,897	7,971	8,880	10,265	11,486	12,209	12,574	12,815
Operations & Materials	8.11	7	8,206	15,880	28,455	38,397	45,259	53,969	62,372	69,485	80,324	89,875	95,537	98,393	100,274
Engineering	2.06	7	2,084	4,033	7,226	9,751	11,493	13,705	15,839	17,645	20,398	22,823	24,261	24,987	25,464
Traffic Counts	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Underground Service Alert	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Contract Services - Street Maintenance	1.59	7	175,334	175,334	226,105	226,105	226,105	279,050	279,050	279,050	304,098	339,120	339,120	339,120	339,120
Contract Services - Street Sweeping	0.02	7	16	31	56	75	89	106	122	136	157	176	187	192	196
Contract Services - Emergency Work	0.16	7	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Contract Services - Striping	0.79	7	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Contract Services - Traffic Signals	3.33	7	3,370	6,522	11,687	15,770	18,589	22,166	25,617	28,539	32,991	36,913	39,239	40,412	41,184
Contract Services - Maintenance	0.08	7	77	149	267	360	425	507	586	652	754	844	897	924	941
Contract Services - Environmental Health Services	0.05	7	48	93	167	225	266	317	366	408	471	527	561	577	588
Contract Services - Tree Trimming	0.63	7	642	1,242	2,226	3,004	3,541	4,222	4,879	5,436	6,284	7,031	7,474	7,698	7,845
Total Public Works			$ 194,431	$ 212,289	$ 292,322	$ 315,459	$ 331,428	$ 404,643	$ 424,196	$ 440,750	$ 491,021	$ 548,268	$ 561,444	$ 568,092	$ 572,469
I. Engineering	4.80	7	$ 4,853	$ 9,391	$ 16,827	$ 22,707	$ 26,765	$ 31,916	$ 36,885	$ 41,092	$ 47,501	$ 53,149	$ 56,497	$ 58,187	$ 59,299
J. Planning	5.40	7	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	66,759
K. Public Services	3.45	7	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	42,599
L. Code Enforcement	2.37	7	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	29,287
M. Graffiti	1.73	7	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	21,421
N. Trails	0.24	7	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	3,020
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14															
Sergeant			$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective			-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy			148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist			69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist			-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)			-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)			-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)			5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services			12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization			964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance			1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)			-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)			333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support			1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance			348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding			3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost			11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget			$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading			$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget			$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance															
Lane Miles (Assumes Beginning of Phase)															
Backbone Roads			27.42												
Interior Roads			19.34		13.54			14.12			6.68	9.34			
Total Lane Miles			46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)		C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
Cost per Lane Mile (See Exhibit C-2)		C-2	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750
Total Street Maintenance Cost			$ 175,334	$ 175,334	$ 226,105	$ 226,105	$ 226,105	$ 279,050	$ 279,050	$ 279,050	$ 304,098	$ 339,120	$ 339,120	$ 339,120	$ 339,120

Exhibit B-2: Alternative B
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ 32,635	7	$ -	$ -	$ -	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 832,193	$ 1,044,320	$ 1,044,320	$ 1,044,320
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
A. Recurring Revenues															
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Revenues			$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	-	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ -	$ 1,087,500	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Total Recurring Costs			$ 33,625	$ 33,625	$ 27,517	$ 1,115,017	$ 1,264,897	$ 1,258,851	$ 1,258,851	$ 1,258,851	$ 1,251,269	$ 1,251,269	$ 1,251,269	$ 1,251,269	$ 1,251,269
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-2: Alternative B
Table 18 - Police Phasing Analysis
Harmony Planned Community
April 29, 2014

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Cumulative Residents		1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.99	1.02	1.21	0.88	1.12	1.09	1.07	0.96	0.82	0.83	0.78	0.76	0.74
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.99	1.02	0.91	0.66	0.74	0.78	0.80	0.72	0.62	0.64	0.61	0.59	0.58
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit B-3: Alternative C
Table 1 - Fiscal Impact Analysis Summary
Harmony Planned Community
April 29, 2014

I. GENERAL FUND	Table Ref.	Buildout	Per DU	Per Equivalent Resident	Percent of Total
A. Recurring Revenues					
Property Tax	4	$ 1,654,308	$ 470.64	$ 133.80	30.4%
Property Transfer Tax	4	87,154	24.79	7.05	1.6%
Property Tax In Lieu of Sales Tax	4	237,684	67.62	19.22	4.4%
Off-Site Sales and Use Tax	5	231,771	65.94	18.75	4.3%
On-Site Sales and Use Tax	5	581,109	165.32	47.00	10.7%
Property Tax-Vehicle License Fee	6	1,866,407	530.98	150.96	34.3%
Franchise Fees	6	290,743	82.71	23.52	5.3%
Business License Fee	6	3,405	0.97	0.28	0.1%
Licenses & Permits	6	26,844	7.64	2.17	0.5%
Fines & Forfeitures	6	23,534	6.70	1.90	0.4%
Miscellaneous Revenue	6	9,806	2.79	0.79	0.2%
Intergovernmental Revenue	6	-	-	-	0.0%
Charges for Services	6	77,232	21.97	6.25	1.4%
Gas Tax and Traffic Safety Fund Revenue	10	345,949	98.42	27.98	6.4%
Total Recurring Revenues		**$ 5,435,946**	**$ 1,546.50**	**$ 439.66**	**100.0%**
B. Recurring Costs					
City Council	7	$ 14,258	$ 4.06	$ 1.15	0.5%
City Clerk	7	$ 23,894	6.80	1.93	0.8%
General Government	7	$ 63,763	18.14	5.16	2.2%
Personnel	7	$ 7,129	2.03	0.58	0.2%
Finance	7	$ 47,476	13.51	3.84	1.6%
Police Department	7	$ 1,793,496	510.24	145.06	62.0%
Animal Control	7	$ 106,963	30.43	8.65	3.7%
Public Works	7	$ 572,469	162.86	46.30	19.8%
Engineering	7	$ 59,299	16.87	4.80	2.0%
Planning	7	$ 66,759	18.99	5.40	2.3%
Public Services	7	$ 42,599	12.12	3.45	1.5%
Code Enforcement	7	$ 29,287	8.33	2.37	1.0%
Parks	7	$ -	-	-	0.0%
Graffiti	7	$ 21,421	6.09	1.73	0.7%
Trails	7	$ 3,020	0.86	0.24	0.1%
Drainage Basins	7	$ 29,700	8.45	2.40	1.0%
Storm Drainage Replacement	7	$ 11,115	3.16	0.90	0.4%
Total Recurring Costs		**$ 2,892,647**	**$ 822.94**	**$ 233.96**	**100.0%**
General Fund Surplus/(Deficit)		**$ 2,543,299**	**$ 723.56**	**$ 205.70**	
II. FIRE FUND					
Recurring Revenues	8	$ 1,181,811	$ 336.22	$ 95.59	
Total Recurring Costs	8	1,251,269	355.98	101.20	
Fire Fund Surplus/(Deficit)		**$ (69,459)**	**$ (19.76)**	**$ (5.62)**	
III. PARAMEDIC FUND					
Recurring Revenues	9	$ 68,837	$ 19.58	$ 5.57	
Total Recurring Costs	9	-	-	-	
Fire Fund Surplus/(Deficit)		**$ 68,837**	**$ 19.58**	**$ 5.57**	
IV. COMBINED FIRE FUND & PARAMEDIC FUND					
Recurring Revenues		$ 1,250,647	$ 355.80	$ 101.15	
Total Recurring Costs		1,251,269	355.98	101.20	
Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ (622)**	**$ (0.18)**	**$ (0.05)**	
V. COMBINED NET FISCAL IMPACT					
Recurring Revenues		$ 6,686,593	$ 1,902.30	$ 540.81	
Total Recurring Costs		4,143,916	1,178.92	335.16	
Total Surplus/(Deficit)		**$ 2,542,677**	**$ 723.38**	**$ 205.65**	

Exhibit B-3: Alternative C
Table 2 - Post-ERAF Share of the Basic Tax Calculation
Harmony Planned Community
April 29, 2014

Agency	Tax Rate Area (a) 018146	018147	018150	Weighted Average (b)	Excluded 104002 (d)
CITY OF HIGHLAND	24.4196%	25.9847%	24.3487%	**24.8448%**	0.0000%
COUNTY GENERAL FUND	13.8923%	12.3085%	13.8420%	13.4611%	15.5126%
EDUCATION REVENUE AUGMENTATION FUND	21.0362%	18.5996%	20.9601%	20.3728%	23.4911%
FLOOD CONTROL ZONE 3	2.4304%	2.6258%	2.4238%	2.4835%	2.7155%
FLOOD CONTROL ADMIN 3-6	0.0839%	0.1094%	0.0838%	0.0908%	0.0938%
COUNTY FREE LIBRARY	1.3449%	1.1488%	1.3415%	1.2916%	1.5023%
SUPERINTENDENT OF SCHOOLS	0.4767%	0.3829%	0.4750%	0.4512%	0.5323%
SUPERINTENDENT OF SCHOOLS	0.1873%	0.2188%	0.1869%	0.1959%	0.2094%
SUPERINTENDENT OF SCHOOLS	0.0493%	0.0547%	0.0491%	0.0507%	0.0549%
SAN BERNARDINO COMMUNITY COLLEGE	4.8793%	5.1422%	4.8665%	4.9507%	5.4524%
REDLANDS UNIFIED SCHOOL DISTRICT	28.6859%	30.7440%	28.6026%	29.2452%	32.0498%
INLAND EMPIRE JT RESOURCE CONS DIST	0.0015%	0.0000%	0.1675%	0.0023%	0.0986%
SAN BERNARDINO VALLEY WATER CONS DIST	0.0014%	0.0000%	0.1478%	0.0021%	0.0869%
SAN BERNARDINO VALLEY MUNI WATER	2.5113%	2.6805%	2.5047%	2.5573%	2.8058%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	12.6102%
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT	0.0000%	0.0000%	0.0000%	0.0000%	2.7844%
Total	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Acres (c)	1,163.15	439.02	11.65	1,613.82	43.48
% of Total	72.07%	27.20%	0.72%	100.00%	

Footnotes:

Source: San Bernardino County Auditor-Controller's Office.

(a) In addition to other ad valorem charges imposed by various local agencies, land owners in California are required to pay annual property taxes of 1% on the assessed value of their property pursuant to Proposition 13. Each County in California is divided into tax rate areas ("TRA"). After the basic 1% property tax is collected by the county, the tax is allocated to various local agencies based on each agency's share of the basic tax within the property's applicable TRA. This exhibit shows the share of the basic tax applicable to each of the four TRAs applicable to the Project.

(b) The weighted average was calculated by the distribution of acreage among TRAs 018146, 018147, and 018150.

(c) Acreage amounts per San Bernardino County Assessor's Parcel maps and information provided by LCD Greenspot, LLC.

(d) Based on the Assessor's Parcel Maps, the following Project APNs appear to be within Tax Rate Area 104002: 0297-141-110, 0297-141-111, and 0297-141-330. Based on the Share of the Basic Tax breakdown for Tax Rate Area 104002 provided by the Auditor-Controller's Office, this Tax Rate Area does not currently contribute a share of the 1% property tax levy to the City of Highland. As such, this tax rate area has been excluded from the share of the basic tax calculation and more research is needed to determine how the property tax within tax rate area 104002 will be split once the Project is developed.

Exhibit B-3: Alternative C
Table 3 - Land Use Assumptions
Harmony Planned Community
April 29, 2014

Product Type	Planning Area	Phase	Total Units	Average Value Per Unit	Residential Assessed Valuation
I. Residential Land Use		(a)	(a)	(a)	
Condo Apartments	40	5	195	$ 210,000	$ 40,950,000
Paired	26	2	173	230,000	39,790,000
Paired	43A	3	130	230,000	29,900,000
HDD	15	2	208	250,000	52,000,000
HDD	25	3	110	250,000	27,500,000
HDD	33	4	105	250,000	26,250,000
6 Pack	27	2	115	250,000	28,750,000
6 Pack	43B	3	99	250,000	24,750,000
4 Pack L	21	2	115	290,000	33,350,000
4 Pack S	22	2	80	270,000	21,600,000
4 Pack S	23	3	77	270,000	20,790,000
SFD - 3,000 Sq. Ft.	3	1	50	310,000	15,500,000
SFD - 3,000 Sq. Ft.	24	3	56	310,000	17,360,000
SFD - 3,400 Sq. Ft.	2	1	91	330,000	30,030,000
SFD - 3,400 Sq. Ft.	14	1	94	330,000	31,020,000
SFD - 3,400 Sq. Ft.	29	2	109	330,000	35,970,000
SFD - 3,400 Sq. Ft.	31	3	115	330,000	37,950,000
SFD - 3,400 Sq. Ft.	36	4	45	330,000	14,850,000
SFD - 4,000 Sq. Ft.	6	1	36	350,000	12,600,000
SFD - 4,000 Sq. Ft.	8	1	47	350,000	16,450,000
SFD - 4,000 Sq. Ft.	13	1	63	350,000	22,050,000
SFD - 4,000 Sq. Ft.	17	3	157	350,000	54,950,000
SFD - 4,000 Sq. Ft.	20	2	154	350,000	53,900,000
SFD - 4,000 Sq. Ft.	34	4	52	350,000	18,200,000
SFD - 4,000 Sq. Ft.	35	4	25	350,000	8,750,000
SFD - 4,000 Sq. Ft.	41	5	81	350,000	28,350,000
SFD - 4,500 Sq. Ft.	4	1	51	360,000	18,360,000
SFD - 4,500 Sq. Ft.	5	1	36	360,000	12,960,000
SFD - 4,500 Sq. Ft.	32	3	117	360,000	42,120,000
SFD - 4,500 Sq. Ft.	42	5	152	360,000	54,720,000
SFD - 5,000 Sq. Ft.	7	1	133	380,000	50,540,000
SFD - 5,000 Sq. Ft.	39	5	119	380,000	45,220,000
SFD - 7,200 Sq. Ft.	9	1	13	410,000	5,330,000
SFD - 7,200 Sq. Ft.	10	1	84	410,000	34,440,000
SFD - 10,000 Sq. Ft.	11	1	19	430,000	8,170,000
SFD - 10,000 Sq. Ft.	12	1	27	430,000	11,610,000
SFD - 10,000 Sq. Ft.	16	2	39	430,000	16,770,000
SFD - 10,000 Sq. Ft.	28	3	31	430,000	13,330,000
SFD - 10,000 Sq. Ft.	30	3	31	430,000	13,330,000
SFD - 40,000 Sq. Ft.	37	4	28	460,000	12,880,000
SFD - 40,000 Sq. Ft.	38	4	23	460,000	10,580,000
SFD - 40,000 Sq. Ft.	45	1	15	460,000	6,900,000
SFD - 40,000 Sq. Ft.	46	2	15	460,000	6,900,000
Total/Weighted Average			3,515	$ 315,141	**$ 1,107,720,000**

Product Type	PA	FAR	Acres	Building Sq. Ft.	Employees per Sq. Ft.	Employees	Assessed Value Per Sq. Ft.	Non-Residential Assessed Valuation
II. Non-Residential	(a)	(a)	(a)		(b)		(a)	
Neighborhood Commercial	1	0.25	5.70	62,073	500	124	$ 150.00	$ 9,310,950
Neighborhood Commercial	35	0.25	1.00	10,890	500	22	150.00	1,633,500
Neighborhood Commercial	3	0.25	13.00	141,570	500	283	150.00	21,235,500
Neighborhood Commercial	40	0.25	1.00	10,890	500	22	150.00	1,633,500
Total			20.70	225,423		451		**$ 33,813,450**

III. Total Residential and Non-Residential **$ 1,141,533,450**

IV. Population Summary

Residential Units	[1]	**3,515**
Persons per Household (c)	[2]	**3.45**
Residents	[1]X[2]=[3]	**12,139**
Employees	[4]	**451**
Equivalent Residents @ 50% of Employees	[4]X50%=[5]	225
Total Equivalent Residents	[3]+[5]=[6]	**12,364**

Footnotes:
(a) Per Greenspot Supply Matrix dated 10/28/2011 and other information provided by LCD Greenspot, LLC.
(b) Preliminary estimate for illustration purposes.
(c) City of Highland average persons per household per California Department of Finance, January 2011.

Exhibit B-3: Alternative C
Table 4 - Property Tax Calculations
Harmony Planned Community
April 29, 2014

	Table Ref.		
I. Property Tax			
Residential and Non-Residential Assessed Value	3	$	1,141,533,450
Basic Rate			1.000%
Basic Tax Paid		$	11,415,335
General Fund Share of Basic Tax (a)	2		24.8448%
Total Property Tax Revenue		**$**	**2,836,119**
Share of Property Revenue Retained in the General Fund (b)			58.33%
Total General Fund Property Tax Revenue		**$**	**1,654,308**
Share of Property Revenue Retained in the Fire Fund (b)			41.67%
Total General Fund Property Tax Revenue		**$**	**1,181,811**
II. Property Transfer Tax			
A. Residential			
Residential Assessed Value	3	$	1,107,720,000
Residential Turnover Rate (c)			14.00%
Value of Annual Turnover		$	155,080,800
Transfer Tax Rate (d)			0.0550%
Total Residential Property Transfer Tax	[1]	$	85,294
B. Non-Residential			
Non-Residential Assessed Value	3	$	33,813,450
Non-Residential Turnover Rate (c)			10.00%
Value of Annual Turnover		$	3,381,345
Transfer Tax Rate (d)			0.0550%
Total Non-Residential Property Transfer Tax	[2]	$	1,860
Total Property Transfer Tax	[1]+[2]	**$**	**87,154**
III. Property Tax In-Lieu of Sales-Tax			
Off-Site Sales Tax Redirected to Property Tax (e)	5	$	67,769
On-Site Sales Tax Redirected to Property Tax (e)	5		169,915
Total Property Tax In-Lieu of Sales Tax		**$**	**237,684**

Footnotes:

(a) See Table 2 for calculation.

(b) Per information provided by Chuck Dantuono at the City of Highland, the City historically allocates approximately 58.33% of property taxes to the General Fund and 41.67% to the Fire Fund.

(c) Assumes Residential property is sold approximately every 7 years and Non-Residential property is sold approximately every 10 years.

(d) The County may levy a transfer tax at the rate of $0.55 for each $500 of assessed value. A City within the County that levies this tax can levy a transfer tax at a rate of $0.55 per $1,000. If both the County and City levy the transfer tax, a credit shall be allowed against the amount imposed by the County in the amount of tax that is imposed by the City per California Revenue and Taxation Code 11911.

(e) 0.25% of sales tax is redirected to property tax per the "Triple Flip". See Table 5.

Exhibit B-3: Alternative C
Table 5 - Sales and Use Tax Calculations
Harmony Planned Community
April 29, 2014

I. Off-Site Sales Tax Revenue		Per Unit	Amount
Household Income (a)		$ 96,400	338,846,000
Retail Taxable Sales @32% of Household Income (b)	32.0%	30,848	108,430,720
Projected Off-Site Taxable Sales Captured in City @25% of Taxable Sales (c)	25.0%	7,712	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	$ 77	$ 271,077
Use Tax @10.50% of sales tax	10.50%	8	28,463
Less 0.25% Reclassified to Property Taxes (d)	0.25%	(0)	(67,769)
Total Off-Site Sales Tax Revenue		$ 85	**$ 231,771**

II. On-Site Sales Tax Revenue	PA	Acres	Building Sq. Ft.	Total Sales Per Sq. Ft.	% of Sales Taxable	Total Taxable Sales
Taxable Sales for Retail Land Use				(e)	(c)	
Neighborhood Commercial	1	5.70	62,073	$ 377	80%	$ 18,715,258
Neighborhood Commercial	35	-	10,890	377	80%	3,283,379
Neighborhood Commercial	3	-	141,570	377	80%	42,683,921
Neighborhood Commercial	40	-	10,890	377	80%	3,283,379
Subtotal Taxable Sales for Retail Land Use			225,423			$ 67,965,936
Total Taxable Sales						$ 67,965,936
Sales Tax @1% of taxable sales					1.00%	679,659
Use Tax @10.50% of sales tax (c)					10.50%	71,364
Less 0.25% Reclassified to Property Taxes (d)					0.25%	(169,915)
Total On-Site Sales Tax Revenue						**$ 581,109**

Footnotes:

(a) Future residents in the Harmony Planned Community are anticipated to have an average annual household income of $96,400 per the Harmony Planned Community Retail Analysis, prepared by Stoffel & Associates, dated 10/29/2011.

(b) Per U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2008 which indicates that retail taxable purchases represent approximately 32% of total household income for the average U.S. household.

(c) Preliminary estimate for illustration purposes.

(d) 0.25% of sales tax is redirected to property tax per the Triple Flip.

(e) Median sales per square foot for Neighborhood Shopping Centers in the West per The Dollars & Cents of Shopping Centers, 2008, published by the Urban Land Institute.

Exhibit B-3: Alternative C
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-13 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND REVENUE									
A. Taxes									
Secured Property Tax	59	$ 2,790,000	100%	2,790,000	PC	53,444	52.20	-------- See Table 4 --------	
Property Tax - Vehicle License Fee	59	3,800,000	100%	---------- See Footnote (g) ----------					**1,866,407**
Property Tax - Sales Tax	59	575,000	100%	575,000	PC	53,444	10.76	-------- See Table 4 --------	
Sales & Use Tax	59	1,525,000	100%	1,525,000	PC	53,444	28.53	-------- See Table 5 --------	
Extraction Tax	59	85,000	0%	---------- See Footnote (d) ----------					
Transient Occupancy Tax	59	168,000	0%	---------- See Footnote (d) ----------					
Franchise Fees									
Franchise Fees - Gas	59	$ 132,000	100%	$ 132,000	PER	63,044	$ 2.09	12,364	$ 25,887
Franchise Fees - Electric	59	280,000	100%	280,000	PER	63,044	4.44	12,364	54,912
Franchise Fees - Cable	59	370,000	100%	370,000	PC	53,444	6.92	12,139	84,037
Franchise Fees - Refuse	59	570,000	100%	570,000	PER	63,044	9.04	12,364	111,786
Franchise Fees - Kiosk Signs	59	5,000	0%	---------- See Footnote (d) ----------					
Franchise Fees - Household Waste	59	72,000	100%	72,000	PER	63,044	1.14	12,364	14,120
Subtotal Franchise Fees		$ 1,429,000		$ 1,424,000			$ 23.64		**$ 290,743**
Business License Fee	59	145,000	100%	145,000	PE	19,200	7.55	451	**$ 3,405**
Property Transfer Tax	59	90,000	100%	---------- See Table 4 ----------					
Total Taxes		$ 10,607,000		$ 6,459,000			$ 122.69		$ 2,160,555
B. Licenses & Permits									
Animal License Fee	59	$ 110,690	100%	$ 110,690	PC	53,444	$ 2.07	12,139	$ 25,141
Building Permits - Inspection Fees	59	400,000	100%	---------- See Footnote (e) ----------					
Building Permits - Plan Check Fees	59	65,000	100%	---------- See Footnote (e) ----------					
Building Permits - SMIP	59	3,000	100%	---------- See Footnote (e) ----------					
Building Permits - BSAR Fund	59	2,000	100%	---------- See Footnote (e) ----------					
Yard Sale Permits	59	7,500	100%	7,500	PC	53,444	0.14	12,139	1,703
Total Licenses & Permits		$ 588,190		$ 118,190			$ 2.21		**$ 26,844**
C. Fines & Forfeitures									
Parking Citations	59	$ 30,000	100%	$ 30,000	PER	63,044	$ 0.48	12,364	$ 5,883
General Fines	59	20,000	100%	20,000	PER	63,044	0.32	12,364	3,922
Code Enforcement Fines	59	45,000	100%	45,000	PER	63,044	0.71	12,364	8,825
Administrative Citation Program	59	25,000	100%	25,000	PER	63,044	0.40	12,364	4,903
Total Fines & Forfeitures		$ 120,000		$ 120,000			$ 1.90		**$ 23,534**
D. Miscellaneous Revenue									
Interest	59	$ 40,000	100%	$ 40,000	PER	63,044	$ 0.63	12,364	$ 7,845
Refuse Penalties & Interest	59	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Building Rental	59	18,000	0%	---------- See Footnote (d) ----------					
Miscellaneous Revenue	59	1,000	0%	---------- See Footnote (d) ----------					
Volunteer Donations	59	8,500	0%	---------- See Footnote (d) ----------					
Total Miscellaneous Revenue		$ 77,500		$ 50,000			$ 0.79		**$ 9,806**
E. Intergovernmental Revenue									
Vehicle License Tax	59	$ 130,000	0%	---------- See Footnote (d) ----------					
State - Other	60	27,240	0%	---------- See Footnote (d) ----------					
Article 19 WDA	60	70,000	0%	---------- See Footnote (d) ----------					
SB90 State Mandate Reimbursements	60	10,000	0%	---------- See Footnote (d) ----------					
San Bernardino Unified School District	60	5,000	0%	---------- See Footnote (d) ----------					
Total Intergovernmental Revenue		$ 242,240		$ -			$ -		**$ -**
F. Gas Tax Revenue	60	2,756,490	100%	---------- See Table 10 ----------					
G. Charges for Services									
Planning Fees - Other (f)	60	$ 200,000	51%	102,000	PC	53,444	1.91	12,139	23,167
Engineering Fees - Inspections (f)	60	360,000	47%	169,200	PC	53,444	3.17	12,139	38,430
Park Fees	60	15,000	100%	15,000	PC	53,444	0.28	12,139	3,407
Police Department Fees	60	160,000	0%	---------- See Footnote (d) ----------					
Self Hauler fees	60	1,500	100%	1,500	PC	53,444	0.03	12,139	341
Delinquent Refuse Admin	60	75,000	0%	---------- See Footnote (d) ----------					
Livescan Service Fees	60	1,500	0%	---------- See Footnote (d) ----------					
Foreclosure Registration Fees	60	13,000	0%	---------- See Footnote (d) ----------					
Recordation of Document Fees	60	8,500	100%	8,500	PER	63,044	0.13	12,364	1,667
Sale of Miscellaneous Copies	60	2,000	0%	---------- See Footnote (d) ----------					
Vehicle Storage Fees	60	45,000	100%	45,000	PC	53,444	0.84	12,139	10,221
Operating Transfer In-Paramedic Dept.	60	10,000	0%	---------- See Footnote (d) ----------					
Operating Transfer In-Fire Department	60	10,000	0%	---------- See Footnote (d) ----------					
Total Charges for Services		$ 901,500		$ 341,200			$ 6.36		**$ 77,232**
TOTAL GENERAL FUND REVENUE		$ 12,536,430		$ 7,088,390					$ 2,297,970

Footnotes:
(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.
(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.
(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of City public services by employees than residents.
(d) Assumes Project will have a de minimis impact on these revenue sources.
(e) Assumes one-time fees paid during Project development will cover one-time costs and the Project will not have an ongoing impact on these revenue sources.
(f) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.
(g) See Section II of Table 6.

Exhibit B-3: Alternative C
Table 6 - General Fund and MVLF Revenue Calculations
Harmony Planned Community
April 29, 2014

II. MOTOR VEHICLE LICENSE FEE ("MVLF")

FY 2011-12 City Budget and Assessed Value

Nominal Dollars:	FY 2004-05		FY 2011-12			Change
Property Tax Vehicle License Fees (VLF)	$ (a)	2,624,088	$ (b)	3,800,000	[1]	1,175,912
City Assessed Valuation	(c)	1,992,355,699	(d)	2,711,491,671	[2]	719,135,972
VLF Increase per Assessed Valuation (AV) Increase					=[1]/[2]	0.001635
VLF Increase per $1,000,000 increase in AV					[3]	$ 1,635

Property Tax in Lieu of MVLF:		
Total Residential and Non-Residential Assessed Value (Table 3)	[4]	$ 1,141,533,450
Assessed Valuation / 1,000,000	[5]	$ 1,142
VLF Increase per $1,000,000 increase in AV	[3]	1,635
Property Tax in Lieu of MVLF	=[3]*[5]	$ 1,866,407

Footnotes:

(a) Per information provided by Chuck Dantuono, Director of Administrative Services/City Treasurer, dated 4/21/2014.

(b) Per page 59 of the City of Highland Fiscal Years 2011-2013 Adopted Budget.

(c) Per the 2004 Assessment Roll provided by the County of San Bernardino County Assessor.

(d) Per the City of Highland Fiscal Year 2011-2012 Comprehensive Annual Financial Report.

Exhibit B-3: Alternative C
Table 7 - General Fund Cost Calculations
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-13 General Fund	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. GENERAL FUND COSTS									
A. City Council	136	$ 145,400	50%	$ 72,700	PER	63,044	$ 1.15	12,364	**$ 14,258**
B. City Clerk	140	243,670	50%	121,835	PER	63,044	1.93	12,364	**23,894**
C. General Government	143	650,260	50%	325,130	PER	63,044	5.16	12,364	**63,763**
D. Personnel	147	72,700	50%	36,350	PER	63,044	0.58	12,364	**7,129**
E. Finance	152	484,165	50%	242,083	PER	63,044	3.84	12,364	**47,476**
F. Police Department	156	6,819,830	100%	See Footnote (g)					**1,793,496**
G. Animal Control	160	470,940	100%	470,940	PC	53,444	8.81	12,139	**106,963**
H. Public Works									
Salaries & Wages	163	$ 323,130	50%	$ 161,565	PER	63,044	$ 2.56	12,364	$ 31,685
Benefits	163	130,685	50%	65,343	PER	63,044	1.04	12,364	12,815
Operations & Materials	163	511,300	100%	511,300	PER	63,044	8.11	12,364	100,274
Contract Services									
Software Subscriptions	164	5,500	0%	-	NU	-	-	-	-
GIS	164	12,000	0%	-	NU	-	-	-	-
Planning	164	500	0%	See Footnote (d)					
Engineering (h)	164	276,260	47%	129,842	PER	63,044	2.06	12,364	25,464
Traffic Counts	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Underground Service Alert	164	1,500	100%	1,500	PER	63,044	0.02	12,364	294
Street Maintenance	164	100,000	100%	See Table 16					339,120
Street Sweeping	164	1,000	100%	1,000	PER	63,044	0.02	12,364	196
Emergency Work	164	10,000	100%	10,000	PER	63,044	0.16	12,364	1,961
Striping	164	50,000	100%	50,000	PER	63,044	0.79	12,364	9,806
Traffic Signals	164	210,000	100%	210,000	PER	63,044	3.33	12,364	41,184
Studies	164	299,500	0%	-	NU	-	-	-	-
Maintenance	164	4,800	100%	4,800	PER	63,044	0.08	12,364	941
Environmental Health Svcs.	164	3,000	100%	3,000	PER	63,044	0.05	12,364	588
Tree Trimming	164	40,000	100%	40,000	PER	63,044	0.63	12,364	7,845
Capital Projects - Traffic Improv.	164	775,815	0%	-	NU	-	-	-	-
Total Public Works		$ 2,756,490		$ 1,189,850			$ 18.87		**$ 572,469**
I. Engineering (h)	169	$ 643,335	47%	302,367	PER	63,044	4.80	12,364	**59,299**
J. Planning (h)	174	667,465	51%	340,407	PER	63,044	5.40	12,364	**66,759**
K. Public Services	177	434,425	50%	217,213	PER	63,044	3.45	12,364	**42,599**
L. Building & Safety	181	412,890	0%	See Footnote (d)					
M. Code Enforcement	185	298,670	50%	149,335	PER	63,044	2.37	12,364	**29,287**
N. Parks	188	-	0%	See Footnote (e)					**-**
O. Graffiti	190	109,225	100%	109,225	PER	63,044	1.73	12,364	**21,421**
P. Community Volunteer Services	192	57,545	0%	See Footnote (f)					
Q. Trails	194	15,400	100%	15,400	PER	63,044	0.24	12,364	**3,020**
R. Drainage Basins		-	0%	See Footnote (i)					**29,700**
S. Storm Drainage Replacement		-	0%	See Footnote (j)					**11,115**
TOTAL GENERAL FUND COSTS		$ 14,282,410		$ 3,592,834			$ 58.33		$ 2,892,647

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget ("Highland Budget").

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Per Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Planning & Building & Safety expenses are assumed to be offset by fees and charges.

(e) Per the Budget, the Parks department budget is used to fund the 10 acre Aurantia Park and the 20 acre Highland Community Park. The development of the Harmony Planned Community ("Project") is not anticipated to increase the City's maintenance cost for these parks. Parks to be developed within the Project are anticipated to be HOA maintained.

(f) This analysis assumes that the Harmony Planned Community will have a de minimis impact on the budget for Community Volunteer Services, which emphasizes community volunteers to assist in the planning and implementation of various civic events, per the Budget.

(g) Estimated annual police budget at buildout provided by Lieutenant Anthony De Cecio, February 12, 2014. See Tables 16 and 18 for additional detail.

(h) Marginal increase percentage per email from Lawrence Mainez, City of Highland Community Development Director, dated 4/14/2014.

(i) Basin acreage calculation from RBF Consulting and maintenance cost information from Lewis records for the Preserve in Chino Project per email from Ben Macaluso dated 4/21/2014. See Table 17.

(j) See Table 17.

Exhibit B-3: Alternative C
Table 8 - Fire Fund Fiscal Impact
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. FIRE FUND REVENUE									
A. Secured Property Tax									
Secured Property Tax	83	$ 2,104,740	100%	See Calculation in Table 4					$ 1,181,811
B. Other Fire Fund Revenue									
Building Permits - Inspection Fees	83	40,000	0%	See Footnote (e)					
Building Permits - Plan Check Fees	83	33,225	0%	See Footnote (e)					
Interest	83	35,000	0%	See Footnote (e)					
Pass-Thru Fire Department	83	180,000	0%	See Footnote (e)					
Fire Department Fees	83	473,000	0%	See Footnote (e)					
Total Other Fire Fund Revenue									$ -
TOTAL FIRE FUND REVENUE		$ 2,865,965		$ -			$ -		**$ 1,181,811**

II. FIRE FUND COST		
A. Typical Cost per Station		
Estimated Cost per Station (d)	[1]	$ 1,237,379
Additional Fire Stations Required to Serve Project (d)	[2]	1.00
Percent of Fire Station Costs Allocable to Project	[3]	100%
Total Cost per Station	[1]X[2]X[3]=[4]	$ 1,237,379
B. Wildland Fire Protection Agreement Cost		
Acres (f)	[5]	539
Cost per Acre (g)	[6]	$ 25.77
Total Wildland Fire Protection Agreement Cost	[5]X[6]=[7]	$ 13,890
TOTAL FIRE FUND COST		**$ 1,251,269**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, and "PER" = Per Equivalent Resident.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) The FIA assumes that one additonal fire station will be required to provide fire protection services to the Project. Per Jim Rissmiller at the City of Highland, the cost to staff and operate a fire station in the City of Highland is approximately $1,237,379 annually. This cost includes paramedic staffing and operations.

(e) Assumes Project will have a de minimis impact on these revenue sources.

(f) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.

(g) Per email from Jim Rissmiller dated 3/10/2014 for fire services.

Exhibit B-3: Alternative C
Table 9 - Paramedic Fund Fiscal Impact
Harmony Planned Community
April 29, 2014

Description	Budget Page Ref.	FY 2011-12 Adopted Budget	Marginal Increase	[1] Net General Fund	Measure	[2] City Equivalent Units	[1]/[2]=[3] Factor	[4] Project Equivalent Units	[3]X[4] Amount
	(a)	(a)			(b)	(c)			
I. PARAMEDIC FUND REVENUE									
A. Property Tax - Paramedic Tax	83	$ 351,000	100%	$ 351,000	PER	63,044	$ 5.57	12,364	$ 68,837
B. Operating Transfer In-Fire Department	83	884,790	0%	-	NU	-	-	-	-
TOTAL PARAMEDIC FUND REVENUE		$ 1,235,790		$ 351,000			$ 5.57		**$ 68,837**
II. PARAMEDIC FUND COST									
A. Operations & Materials	234	$ 108,640	100%	See Footnote (d)					
B. Contractual Services - Paramedic Dept.	234	1,117,150	100%	See Footnote (d)					
C. Contractual Services - Medical Director	234	10,000	100%	See Footnote (d)					
TOTAL PARAMEDIC FUND COSTS		$ 1,235,790		$ -			$ -		**$ -**

Footnotes:

(a) Per City of Highland Fiscal Years 2011-2013 Adopted Budget.

(b) "PC"= Per Capita, "PE" = Per Employee, "PER" = Equivalent Resident, and "NU" = Not Used.

(c) Total population of 53,444 per the California Dept. of Finance as of January 2011. Total employment of 19,200 per the California Employment Development Department as of November 2011. For per equivalent resident factors, employment was reduced by 50% to account for the estimated less frequent use of city public services by employees than residents.

(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-3: Alternative C
Table 10 - Street Maintenance Revenue and Cost Calculations
Harmony Planned Community
April 29, 2014

I. Gas Tax and Traffic Safety Fund Revenue	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Equivalent Residents						
Employment (b)	20,800	20,300	19,100	19,000	19,200	
50% Employment	10,400	10,150	9,550	9,500	9,600	
Population (a)	52,516	52,725	53,037	53,104	53,444	
Total Equivalent Residents	62,916	62,875	62,587	62,604	63,044	
Gas Tax Revenue (a)						
Gas Tax Revenue						
Gas Tax 2106	$ 194,889	$ 176,821	$ 181,224	$ 171,240	$ 169,093	$ 178,653
Gas Tax 2107	412,654	375,040	381,550	361,352	349,114	375,942
Gas Tax 2107.5	7,500	7,500	7,500	7,500	7,500	7,500
Gas Tax 2105	308,371	281,785	286,281	270,541	243,262	278,048
Gas Tax 2103	-	-	-	499,886	719,023	243,782
Prop 42	-	443,975	473,913	-	-	183,578
	$ 923,414	$ 1,285,121	$ 1,330,467	$ 1,310,519	$ 1,487,992	$ 1,267,503
Traffic Safety Fund (c)						
Vehicle Code Fines	$ 186,685	$ 186,685	$ 310,431	$ 70,000	$ 310,000	$ 212,760
Redlight Traffic Cameras	-	-	-	152,400	-	30,480
Total	$ 1,110,099	$ 1,471,806	$ 1,640,898	$ 1,532,919	$ 1,797,992	$ 2,778,245
Cost per Capita	$ 21.14	$ 27.91	$ 30.94	$ 28.87	$ 33.64	$ 28.50
Project Residents						12,139
Total Gas Tax and Traffic Safety Fund Revenue						**$ 345,949**

II. Street Maintenance Costs - Not Used (f)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	5-Year Avg.
Cost per Lane Mile (a)						
General Fund Street Maintenance Expenditures (c)	$ 100,000	$ 86,057	$ 21,358	$ 50,000	$ 100,000	$ 71,483
Non-General Fund Street Maintenance Expenditures						
Gas Tax Expenditures	$ 1,008,447	$ 1,053,498	$ 1,075,849	$ 1,165,058	$ 1,112,546	$ 1,083,080
Traffic Safety Fund-Crossing Guards	34,331	29,271	30,075	29,928	31,217	30,964
Traffic Safety Fund-Traffic Improvements	-	19,868	-	8,710	29,054	11,526
AQMD Fund-Signal Synchronization	19,941	2,260	3,600	9,900	19,660	11,072
Public Works Maintenance Expenditures on Capital Projects						
General Fund	$ -	$ -	$ 52,881	$ -	$ 195,000	$ 49,576
Gas Tax Fund	115,342	-	-	49,846	40,000	41,038
Total	$ 1,278,060	$ 1,190,953	$ 1,183,763	$ 1,313,442	$ 1,527,477	$ 1,298,739
						Total
Total Revenue-Total Cost	$ (167,961)	$ 280,853	$ 457,135	$ 219,476	$ 270,515	$ 1,060,018
Gas Tax Revenue - Gas Tax Expenditure	$ (85,033)	$ 231,623	$ 254,618	$ 145,460	$ 375,446	$ 922,115
City Lane Miles (a)						327.6
Total Cost Per Lane Mile						$ 3,964
Total Project Lane Miles (e)						90.44
Total Street Maintenance Costs						**$ 358,541**

Footnotes:

(a) Per Harmony Fiscal Impact Analysis - Engineering Comments memorandum prepared by Ernie Wong, Public Works Director/City Engineer, dated 9/6/2012.
(b) November 2011 for FY 2011-12 per California Employment Development Department.
(c) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes minimum amount from available years.
(d) Per City of Highland Fiscal Years 2011-2013 Adopted Budget. Fiscal year 2007-08 revenue not available. Assumes maximum amount from available years.
(e) Per Harmony Roadway Calculations spreadsheet provided by PlaceWorks dated 4/18/2014.
(f) See Exhibit C-1 and C-2.

Exhibit B-3: Alternative C
Table 11 - Phased Fiscal Impact Analysis Summary
Harmony Planned Community
April 29, 2014

	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund														
A. General Fund Recurring Revenues														
Property Tax	22	$ 157,397	$ 304,375	$ 513,794	$ 667,539	$ 772,446	$ 908,106	$ 1,043,244	$ 1,157,629	$ 1,337,127	$ 1,500,219	$ 1,593,437	$ 1,629,855	$ 1,654,308
Property Transfer Tax	22	8,363	16,172	26,627	34,796	40,370	47,578	54,758	60,836	70,373	79,039	83,956	85,891	87,154
Property Tax In Lieu of Sales Tax	22	5,649	10,932	171,949	178,793	183,517	189,513	195,297	200,194	207,655	214,230	226,275	228,242	237,684
Off-Site Sales and Use Tax	22	19,320	37,387	63,102	86,510	102,665	123,171	142,953	159,701	185,219	207,703	220,825	227,551	231,771
On-Site Sales and Use Tax	22	-	-	524,963	524,963	524,963	524,963	524,963	524,963	524,963	524,963	553,036	553,036	581,109
Property Tax-Vehicle License Fee	23	177,577	343,399	579,667	753,124	871,482	1,024,534	1,176,998	1,306,049	1,508,560	1,692,563	1,797,731	1,838,819	1,866,407
Franchise Fees	23	23,921	46,291	81,537	110,520	130,522	155,913	180,406	201,143	232,739	260,579	277,008	285,336	290,743
Business License Fee	23	-	-	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,076	3,240	3,240	3,405
Licenses & Permits	23	2,238	4,330	7,309	10,020	11,891	14,266	16,557	18,497	21,452	24,057	25,576	26,355	26,844
Fines & Forfeitures	23	1,926	3,727	6,678	9,012	10,622	12,666	14,638	16,308	18,852	21,093	22,422	23,093	23,534
Miscellaneous Revenue	23	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Intergovernmental Revenue	23	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	23	6,435	12,453	21,046	28,843	34,224	41,055	47,644	53,223	61,723	69,212	73,584	75,825	77,232
Gas Tax and Traffic Safety Fund Revenue	23	28,837	55,805	94,189	129,128	153,241	183,850	213,376	238,375	276,464	310,026	329,612	339,650	345,949
Total Recurring Revenues		**$ 432,466**	**$ 836,424**	**$ 2,096,719**	**$ 2,540,079**	**$ 2,843,446**	**$ 3,233,970**	**$ 3,620,010**	**$ 3,946,788**	**$ 4,456,057**	**$ 4,915,549**	**$ 5,216,045**	**$ 5,326,514**	**$ 5,435,946**
B. General Fund Recurring Costs														
City Council	24	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
City Clerk	24	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	$ 23,894
General Government	24	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	$ 63,763
Personnel	24	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	$ 7,129
Finance	24	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	$ 47,476
Police Department	24	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	$ 1,793,496
Animal Control	24	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	$ 106,963
Public Works	24	194,431	212,289	292,322	315,459	331,428	404,643	424,196	440,750	491,021	548,268	561,444	568,092	$ 572,469
Engineering	23	4,853	9,391	16,827	22,707	26,765	31,916	36,885	41,092	47,501	53,149	56,497	58,187	$ 59,299
Planning	23	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	$ 66,759
Public Services	24	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	$ 42,599
Code Enforcement	24	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	$ 29,287
Parks	25	-	-	-	-	-	-	-	-	-	-	-	-	$ -
Graffiti	24	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	$ 21,421
Trails	24	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	$ 3,020
Drainage Basins	25	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700	$ 29,700
Storm Drainage Replacement	25	8,764	8,939	9,118	9,300	9,486	9,676	9,870	10,067	10,268	10,474	10,683	10,897	$ 11,115
Total Recurring Costs		**$ 653,211**	**$ 831,730**	**$ 1,343,375**	**$ 1,496,571**	**$ 1,921,583**	**$ 2,211,654**	**$ 2,459,628**	**$ 2,510,991**	**$ 2,614,196**	**$ 2,817,403**	**$ 2,858,237**	**$ 2,878,998**	**$ 2,892,647**
Net General Fund Surplus/(Deficit)		**$ (220,744)**	**$ 4,694**	**$ 753,344**	**$ 1,043,509**	**$ 921,863**	**$ 1,022,316**	**$ 1,160,382**	**$ 1,435,798**	**$ 1,841,861**	**$ 2,098,146**	**$ 2,357,808**	**$ 2,447,516**	**$ 2,543,299**
II. Fire Fund														
Total Recurring Revenues	25	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Costs	25	33,625	33,625	27,517	1,115,017	1,264,897	1,258,851	1,258,851	1,258,851	1,251,269	1,251,269	1,251,269	1,251,269	1,251,269
Net Fire Fund Surplus/(Deficit)		**$ 78,817**	**$ 183,816**	**$ 339,529**	**$ (638,138)**	**$ (713,073)**	**$ (610,115)**	**$ (513,575)**	**$ (431,860)**	**$ (296,048)**	**$ (179,537)**	**$ (112,944)**	**$ (86,927)**	**$ (69,459)**
III. Paramedic Fund														
Total Recurring Revenues	25	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
Total Recurring Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paramedic Fund Surplus/(Deficit)		**$ 5,633**	**$ 10,902**	**$ 19,534**	**$ 26,359**	**$ 31,070**	**$ 37,049**	**$ 42,817**	**$ 47,701**	**$ 55,141**	**$ 61,698**	**$ 65,584**	**$ 67,546**	**$ 68,837**
IV. Combined Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 118,076	$ 228,342	$ 386,579	$ 503,238	$ 582,893	$ 685,785	$ 788,093	$ 874,692	$ 1,010,363	$ 1,133,430	$ 1,203,910	$ 1,231,887	$ 1,250,647
Total Recurring Costs		33,625	33,625	27,517	1,115,017	1,264,897	1,258,851	1,258,851	1,258,851	1,251,269	1,251,269	1,251,269	1,251,269	1,251,269
Net Fire Fund and Paramedic Fund Surplus/(Deficit)		**$ 84,451**	**$ 194,717**	**$ 359,062**	**$ (611,779)**	**$ (682,004)**	**$ (573,066)**	**$ (470,758)**	**$ (384,159)**	**$ (240,907)**	**$ (117,839)**	**$ (47,360)**	**$ (19,382)**	**$ (622)**
V. Combined General Fund, Fire Fund & Paramedic Fund														
Total Recurring Revenues		$ 550,542	$ 1,064,766	$ 2,483,299	$ 3,043,318	$ 3,426,339	$ 3,919,755	$ 4,408,103	$ 4,821,480	$ 5,466,420	$ 6,048,979	$ 6,419,955	$ 6,558,401	$ 6,686,593
Total Recurring Costs		686,835	865,355	1,370,892	2,611,588	3,186,480	3,470,505	3,718,479	3,769,842	3,865,465	4,068,672	4,109,507	4,130,267	4,143,916
Total Surplus/(Deficit)		**$ (136,293)**	**$ 199,412**	**$ 1,112,406**	**$ 431,730**	**$ 239,859**	**$ 449,250**	**$ 689,624**	**$ 1,051,639**	**$ 1,600,955**	**$ 1,980,307**	**$ 2,310,448**	**$ 2,428,134**	**$ 2,542,677**

Exhibit B-3: Alternative C
Table 12 - Residential Land Use Absorption Schedule
Harmony Planned Community
April 29, 2014

I. Residential Absorption (See Exhibit A, Table 3) (a)	Total	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	195		-	-	-	-	-	-	-	-	44	44	44	44	19
Paired	173		-	-	48	48	48	29	-	-	-	-	-	-	-
Paired	130		-	-	-	-	-	18	48	48	16	-	-	-	-
HDD	208		-	-	62	62	43	31	10	-	-	-	-	-	-
HDD	110		-	-	-	-	-	-	16	25	25	25	19	-	-
HDD	105		-	-	-	-	-	-	-	-	-	-	12	48	45
6 Pack	115		-	-	34	34	24	17	6	-	-	-	-	-	-
6 Pack	99		-	-	-	-	-	-	15	23	23	23	15	-	-
4 Pack L	115		-	-	48	48	19	-	-	-	-	-	-	-	-
4 Pack S	80		-	-	48	32	-	-	-	-	-	-	-	-	-
4 Pack S	77		-	-	-	-	-	48	29	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	50		17	17	16	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	56		-	-	-	-	-	48	8	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	91		24	24	24	19	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	94		24	24	24	22	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	109		-	-	-	6	48	48	7	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	115		-	-	-	-	-	-	41	48	26	-	-	-	-
SFD - 3,400 Sq. Ft.	45		-	-	-	-	-	-	-	-	21	24	-	-	-
SFD - 4,000 Sq. Ft.	36		14	13	9	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	47		18	17	12	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	63		24	23	16	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	157		-	-	-	-	-	-	43	53	43	18	-	-	-
SFD - 4,000 Sq. Ft.	154		-	-	-	44	48	48	14	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	52		-	-	-	-	-	-	-	-	13	30	9	-	-
SFD - 4,000 Sq. Ft.	25		-	-	-	-	-	-	-	-	6	15	4	-	-
SFD - 4,000 Sq. Ft.	81		-	-	-	-	-	-	-	-	37	29	12	3	-
SFD - 4,500 Sq. Ft.	51		21	19	11	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	36		14	14	7	1	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	117		-	-	-	-	-	-	39	43	26	9	-	-	-
SFD - 4,500 Sq. Ft.	152		-	-	-	-	-	-	-	-	62	55	32	3	-
SFD - 5,000 Sq. Ft.	133		53	50	30	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	119		-	-	-	-	-	-	-	-	45	45	28	1	-
SFD - 7,200 Sq. Ft.	13		6	6	1	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	84		42	42	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	19		15	4	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	27		21	6	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	39		-	-	-	24	15	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 10,000 Sq. Ft.	31		-	-	-	-	-	12	12	7	-	-	-	-	-
SFD - 40,000 Sq. Ft.	28		-	-	-	-	-	-	-	-	-	13	13	2	-
SFD - 40,000 Sq. Ft.	23		-	-	-	-	-	-	-	-	-	11	11	1	-
SFD - 40,000 Sq. Ft.	15		-	15	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	15		-	-	-	15	-	-	-	-	-	-	-	-	-
Total Residential Absorption	3,515		293	274	390	355	245	311	300	254	387	341	199	102	64
Cumulative Units			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Total Cumulative Residents	3.45	3	1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139

Footnotes:
(a) Per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.

Exhibit B-3: Alternative C
Table 13 - Phased Residential Assessed Value Additions
Harmony Planned Community
April 29, 2014

I. Residential Assessed Value Additions	Average Value per Unit	Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Condo Apartments	$ 210,000	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 9,240,000	$ 3,990,000
Paired	230,000	3	-	-	11,040,000	11,040,000	11,040,000	6,670,000	-	-	-	-	-	-	-
Paired	230,000	3	-	-	-	-	-	4,140,000	11,040,000	11,040,000	3,680,000	-	-	-	-
HDD	250,000	3	-	-	15,500,000	15,500,000	10,750,000	7,750,000	2,500,000	-	-	-	-	-	-
HDD	250,000	3	-	-	-	-	-	-	4,000,000	6,250,000	6,250,000	6,250,000	4,750,000	-	-
HDD	250,000	3	-	-	-	-	-	-	-	-	-	-	3,000,000	12,000,000	11,250,000
6 Pack	250,000	3	-	-	8,500,000	8,500,000	6,000,000	4,250,000	1,500,000	-	-	-	-	-	-
6 Pack	250,000	3	-	-	-	-	-	-	3,750,000	5,750,000	5,750,000	5,750,000	3,750,000	-	-
4 Pack L	290,000	3	-	-	13,920,000	13,920,000	5,510,000	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	12,960,000	8,640,000	-	-	-	-	-	-	-	-	-
4 Pack S	270,000	3	-	-	-	-	-	12,960,000	7,830,000	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	5,270,000	5,270,000	4,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 3,000 Sq. Ft.	310,000	3	-	-	-	-	-	14,880,000	2,480,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	6,270,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	7,920,000	7,920,000	7,920,000	7,260,000	-	-	-	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	1,980,000	15,840,000	15,840,000	2,310,000	-	-	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	13,530,000	15,840,000	8,580,000	-	-	-	-
SFD - 3,400 Sq. Ft.	330,000	3	-	-	-	-	-	-	-	-	6,930,000	7,920,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	4,900,000	4,550,000	3,150,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	6,300,000	5,950,000	4,200,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	8,400,000	8,050,000	5,600,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	15,050,000	18,550,000	15,050,000	6,300,000	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	15,400,000	16,800,000	16,800,000	4,900,000	-	-	-	-	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	4,550,000	10,500,000	3,150,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	2,100,000	5,250,000	1,400,000	-	-
SFD - 4,000 Sq. Ft.	350,000	3	-	-	-	-	-	-	-	-	12,950,000	10,150,000	4,200,000	1,050,000	-
SFD - 4,500 Sq. Ft.	360,000	3	7,560,000	6,840,000	3,960,000	-	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	5,040,000	5,040,000	2,520,000	360,000	-	-	-	-	-	-	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	14,040,000	15,480,000	9,360,000	3,240,000	-	-	-
SFD - 4,500 Sq. Ft.	360,000	3	-	-	-	-	-	-	-	-	22,320,000	19,800,000	11,520,000	1,080,000	-
SFD - 5,000 Sq. Ft.	380,000	3	20,140,000	19,000,000	11,400,000	-	-	-	-	-	-	-	-	-	-
SFD - 5,000 Sq. Ft.	380,000	3	-	-	-	-	-	-	-	-	17,100,000	17,100,000	10,640,000	380,000	-
SFD - 7,200 Sq. Ft.	410,000	3	2,460,000	2,460,000	410,000	-	-	-	-	-	-	-	-	-	-
SFD - 7,200 Sq. Ft.	410,000	3	17,220,000	17,220,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	6,450,000	1,720,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	9,030,000	2,580,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	10,320,000	6,450,000	-	-	-	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 10,000 Sq. Ft.	430,000	3	-	-	-	-	-	5,160,000	5,160,000	3,010,000	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,980,000	5,980,000	920,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	-	-	-	-	-	-	5,060,000	5,060,000	460,000	-
SFD - 40,000 Sq. Ft.	460,000	3	-	6,900,000	-	-	-	-	-	-	-	-	-	-	-
SFD - 40,000 Sq. Ft.	460,000	3	-	-	-	6,900,000	-	-	-	-	-	-	-	-	-
Total Assessed Value Additions			$ 108,610,000	$ 101,420,000	$ 113,960,000	$ 106,090,000	$ 72,390,000	$ 93,610,000	$ 93,250,000	$ 78,930,000	$ 123,860,000	$ 112,540,000	$ 62,690,000	$ 25,130,000	$ 15,240,000
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Total Assessed Value Additions-Average Price			$ 370,683	$ 370,146	$ 292,205	$ 298,845	$ 295,469	$ 300,997	$ 310,833	$ 310,748	$ 320,052	$ 330,029	$ 315,025	$ 246,373	$ 238,125

Exhibit B-3: Alternative C
Table 14 - Phased Non-Residential Land Use Assumptions and General Fund Recurring Revenues
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Non Residential Land Use Assumptions															
Neighborhood Commercial															
Square Feet			-	-	203,643	-	-	-	-	-	-	-	10,890	-	10,890
Cumulative Square Feet			-	-	203,643	203,643	203,643	203,643	203,643	203,643	203,643	203,643	214,533	214,533	225,423
Assessed Value Additions	$ 150	3	$ -	$ -	$ 30,546,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,633,500	$ -	$ 1,633,500
Employees	500	3	-	-	407	-	-	-	-	-	-	-	22	-	22
Cumulative Non-Residential Assessed Value Additions			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Cumulative Employees			-	-	407	407	407	407	407	407	407	407	429	429	451
50% of Cumulative Employees			-	-	204	204	204	204	204	204	204	204	215	215	225
Cumulative Equivalent Residents			1,012	1,958	3,508	4,734	5,581	6,654	7,690	8,568	9,904	11,082	11,780	12,132	12,364
II. General Fund Recurring Revenues															
A. Property Tax															
Total Residential and Non-Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 354,536,450	$ 460,626,450	$ 533,016,450	$ 626,626,450	$ 719,876,450	$ 798,806,450	$ 922,666,450	$ 1,035,206,450	$ 1,099,529,950	$ 1,124,659,950	$ 1,141,533,450
Basic Tax Paid	1.00%	4	1,086,100	2,100,300	3,545,365	4,606,265	5,330,165	6,266,265	7,198,765	7,988,065	9,226,665	10,352,065	10,995,300	11,246,600	11,415,335
Total Property Tax	24.84%	4	**$ 269,840**	**$ 521,816**	**$ 880,839**	**$ 1,144,418**	**$ 1,324,270**	**$ 1,556,842**	**$ 1,788,520**	**$ 1,984,620**	**$ 2,292,348**	**$ 2,571,951**	**$ 2,731,762**	**$ 2,794,197**	**$ 2,836,119**
Total Property Tax Retained in General Fund	58.33%	4	**$ 157,397**	**$ 304,375**	**$ 513,794**	**$ 667,539**	**$ 772,446**	**$ 908,106**	**$ 1,043,244**	**$ 1,157,629**	**$ 1,337,127**	**$ 1,500,219**	**$ 1,593,437**	**$ 1,629,855**	**$ 1,654,308**
B. Property Transfer Tax															
Residential Property Transfer Tax															
Cumulative Residential Assessed Value			$ 108,610,000	$ 210,030,000	$ 323,990,000	$ 430,080,000	$ 502,470,000	$ 596,080,000	$ 689,330,000	$ 768,260,000	$ 892,120,000	$ 1,004,660,000	$ 1,067,350,000	$ 1,092,480,000	$ 1,107,720,000
Residential Property Turnover Rate	14.0%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Residential Property Transfer Tax			$ 8,363	$ 16,172	$ 24,947	$ 33,116	$ 38,690	$ 45,898	$ 53,078	$ 59,156	$ 68,693	$ 77,359	$ 82,186	$ 84,121	$ 85,294
Non-Residential Property Transfer Tax															
Cumulative Non-Residential Assessed Value			$ -	$ -	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 30,546,450	$ 32,179,950	$ 32,179,950	$ 33,813,450
Non-Residential Property Turnover Rate	10.00%	4													
Transfer Tax as a % of Price	0.055%	4													
Total Non-Residential Property Transfer Tax			$ -	$ -	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,680	$ 1,770	$ 1,770	$ 1,860
Total Property Transfer Tax			**$ 8,363**	**$ 16,172**	**$ 26,627**	**$ 34,796**	**$ 40,370**	**$ 47,578**	**$ 54,758**	**$ 60,836**	**$ 70,373**	**$ 79,039**	**$ 83,956**	**$ 85,891**	**$ 87,154**
C. Property Tax In-Lieu of Sales Tax															
Off-Site Sales Tax Redirected to Property Tax			$ 5,649	$ 10,932	$ 18,451	$ 25,295	$ 30,019	$ 36,015	$ 41,799	$ 46,696	$ 54,158	$ 60,732	$ 64,569	$ 66,535	$ 67,769
On-Site Sales Tax Redirected to Property Tax			-	-	153,498	153,498	153,498	153,498	153,498	153,498	153,498	153,498	161,706	161,706	169,915
Total Property Tax In-Lieu of Sales Tax			**$ 5,649**	**$ 10,932**	**$ 171,949**	**$ 178,793**	**$ 183,517**	**$ 189,513**	**$ 195,297**	**$ 200,194**	**$ 207,655**	**$ 214,230**	**$ 226,275**	**$ 228,242**	**$ 237,684**
D. Off-Site Sales Tax															
Household Income	$ 96,400	5	$ 28,245,200	$ 54,658,800	$ 92,254,800	$ 126,476,800	$ 150,094,800	$ 180,075,200	$ 208,995,200	$ 233,480,800	$ 270,787,600	$ 303,660,000	$ 322,843,600	$ 332,676,400	$ 338,846,000
Retail Taxable Sales	32.00%	5	9,038,464	17,490,816	29,521,536	40,472,576	48,030,336	57,624,064	66,878,464	74,713,856	86,652,032	97,171,200	103,309,952	106,456,448	108,430,720
Projected Off-Site Taxable Sales	25.00%	5	2,259,616	4,372,704	7,380,384	10,118,144	12,007,584	14,406,016	16,719,616	18,678,464	21,663,008	24,292,800	25,827,488	26,614,112	27,107,680
Sales Tax @1.00% of taxable sales	1.00%	5	22,596	43,727	73,804	101,181	120,076	144,060	167,196	186,785	216,630	242,928	258,275	266,141	271,077
Use Tax @10.50% of sales tax	10.50%	5	2,373	4,591	7,749	10,624	12,608	15,126	17,556	19,612	22,746	25,507	27,119	27,945	28,463
Less 0.25% Reclassified to Property Taxes	-0.25%	5	(5,649)	(10,932)	(18,451)	(25,295)	(30,019)	(36,015)	(41,799)	(46,696)	(54,158)	(60,732)	(64,569)	(66,535)	(67,769)
Total Off-Site Sales Tax Revenue			**$ 19,320**	**$ 37,387**	**$ 63,102**	**$ 86,510**	**$ 102,665**	**$ 123,171**	**$ 142,953**	**$ 159,701**	**$ 185,219**	**$ 207,703**	**$ 220,825**	**$ 227,551**	**$ 231,771**
E. On-Site Sales Tax Revenue															
Total Sales per Sq. Ft	$ 377	5	$ -	$ -	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 76,748,974	$ 80,853,197	$ 80,853,197	$ 84,957,420
Taxable Sales	80%	5	-	-	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	61,399,179	64,682,558	64,682,558	67,965,936
Sales Tax (@1% of Taxable Sales)	1.00%	4	-	-	613,992	613,992	613,992	613,992	613,992	613,992	613,992	613,992	646,826	646,826	679,659
Use Tax (@10.5% of Sales Tax)	10.50%	4	-	-	64,469	64,469	64,469	64,469	64,469	64,469	64,469	64,469	67,917	67,917	71,364
Less 0.25% Reclassified to Property Taxes	-0.25%	5	-	-	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(153,498)	(161,706)	(161,706)	(169,915)
Total On-Site Sales Tax Allocated to County			**$ -**	**$ -**	**$ 524,963**	**$ 524,963**	**$ 524,963**	**$ 524,963**	**$ 524,963**	**$ 524,963**	**$ 524,963**	**$ 524,963**	**$ 553,036**	**$ 553,036**	**$ 581,109**

Exhibit B-3: Alternative C
Table 15 - Phased General Fund Recurring Revenues Continued
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A. Property Tax - Vehicle License Fee															[1]
Assessed Valuation per $1,000			$ 109	$ 210	$ 355	$ 461	$ 533	$ 627	$ 720	$ 799	$ 923	$ 1,035	$ 1,100	$ 1,125	$ 1,142
Total Property Tax - Vehicle License Fee	$ 1,635.00	6	**$ 177,577**	**$ 343,399**	**$ 579,667**	**$ 753,124**	**$ 871,482**	**$ 1,024,534**	**$ 1,176,998**	**$ 1,306,049**	**$ 1,508,560**	**$ 1,692,563**	**$ 1,797,731**	**$ 1,838,819**	**$ 1,866,407**
B. Franchise Fees															
Franchise Fees - Gas	$ 2.09	6	$ 2,119	$ 4,100	$ 7,346	$ 9,913	$ 11,684	$ 13,933	$ 16,102	$ 17,939	$ 20,737	$ 23,203	$ 24,664	$ 25,402	$ 25,887
Franchise Fees - Electric	4.44	6	4,494	8,696	15,582	21,027	24,785	29,555	34,156	38,052	43,987	49,218	52,318	53,883	54,912
Franchise Fees - Cable	6.92	6	7,005	13,556	22,880	31,367	37,225	44,660	51,833	57,905	67,158	75,310	80,068	82,506	84,037
Franchise Fees - Refuse	9.04	6	9,148	17,703	31,721	42,805	50,455	60,165	69,532	77,463	89,546	100,193	106,505	109,689	111,786
Franchise Fees - Refuse Household Waste	1.14	6	1,156	2,236	4,007	5,407	6,373	7,600	8,783	9,785	11,311	12,656	13,453	13,856	14,120
Total Franchise Fees			**$ 23,921**	**$ 46,291**	**$ 81,537**	**$ 110,520**	**$ 130,522**	**$ 155,913**	**$ 180,406**	**$ 201,143**	**$ 232,739**	**$ 260,579**	**$ 277,008**	**$ 285,336**	**$ 290,743**
C. Business License Fee	7.55	6	$ -	$ -	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,076	$ 3,240	$ 3,240	$ 3,405
D. Licenses & Permits															
Animal License Fee	$ 2.07	6	$ 2,096	$ 4,055	$ 6,845	$ 9,384	$ 11,136	$ 13,361	$ 15,506	$ 17,323	$ 20,091	$ 22,530	$ 23,953	$ 24,683	$ 25,141
Yard Sale Permits	0.14	6	142	275	464	636	755	905	1,051	1,174	1,361	1,527	1,623	1,672	1,703
Total Licenses & Permits			**$ 2,238**	**$ 4,330**	**$ 7,309**	**$ 10,020**	**$ 11,891**	**$ 14,266**	**$ 16,557**	**$ 18,497**	**$ 21,452**	**$ 24,057**	**$ 25,576**	**$ 26,355**	**$ 26,844**
E. Fines & Forfeitures															
Parking Citations	$ 0.48	6	$ 481	$ 932	$ 1,670	$ 2,253	$ 2,656	$ 3,167	$ 3,660	$ 4,077	$ 4,713	$ 5,273	$ 5,606	$ 5,773	$ 5,883
General Fines	0.32	6	321	621	1,113	1,502	1,770	2,111	2,440	2,718	3,142	3,516	3,737	3,849	3,922
Code Enforcement Fines	0.71	6	722	1,398	2,504	3,379	3,983	4,750	5,489	6,115	7,069	7,910	8,408	8,660	8,825
Administrative Citation Program	0.40	6	401	776	1,391	1,877	2,213	2,639	3,050	3,397	3,927	4,394	4,671	4,811	4,903
Total Fines & Forfeitures			**$ 1,926**	**$ 3,727**	**$ 6,678**	**$ 9,012**	**$ 10,622**	**$ 12,666**	**$ 14,638**	**$ 16,308**	**$ 18,852**	**$ 21,093**	**$ 22,422**	**$ 23,093**	**$ 23,534**
F. Miscellaneous Revenue															
Interest	$ 0.63	6	$ 642	$ 1,242	$ 2,226	$ 3,004	$ 3,541	$ 4,222	$ 4,879	$ 5,436	$ 6,284	$ 7,031	$ 7,474	$ 7,698	$ 7,845
Refuse Penalties & Interest	0.16	6	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Total Miscellaneous Revenue			**$ 802**	**$ 1,553**	**$ 2,783**	**$ 3,755**	**$ 4,426**	**$ 5,278**	**$ 6,099**	**$ 6,795**	**$ 7,855**	**$ 8,789**	**$ 9,343**	**$ 9,622**	**$ 9,806**
G. Intergovernmental Revenue															
Vehicle License Tax	$ -	6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Intergovernmental Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
H. Charges for Services															
Planning Fees - Other	$ 1.91	6	1,931	3,737	6,307	8,647	10,262	12,312	14,289	15,963	18,514	20,761	22,073	22,745	23,167
Engineering Fees - Inspections	$ 3.17	6	3,203	6,199	10,463	14,344	17,023	20,423	23,703	26,480	30,711	34,439	36,615	37,730	38,430
Park Fees	0.28	6	284	550	928	1,272	1,509	1,811	2,101	2,348	2,723	3,053	3,246	3,345	3,407
Self Hauler fees	0.03	6	28	55	93	127	151	181	210	235	272	305	325	334	341
Recordation of Document Fees	0.13	6	136	264	473	638	752	897	1,037	1,155	1,335	1,494	1,588	1,636	1,667
Vehicle Storage Fees	0.84	6	852	1,649	2,783	3,815	4,527	5,432	6,304	7,043	8,168	9,159	9,738	10,035	10,221
Total Charges for Services			**$ 6,435**	**$ 12,453**	**$ 21,046**	**$ 28,843**	**$ 34,224**	**$ 41,055**	**$ 47,644**	**$ 53,223**	**$ 61,723**	**$ 69,212**	**$ 73,584**	**$ 75,825**	**$ 77,232**
I. Gas Tax and Traffic Safety Fund Revenue	$ 28.50	10	**$ 28,837**	**$ 55,805**	**$ 94,189**	**$ 129,128**	**$ 153,241**	**$ 183,850**	**$ 213,376**	**$ 238,375**	**$ 276,464**	**$ 310,026**	**$ 329,612**	**$ 339,650**	**$ 345,949**

Exhibit B-3: Alternative C
Table 16 - Phased General Fund Recurring Costs
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. General Fund Recurring Costs															
A. City Council	$ 1.15	7	$ 1,167	$ 2,258	$ 4,046	$ 5,460	$ 6,435	$ 7,674	$ 8,868	$ 9,880	$ 11,421	$ 12,779	$ 13,584	$ 13,990	$ 14,258
B. City Clerk	1.93	7	1,955	3,784	6,780	9,149	10,785	12,860	14,862	16,557	19,140	21,416	22,765	23,446	23,894
C. General Government	5.16	7	5,218	10,098	18,094	24,416	28,780	34,319	39,661	44,185	51,077	57,150	60,751	62,567	63,763
D. Personnel	0.58	7	583	1,129	2,023	2,730	3,218	3,837	4,434	4,940	5,711	6,389	6,792	6,995	7,129
E. Finance	3.84	7	3,885	7,519	13,472	18,180	21,429	25,553	29,531	32,899	38,031	42,553	45,233	46,586	47,476
F. Police Department		18	380,391	503,541	875,592	957,095	1,332,569	1,506,858	1,694,207	1,694,207	1,694,207	1,793,496	1,793,496	1,793,496	1,793,496
G. Animal Control	8.81	7	8,916	17,254	29,122	39,925	47,380	56,844	65,973	73,702	85,479	95,856	101,911	105,015	106,963
H. Public Works															
Salaries & Wages	$ 2.56	7	$ 2,593	$ 5,018	$ 8,991	$ 12,133	$ 14,301	$ 17,054	$ 19,709	$ 21,957	$ 25,382	$ 28,399	$ 30,188	$ 31,091	31,685
Benefits	1.04	7	1,049	2,029	3,636	4,907	5,784	6,897	7,971	8,880	10,265	11,486	12,209	12,574	12,815
Operations & Materials	8.11	7	8,206	15,880	28,455	38,397	45,259	53,969	62,372	69,485	80,324	89,875	95,537	98,393	100,274
Engineering	2.06	7	2,084	4,033	7,226	9,751	11,493	13,705	15,839	17,645	20,398	22,823	24,261	24,987	25,464
Traffic Counts	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Underground Service Alert	0.02	7	24	47	83	113	133	158	183	204	236	264	280	289	294
Contract Services - Street Maintenance	1.59	7	175,334	175,334	226,105	226,105	226,105	279,050	279,050	279,050	304,098	339,120	339,120	339,120	339,120
Contract Services - Street Sweeping	0.02	7	16	31	56	75	89	106	122	136	157	176	187	192	196
Contract Services - Emergency Work	0.16	7	160	311	557	751	885	1,056	1,220	1,359	1,571	1,758	1,869	1,924	1,961
Contract Services - Striping	0.79	7	802	1,553	2,783	3,755	4,426	5,278	6,099	6,795	7,855	8,789	9,343	9,622	9,806
Contract Services - Traffic Signals	3.33	7	3,370	6,522	11,687	15,770	18,589	22,166	25,617	28,539	32,991	36,913	39,239	40,412	41,184
Contract Services - Maintenance	0.08	7	77	149	267	360	425	507	586	652	754	844	897	924	941
Contract Services - Environmental Health Services	0.05	7	48	93	167	225	266	317	366	408	471	527	561	577	588
Contract Services - Tree Trimming	0.63	7	642	1,242	2,226	3,004	3,541	4,222	4,879	5,436	6,284	7,031	7,474	7,698	7,845
Total Public Works			$ 194,431	$ 212,289	$ 292,322	$ 315,459	$ 331,428	$ 404,643	$ 424,196	$ 440,750	$ 491,021	$ 548,268	$ 561,444	$ 568,092	$ 572,469
I. Engineering	4.80	7	$ 4,853	$ 9,391	$ 16,827	$ 22,707	$ 26,765	$ 31,916	$ 36,885	$ 41,092	$ 47,501	$ 53,149	$ 56,497	$ 58,187	$ 59,299
J. Planning	5.40	7	5,463	10,573	18,944	25,564	30,132	35,931	41,525	46,261	53,477	59,836	63,605	65,507	66,759
K. Public Services	3.45	7	3,486	6,746	12,088	16,312	19,227	22,927	26,497	29,519	34,124	38,181	40,586	41,800	42,599
L. Code Enforcement	2.37	7	2,397	4,638	8,311	11,215	13,219	15,763	18,217	20,295	23,460	26,250	27,903	28,738	29,287
M. Graffiti	1.73	7	1,753	3,392	6,079	8,203	9,668	11,529	13,324	14,844	17,159	19,199	20,409	21,019	21,421
N. Trails	0.24	7	247	478	857	1,156	1,363	1,626	1,879	2,093	2,419	2,707	2,877	2,964	3,020
O. Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14															
Sergeant			$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective			-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy			148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist			69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist			-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit (Capital Facility)			-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit (Capital Facility)			-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup (Capital Facility)			5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services			12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization			964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance			1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC (Capital Facility)			-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers (Capital Facility)			333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support			1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance			348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding			3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost			11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget			$ 253,594	$ 428,541	$ 800,592	$ 882,095	$ 1,257,569	$ 1,431,858	$ 1,619,207	$ 1,619,207	$ 1,619,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
6 Months Grading			$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	-	-	-	-
Total Police Department Budget			$ 380,391	$ 503,541	$ 875,592	$ 957,095	$ 1,332,569	$ 1,506,858	$ 1,694,207	$ 1,694,207	$ 1,694,207	$ 1,793,496	$ 1,793,496	$ 1,793,496	$ 1,793,496
P. Street Maintenance															
Lane Miles (Assumes Beginning of Phase)															
Backbone Roads			27.42												
Interior Roads			19.34		13.54			14.12			6.68	9.34			
Total Lane Miles			46.76	-	13.54	-	-	14.12	-	-	6.68	9.34	-	-	-
Cumulative Lane Miles (See Exhibit C-1)		C-1	46.76	46.76	60.30	60.30	60.30	74.42	74.42	74.42	81.10	90.44	90.44	90.44	90.44
Cost per Lane Mile (See Exhibit C-2)		C-2	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750
Total Street Maintenance Cost			$ 175,334	$ 175,334	$ 226,105	$ 226,105	$ 226,105	$ 279,050	$ 279,050	$ 279,050	$ 304,098	$ 339,120	$ 339,120	$ 339,120	$ 339,120

Exhibit B-3: Alternative C
Table 17 - Phased General Fund Recurring Costs Continued and Fire Fund and Paramedic Fund Impact
Harmony Planned Community
April 29, 2014

		Table Ref.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Q. Park Maintenance															
Park Acres (Assumes End of Phase)															
20 Acre Park						20.00									
5.5 Acre Park Next to School						5.50									
6.5 Acre Park													6.50		
Total Park Acres			-	-	-	25.50	-	-	-	-	-	-	6.50	-	-
Cumulative Park Acres			-	-	-	25.50	25.50	25.50	25.50	25.50	25.50	25.50	32.00	32.00	32.00
Total Park Maintenance Cost	$ -	7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
R. Drainage Basins															
Acres of Drainage Basins			15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total Drainage Basins Maintenance Cost	$ 1,980	7	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700	$ 29,700
S. Storm Drainage Replacement															
Annual Contribution Increase	2.00%	C-3	-	175	179	182	186	190	194	197	201	205	209	214	218
Total Storm Drainage Replacement Cost		C-3	$ 8,764	$ 8,939	$ 9,118	$ 9,300	$ 9,486	$ 9,676	$ 9,870	$ 10,067	$ 10,268	$ 10,474	$ 10,683	$ 10,897	$ 11,115
II. Fire Fund			293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
A. Recurring Revenues															
Secured Property Tax Retained in Fire Fund	41.67%	4	$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
Total Recurring Revenues			$ 112,442	$ 217,441	$ 367,046	$ 476,879	$ 551,823	$ 648,736	$ 745,276	$ 826,991	$ 955,221	$ 1,071,732	$ 1,138,325	$ 1,164,342	$ 1,181,811
B. Recurring Costs															
Fire Station Cost															
Fire Stations Required for Project (a)			-	-	-	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percent of Fire Station Costs Allocable to Project			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Subtotal Fire Station Costs	$ 1,237,379	8	$ -	$ -	$ -	$ 1,087,500	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379	$ 1,237,379
Wildland Fire Protection Agreement Cost															
Total Project Acres (b)	[1]		1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0	1,658.0
Cumulative Acres Built Outs (b) (c)															
Phase 1 Acres			353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2	353.2
Phase 2 Acres					237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Phase 3 Acres								234.6	234.6	234.6	234.6	234.6	234.6	234.6	234.6
Phase 4 Acres											133.5	133.5	133.5	133.5	133.5
Phase 5 Acres											160.7	160.7	160.7	160.7	160.7
Cumulative Acres Built Out	[2]		353.2	353.2	590.2	590.2	590.2	824.8	824.8	824.8	1,119.0	1,119.0	1,119.0	1,119.0	1,119.0
Total Fire Protection Acres	=[1] - [2]		1,304.8	1,304.8	1,067.8	1,067.8	1,067.8	833.2	833.2	833.2	539.0	539.0	539.0	539.0	539.0
Wildland Fire Protection Agreement Cost	$ 25.77	8	$ 33,625	$ 33,625	$ 27,517	$ 27,517	$ 27,517	$ 21,472	$ 21,472	$ 21,472	$ 13,890	$ 13,890	$ 13,890	$ 13,890	$ 13,890
Total Recurring Costs			$ 33,625	$ 33,625	$ 27,517	$ 1,115,017	$ 1,264,897	$ 1,258,851	$ 1,258,851	$ 1,258,851	$ 1,251,269	$ 1,251,269	$ 1,251,269	$ 1,251,269	$ 1,251,269
III. Paramedic Fund															
A. Recurring Revenues															
A. Property Tax - Paramedic Tax	$ 5.57	9	$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837
B. Recurring Costs (d)			-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenues			$ 5,633	$ 10,902	$ 19,534	$ 26,359	$ 31,070	$ 37,049	$ 42,817	$ 47,701	$ 55,141	$ 61,698	$ 65,584	$ 67,546	$ 68,837

Footnotes:
(a) Fraction represents portion of year.
(b) Per Lewis Harmony Acreage spreadsheet provided by Ben Macaluso dated 4/16/2014.
(c) Timing of phase per Greenspot Supply Matrix dated 5/15/2012 and other information provided by LCD Greenspot, LLC. For differentiated products selling in the same price range, this analysis spread the projected absorption among the products evenly within a given year based on total number of units. Commercial absorption timing and apartment timing based on conversations with LCD Greenspot, LLC.
(d) Paramedic staffing and operations for a new fire station have been included in the Fire Fund costs in Table 8.

Exhibit B-3: Alternative C
Table 18 - Police Phasing Analysis
Harmony Planned Community
April 29, 2014

	Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. Project Buildout Projections														
Cumulative Units		293	567	957	1,312	1,557	1,868	2,168	2,422	2,809	3,150	3,349	3,451	3,515
Cumulative Residents		1,012	1,958	3,305	4,531	5,377	6,451	7,487	8,364	9,700	10,878	11,565	11,918	12,139
II. Staffing Levels														
Anthony De Cecio Adjusted Sworn Officers per 1,000 Project Residents		0.99	1.02	1.21	0.88	1.12	1.09	1.07	0.96	0.82	0.83	0.78	0.76	0.74
Anthony De Cecio Adjusted Deputy Officers per 1,000 Project Residents		0.99	1.02	0.91	0.66	0.74	0.78	0.80	0.72	0.62	0.64	0.61	0.59	0.58
III. Adjusted Phased Police Department Budget per Anthony De Cecio (Lieutenant), 2/12/14														
Cumulative Positions														
Sergeant		-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective		-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy		1.00	2.00	3.00	3.00	4.00	5.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Total		1.00	2.00	4.00	4.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
		1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.00
Budget with Adjusted Absorption														
Sergeant		$ -	$ -	$ -	$ -	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504	$ 187,504
Detective		-	-	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801	162,801
Deputy		148,340	296,680	445,020	445,020	593,360	741,700	890,040	890,040	890,040	1,038,380	1,038,380	1,038,380	1,038,380
Sheriff's Service Specialist		69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020	69,020
Office Specialist		-	-	-	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884	64,884
Market Unit		-	-	-	11,999	11,999	11,999	23,998	23,998	23,998	23,998	23,998	23,998	23,998
Unmarked Unit		-	-	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227
Mid-Size Pickup		5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065	5,065
Dispatch Services		12,469	24,937	49,875	49,875	62,344	74,812	87,281	87,281	87,281	99,750	99,750	99,750	99,750
HT Amortization		964	1,446	2,410	2,410	3,374	3,856	4,338	4,338	4,338	4,820	4,820	4,820	4,820
HT Access & Maintenance		1,248	1,872	3,120	3,120	4,368	4,992	5,616	5,616	5,616	6,240	6,240	6,240	6,240
Additional MDC		-	660	660	660	660	660	660	660	660	660	660	660	660
Tasers		333	666	1,332	1,332	1,998	2,331	2,664	2,664	2,664	2,997	2,997	2,997	2,997
Administrative Support		1,035	2,070	4,140	4,140	5,175	6,210	7,245	7,245	7,245	8,280	8,280	8,280	8,280
Vehicle Insurance		348	348	1,409	2,470	2,470	2,470	3,531	3,531	3,531	3,531	3,531	3,531	3,531
Personnel Liability Bonding		3,229	6,142	11,970	12,285	18,066	20,980	23,894	23,894	23,894	26,808	26,808	26,808	26,808
County Admin Cost		11,543	19,635	36,543	39,787	57,254	65,347	73,439	73,439	73,439	81,531	81,531	81,531	81,531
Subtotal Police Department Budget	**$ 17,085,854**	**$ 253,594**	**$ 428,541**	**$ 800,592**	**$ 882,095**	**$ 1,257,569**	**$ 1,431,858**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,619,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**
6 Months Grading / Overtime		$ 126,797	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000				
Subtotal Police Department Budget		**$ 380,391**	**$ 503,541**	**$ 875,592**	**$ 957,095**	**$ 1,332,569**	**$ 1,506,858**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,694,207**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**	**$ 1,793,496**

Exhibit C-1
Street Maintenance Cost Calculations
Harmony Planned Community
April 29, 2014

Description - City Maintained	Quantity (a)	Unit	Unit Cost		Total Cost
Linear Feet of Roadway	477,540				
1. Street Sweeping	90.44	Curb Mile	$ 47.50	(d)	$ 4,296
2. Slurry Seal (SS)					
Place (SS)	8,951,144	SF	$ 0.12	(d)	$ 1,074,137
Mobilization	1	Lump Sum	50,000	(b)	50,000
Striping	1	Lump Sum	50,000	(b)	50,000
Crack Seal	20.0% of SS	Lump Sum	179,023		179,023
Traffic Control	1	Lump Sum	50,000	(b)	50,000
Subtotal					1,403,160
Contingency (15%)					210,474
Total Slurry Seal					**$ 1,613,634**
3. Grind and Overlay					
Grind	8,951,144	SF	$ 0.08	(d)	$ 716,092
Mobilization	1	Lump Sum	50,000	(b)	50,000
.15" Asphalt & Conc. Overlay (Estimate @.0105	8,951,144	SF	0.60	(c)	5,370,687
Striping	1	Lump Sum	50,000	(b)	50,000
Traffic Control	1	Lump Sum	50,000	(b)	50,000
Subtotal					$ 6,236,778
Contingency (15%)					935,517
Total Grind and Overlay					**$ 7,172,295**
4. Remove and Reconstruct					
a. Curb and Sidewalk Component					
6" Curb & Gutter	477,540	LF	9.00	(b)	4,297,858
Concrete Median Curb	72,407	LF	9.00	(b)	651,663
Interior Streets Curb	-	LF	9.00	(b)	-
Concrete Sidewalk/Trail	2,413,041	SF	3.00	(b)	7,239,124
Mobilization	1	Lump Sum	50,000	(b)	50,000
Subtotal					$ 12,238,646
Estimated Failure Rate					10%
Total Curb and Sidewalk					$ 1,223,865
b. Street Component					
Grind	8,951,144	SF	$ 0.10	(d)	$ 895,114
Mobilization	1	Lump Sum	50,000	(b)	50,000
.25" Asphalt & Concrete Overlay (Estimate)	8,951,144	SF	0.60	(c)	5,370,687
Striping	1	Lump Sum	50,000	(b)	50,000
Traffic Control	1	Lump Sum	50,000	(b)	50,000
Total Street Component					$ 6,415,801
Subtotal Remove and Reconstruct					$ 7,639,666
Contingency (15%)					1,145,950
Total Remove and Reconstruct					**$ 8,785,615**
Total					**$ 18,799,705**

Footnotes
(a) Per public roadway calculations provided by Placeworks dated April 2014.
(b) Per Lewis Operating Companies email dated 4/23/2014.
(c) Per call with Lewis Operating Companies on 4/24/2014.
(d) Per Lewis Operating Companies email dated 4/28/2014.

Exhibit C-2
Hypothetical Street Maintenance Schedule
Harmony Planned Community
April 29, 2014

Linear Feet of Public Road	477,540
Lane Miles	90.4
Total	$ 339,132
Cost Per Lane Mile	$ 3,750
Balance Year 36	-

	Buildout Annual Cost	Per Unit	Street Sweeping	Slurry Seal (a)	Grind and Overlay (a)	Remove & Reconstruct	Subtotal	Total Annual Expenditures	Earnings (b)	Annual Fund Balance-End
Exhibit Reference			C-1	C-1	C-1	C-1				
0	$ 339,132	$ 52	$ 4,296	$ 1,613,634	$ 7,172,295	$ 8,785,615	$ 17,575,841	$ -	$ -	$ -
1	339,132	52	4,296				4,296	4,296	-	334,836
2	339,132	52	4,296				4,296	4,296	11,484	681,155
3	339,132	52	4,296				4,296	4,296	23,362	1,039,353
4	339,132	52	4,296				4,296	4,296	35,647	1,409,836
5	339,132	52	4,296				4,296	4,296	48,354	1,793,025
6	339,132	52	4,296				4,296	4,296	61,496	2,189,357
7	339,132	52	4,296				4,296	4,296	75,089	2,599,283
8	339,132	52	4,296				4,296	4,296	89,149	3,023,267
9	339,132	52	4,296				4,296	4,296	103,691	3,461,793
10	339,132	52	4,296				4,296	4,296	118,731	3,915,360
11	339,132	52	4,296				4,296	4,296	134,287	4,384,483
12	339,132	52	4,296				4,296	4,296	150,377	4,869,695
13	339,132	52	4,296				4,296	4,296	167,018	5,371,549
14	339,132	52	4,296				4,296	4,296	184,231	5,890,616
15	339,132	52	4,296	1,613,634			1,617,930	1,617,930	202,033	4,813,850
16	339,132	52	4,296				4,296	4,296	165,103	5,313,789
17	339,132	52	4,296				4,296	4,296	182,250	5,830,875
18	339,132	52	4,296				4,296	4,296	199,984	6,365,695
19	339,132	52	4,296				4,296	4,296	218,327	6,918,858
20	339,132	52	4,296				4,296	4,296	237,300	7,490,993
21	339,132	52	4,296				4,296	4,296	256,922	8,082,751
22	339,132	52	4,296				4,296	4,296	277,218	8,694,805
23	339,132	52	4,296				4,296	4,296	298,210	9,327,851
24	339,132	52	4,296				4,296	4,296	319,922	9,982,608
25	339,132	52	4,296				4,296	4,296	342,379	10,659,822
26	339,132	52	4,296				4,296	4,296	365,605	11,360,263
27	339,132	52	4,296				4,296	4,296	389,629	12,084,728
28	339,132	52	4,296				4,296	4,296	414,476	12,834,039
29	339,132	52	4,296				4,296	4,296	440,175	13,609,050
30	339,132	52	4,296	1,613,634	7,172,295		8,790,225	8,790,225	466,756	5,624,713
31	339,132	52	4,296				4,296	4,296	192,914	6,152,463
32	339,132	52	4,296				4,296	4,296	211,014	6,698,312
33	339,132	52	4,296				4,296	4,296	229,735	7,262,883
34	339,132	52	4,296				4,296	4,296	249,099	7,846,818
35	339,132	52	4,296				4,296	4,296	269,126	8,450,780
36	339,132	52	4,296			8,785,615	8,789,912	8,789,912	289,841	$ -
Totals			$ 154,658	$ 3,227,268	$ 7,172,295	$ 8,785,615	$ 19,339,837	$ 19,339,837		

Footnotes:
(a) Timing of cost per call with Client on 4/24/2014.
(b) Represents earnings invested at Local Agency Investment Fund Rate ("LAIF RATE") of 3.43%, a 20 year average from 1994 to 2013 per the California State Treasurer. See Exhibit H.

Exhibit C-3
Storm Drainage Reserve Calculation
Harmony Planned Community
April 29, 2014

	Beginning Balance	Reserve Deposit	Earnings	Ending Balance	Replacement Cost
1	$ -	$ 8,764	$ 150	$ 8,914	$ 1,500,000
2	8,914	8,939	459	18,313	1,524,880
3	18,313	9,118	784	28,215	1,550,173
4	28,215	9,300	1,127	38,643	1,575,885
5	38,643	9,486	1,488	49,617	1,602,024
6	49,617	9,676	1,868	61,161	1,628,597
7	61,161	9,870	2,267	73,298	1,655,610
8	73,298	10,067	2,687	86,051	1,683,071
9	86,051	10,268	3,127	99,447	1,710,988
10	99,447	10,474	3,590	113,512	1,739,368
11	113,512	10,683	4,076	128,271	1,768,218
12	128,271	10,897	4,586	143,754	1,797,547
13	143,754	11,115	5,121	159,990	1,827,363
14	159,990	11,337	5,682	177,009	1,857,673
15	177,009	11,564	6,269	194,842	1,888,485
16	194,842	11,795	6,885	213,523	1,919,809
17	213,523	12,031	7,530	233,083	1,951,653
18	233,083	12,272	8,205	253,560	1,984,024
19	253,560	12,517	8,911	274,988	2,016,933
20	274,988	12,768	9,650	297,406	2,050,387
21	297,406	13,023	10,424	320,852	2,084,397
22	320,852	13,283	11,232	345,368	2,118,970
23	345,368	13,549	12,078	370,994	2,154,117
24	370,994	13,820	12,961	397,776	2,189,847
25	397,776	14,096	13,884	425,756	2,226,169
26	425,756	14,378	14,849	454,984	2,263,094
27	454,984	14,666	15,856	485,506	2,300,632
28	485,506	14,959	16,908	517,373	2,338,792
29	517,373	15,258	18,006	550,638	2,377,585
30	550,638	15,564	19,152	585,354	2,417,021
31	585,354	15,875	20,348	621,577	2,457,112
32	621,577	16,192	21,596	659,366	2,497,867
33	659,366	16,516	22,898	698,779	2,539,299
34	698,779	16,846	24,255	739,881	2,581,418
35	739,881	17,183	25,671	782,735	2,624,235
36	782,735	17,527	27,146	827,409	2,667,763
37	827,409	17,878	28,685	873,971	2,712,012
38	873,971	18,235	30,288	922,494	2,756,996
39	922,494	18,600	31,958	973,052	2,802,725
40	973,052	18,972	33,699	1,025,723	2,849,214
41	1,025,723	19,351	35,512	1,080,585	2,896,473
42	1,080,585	19,738	37,400	1,137,724	2,944,516
43	1,137,724	20,133	39,366	1,197,223	2,993,356
44	1,197,223	20,536	41,414	1,259,173	3,043,006
45	1,259,173	20,946	43,546	1,323,665	3,093,480
46	1,323,665	21,365	45,765	1,390,795	3,144,791
47	1,390,795	21,793	48,075	1,460,662	3,196,952
48	1,460,662	22,229	50,478	1,533,369	3,249,980
49	1,533,369	22,673	52,980	1,609,022	3,303,886
50	1,609,022	23,127	55,582	1,687,730	3,358,687
51	1,687,730	23,589	58,289	1,769,609	3,414,397
52	1,769,609	24,061	61,106	1,854,776	3,471,031
53	1,854,776	24,542	64,035	1,943,353	3,528,604
54	1,943,353	25,033	67,081	2,035,467	3,587,132
55	2,035,467	25,534	70,249	2,131,250	3,646,631
56	2,131,250	26,044	73,543	2,230,838	3,707,117
57	2,230,838	26,565	76,968	2,334,371	3,768,606
58	2,334,371	27,096	80,528	2,441,995	3,831,115
59	2,441,995	27,638	84,228	2,553,861	3,894,661
60	2,553,861	28,191	88,075	2,670,127	3,959,261
61	2,670,127	28,755	92,072	2,790,954	4,024,932
62	2,790,954	29,330	96,226	2,916,510	4,091,693
63	2,916,510	29,917	100,542	3,046,969	4,159,561
64	3,046,969	30,515	105,027	3,182,510	4,228,554
65	3,182,510	31,125	109,686	3,323,322	4,298,692
66	3,323,322	31,748	114,526	3,469,596	4,369,994
67	3,469,596	32,383	119,554	3,621,532	4,442,478
68	3,621,532	33,030	124,776	3,779,339	4,516,164
69	3,779,339	33,691	130,200	3,943,229	4,591,073
70	3,943,229	34,365	135,832	4,113,426	4,667,224
71	4,113,426	35,052	141,681	4,290,160	4,744,638
72	4,290,160	35,753	147,755	4,473,668	4,823,336
73	4,473,668	36,468	154,061	4,664,197	4,903,340
74	4,664,197	37,198	160,608	4,862,003	4,984,670
75	4,862,003	37,942	167,405	5,067,350	5,067,350

Assumptions

Storm Drain Cost (a)	$ 1,500,000
LAIF Rate (b)	3.43%
CPI (c)	1.66%
Annual Contribution Increase	2.00%
Annual Reserve Deposit	**$ 8,764**
Annual Reserve Percentage	0.58%

(a) Assumes a 10% failure rate on $15,000,000 cost or $1,500,000.

(b) Local Agency Investment Fund Rate ("LAIF RATE") represents a 20 year average from 1994 to 2013 per the California State Treasurer. See Exhibit H.

(c) Represents the 20 year average of the Consumer Price Index for Los Angeles, Riverside and Orange County from 1994 to 2013 per the Bureau of Labor Statistics. See Exhibit G.