

## FISCAL IMPACT STATEMENT BY COUNTY CLERK, AUDITOR & RECORDER FOR MEASURE R

Measure R, if passed by the voters, would amend the current General Plan Health and Safety Element Policy HS-6.9 to include commercial and industrial development as sensitive land uses. A 3.5-mile “Health and Safety Buffer”, located in the northern area of the unincorporated County, would be added to the General Plan. The 3.5-mile buffer area includes the existing proposed Strada Verde commercial and industrial development, which consists of approximately 5.9 million square feet of commercial and industrial development as part of phase one with completion expected to extend beyond 2035. Measure R would prohibit the proposed Strada Verde commercial and industrial development which at full buildout is estimated to generate \$9.6 million in annual revenues and \$2.8 million in annual County costs (Table 1). The Strada Verde development proposal projects annual net revenue of \$6.8 million per year at buildout.

**Table 1: Annual Cost/Revenue Balance for Strada Verde at Full Buildout, by Land Use**

Budget Category	Total	Commercial	R&D / Office	Lodging	Industrial / Logistics	Institutional
<b>Revenues</b>						
Property, Sales & Other Taxes, Charges Revenue	\$9,661,427	\$213,529	\$258,590	\$458,514	\$8,724,700	\$6,090
<b>Total Revenue</b>	<b>\$9,644,498</b>	<b>\$213,529</b>	<b>\$250,128</b>	<b>\$458,514</b>	<b>\$8,716,238</b>	<b>\$6,090</b>
<b>EXPENDITURES</b>						
General & Public Protection Administration, Etc.	\$2,815,685	\$87,968	\$204,891	\$33,164	\$2,476,845	\$12,818
<b>Total Expenditures</b>	<b>\$2,815,685</b>	<b>\$87,968</b>	<b>\$204,891</b>	<b>\$33,164</b>	<b>\$2,476,844</b>	<b>\$12,818</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>\$6,828,813</b>	<b>\$125,561</b>	<b>\$45,237</b>	<b>\$425,350</b>	<b>\$6,239,394</b>	<b>(\$6,728)</b>
<b>NET SURPLUS/ (DEFICIT)</b>	<b>\$6,845,742</b>	<b>\$125,561</b>	<b>\$53,699</b>	<b>\$425,350</b>	<b>\$6,239,394</b>	<b>(\$6,728)</b>

Source: ADE, Inc.

The passage of Measure R will prohibit any non-existing uses for development in the buffer area that includes the regional and thoroughfare commercial node at Highway 25 and Shore Road. About 32 acres at the corner of Highway 25 and Shore Road within the 3.5-mile safety buffer has been designated for Commercial Thoroughfare (CT) use in the General Plan Land Use Element. The allowed CT uses as described in the General Plan include shopping centers, automotive and truck services, and visitor-serving commercial uses. The buffer area that includes this commercial node is projected by 2035 to bring up to \$1.75 million in annual revenues composed of property taxes and sales taxes paid in large part by out-of-county travelers, as well as business license taxes and charges for services.

The 2035 revenue estimates are based on the fiscal study ordered by the County of San Benito Board of Supervisors and performed by Economics & Planning Systems, Incorporated (EPS) with some study results by Applied Development Economics, Incorporated (ADE). EPS analyzed real estate trends in southern Santa Clara County for indications of real estate space absorption potential in northern San

Benito County for office, flex, industrial, and retail uses. For warehouse and distribution space potential, a broader comparative market area extending a 30-minute drive time from the proposed buffer zone was examined. Additional revenue estimates were based on the Election Code 9111 Evaluation of the Strada Verde Initiative prepared in 2020 by ADE in association with EMC Planning Group.

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