BROADMOOR POLICE PROTECTION DISTRICT MEMORANDUM

TO: Michael P. Connolly, Chief of Police, Broadmoor Police Protection District

FROM: Nick Dayhoff, Senior Consultant

DATE: June 20, 2024

SUBJECT: Parcel Tax Modeling Scenarios

Purpose

The Broadmoor Police Protection District (the "District") has requested that NBS model special tax rates related to the feasibility of creating a new parcel tax to fund forecasted shortfalls in the District's ongoing operational budget. This evaluation includes modeling of three options for a new *uniform* parcel tax, and three options for a *non-uniform* parcel tax. This memorandum summarizes the special tax rates via each scenario.

Revenue Targets

The following table shows the annual revenue targets for FY 2025-26 through FY 2029-30, based on budgetary information provided by the District. The revenue target for the first year would be $700,000 and would increase by 5% annually in line with assumed increases in the parcel tax rates:

Item	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	$1,034,643	$1,151,776	$1,252,519	$1,337,627	$1,406,874
Revenue	$3,654,718	$3,787,366	$3,925,011	$4,067,846	$4,216,070
Expenditures	3,537,584	3,686,622	3,839,904	3,998,599	4,123,589
Annual Surplus/(Deficit)	$117,134	$100,743	$85,108	$69,247	$92,481
Ending Fund Balance	$1,151,776	$1,252,519	$1,337,627	$1,406,874	$1,499,355
25% Operating Reserve	884,396	921,656	959,976	999,650	1,030,897
Excess ERAF Reserve	953,059	991,182	1,030,829	1,072,062	1,114,945
Remaining Fund Balance	($685,679)	($660,318)	($653,178)	($664,838)	($646,487)
Annual Revenue Target	**$700,000**	**$735,000**	**$771,750**	**$810,338**	**$850,854**

Parcel Data

The parcel database was compiled using data from the San Mateo County Assessor. According to such data, the District comprises 1,532 Assessor's parcels, of which 1,502 were determined to be "Taxable" and 30 were determined to be "Exempt." Exempt properties include public property and utilities.

Property Type was assigned based on County Use Code. Unit counts are somewhat incomplete in the Assessor's data, so that was compiled by referencing County Use Code and independent research to fill in the gaps.

Lot square footage in the Assessor's data appears to be unreliable—especially for parcels that share common lots such as condominiums/townhomes—so NBS utilized GIS to calculate lot square footage for each parcel. NBS recommends that the administrator of any potential parcel tax utilize GIS calculations of lot square footage, if and where applicable.

Similarly, the building square footage data in the Assessor's data doesn't seem reliable either; however, there is no remedy to research that data in a timely fashion, so we have relied on the available Assessor's data with some added independent research to fill in gaps where information is not included in the Assessor's data. We note here that building square footage data is usually one of the most unreliable statistics in the Assessors' data throughout the State of California.

The following table shows a summary of the parcel characteristics for Taxable property within the District:

Property Type	Parcels	Lot SF	Building SF	Units
Single Family Residential	1,385	8,436,414	1,831,007	1,385
Multi-Family Residential	39	419,180	410,262	400
Residential Care	18	119,949	31,890	87
Non-Residential	37	585,311	228,855	-
Undeveloped	23	327,722	-	-
Total	**1,502**	**9,888,575**	**2,502,014**	**1,872**

Special Tax Rates – Uniform Parcel Taxes

The following table shows the parcel tax rates for the three uniform parcel taxes: per parcel, per lot square foot, and per building square foot:

Per	Rate	Parcel Tax Revenue
Parcel	$466.05	$700,000
Lot SF	0.0708	700,000
Building SF	0.2798	700,000

Special Tax Rates – Non-Uniform Parcel Taxes

The following tables show the parcel tax rates for the various Property Types using three different non-uniform methodologies. The Factors shown below are subject to change, if desired.

The first method uses varying rates per residential unit, a rate per Building SF for Non-Residential Property, and a rate per Lot SF for Undeveloped Property. The rates for Non-Residential Property and Undeveloped Property have been set to raise 10% and 1% of the revenue target, respectively:

Property Type	EDU Factor	EDU	Rate per EDU	Rate	Per	Parcel Tax Revenue
Single Family Residential	1.00	1,385.00	$343.33	$343.33	Unit	$475,507
Multi-Family Residential	0.90	360.00	343.33	308.99	Unit	123,597
Residential Care	0.80	69.60	343.33	274.66	Unit	23,896
Non-Residential	n/a	n/a	n/a	0.3059	BSF	70,000
Undeveloped	n/a	n/a	n/a	0.0214	LSF	7,000
					Total	*$700,000*

The second method uses varying rates per residential Building SF, a rate per Building SF for Non-Residential Property, and a rate per Lot SF for Undeveloped Property. The rates for Non-Residential Property and Undeveloped Property have been set to raise 10% and 1% of the revenue target, respectively:

Property Type	EBSF Factor	EBSF	Rate per EBSF	Rate	Per	Parcel Tax Revenue
Single Family Residential	1.00	1,831,007.00	$0.2799	$0.2799	BSF	$512,508
Multi-Family Residential	0.90	369,235.80	0.2799	0.2519	BSF	103,351
Residential Care	0.80	25,512.00	0.2799	0.2239	BSF	7,141
Non-Residential	n/a	n/a	n/a	0.3059	BSF	70,000
Undeveloped	n/a	n/a	n/a	0.0214	LSF	7,000
					Total	*$700,000*

The third method uses varying rates per residential Lot SF, a rate per Lot SF for Non-Residential Property, and a rate per Lot SF for Undeveloped Property. The rates for Non-Residential Property and Undeveloped Property have been set to raise 10% and 1% of the revenue target, respectively:

Property Type	ELSF Factor	ELSF	Rate per ELSF	Rate	Per	Parcel Tax Revenue
Single Family Residential	1.00	8,436,413.73	$0.0699	$0.0699	LSF	$589,910
Multi-Family Residential	0.90	377,261.70	0.0699	0.0629	LSF	26,380
Residential Care	0.80	95,959.12	0.0699	0.0559	LSF	6,710
Non-Residential	n/a	n/a	n/a	0.1196	LSF	70,000
Undeveloped	n/a	n/a	n/a	0.0214	LSF	7,000
					Total	*$700,000*

Recommended Methodology

NBS recommends that the District choose the first non-uniform methodology described above, with varying rates per residential unit, a rate per Building SF for Non-Residential Property, and a rate per Lot SF for Undeveloped Property. This methodology results in the lowest average parcel tax on Single Family Residential Property ($343.33), which is certainly the property type with the most likely registered voters in the District. Assigning units to residential property is relatively easy in San Mateo County, given the current Assessor's Use Code descriptions, and as there are only 12 Multi-Family Residential Properties with five or more units (per the Assessor's Use Codes), those unit counts are easily verifiable via third-party resources. Building SF would only need to be verified for the 37 Non-Residential Properties in the District, and GIS would be utilized to measure Lot SF on the 23 Undeveloped Properties in the District.

I look forward to our upcoming meeting to discuss these revenue scenarios and the modeling outcomes. Please contact me with any questions or comments; I can be reached at 800.676.7516 or via email at ndayhoff@nbsgov.com.

Sincerely,

Nick Dayhoff
Senior Consultant