Executive Summary

Economic and Fiscal Impact Analysis of the Proposed Mace Ranch Innovation Center Project

The Economics of Land Use

Prepared for:

City of Davis

Prepared by:

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1. EXECUTIVE SUMMARY

The City of Davis (City), Yolo County (County), and the Sacramento Region have the potential to see economic and fiscal benefits as a result of the successful implementation of two proposed Innovation Centers in Davis: the Mace Ranch Innovation Center (MRIC) and the Nishi Gateway Innovation District (Nishi).[1] The proposed projects, however, will be subject to Measure R approval, an ordinance requiring voter approval for any project that requires a land use designation from agricultural to urban under the City's planning process, and annexation into the City.

In July 2015, the City retained Economic & Planning Systems (EPS) to prepare an initial draft report evaluating key success factors of Innovation Centers as well as key economic assumptions related to the buildout of proposed Innovation Centers.[2] Following this initial report, EPS prepared a report in September 2015 which, based on the research conducted for the initial report, detailed the chief economic and fiscal impacts estimated to occur at buildout of the proposed Innovation Centers (Economic & Fiscal Impact Analysis Report).[3]

The purpose of this Executive Summary is to provide a synopsis of the Innovation Center concept as it relates to both proposed projects and estimated economic and fiscal impacts of one of the proposed projects—MRIC—assuming this project is approved by voters in November 2016 and annexed into the City.

Innovation Center Concept

Innovation Centers, as defined by the Brookings Institution's district concept, are areas where anchor institutions (often universities) and companies cluster together and connect with start-ups, business incubators, and accelerators. The proposed projects have the potential to create benefits that generate economic value to the City and UC Davis alike. The projects could also support the goal of strengthening academic-industry partnerships in Davis and throughout the region, in support of the Next Economy Capital Region Prosperity Plan (Next Economy).[4] Both MRIC and Nishi projects have great potential to move forward simultaneously. If phased and developed in concert with evolving market forces, the market should be able to accommodate both projects. These projects each contribute to the innovation ecosystem in Davis in unique ways, and their overall impact may be greater than the sum of their individual impacts.

While the Economic & Fiscal Impact Analysis Report focuses on the impacts of the proposed project if built, it bears mention that the City faces significant opportunity costs if the projects are not built. The City runs the risk of losing more fast-growing companies to other communities

[1] A third proposed project, the Davis Innovation Center (Davis IC), was placed on hold in May 2015.

[2] "Davis Innovation Centers Fiscal and Economic Impact Assumptions," EPS, July 2015.

[3] "Economic and Fiscal Impact Analysis of Proposed Innovation Centers in Davis." EPS, September 2015.

[4] "Capital Region Prosperity Plan," Next Economy, March 2013. http://valleyvision.org/resources/capital-region-prosperity-plan

because of its limited supply of land and buildings for business activity. It may be more difficult to fund specialized infrastructure and there will be less overall synergy among users if they are located in a dispersed geographic pattern. Innovative companies will continue to locate in Davis in order to access the community's significant resources, but in a manner that more closely resembles the concept of a "Spontaneous Research District," where R&D firms self-organize into organically-created districts based on their ties to local research universities. Compared to the concept of a focused concentration of innovators strategically organized within an innovation center framework, a piecemeal development pattern is far less likely to meet the City's goals of providing space for innovative companies and strengthening academic-industry partnerships in order to address the City's fiscal deficit.

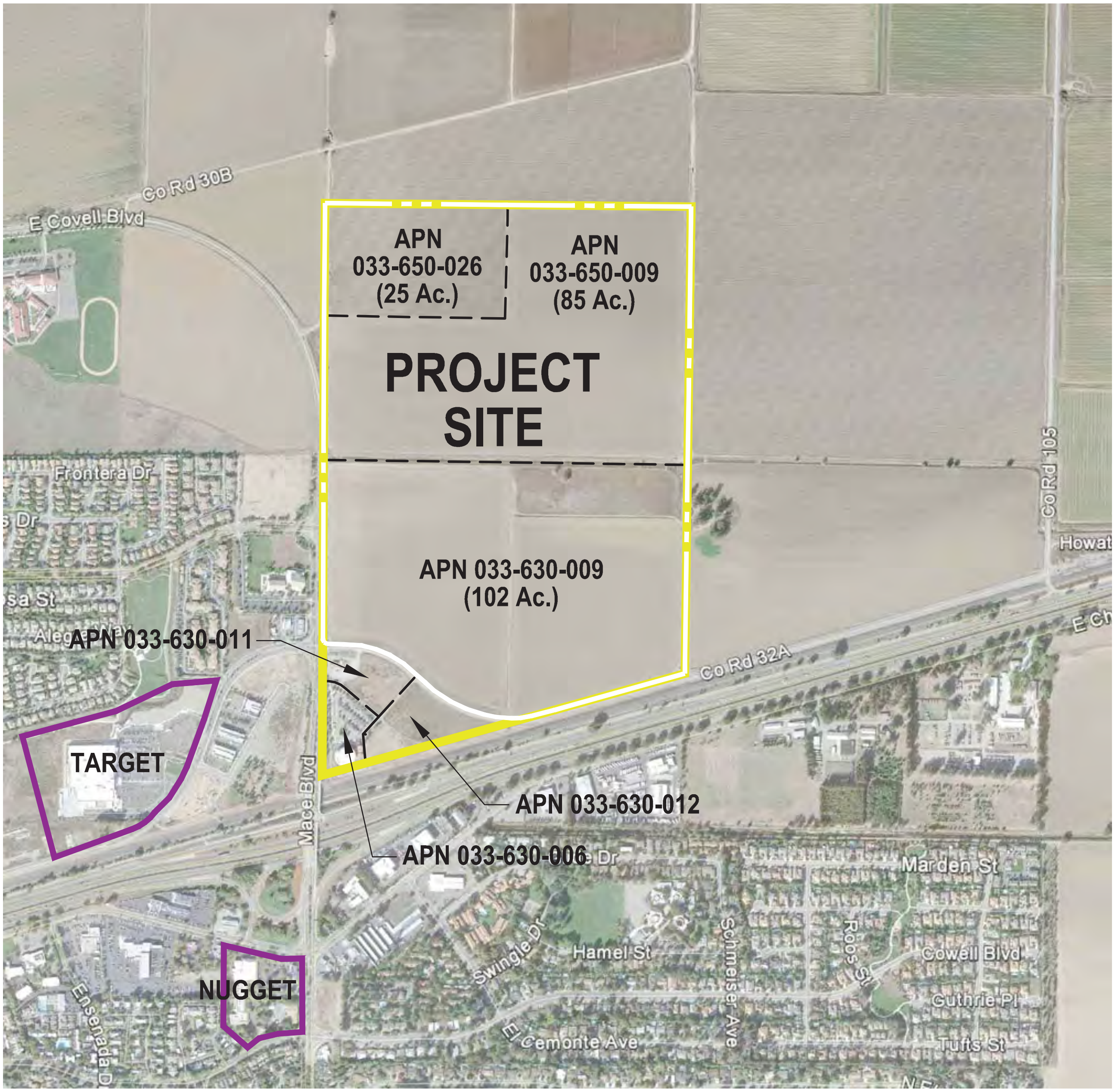
Successful Implementation of Innovation Centers in Davis

A key challenge confronting public and private decision makers in the next five years will be getting viable initial phases off the ground to demonstrate early momentum. Because the projects still are in the early stages, many of the market and project implementation factors are important considerations as the planning process moves forward. These factors directly relate to the type of space that will be integrated, feasibility elements, the tenant mix, available amenities, connectivity, and related policies, most of which are under direct control of the City and the developers. On the other hand, the City and the Innovation Center developers have limited influence on the university-related and regional economy factors and, therefore, must prepare for any opportunities and threats that arise from these dynamics over the development period. Providing a range of spaces that meet the needs of a wide variety of tenants, including flexible building types with specialized and costly features, will be instrumental in terms of financial viability, as well as supporting the diversity that is a key element of the Innovation Center concept. The projects likely will start off as less dense and fill in over time, with higher densities as the market matures. Development Agreements between developers and the City should allow flexibility to respond to market conditions while providing assurances that the proposed projects will adhere to expected uses and design features.

MRIC Project Overview

The 229-acre MRIC site is shown in **Map 1**. **Table 1** provides an overview of land uses proposed for MRIC. As shown, the project is envisioned to include approximately 2.7 million square feet of commercial and industrial land uses at buildout, including nearly 1.4 million square feet of office/flex/research & development (R&D) uses; about 950,000 square feet of industrial manufacturing uses; 125,000 square feet of retail uses; one 160,000 square foot hotel; and about 128,000 square feet of public/nonprofit uses.[5] This set of land uses, along with a number of key assumptions described in the full Economic & Fiscal Impact Analysis Report, is defined as the "Base Development Program."

[5] These land uses, with the exception of public/nonprofit uses, are consistent with the August 2015 MRIC Draft Environmental Impact Report (DEIR) and includes proposed development in MRIC and the Mace Triangle. Public/nonprofit uses were estimated by EPS based on the existing amount of public/nonprofit square footage in existing innovation centers in the city and an assumed attraction of UC Davis-related uses.



LEGEND

AREA TO BE ANNEXED

PROJECT SITE

PARCEL BOUNDARY

NOTES:

1. SITE AERIAL IMAGERY TAKEN IN 2012 AND WAS ACQUIRED FEBRUARY 14, 2012 FROM GOOGLE EARTH PRO.

600 300 0 600 1200

SCALE: 1" = 1200'

DESIGNED ML DRAWN KM CHECKED ML DATE: 09/23/14 JOB No: 1239.04	**MACE RANCH INNOVATION CENTER** **VICINITY MAP** **MAP 1** CITY OF DAVIS CALIFORNIA	CUNNINGHAM ENGINEERING CECWEST.COM Project Planning ▫ Civil Engineering ▫ Landscape Architecture ▫ Sacramento Office 2120 20th Street, Suite Three Sacramento, CA 95818 (916) 455-2026 ▫ Davis Office 2940 Spafford Street, Suite 200 Davis, CA 95618 (530) 758-2026

S:\Projects\1200\1239 mace east davis\AutoCAD\1239-04\EXHIBITS\1239-04-VICINITY (8.5X11).dwg - VICINITY (8.5X11) 9/23/2014 - 4:01PM Plotted by: keanen

Table 1
Economic and Fiscal Impact Analysis of Mace Ranch Innovation Center
MRIC Project Framework [1]

Item	MRIC Base Development Program
Nonresidential Square Feet	
Office/Flex/R&D	
Office	846,468
Flex: R&D/Office	513,011
Total Office/Flex/R&D	**1,359,479**
Manufacturing	952,169
Retail	
Industrial Commercial	62,578
Ancillary Retail	62,578
Total Retail	125,155
Hotel	160,000
Public/Non-Profit	128,253
Total Square Feet	**2,725,056**
Acres	229

framework

Source: EPS.

[1] Includes Mace Triangle.

Economic Impact Analysis of MRIC

Overview

The September 2015 Economic & Fiscal Impact Analysis Report includes a detailed economic impact analysis (provided as **Exhibit 1**), which estimates the direct economic contributions of the MRIC project, as well as the associated multiplier or “ripple” effect (indirect and induced impacts) that could be generated through demand on suppliers of goods and services and employee spending in the economy.

The analysis estimates both one-time construction impacts and ongoing, annual economic impacts associated with the buildout operations of the project, using three economic measures: output (total market value of goods and services generated by affected industries); employment (jobs); and labor income (total compensation associated with employment).[6] While the MRIC project likely would generate regional economic impacts, the analysis focuses exclusively on economic impacts to the City and County economies.

The analysis examines the economic impacts of the MRIC Base Development Program as well as economic impacts associated with two sensitivity scenarios: (1) the addition of 850 residential dwelling units (MRIC Housing scenario); and (2) the removal of the planned hotel and replacement with additional R&D/Flex and Office land uses (No MRIC Hotel scenario). Finally, the economic impact analysis provides a qualitative assessment of DEIR project alternatives for MRIC.

Economic Impact Analysis Findings

1. ***The construction activities associated with backbone infrastructure and nonresidential development for the proposed MRIC project will generate a significant one-time, temporary economic impact.***

   The construction of over 2.7 million square feet of commercial space on 229 acres of land will directly support a significant amount of construction activity associated with backbone infrastructure, nonresidential, and residential development. This construction activity will also indirectly generate an economic response from suppliers of goods and services. Because these are temporary activities that will end after buildout, the total economic impact represents a one-time stimulus to the local economy. The estimated one-time economic impact resulting from construction activities through buildout of the MRIC project equates to a cumulative total of nearly 2,400 jobs (full- and part-time), $419 million of output (market value of goods and services), and $196 million of labor income (earnings and benefits) in the Davis economy, as shown in **Table 2**. Expanding the analysis to the Yolo County economy increases the estimated total economic impact of the construction activities to approximately 4,100 jobs, $726 million of output, and $332 million of labor income. The countywide economy is able to support a greater amount of construction and supplier activity leading to a larger economic impact.

2. ***Establishments operating in the nonresidential space in the proposed MRIC project will generate substantial ongoing economic impacts in the local economy.***

   Establishments using the 2.7 million square feet of commercial space to produce goods or provide services will support a considerable amount of economic activity on an ongoing, annual basis. Suppliers of goods and services will also indirectly benefit from this economic activity and employee spending will induce additional economic effects, both of which are captured in the multiplier or “ripple” effect. The cumulative ongoing economic impact associated with the proposed MRIC project is estimated at approximately 10,000 jobs, $2.5 billion of output, and $596 million of labor income on an annual basis in the Davis economy. Within the larger Yolo County economy, the total estimated economic impact expands to approximately 11,000 jobs, $2.6 billion of output, and $651 million of labor income. The larger countywide impact is a result of additional capture of supplier demand and household spending.

[6] Labor income is included in estimates of total output.

Table 2
Economic and Fiscal Impact Analysis of Mace Ranch Innovation Center
Total One-Time and Ongoing Annual Economic Impacts

Study Area/Measure	Base Development Program	Sensitivity Analyses: MRIC Housing [1]	Sensitivity Analyses: No MRIC Hotel [2]
Davis Economy			
One-Time Activities [3]			
Employment	2,362	3,166	2,368
Output (2015$)	$419,476,935	$564,396,831	$420,508,138
Labor Income (2015$)	$196,298,217	$250,239,856	$196,770,314
Ongoing Activities [4]			
Employment	9,644	9,644	10,286
Output (2015$)	$2,480,310,458	$2,480,310,458	$2,657,321,781
Labor Income (2015$)	$596,346,492	$596,346,492	$638,050,865
Yolo County Economy			
One-Time Activities [3]			
Employment	4,074	5,544	4,066
Output (2015$)	$726,012,696	$988,460,131	$724,456,843
Labor Income (2015$)	$332,003,711	$428,832,045	$331,307,389
Ongoing Activities [4]			
Employment	10,662	10,662	11,376
Output (2015$)	$2,649,621,863	$2,649,621,863	$2,838,842,739
Labor Income (2015$)	$651,392,495	$651,392,495	$696,854,072

impact_summary

Source: IMPLAN, 2013 Data and EPS.

[1] Includes 850 housing units with no additional changes to other uses.
[2] Removes the 160,000 square foot hotel and reallocates the space among other nonresidential uses.
[3] One-time activities include backbone infrastructure, residential, and nonresidential construction.
[4] Ongoing activites include household spending and establishment operations.

3. ***The MRIC Housing sensitivity scenario would generate a larger one-time economic impact than the Base Development Program.***

   Because the MRIC Housing sensitivity scenario increases the total amount of residential construction activity, while nonresidential and basic infrastructure assumptions are not changed, the most pronounced one-time economic impacts are generated under this scenario. In terms of ongoing economic impacts, however, because the DEIR assumes all residents will work in the local economy, a conservative adjustment was made to avoid double-counting in the induced impact of jobs, resulting in the MRIC Housing sensitivity analysis supporting an ongoing economic impact that is equivalent to the Base Development Program. Refer to **Table 2** for specific economic impacts associated with the MRIC Housing sensitivity scenario.

4. ***The No MRIC Hotel sensitivity analysis would generate an ongoing economic impact larger than the Base Development Program.***

   The one-time construction impact of the No MRIC Hotel sensitivity analysis is similar to the one-time construction impacts of the Base Development Program because of a reallocation of land uses that support relatively similar construction activities. This sensitivity scenario is estimated to generate a larger economic impact in the City and County economies because the hotel land use generally supports fewer employees and less output compared to the types of industries that could occupy the office and flex/research and development (R&D) space that are assumed to capture the reallocation of the hotel land use in the project. Refer to **Table 2** for specific economic impacts associated with the No MRIC Hotel sensitivity scenario.

5. ***The majority of the DEIR alternatives for the MRIC project could produce decreased one-time and ongoing economic impacts compared to the Base Development Program proposals.***

   As shown in **Table 3**, six project alternatives are considered as part of the MRIC DEIR. Five of these alternatives could lead to decreased one-time economic impacts because of shifts in project size and land uses that will likely result in reduced construction activity. The Reduced Site Size alternative is based on the same assumed nonresidential square footage and, while the site size is smaller, any related reductions in backbone infrastructure construction could be negated by the stated need for a parking structure. Depending on the size of the parking structure, this could result in a similar or decreased one-time economic impact.

   In terms of the ongoing economic impacts, four of the alternatives could result in a decreased economic impact because of reductions in the amount of built space or changes in project land uses. The Reduced Site Size alternative is based on the same assumed buildout square footage; therefore, the ongoing economic impact could be similar to the proposed project.

   The MRIC Mixed-Use alternative, studied as a sensitivity analysis with 850 housing units (MRIC Housing scenario), is the sole alternative that could lead to increased one-time and ongoing economic impacts for the City and County. This alternative adds residential construction activity and household spending in addition to the construction and total output associated with the Base Development Program.

Table 3
MRIC Economic Impact Analysis
DEIR Alternatives Potential Effect on Economic Impact Analysis

Alternative [1]	Nonresidential Square Feet	Gross Acres	One-Time Construction Impact	Ongoing Annual Impact
Proposed MRIC Project	2,725,056	229	-	-
No Project	0	0	Decrease	Decrease
Reduced Site Size	2,725,056	123	Similar or Decrease [2]	Similar
Reduced Project	611,056	66	Decrease	Decrease
Off-Site Option A (Davis IC)	2,654,000	208	Decrease	Decrease
Off-Site Option B (Covell)	2,654,000	247	Decrease	Decrease

impact_DEIR

Source: Raney Planning and Management; Ascent; EPS.

[1] Because it was treated as a quantitative sensitivity analysis, the Mixed-Use alternative is not included in the table. The Infill alternative is also not included in the table because it was dismissed in the DEIR.
[2] Effect depends on size of required parking structure.

6. ***The ripple effect generated by the ongoing economic activities associated with the MRIC project will generate new offsite market demand for nonresidential real estate.***

At buildout, the proposed MRIC project could directly support about 5,000 jobs on an ongoing basis. As a result of the multiplier effect, which accounts for estimated economic activity resulting from demand on suppliers and household spending, the MRIC project could generate an additional 4,000 jobs in the local economy. These additional jobs will create incremental off-site demand for commercial real estate, which could translate to roughly 1.2 million square feet.[7] The supply of existing vacant space could take down a small share of this incremental market demand, but the majority will likely need to be addressed through different means. To avoid a shift of the ongoing economic impact to surrounding communities over the absorption period, the supply of commercial space will need to expand through densification of existing development areas and new development on vacant land zoned for nonresidential uses. The effectiveness of the latter option to address incremental market demand could be impacted to the extent that off-site DEIR alternatives are explored, which remove vacant land from the supply and maintain the existing agricultural land uses on the proposed, undeveloped MRIC site.

7. ***The MRIC project can benefit substantially from the economic impacts of a specific group of targeted clusters if the appropriate conditions are created.***

The six main clusters and company type opportunities represent strong drivers of local economic impacts. Assuming that appropriate supporting conditions are in place to allow for these clusters to thrive, every 100 jobs in these clusters are estimated to support roughly 170 to 210 jobs, $27 million to $69 million of output, and $10 million to $15 million of labor

[7] Based on an estimated average of 300 square feet per employee.

income within the Davis economy. The variation between the high and low ends of the ranges is determined by the scale of interindustry relationships in the City economy as well as the category and value of the economic activities.

Fiscal Impact Analysis of MRIC

Overview

The September 2015 report includes a detailed fiscal impact analysis (provided as **Exhibit 2**), which estimates the overall fiscal impacts to the City's General Fund based on development of the proposed MRIC project at buildout. The objective of the analysis is to determine whether the MRIC project will generate adequate revenues at buildout to meet the costs of providing new development with City services (e.g., police protection, fire protection). The fiscal impact analysis is based on the assumption that the MRIC project will be annexed into the City and municipal services will be provided by the City.

The analysis examines the fiscal impacts of MRIC under the Base Development Program. In addition, the analysis evaluates ten sensitivity scenarios which recognize that key modifications to the Base Development Program could have notable impacts on the net fiscal impacts of the MRIC project. These sensitivity scenarios, their annual fiscal impacts at project buildout, and the total change in net fiscal impacts relative to the impacts of the Base Development Program, are described in further detail in the findings below. Finally, the fiscal impact analysis provides a qualitative assessment of DEIR project alternatives for MRIC.

Fiscal Impact Analysis Findings

1. ***At buildout, the MRIC project is estimated to generate an annual net fiscal surplus of approximately $2.2 million for the City's General Fund.***

   Development of the MRIC project is estimated to generate an annual net fiscal surplus of about $2.2 million for the City's General Fund. These results assume a 50%/50% property tax sharing allocation between the City and County of the applicable property tax rate for the portion of the MRIC Project in the unincorporated County, among other key assumptions described in the fiscal impact analysis memorandum (**Exhibit 2** of the September 2015 report)[8]. Refer to **Table 4** below for a summary of the estimated net fiscal impacts to the City's General Fund under the Base Development Program for the MRIC project.

[8] The project's annexation into the City will be contingent on a negotiated exchange of property tax revenue and the City and County have not concluded discussions to determine a property tax-sharing arrangement related to the project. Because such an agreement is not in place, this analysis, under the Base Development Program, uses a 50%/50% property tax sharing split of the applicable property tax rate.

Table 4
Economic and Fiscal Impact Analysis of Mace Ranch Innovation Center
Estimated Annual Fiscal Impact Summary at Buildout (2015$)

Fund	MRIC Base Development Program
City General Fund	
Annual Revenues	$3,786,000
Annual Expenditures	$1,585,000
Annual General Fund Surplus/(Deficit)	**$2,201,000**

buildout

Source: EPS.

2. ***The fiscal impact analysis includes ten sensitivity scenarios which recognize that key modifications to the Base Development Program could have notable impacts on the net fiscal impacts of the MRIC Project.***

The fiscal impact analysis evaluated modifications to key land uses and assumptions used in the base analysis. Four sensitivity scenarios will have positive impacts on the annual net fiscal impacts to the City's General Fund (i.e., net fiscal revenues will increase relative to the Base Development Program) resulting from the MRIC project. These include: an increased City share of the applicable property tax rate (75 percent), increased taxable sales per square foot assumptions similar to those generated by land uses in the City's existing 2nd Street Corridor and Interland URP, a higher capture of taxable sales generated from the Innovation Centers' residents and employees, and privatized operations and maintenance of onsite infrastructure facilities. Increased annual revenues at project buildout from these four scenarios ranged from $49,000 (higher capture of taxable sales) to over $1.1 million (increased taxable sales per square foot). **Table 5** provides an overview of each sensitivity scenario, summarizes the annual fiscal impacts at buildout for each scenario, and provides a comparison of the annual net fiscal impact relative to the Base Development Program.

Table 5
Economic and Fiscal Impact Analysis of Mace Ranch Innovation Center
Estimated Annual Fiscal Impacts of Sensitivity Scenarios (2015$)

Fiscal Impact Analysis Scenario		Item	Annual MRIC Fiscal Impacts at Buildout
Base Development Program [1]			**$2,201,000**
Sensitivity Scenarios			
1	**MRIC Housing** *Optional addition of 850 dwelling units (340 owner-occupied; 510 renter-occupied). Includes no change to planned commercial square feet.*	**Total Annual Fiscal Impacts** Difference from Base	**$1,966,000** ($235,000)
2	**No MRIC Hotel** *Assumes the planned hotel in MRIC is not developed. In its place, 160,000 square feet of additional R&D Flex and Offices uses are developed.*	**Total Annual Fiscal Impacts** Difference from Base	**$1,469,000** ($732,000)
3	**Nishi Hotel** *Optional addition of 70,000 sq. ft., 125-room hotel in Nishi. Assumes displacement of 70,000 square feet of Office, Flex, Industrial Commercial, and Public/Nonprofit uses.*	**Total Annual Fiscal Impacts** Difference from Base	**$2,201,000** $0
4	**Property Tax Sharing Allocation: Alt. 1** *The Base Development Program assumes a 50%/50% split of the applicable property tax rate between the City and County. This alternative assumes a 75%/25% allocation to the City and County.*	**Total Annual Fiscal Impacts** Difference from Base	**$2,392,000** $191,000
5	**Property Tax Sharing Allocation: Alt. 2** *The Base Development Program assumes a 50%/50% split of the applicable property tax rate between the City and County. This alternative assumes a 25%/75% allocation to the City and County.*	**Total Annual Fiscal Impacts** Difference from Base	**$2,011,000** ($190,000)
6	**Increased Taxable Sales** *This sensitivity scenario models increased taxable sales per square foot assumptions (relative to the Base Development Program), based on data from land uses in the 2nd Street Corridor and Interland URP.*	**Total Annual Fiscal Impacts** Difference from Base	**$3,305,000** $1,104,000
7	**Sales Tax Capture: Alt. 1** *The Base Development Program assumes a 50% capture rate of taxable sales generated by Project development within the City. This alternative assumes a 75% capture rate.*	**Total Annual Fiscal Impacts** Difference from Base	**$2,250,000** $49,000
8	**Sales Tax Capture: Alt. 2** *The Base Development Program assumes a 50% capture rate of taxable sales generated by Project development within the City. This alternative assumes a 25% capture rate.*	**Total Annual Fiscal Impacts** Difference from Base	**$2,155,000** ($46,000)
9	**Ongoing Operations & Maintenance Responsibility: Alt. 1 [2]** *The Base Development Program assumes ongoing operations and maintenance will either be publicly- or privately-funded.*	**Total Annual Fiscal Impacts** Difference from Base	**$2,126,000** ($75,000)
10	**Ongoing Operations & Maintenance Responsibility: Alt. 2 [2]** *The Base Development Program assumes ongoing operations and maintenance will either be publicly- or privately-funded.*	**Total Annual Fiscal Impacts** Difference from Base	**$2,375,000** $174,000

alternatives

Source: City of Davis; EPS.

[1] Represents the Base Development Program as described in the September 2105 report.
[2] Refer to the September 2015 report for a listing of these items and the assumed responsibility for the Base and Alternative scenarios.

3. ***Five sensitivity scenarios examined in the fiscal impact analysis are estimated to decrease annual net fiscal revenues for the MRIC Project, although all scenarios would continue to produce a sizable net fiscal surplus for the City's General Fund.***

   Five sensitivity scenarios will have negative impacts on the annual net fiscal impacts to the City's General Fund (i.e., net fiscal revenues will decrease relative to the Base Development Program) resulting from the MRIC project. However, none of these scenarios will result in the project generating an annual net fiscal deficit for the City's General Fund. These scenarios include: the addition of housing in the MRIC project; the removal of the planned hotel in the MRIC project; a decreased City share of the applicable property tax rate (25 percent); a lower capture of taxable sales generated from the Innovation Centers' residents and employees; and a broader range of publicly funded ongoing operations and maintenance responsibilities. Decreased annual revenues at project buildout from these scenarios ranged from $46,000 (low taxable sales capture rate) to $732,000 (removal of planned MRIC hotel). Although the addition of MRIC housing results in a lower net fiscal impact for the City's General Fund the presence of housing is a positive attribute that will enhance the mixed-use character valued in innovation centers and may improve the internal economics of the project. Refer to **Table 5** for more details.

4. ***The MRIC DEIR project alternatives are estimated to result in either reduced net fiscal revenues or have similar impacts to the proposed project relative to the impacts of the Base Development Program.***

   Unsurprisingly, the MRIC "No Project" alternative would eliminate the project's significant annual net fiscal surplus for the City's General Fund. The MRIC "Reduced Project" alternative, with 2.1 million fewer square feet of nonresidential development, would substantially reduce key revenues (e.g., property tax revenue, sales tax revenue) thereby reducing the estimated annual net fiscal surplus. As stated previously, the "Mixed Used Alternative" would reduce net revenues resulting from the project. Remaining MRIC DEIR project alternatives ("Reduced Site Size," "Off-Site Alternative A," and "Off-Site Alternative B") are estimated to have similar impacts to the Base Development Program based on their location within the unincorporated County and similar land uses. Refer to **Table 6** for a summary of the impacts of the DEIR alternatives to the MRIC project.

Table 6
Economic and Fiscal Impact Analysis of Mace Ranch Innovation Center
DEIR Alternatives Potential Effect on Fiscal Impact Analysis

Project/Alternative	Nonresidential Square Feet	Dwelling Units	Gross Acres	Potential Effect Relative to Buildout of Project [1]
Proposed MRIC Project	2,725,056	0	229	NA
1. No Project	0	0	0	Reduced Net Revenues
2. Reduced Site Size	2,725,056	0	123	Similar Impact
3. Reduced Project	611,056	0	66	Reduced Net Revenues
4. Off-Site Alternative A (Davis IC)	2,654,000	0	208	Similar Impact
5. Off-Site Alternative B (Covell)	2,654,000	0	247	Similar Impact
6. Infill Alternative [2]	-	-	-	-
7. Mixed Use Alternative [3]	2,725,056	850	229	Reduced Net Revenues

eir

Source: Raney Planning and Management; Ascent; EPS.

[1] Reflects buildout of the Project under the Base Development Program land uses and assumptions.
[2] This alternative is considered in the MRIC DEIR, but is dismissed because it does not meet project objectives. Thus, this alternative is excluded from evaluation in this analysis.
[3] Evaluated as sensitivity scenario 1.