

## 4.5 SOCIOECONOMIC AND FISCAL IMPACTS

### 4.5.1 Introduction to Analysis

This section discusses the regional and local socioeconomic setting, as well as the economic and fiscal effects of implementing the DNA project. Because the study area comprises portions of both the City and the County of Sacramento, both are included in the analysis.

### 4.5.2 Environmental Setting

An understanding of the demographic characteristics of the DNA study area, including population, households, employment, income, and local revenues, is necessary to assess potential socioeconomic and fiscal impacts of implementing the DNA project. Key demographics of the study area are discussed below.

#### Population

Current and projected population estimates for the DNA study area, the City of Sacramento, and the County of Sacramento are summarized in Table 4.5-1. The SACOG population projections indicate that the DNA study area will grow at an average annual rate of 3 percent from 2000 to 2027, compared to 1 percent and 2 percent for the City and County, respectively. Although all three areas are projected to continue to grow, the DNA study area is projected to lead the growth in population, with a projected 153 percent increase in population from 2000 to 2027. This projected increase is mainly attributable to development in the North Natomas area, which has continued since the mid-1990s.

Area	Population 2000	Population 2027	Percent Increase	Average Annual Rate of Growth (percent)
DNA Study Area	60,425	152,670	153	3
City of Sacramento	409,610	585,563	43	1
County of Sacramento	1,218,860	1,857,152	52	2

Source: SACOG, 2006a.

As shown in Table 4.5-2, the minority/non-Caucasian population accounts for 46 percent, 51.7 percent, and 36 percent of the population in the DNA study area, the City, and the County, respectively. African Americans constitute the largest minority group in the DNA study area (15.2 percent). Asians constitute the largest minority group in the City (16.6 percent) and County (11 percent). Hispanics (not technically a race per U.S. Census definition) constitute 24.2 percent, 21.6 percent, and 16 percent, respectively, of the populations in the three areas.

Area	Caucasian	Minority	African American	Alaskan/ Native American	Asian	Two or More Races	Other*	Hispanic
DNA Study Area	54.0	46.0	15.2	1.7	8.8	7.5	12.8	24.2
City of Sacramento	48.3	51.7	15.5	1.3	16.6	6.4	11.9	21.6
County of Sacramento	64.0	36.0	10	1.1	11.0	5.8	8.1	16.0

Source: U.S. Census, 2001.  
Note:  
\* Other includes Native Hawaiian/Other Pacific Islanders.

### Households

According to SACOG, there were 25,150 households in the DNA study area in 2000, 155,937 households in the City, and 467,169 households in the County. The DNA study area had a slightly lower average household size, with 2.4 persons per household, compared to 2.6 for both the City and County. Table 4.5-3 summarizes the existing household data for the DNA study area, City, and County. Table 4.5-4 summarizes the 2027 projections for households in these three areas.

Area	Total Households	Average Household Size (Persons)
DNA Study Area	25,150	2.4
City of Sacramento	155,937	2.6
County of Sacramento	467,169	2.6

Source: SACOG, 2006a.

Area	Total Households	Average Household Size (Persons)
DNA Study Area	62,570	2.4
City of Sacramento	240,034	2.4
County of Sacramento	761,128	2.4

Source: SACOG, 2006a.

**Employment**

As shown in Table 4.5-5, total employment in the DNA study area in 2000 was 108,310, with the workforce dominated by office workers and manufacturing/other sectors. Employment is projected to increase 80 percent between 2000 and 2027, with the highest proportional growth in the retail and office sectors. Employment growth in the DNA study area is higher than in either the City (55 percent) or the County (58 percent).

Industry	Employment (Persons)		Percent of Total		Percent Change
	2000	2027	2000	2027	2000-2027
Retail	10,208	19,551	9.25	9.88	92
Office	64,454	125,960	58.43	63.66	95
Medical	3,519	4,749	3.19	2.40	35
Educational	2,034	4,411	1.84	2.23	117
Manufacturing/Other	28,095	41,180	25.47	20.81	47
Total	108,310	195,851	98.18	98.98	80

Source: SACOG, 2006a.

As shown in Table 4.5-6, in 2000 the total employment in the City was 269,505. The workforce was dominated by office workers and manufacturing/other sectors. Employment is projected to increase 55 percent between 2000 and 2027, with the highest proportional growth in the retail and manufacturing/other sectors.

Industry	Employment (Persons)		Percent of Total		Percent Change
	2000	2027	2000	2027	2000-2027
Retail	34,133	46,440	12.57	11.05	36
Office	113,014	190,928	41.63	45.44	69
Medical	29,548	34,002	10.88	8.09	15
Educational	13,797	24,341	5.08	5.79	76
Manufacturing/Other	79,013	122,438	29.10	29.14	55
Total	269,505	418,149	99.26	99.51	55

Source: SACOG, 2006a.

As shown in Table 4.5-7, in 2000 the total employment in the County was 571,585. The workforce was dominated by office workers and manufacturing/other sectors. Employment is projected to increase 58 percent between 2000 and 2027, with all industries remaining at about the same levels of importance as in 2000.

Industry	Employment (Persons)		Percent of Total		Percent Change
	2000	2027	2000	2027	2000-2027
Retail	101,045	144,854	17.62	16.04	43
Office	192,078	319,457	33.49	35.38	66
Medical	51,298	64,901	8.94	7.19	27
Educational	33,260	58,953	5.80	6.53	77
Manufacturing/Other	193,904	312,795	33.81	34.64	61
Total	571,585	900,960	99.66	99.78	58

Source: SACOG, 2006a.

**Income**

Table 4.5-8 presents income estimates for the DNA study area, City, and County based on the 2000 U.S. Census. Per capita income in 1999 was estimated to be \$20,334 for the DNA study area, \$18,721 for the City, and \$21,142 for the County. Median family income was estimated at \$42,560 for the DNA study area, \$42,051 for the City, and \$50,717 for the County. The percentage of persons living below the poverty level in 1999 was 16.3 percent, 20 percent, and 14.1 percent, respectively, for the three areas (U.S. Census, 2000).

Area	Per Capita Income	Median Family Income	Percent of Population Below Poverty Level	Total Personal Income*
DNA Study Area	\$20,334	\$42,560	16.3	N/A
City of Sacramento	\$18,721	\$42,051	20.0	N/A
County of Sacramento	\$21,142	\$50,717	14.1	\$49,567,459

Source: U.S. Census, 2001.  
 Note:  
 \* U.S. Bureau of Economic Analysis, 2002.

## Finance

Tax revenues account for approximately 43.8 percent of the City's budget. About 50 percent of these revenues are in the form of sales and property taxes. The City's fiscal year 2005 budget is summarized in Table 4.5-9.

<b>Table 4.5-9 Sacramento City FY 2005 Approved Revenues</b>		
<b>Revenue Source</b>	<b>Amount</b>	<b>Percent</b>
Taxes	\$289,300,000	43.8
Licenses & Permits	\$21,700,000	3.3
Fines, Forfeitures & Penalties	\$7,600,000	1.1
Use of Money & Property	\$9,000,000	1.4
Intergovernmental Transfers	\$68,100,000	10.3
Charges for Current Services	\$252,600,000	38.3
Miscellaneous Revenues	\$12,100,000	1.8
<b>Total</b>	<b>\$660,400,000</b>	<b>100</b>
Source: City of Sacramento, 2006.		

Table 4.5-10 presents the approved revenues from the County's budget. According to the fiscal year 2004-2005 budget, the County's property tax revenues were \$182.7 million. Other taxes, primarily sales taxes, were \$205.0 million. In total, taxes account for about 17.3 percent of the County's budget.

<b>Table 4.5-10 Sacramento County FY 2005 Approved Revenues</b>		
<b>Revenue Source</b>	<b>Amount</b>	<b>Percent</b>
Property Taxes	\$182,700,000	8.2
Other Taxes	\$205,000,000	9.2
Licenses & Permits	\$36,100,000	1.6
Fines, Forfeitures & Penalties	\$29,900,000	1.3
Use of Money & Property	\$25,100,000	1.1
Intergovernmental Transfers	\$1,526,400,000	68.2
Charges for Current Services	\$115,800,000	5.2
Miscellaneous Revenues	\$116,400,000	5.2
<b>Total</b>	<b>\$2,237,400,000</b>	<b>100</b>
Source: Sacramento County, Assessor's office, 2006.		

### 4.5.3 Impact Evaluation

Based on this evaluation, implementation of the DNA project would provide an economic stimulus due to an increase in transit accessibility. The DNA project is expected to increase economic development around transit stations. In the short term, construction of the DNA project would result in temporary increases in construction employment and possibly personal income.

Construction of the DNA project would require the following full property acquisitions (see Section 4.6, Property Acquisition, for additional information):

- Two businesses for the river crossing, 18 businesses for a Park-and-Ride at West El Camino Avenue, and 15.5-acres for the maintenance facility at Metro Air Park.

The project would result in the loss of a small percentage of annual property tax revenue. Increases in real estate values around stations may offset any revenue losses due to property acquisition.

### **Methodology**

The greatest economic impacts of implementing the DNA project are assumed to result from the infusion of new dollars into the local economy. The new dollars, in this case, are the portion of the construction that is expected to be funded by the Federal Transit Administration. The following assumptions were used to estimate the economic and fiscal impacts of the project:

- The DNA project south of the American River would be locally funded,
- 45 percent of the total construction costs of the DNA project north of the American River would be federally funded,
- Labor costs would account for approximately 50 percent of the federally funded construction value,
- Construction is expected to take place over approximately 3 years for the entire DNA project,
- Construction workers' wages are \$62,000 per year, including benefits<sup>1</sup>; and
- Loss of property tax revenue due to ROW acquisition is based on actual property tax for individual parcels along the alignment.

Employment and income generated during the construction phase of the DNA project are considered short-term because the additional employment and income to the region would last only during the construction period.

---

<sup>1</sup> Median wages plus benefits for construction workers in 2002 for Sacramento Metropolitan Area, supplied by the California Employment Development Department, 2002.

The impacts of the DNA project have been assessed based on the following:

- Would the DNA project result in a shift of population from one corridor to another?
- Would the DNA project result in a change in property tax revenues or assessed valuation?
- Would the DNA project result in a change in employment or income during construction or operation?
- Are there business gains or losses along the ROW or station locations, including a loss of access to any business?

Socioeconomic and fiscal impacts were assessed for the DNA project using current property development information.

### **DNA Project Impacts**

This section addresses impacts resulting from the implementation of the DNA project.

#### Population

Impacts on population would be indirect and related to induced growth around the proposed transit stations. Implementation of the DNA project would increase accessibility to transit and improve mobility along the entire 12.8-mile route. Additionally, opportunities for economic development around the transit stations in the DNA project area north of the American River would increase.

As discussed in Section 4.2, Land Use, the community plans for North Natomas are based on TOD along the DNA alignment. Implementation of the DNA project would support these efforts to implement TOD, resulting in an increase in density around the stations, as supported in the community plans.

#### Property Taxes and Assessed Valuation

Impacts on assessed valuation and property taxes are direct. Table 4.5-11 lists the property types and taxes potentially affected by full property acquisitions for the DNA project. The DNA project could result in the loss from the public tax rolls of up to \$138,698 per year (Impact SOC-1). It is probable that increased TOD associated with implementation of the DNA project would increase land values near the stations and more than offset the loss of property tax revenues from property acquisition. As a result, this would be a less-than-significant impact.

#### Employment and Income

Depending on the sources of funding, construction of the DNA project would result in a direct impact to employment by adding approximately 1,500 to 1,700 temporary jobs during construction of the entire project. Indirect impacts on employment resulting from induced growth (TOD) around the transit stations are also anticipated. Also refer to Business Gains/Losses below.

**Table 4.5-11  
Summary of Business and Property Taxes Losses**

Property Type	Assessor's Parcel Number	Annual Property Tax (2005-2006)	Assessed Value <sup>a</sup> (2006-2007)	Estimated Number of Employees
<b>American River Crossing</b>				
Ewing Irrigation Products	001-0181-007-0000	\$4,538	\$362,066	10-19
CA Dept. of Education	001-0181-009-0000	\$30,396	\$2,137,750	5-9
Subtotal		\$34,934	\$2,499,816	15-28 <sup>b</sup>
<b>West El Camino Park-and-Ride<sup>c</sup></b>				
Park Plaza Shopping Center at 1620 West El Camino Avenue (including 18 businesses <sup>d</sup> )	274-0410-005-0000	\$69,010	\$5,621,305	55-137 <sup>d</sup>
<b>15.5-acre Maintenance Facility at Metro Air Park</b>				
Vacant <sup>e</sup>	N/A	N/A	N/A	N/A
<b>Summary of Business and Property Taxes Losses</b>				
TOTAL	N/A	\$138,698	\$10,620,937	85-278
Sources:				
Sacramento County, Department of Finance, Tax Collection and Licensing. ePropTax. Accessed online July 25, 2006 via <a href="http://www.assessor.saccounty.net/">http://www.assessor.saccounty.net/</a> .				
Sacramento County, Assessor's office. Parcel Viewer Application. Accessed online July 25, 2006 at <a href="http://www.assessor.saccounty.net/">http://www.assessor.saccounty.net/</a> .				
Notes:				
<sup>a</sup> Acquisition for these properties would be based upon fair market value.				
<sup>b</sup> The Labor Market Information Division of the California Employment Development Department (CEDD) publishes data specific to the Sacramento MSA. The data include types of businesses and employee size categories (0-4, 5-9, 10-19, etc). Employment estimates are based on these size categories and on the business type and field investigation. A range of estimates is provided to account for uncertainty.				
<sup>c</sup> Property acquisitions for other station locations are not full acquisitions and do not result in business relocations.				
<sup>d</sup> Businesses located in Park Plaza Shopping Center include the following: La Bou Café, Gordito Burrito, Northgate Dentist, H & R Block, Curves for Women, Cheers Bar and Grill, Bay Area Hair Designs, Natomas Journal, Nail Club, Bangkok City Thai Cuisine, Dragon Palace Chinese Restaurant, Riverpoint Realty, S.W. Spirits, Pizza Guys, Orthodontics, Citi Financial, Swansons Cleaners, and CASH1.				
<sup>e</sup> Information regarding this parcel is not known at this time because of pending urban development.				

**Business Gains/Losses**

Impacts on business gains and or losses are direct impacts. Business gains or losses are direct impacts and directly correlated to the property acquisition discussed above (see Table 4.5-11). Implementation of the DNA project could require up to 20 business relocations. These businesses are estimated to represent up to as many as 165 relocated jobs (Impact SOC-2). While none of these businesses would be lost, it is possible that several would choose to relocate outside of the study area. This less-than-significant impact would result in a minor loss of business and its associated employment.

Construction of the DNA project would also have direct effects on local businesses. With implementation of the DNA project, RT would be required to provide access to local

businesses during construction. However, the presence of construction activities would temporarily inconvenience shoppers and affect businesses along the alignments. This short-term direct impact would be potentially significant (Impact SOC-3).

The DNA project alignment would pass numerous businesses and shopping centers in the DNA Corridor, as shown on Figures 4.5-1a and 4.5-1b. Because North Natomas is under development, impacts of the DNA project on businesses in the area are unknown. However, developers have committed right-of-way for the DNA project, which would significantly reduce impacts.

Although access to the affected businesses would be maintained during the construction phase, construction activity and resulting traffic congestion on area streets would serve as an inconvenience to shoppers along the DNA project alignment. This could result in a short-term loss of business activity during construction.

As mentioned throughout this document, the indirect impact of the DNA project on business gains relates to the stimulus provided by TOD. The DNA project would provide opportunities for TOD, which would result in an increase in the number and variety of local businesses and a resulting increase in employment opportunity in the study area. Plans for TOD have been developed for the entire length of the Corridor, particularly in the DNA project area south of the American River, as discussed above, and in North Natomas.

Table 4.5-12 presents a summary of the socioeconomic and fiscal impacts associated with implementation of the DNA project.

### **Mitigation Measures**

Implementation of the DNA project would result in short-term impacts on local businesses during the construction phase. Mitigation for business access issues would minimize Impact SOC-3 to a less-than-significant level. These measures will include the following (Mitigation MSOC-3):

- Develop an Access Management Plan during construction
- Provide signage to direct business patrons during construction
- Conduct night construction to accelerate construction in critical areas
- Provide temporary access during normal business hours

For a discussion of mitigation measures applicable to property acquisition and relocation refer to Section 4.6, Property Acquisition and Relocation.

**Table 4.5-12  
Summary of Socioeconomic and Fiscal Impacts**

<b>Approximate Federal Funding Component (\$ millions)<sup>a</sup></b>	<b>Population Impacts<sup>b</sup></b>	<b>Annual Property Tax Impact<sup>c</sup></b>	<b>Temporary Construction (Direct) Employment<sup>d, e</sup></b>	<b>Estimated Number of Relocated Employees</b>	<b>Business Losses Along the ROW or Station Locations</b>
As high as \$383 million	Would stimulate population to locate in TOD adjacent to stations along the entire 12.8-miles of the DNA project	\$138,698	1,500 to 1,700	70-165	Up to 20

Notes:

- <sup>a</sup> Federal contribution is assumed to be 50 percent of estimated total project construction costs. The DNA project south of the American River has no FTA funding. The DNA project north of the American River may have FTA funding.
- <sup>b</sup> Impacts to minority and low-income populations are discussed under Environmental Justice.
- <sup>c</sup> Fiscal impacts include the change in local and regional tax revenues accruing to local governments and the state. The focus here is on net property tax changes resulting from the removal of property from public tax rolls.
- <sup>d</sup> Employment impacts are based on a multiplier analysis using IMPLAN Social Accounting Matrix multipliers for Sacramento County and are for the construction phase only. The employment and income multiplier used is 1.63 for IMPLAN sector 51. Payroll is assumed to be 50 percent of the annual federal funding component. This results in direct construction employment of from 1,500 to 1,700 and indirect employment of 2,445 to 2,770.
- <sup>e</sup> Construction duration is estimated as 3.5 years for the DNA project, at an average salary of \$63,000.



