The PITSTOP Specific Plan

CONCLUSIONS OF THE FISCAL IMPACT ANALYSIS ("FIA") FOR THE PITSTOP SPECIFIC PLAN

INTRODUCTION

The purpose of this summary is to identify the projected fiscal impacts to the City of Irwindale (the "City") General Fund that will result from the development of the PITSTOP Specific Plan (the "Project").

DESCRIPTION OF THE PROJECT

Project Site: Home of the former Irwindale Speedway, a 6,000-seat motorsports event facility featuring twin 1/2- and 1/3-mile paved banked oval racetracks and a 1/8-mile National Hot Rod Association-sanctioned dragstrip that was permanently closed at the end of 2024. Demolition was completed in 2025.

Proposed Project: Redevelops the Project site into mixed-use development, including the following:

- **Dining Component**: Contains three fast-food restaurants and a coffee shop totaling 16,000 SF, all with a drive-through, and three limited-service restaurants totaling 12,000 SF.
- **Neighborhood Service Component**: Comprises 4,000 SF for personal care service businesses.
- **Automobile Service Component**: Consists of a tunnel car wash and an EV charging station with a 4,000-SF convenience store.
- **Industrial Component ("IND")**: Encompasses approximately 552,949 SF of warehousing space.
- **Energy Storage Component**: Consists of a 400-megawatt ("MW") Energy Storage ("ES") facility spanning 20 acres. The ES facility includes racked battery modules and power conversion equipment, with an HVAC system utilized to maintain specific operating temperatures within the enclosed containers. The ES facility operations will be controlled and monitored via a supervisory control and data acquisition system. The Project will be designed in accordance with the latest applicable building codes and safety certifications for the design, construction, and operations of the facility.

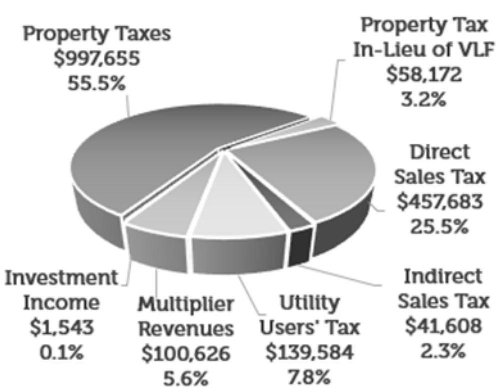
ANALYTIC METHODOLOGY AND ASSUMPTIONS UTILIZED IN THE FIA

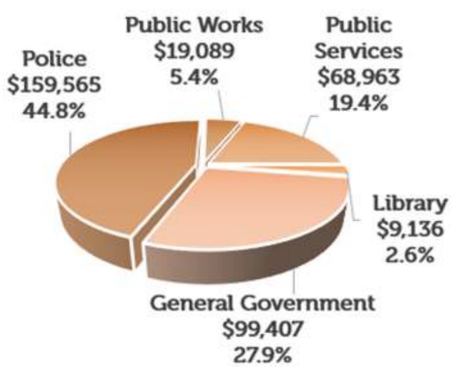
- <u>Recurring Revenues and Costs</u>: Only recurring revenues and costs are analyzed in this FIA, so revenues and costs that are considered non-recurring, such as Development Impact Fees ("DIFs") paid by developers and capital expenditures, are excluded from the analysis.
- <u>Discounting Revenues</u>: Certain revenues are not expected to increase one-to-one with new development. Thus, a 20% discount rate has been applied to various General Fund revenues to reflect the estimated ratio of fixed revenues (not impacted by future development) to variable revenues. In addition, DTA conservatively applies a 100% discount on the intergovernmental revenues received by the City given that the allotment of such revenues generally involves complex socioeconomic and demographic factors that are difficult to forecast. A 100% discount is also applied to Miscellaneous and Use of Money and Property, i.e., rent, General Fund revenues since DTA conservatively deems those revenues to be static.

- Discounting Expenses: Certain service costs are not expected to increase one-to-one with new development. Thus, 50%, 67% and 75% discount rates have been applied to various General Fund expenditures to reflect the estimated ratio of fixed expenditures (not impacted by future development) to variable expenditures. The marginal increase in the general government overhead costs associated with the additional non-general government expenditures incurred by new development is assumed to be 75%, reflecting a 25% discount.
- Tax Sharing (Secured Property Taxes): Property tax revenue estimates were derived using apportionment factors provided by the Los Angeles County Auditor-Controller as applied to the general 1% *ad valorem* property tax levy. Total secured property tax revenues received by the City from the Proposed Project will equal approximately 9.78% of the basic 1% [Proposition ("Prop") 13] net of the projected Education Revenue Augmentation Fund ("ERAF") property tax shifts.
- Property Tax In Lieu of Vehicle License Fees (VLFs"): Per California Revenue and Taxation Code §97.70, the property tax in lieu of the VLF amount now increases in proportion to the growth rate of the Citywide gross assessed valuation of taxable property from the prior fiscal year. Property taxes in lieu of VLF revenues constitute an addition to other property tax apportionments and were calculated for the purposes of this FIA at $0.07 per $1,000 increase in assessed valuation on a Citywide basis.

FISCAL IMPACT CONCLUSIONS

The overall net fiscal impact to the City's General Fund resulting from the revenues anticipated to be generated by the Project's build-out ($1,796,870), as compared with the cost of public services associated with the Project's build-out ($356,160), will be a substantial annual recurring **fiscal surplus of $1,440,710 in 2026 dollars**. The two largest projected City General Fund revenue sources attributable to the Project at build-out are property taxes (including property tax in lieu of VLFs) and direct sales taxes. Property taxes alone will generate 58.8% of the City's revenues from the Project, with direct sales taxes adding an additional 25.5%. Conversely, police service (44.8%) and general government (27.9%) are projected to be the largest City General Fund expenditures.





Fiscal Impact Category	Amount	Percent of Total
Recurring General Fund Revenues		
Secured Property Tax	$906,959	50.5%
Unsecured Property Tax	$90,696	5.0%
Property Tax In-Lieu of Vehicle License Fee	$58,172	3.2%
Direct Sales Tax	$457,683	25.5%
Indirect Sales Tax	$41,608	2.3%
Utility Users' Tax	$139,584	7.8%
Business Licenses	$53,666	3.0%
Franchise Fees	$39,724	2.2%
Charges for Services	$5,108	0.3%
Fines and Forfeitures	$2,128	0.1%
Investment Income	$1,543	0.1%
Subtotal	**$1,796,870**	**100.0%**
Recurring General Fund Expenditures		
Police	$159,565	44.8%
Public Works - Engineering	$19,089	5.4%
Public Services	$68,963	19.4%
Library	$9,136	2.6%
General Government	$99,407	27.9%
Subtotal	**$356,160**	**100.0%**
Net Fiscal Impact		
Total Annual Recurring General Fund Surplus/(Deficit)	**$1,440,710**	**NA**
Total Annual Revenue/Expenditure Ratio	**5.05**	**NA**

DTA'S QUALIFICATIONS

DTA Public Finance, Inc. ("DTA"), formerly David Taussig and Associates, Inc., is a California-based public finance consulting firm with a national practice focusing on the establishment and implementation of infrastructure and public services financing programs. The firm, which provides public finance consulting services to public and private sector clients, has offices in Newport Beach, San Francisco, San Jose, and Riverside, California, Houston and El Paso, Texas, Raleigh, North Carolina, and Tampa, Florida. Since its formation in 1985, the firm has assisted over 3,000 clients located in 26 states in meeting their infrastructure and public services goals. Additional information on DTA is available on our website at www.FinanceDTA.com.

In addition to the planning and implementation of public financing mechanisms, DTA is involved in fiscal and economic analyses of land development impacts, project feasibility studies, retail market analyses, and economic development studies. DTA's ability to thoroughly analyze the revenues and costs to a local jurisdiction resulting from new development relates specifically to our extensive experience in fiscal impact analyses of land development projects. DTA staff has prepared over 700 Fiscal Impact Reports ("FIRs") estimating the revenue and cost impacts of various land use decisions on cities, counties, and special districts. Our firm has prepared FIRs in conjunction with Specific Plans, Environmental Impact Reports ("EIRs"), incorporations and annexations, reuse studies, General Plan Amendments, Development Agreements, and individual project proposals covering different types of residential, commercial/industrial, and mixed-use projects.

A partial list of the city and county clients for whom we have completed fiscal impact studies in California in recent years is provided below.

- City of Alameda;
- City of Anaheim;
- City of Antioch;
- City of Atascadero;
- City of Beaumont;
- City of Bellflower;
- City of Brawley;
- City of Brentwood;
- City of Cathedral City;
- City of Chino;
- City of Cotati;
- City of El Monte;
- City of Firebaugh;
- City of Fresno;
- City of Hercules;
- City of Hemet;
- City of Irwindale;
- City of Kingsburg;
- City of Los Osos;
- City of Menifee;
- City of Moreno Valley;
- City of Murrieta;
- City of Paso Robles;
- City of Perris;
- City of Rialto;
- City of San Luis Obispo;
- City of San Marcos;
- City of San Ramon;
- City of Saratoga;
- City of South San Francisco;
- City of Suisun City
- City of Tustin;
- City of Vallejo;
- City of Vista;
- County of Madera;
- County of Riverside;
- County of San Bernardino
- County of Sutter; and
- Templeton Community Services District.