bae urban economics

Memorandum

To: Corinna Sandmeier, City of Menlo Park

From: Chelsea Guerrero, MCP, Vice President

Date: August 15, 2025

Re: Supplemental Fiscal Impact Analysis for Revised Menlo Park Parkline Master Plan Project

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Purpose

This memorandum summarizes the findings from a supplemental Fiscal Impact Analysis (FIA) of the revised proposal for the Parkline Master Plan Project ("Revised Proposed Project") in Menlo Park. On June 19, 2024, BAE completed the *Fiscal Impact Analysis Report for the Parkline Master Plan (June 2024 analysis)*. The June 2024 analysis evaluated the project that the applicant had proposed at that time (the Proposed Project) in addition to a variant of Proposed Project that included the same amount of nonresidential space but more residential units (the Increased Residential Density Project Variant). Subsequent to the June 2024 analysis, the applicant stated an intent to move forward with the Increased Residential Density Project Variant. The applicant recently revised the proposal for the Project (Revised Proposed Project) to reduce the amount of non-residential space on the Project site from 1.4 million square feet to one million square feet. The residential component in the applicant's revised proposal includes up to 800 residential units and remains unchanged from the Increased Residential Density Project Variant that was analyzed in the June 2024 analysis.

This supplemental analysis estimates the annual ongoing fiscal impacts resulting from the Revised Proposed Project to the City's General Fund, the Menlo Park Fire Protection District, and the two school districts serving the Project site. This memorandum also provides a comparison between the fiscal impacts associated with the Increased Residential Density Project Variant, as analyzed in the June 2024 analysis, and the Revised Proposed Project. The supplemental analysis presented in this memorandum follows the same approach as BAE's prior analysis presented in the *Fiscal Impact Analysis Report for the Parkline Master Plan* dated June 19, 2024. BAE's prior June 2024 analysis provides detailed descriptions of the methodologies for estimating General Fund revenues and expenditures attributable to the Project and is attached to this memorandum for reference. To enable a comparison of the results for the Revised Proposed Project and the Project Variant evaluated in the June 2024 analysis, annual ongoing fiscal impacts from the Revised Proposed Project are presented in constant 2024 dollars, based on the future point in time when the project would be fully built out and would have achieved stabilized operations.

Project Description

As summarized in Table 1, the Revised Proposed Project would include approximately 713,300 square feet of new office/R&D and amenity space and up to 800 new residential units. Most of the buildings on the existing SRI International Campus would be demolished, except for Buildings P, S, and T (encompassing a total of 286,000 square feet), which would remain on the Project site. Upon completion, the total non-residential building square footage on the Project site would total one million square feet (including both newly-constructed square footage and existing square footage that would remain), reflecting a net decrease of approximately 378,330 square feet compared to the Increased Residential Density Project Variant that was previously analyzed. The residential component of the Revised Proposed Project would remain consistent with the Increased Residential Density Project Variant.

Table 1: Revised Menlo Park Parkline Master Plan Development Program

	Increased Residential Density Project Variant	Revised Proposed Project	Net Change
Non-Residential Building Area (sf)	**1,378,330**	**1,000,000**	**(378,330)**
New Office/R&D	1,051,600	673,270	(378,330)
Commercial/Community Amenity	40,000	40,000	0
Existing Office/R&D to Remain	286,730	286,730	0
New Residential Units	**800**	**800**	**0**
Townhomes	**46**	**46**	**0**
Market Rate Units	39	39	0
BMR Units (15% Inclusionary)	7	7	0
Multifamily Apartments	**754**	**754**	**0**
Market Rate Units	510	510	0
BMR Units (15% Inclusionary)	90	90	0
100% Affordable Parcel	154	154	0

Sources: City of Menlo Park; Lane Partners and SRI International; BAE, 2025.

Similar to the analysis of the Increased Residential Density Project Variant in the June 2024 analysis, this supplemental analysis evaluates two potential building use scenarios for the Revised Proposed Project: an Office Use Scenario that assumes 100 percent of the office/R&D buildings are occupied by office tenants and a Research and Development (R&D) Use Scenario that assumes 100 percent of the office/R&D buildings are occupied by R&D or life science tenants. Table 2 shows the net change in residents, employees, and the service population associated with the Revised Proposed Project and the Increased Residential Density Project Variant under both building use scenarios. Compared to the Increased Residential Density Variant, the Revised Proposed Project would generate 1,513 fewer employees under the office scenario and 1,081 fewer employees under the R&D scenario. Under the 100 percent office scenario, the Revised Proposed Project would include 2,000 new residents and 3,461 employees at full buildout, resulting in a total service population of 3,154.[1] Under the 100 percent R&D scenario, the Revised Proposed Project would include 2,000 residents and 2,692 employees, resulting in a total service population of 2,897 at buildout. After accounting for the existing employment on the Project site, the Revised Proposed Project would result in a net increase of 2,781 service population members under the office scenario and a net increase of 2,525 service population members under the R&D scenario. Compared to the Increased Residential Density Variant, the Revised Proposed Project would generate 504 fewer service population members under the office scenario and 360 fewer service population members under the R&D scenario.

Table 2: On-Site Service Population at Buildout

	Increased Residential Density Variant	Revised Proposed Project	Net Change
Office Scenario			
Net Change in Residents	**2,000**	**2,000**	**0**
Existing Residents	0	0	0
Total Residents at Buildout	2,000	2,000	0
Net Change in Employees	**3,856**	**2,343**	**(1,513)**
Existing Employees	1,118	1,118	0
Total Employees at Buildout (b)	4,974	3,461	(1,513)
New Office/R&D	*4,206*	*2,693*	*(1,513)*
New Commercial/Community Amenity	*48*	*48*	*0*
New Residential	*20*	*20*	*0*
SRI Employment	*700*	*700*	*0*
Net Change in Service Population (a)	**3,285**	**2,781**	**(504)**
Existing On-Site Service Population (a)	373	373	0
On-Site Service Population at Buildout (a)	3,658	3,154	(504)
R&D Scenario			
Net Change in Residents	**2,000**	**2,000**	**0**
Existing Residents	0	0	0
Total Residents at Buildout	2,000	2,000	0
Net Change in Employees	**2,655**	**1,574**	**(1,081)**
Existing Employees	1,118	1,118	0
Total Employees at Buildout (b)	3,773	2,692	(1,081)
New Office/R&D	*3,005*	*1,924*	*(1,081)*
New Commercial/Community Amenity	*48*	*48*	*0*
New Residential	*20*	*20*	*0*
SRI Employment	*700*	*700*	*0*
Net Change in Service Population (a)	**2,885**	**2,525**	**(360)**
Existing On-Site Service Population (a)	373	373	0
On-Site Service Population at Buildout (a)	3,258	2,897	(360)

Notes:

[1] This analysis defines the City's service population as all residents plus one third of the employees who work within the City. Calculating service population in this way reflects the fact that employees, who generally spend less time in the community than residents, tend to generate a smaller share of demand for services.

(a) Service population equals the resident population plus a portion of the employment population to reflect the reduced service demand from commercial uses. To estimate service population, each employee is multiplied by 1/3.
(b) Total on-site employment at buildout, including 700 existing SRI employees that would remain on-site.

Sources: Keyser Marston Associates Parkline Housing Needs Assessment (April 2024), Table 8-3; BAE, 2025.

Summary of Fiscal Impacts to City General Fund

This section of the memorandum summarizes the projected ongoing annual fiscal impacts to the City's General Fund from the Revised Proposed Project and the Increased Residential Density Variant at full buildout and occupancy. The appendix to this memorandum contains a set of tables that detail the calculations and assumptions used to estimate the fiscal impacts from the Revised Proposed Project shown below. As mentioned previously, BAE's prior June 2024 analysis provides detailed descriptions of the methodologies for estimating General Fund revenues and expenditures attributable to the Project and is attached to this memorandum for reference.

Summary of Annually Recurring General Fund Revenues

As shown in Table 3, the Revised Proposed Project would increase annual General Fund revenues by approximately $3.0 million under both building use scenarios. Net new annual General Fund revenues from the Increased Residential Density Variant were estimated at approximately $3.7 million under the 100 percent office use scenario and approximately $3.6 million under the 100 percent R&D use scenario.

Table 3: Summary of Net Change in Annual General Fund Revenues at Buildout

	Increased Residential Density Variant		Revised Proposed Project	
General Fund Revenues	**Annual Revenue**	**Percent of Total**	**Annual Revenue**	**Percent of Total**
Office Scenario				
Property Tax	$2,770,491	75.6%	$2,287,475	75.2%
ILVLF	$458,559	12.5%	$378,612	12.5%
Sales Tax	$226,918	6.2%	$198,174	6.5%
Business License Tax	$20,750	0.6%	$15,750	0.5%
Other Revenues	$188,985	5.2%	$159,974	5.3%
Total Revenues	**$3,665,703**	**100.0%**	**$3,039,985**	**100.0%**
R&D Scenario				
Property Tax	$2,770,491	76.5%	$2,287,475	76.0%
ILVLF	$458,559	12.7%	$378,612	12.6%
Sales Tax	$204,102	5.6%	$183,565	6.1%
Business License Tax	$20,750	0.6%	$15,750	0.5%
Other Revenues	$165,956	4.6%	$145,228	4.8%
Total Revenues	**$3,619,858**	**100.0%**	**$3,010,631**	**100.0%**

Source: BAE, 2025.

Summary of Annually Recurring General Fund Expenditures

As shown in Table 4, the net increase in annual General Fund expenditures from the Revised Proposed Project would total approximately $3.1 million under the office scenario and approximately $2.8 million under the R&D scenario. For the Increased Residential Density Variant, annual General Fund expenditures were expected to increase by approximately $3.6 million under the office scenario and approximately $3.2 million under the R&D scenario. These estimated expenditures solely account for estimated increases in ongoing operating costs (e.g., salaries) and do not account for any one-time capital improvements that might be necessary to serve the new development.

Table 4: Summary of Net Change in Annual General Fund Expenditures at Buildout

Department	General Fund Expenditures Per Service Population	Increased Residential Density Variant Total	Increased Residential Density Variant % of Total	Revised Proposed Project Total	Revised Proposed Project % of Total
Office Scenario					
Administrative Services	$90.63	$297,764	8.2%	$252,054	8.2%
Library and Community Services	$190.28	$625,138	17.2%	$529,173	17.2%
Police	$493.61	$1,621,668	44.6%	$1,372,725	44.6%
Public Works	$332.90	$1,093,701	30.1%	$925,807	30.1%
Total Dept. Expenditures	**$1,107.43**	**$3,638,272**	**100.0%**	**$3,079,759**	**100.0%**
R&D Scenario					
Administrative Services	$90.63	$261,480	8.2%	$228,822	8.2%
Library and Community Services	$190.28	$548,962	17.2%	$480,397	17.2%
Police	$493.61	$1,424,061	44.6%	$1,246,197	44.6%
Public Works	$332.90	$960,429	30.1%	$840,472	30.1%
Total Dept. Expenditures	**$1,107.43**	**$3,194,932**	**100.0%**	**$2,795,888**	**100.0%**

Assumptions

Net Change in Service Population	Increased Res. Density Variant	Revised Proposed Project
Office Scenario	3,285	2,781
R&D Scenario	2,885	2,525

Source: BAE, 2025.

Summary of Net Fiscal Impact to the City of Menlo Park General Fund

Table 5 shows that the Revised Proposed Project would result in a slight negative annual fiscal impact totaling approximately $39,800 under the office scenario. Under the R&D scenario, the Revised Proposed Project would result in a positive annual net fiscal impact of approximately $214,700. The Increased Residential Density Variant was projected to result in a net positive annual fiscal impact (surplus) totaling approximately $27,400 under the office scenario and approximately $424,900 under the R&D scenario.

Table 5: Projected Annual Net Fiscal Impact to the City of Menlo Park General Fund at Buildout

	Increased Residential Density Variant		Revised Proposed Project	
	Office Scenario	R&D Scenario	Office Scenario	R&D Scenario
Total Net Change in Revenues	**$3,665,703**	**$3,619,858**	**$3,039,985**	**$3,010,631**
Property Tax	$2,770,491	$2,770,491	$2,287,475	$2,287,475
ILVLF	$458,559	$458,559	$378,612	$378,612
Sales Tax	$226,918	$204,102	$198,174	$183,565
Business License Tax	$20,750	$20,750	$15,750	$15,750
Other Revenues	$188,985	$165,956	$159,974	$145,228
Total Net Change in Expenditures	**$3,638,272**	**$3,194,932**	**$3,079,759**	**$2,795,888**
Administrative Services	$297,764	$261,480	$252,054	$228,822
Library and Community Services	$625,138	$548,962	$529,173	$480,397
Police	$1,621,668	$1,424,061	$1,372,725	$1,246,197
Public Works	$1,093,701	$960,429	$925,807	$840,472
Net Fiscal Impact	**$27,431**	**$424,926**	**($39,774)**	**$214,743**

Source: BAE, 2025.

Fiscal Impacts to Menlo Park Fire Protection District

Based on the revenue and expenditure estimates shown in Table 6, the Revised Proposed Project would have a positive net fiscal impact on the MPFPD under both building use scenarios. The annual fiscal surplus would total approximately $1.4 million under the office scenario and approximately $1.6 million under the R&D scenario. For comparison, the Increased Residential Density Variant was projected to generate an annual net positive fiscal impact (surplus) totaling approximately $1.8 million under the office scenario and approximately $2.0 million under the R&D scenario.

Table 6: Projected Net Fiscal Impact to the Menlo Park Fire Protection District

	Increased Residential Density Variant		Revised Proposed Project	
	Office Scenario	R&D Scenario	Office Scenario	R&D Scenario
Projected Net Change in Service Population	3,285	2,885	2,781	2,525
Net Change in Assessed Value	$2,712,929,208	$2,712,929,208	$2,239,948,908	$2,239,948,908
Net Change in Property Tax Revenues	$3,866,413	$3,866,413	$3,192,331	$3,192,331
Net Change in Other Revenues	$47,351	$41,581	$40,082	$36,387
Less: Net Change in Expenditures	($2,130,433)	($1,870,830)	($1,803,389)	($1,637,165)
Projected Net Fiscal Impact to MPFPD	**$1,783,330**	**$2,037,164**	**$1,429,023**	**$1,591,553**

Assumptions	
Menlo Park Fire Protection District Service Population, 2024	106,891
Revenues	
Fire District Share of Base 1% Property Tax (a)	14.3%
License and Permit Revenues, FY 23-24 Adopted Budget	$1,084,400
Current Service Charge Revenues, FY 23-24 Adopted Budget	$456,200
Licenses, Permits, and Service Charges per Service Population	$14.41
Expenditures	
General Fund Operating Expenditures, FY 2023-24 Adopted Budget	$69,315,600
Expenditures per Service Population	$648.47

Notes:
(a) This is the MPFPD's share of the base 1.0 percent property tax in the TRA where the Project site is located, after accounting for the reduction in property tax revenues to fund ERAF. This figure does not account for excess ERAF revenues that the County refunds to the District when its ERAF balance exceeds K-14 educational funding needs. Many taxing entities do not consider excess ERAF to be a reliable revenue source due to its volatility, difficulty to predict, and likelihood of being eliminated by State action in coming years. Not including excess ERAF when determining property tax share results in a slightly lower, more conservative property tax revenue estimate.

Sources: Menlo Park Fire Protection District; San Mateo County Controller; Esri Business Analyst; BAE, 2025.

Fiscal Impacts to School Districts Serving the Project Site

Menlo Park City School District

The Menlo Park City School District is a basic aid district, and therefore the Project would generate property tax revenue which would contribute to the District's unrestricted General Fund. Both the Proposed Project and the Increased Residential Density Variant would result in annual property tax revenues that exceed the net change in projected expenditures from new student enrollment at buildout. The projected new student enrollment would be the same under the Revised Proposed Project and the Increased Residential Density Variant (50 students). Based on the estimated net increase in assessed values shown in Table 7, the Revised Proposed Project would increase annual property tax revenues to the District by approximately $3.8 million, while the Increased Residential Density Variant would increase annual property tax revenues by approximately $4.6 million. In addition to funding from property tax revenues, the Menlo Park City School District would receive a small amount of State funding per student on an annual basis (approximately $20,400 under both the Revised Proposed Project and the Increased Residential Density Variant). Meanwhile, the district's annual expenditures would increase by approximately $748,100 to serve the new students generated by the Project under both the Revised Proposed Project and the Increased Residential Density Variant. After accounting for these projected increases in annual revenues and expenditures, the annual net positive fiscal impact (surplus) to the district is estimated at approximately $3.1 million for the Revised Proposed Project, compared to approximately $3.9 million for the Increased Residential Density Variant.

Table 7: Projected Net Fiscal Impact to the Menlo Park City Elementary School District

	Increased Residential Density Variant	Revised Proposed Project
Number of New Townhome Units	46	46
Number of New Multifamily Apartment Units	754	754
Projected Net Change in Enrolled Students	50	50
Projected Net Change in ADA	48.26	48.26
Net Change in Assessed Value from Project	$2,712,929,208	$2,239,948,908
Net Change in Menlo Park City ESD Property Tax Revenue	$4,604,175	$3,801,470
Net Change in State Revenues from ADA	$20,430	$20,430
Less: Net Change in Projected Expenditures from Enrollment	($748,066)	($748,066)
Projected Net Fiscal Impact to Menlo Park City ESD	**$3,876,540**	**$3,073,834**

Assumptions	
Menlo Park City ESD Student Generation per Unit (a)	
Townhomes	0.42
Multifamily Apartments	0.04
Estimated Average Daily Attendance (ADA) per Enrolled Student (b)	0.97
Menlo Park City ESD Share of Base 1% Property Tax (c)	17.0%
Unrestricted Revenues per ADA, 2023-24 Budget	$423.37
Unrestricted State Local Control Funding Formula (LCFF) Funds per ADA (d)	$0
Unrestricted State Educational Protection Account Funds per ADA	$208.56
Unrestricted State Lottery Funds per ADA	$177.00
Unrestricted State Mandated Costs Block Grant per ADA	$37.81
Unrestricted General Fund Expenditures, 2023-24 Approved Budget	
Projected Enrolled Students, 2023-24	2,753
Estimated Regular P-2 ADA, 2023-24	2,657
Unrestricted Expenditures per Enrolled Student	$14,961

Notes:
(a) Student generation rates provided by the District in December 2023.
(b) This figure was calculated by dividing the District's 2023-24 projected ADA by its projected enrollment.
(c) Based on the District's share of the base 1.0 percent property tax revenue in TRA 008-001.
(d) Menlo Park City ESD is a "basic aid" district. Basic aid districts, also known as "community-funded" districts, collect enough property tax revenues to meet their state-determined LCFF minimum funding targets without state support. Though basic aid districts are entitled to other state funds tied to ADA (listed separately) and a minimum level of guaranteed state support (not tied to growth), they will not receive LCFF state aid to offset the costs generated by additional ADA. For that reason, BAE assumes zero state LCFF funds per ADA.

Sources: Menlo Park City Elementary School District; San Mateo County Controller; BAE, 2025.

Sequoia Union High School District

The Sequoia Union High School District is a Basic Aid district and therefore gets the bulk of its revenue from property taxes, with a minimal amount of funding from other state and local sources. The Revised Proposed Project and the Increased Residential Density Variant would both generate fiscal surpluses for the district. As shown in Table 8, the Proposed Project would increase annual property tax revenue by approximately $3.6 million. Under the Increased Residential Density Variant, annual property tax revenue to the district would increase by approximately $4.3 million. In addition to funding from property tax revenues, the Sequoia Union High School District would receive a small amount of State funding per student on an annual basis. These sources include the minimum State Educational Protection Account entitlement, State Lottery Funds, and the State Mandated Costs Block Grant, all of which are allocated based on ADA. Annual revenues from these sources would total approximately $34,500 for both the Revised Proposed Project and the Increased Residential Density Variant. Annual district expenditures would increase by approximately $1.5 million to serve the new students generated by the Project under both scenarios. After accounting for these projected increases in annual revenues and expenditures, the annual net positive fiscal impact (surplus) would total approximately $2.1 million for the Revised Proposed Project. The Increased Residential Density Variant would generate an annual net positive fiscal impact totaling approximately $2.9 million annually.

Table 8: Projected Net Fiscal Impact to Sequoia Union High School District

	Increased Residential Density Variant	Revised Proposed Project
Number of New Townhome Units	46	46
Number of New Multifamily Apartment Units	754	754
Projected Net Change in Enrolled Students	82	82
Projected Net Change in ADA	76.04	76.04
Net Change in Assessed Value from Project	$2,712,929,208	$2,239,948,908
Net Change in Sequoia Union HSD Property Tax Revenue	$4,306,138	$3,555,393
Net Change in Annual State Revenues from ADA	$34,455	$34,455
Less: Net Change in Projected Annual Expenditures from Enrollment	($1,462,374)	($1,462,374)
Projected Net Fiscal Impact to Sequoia Union HSD (Annual)	**$2,878,218**	**$2,127,473**
One-Time Impact Fee Revenue		

Assumptions	
Sequoia Union HSD Student Generation per Unit (a)	
Single Family Detached	0.14
Single Family Attached	0.09
Multifamily	0.10
Estimated Average Daily Attendance (ADA) per Enrolled Student (b)	0.93
Sequoia Union HSD Share of Base 1% Property Tax Revenue (c)	15.9%
Unrestricted Revenues per ADA, 2023-24 Budget	$453.13
Unrestricted State Local Control Funding Formula (LCFF) Funds per ADA (d)	$0.00
Unrestricted State Educational Protection Account Funds per ADA	$203.29
Unrestricted State Lottery Funds per ADA	$177.00
Unrestricted State Mandated Costs Block Grant per ADA	$72.84
Unrestricted General Fund Expenditures, 2023-24 Approved Budget	$152,532,763
Enrolled Regular Students, 2023-24	8,553
Estimated Regular P-2 ADA, 2023-24	7,931
Unrestricted Expenditures per Enrolled Student	$17,834

Notes:
(a) Student generation rates reported by the District in January 2024. This analysis uses the student generate rate for single family detached units (0.14) to estimate student enrollment associated with the townhomes.

(b) This figure was calculated by dividing the District's FY 2023-24 projected ADA by its projected enrollment
(c) This is Sequoia Union HSD's share of the base 1.0 percent property tax in the TRA where the Project site is located.
(d) Sequoia Union HSD is a "basic aid" district. Basic aid districts, also known as "community-funded" districts, collect enough property tax revenues to meet their state-determined LCFF minimum funding targets without state support. Though basic aid districts are entitled to other state funds tied to ADA (listed separately) and a minimum level of guaranteed state support (not tied to growth), they will not receive LCFF state aid to offset the costs generated by additional ADA. For that reason, BAE assumes zero state LCFF funds per ADA.

Sources: Sequoia Union High School District; San Mateo County Controller; BAE, 2025.

Summary of Net Fiscal Impact Findings

Selected FIA findings are summarized in the table below. As shown, the FIA estimates that the Revised Proposed Project would have a slight negative net fiscal impact on the City of Menlo Park's annual General Fund operating budget under the office scenario, and a positive net fiscal impact on the City's General Fund under the R&D scenario. The Increased Residential Density Variant would result in a positive net fiscal impact on the City's General Fund under both office and R&D scenarios. The Revised Proposed Project and the Increased Residential Density Variant would both generate net positive fiscal impacts to the Menlo Park Fire Protection District, Sequoia Union High School District, and the Menlo Park City Elementary School District under both office and R&D scenarios.

Table 9: Summary of Net Fiscal Impact Findings for the Revised Proposed Project at Buildout

All figures in 2024 dollars	City of Menlo Park	Menlo Park Fire Protection District	Sequoia Union High School District	Menlo Park City Elementary District
Revised Proposed Project				
Office Scenario				
Annual Impacts				
New Revenues	$3,039,985	$3,232,413	$3,589,847	$3,821,900
New Expenditures	$3,079,759	$1,803,389	$1,462,374	$748,066
Net Fiscal Impact	**($39,774)**	**$1,429,023**	**$2,127,473**	**$3,073,834**
R&D Scenario				
Annual Impacts				
New Revenues	$3,010,631	$3,228,718	$3,589,847	$3,821,900
New Expenditures	$2,795,888	$1,637,165	$1,462,374	$748,066
Net Fiscal Impact	**$214,743**	**$1,591,553**	**$2,127,473**	**$3,073,834**
Increased Residential Density Variant				
Office Scenario				
Annual Impacts				
New Revenues	$3,665,703	$3,913,764	$4,340,592	$4,624,606
New Expenditures	$3,638,272	$2,130,433	$1,462,374	$748,066
Net Fiscal Impact	**$27,431**	**$1,783,330**	**$2,878,218**	**$3,876,540**
R&D Scenario				
Annual Impacts				
New Revenues	$3,619,858	$3,907,994	$4,340,592	$4,624,606
New Expenditures	$3,194,932	$1,870,830	$1,462,374	$748,066
Net Fiscal Impact	**$424,926**	**$2,037,164**	**$2,878,218**	**$3,876,540**

Source: BAE, 2025.

APPENDIX A: MENLO PARK PARKLINE MASTER PLAN PROJECT FISCAL IMPACT TABLES

Appendix Table A - 1: City Service Population, City of Menlo Park

City of Menlo Park	2024
Residents (a)	33,140
Employees (b)	35,133
Service Population (c)	**44,851**

Notes:
(a) California Department of Finance 1/1/2024 population estimate.
(b) Esri estimate, 2023 Total Employment.
(c) Service population equals the resident population plus a portion of the employment population to reflect the reduced service demand from commercial uses. To estimate service population, each employee is multiplied by 1/3.

Sources: CA Department of Finance; Esri Business Analyst; BAE, 2024.

Appendix Table A - 2: Estimated Annual Taxable Sales per Resident, Menlo Park

	2023 Taxable Sales per Capita (a)				
Business Category	**Menlo Park**	**San Mateo & Santa Clara Counties**	**Sales Leakage** (b)	**Estimated % of Resident Taxable Sales in City** (c)	**Estimated New Sales in City** (d)
Retail and Food Services					
Home Furnishings and Appliance Stores	$712	$1,038	31%	69%	$712
Food and Beverage Stores	$1,686	$816	-106%	85%	$694
Gasoline Stations	$1,740	$1,364	-28%	85%	$1,159
Clothing and Clothing Accessories	$2,350	$1,173	-100%	85%	$997
Food Services and Drinking Places	$2,964	$3,419	13%	85%	$2,906
Other Retail Group (e)	$1,620	$8,198	80%	20%	$1,620
Total (f)	**$11,071**	**$16,007**			**$8,087**

Notes:
(a) 2023 data inflated to 2024 dollars. Population estimates for 2024 per the California Department of Finance:
Menlo Park: 33,140
San Mateo County: 741,565
Santa Clara County: 1,903,198
(b) Retail spending for Menlo Park residents is assumed to be equal to per capita spending patterns for the two counties. If Menlo Park residents spend fewer dollars per capita than in San Mateo and Santa Clara Counties, the analysis assumes the difference leaks out to other shopping centers in the two counties. A zero percent leakage indicates that residents can get all shopping needs met in Menlo Park. Negative figures indicate that Menlo Park receives a net injection, i.e. more sales than are likely attributable to just Menlo Park residents.
(c) Based on data in column (b); estimates the percentage of resident spending within a category that will occur in Menlo Park. While zero percent or negative leakage indicates residents could meet their shopping needs within the City, shoppers are still likely to seek goods and services outside Menlo Park. To be conservative, the maximum capture has been estimated at 85 percent of sales.
(d) Equals (Taxable Sales per Capita in San Mateo & Santa Clara Counties) x (Estimated % of Resident Sales in City). Assumes that Menlo Park will capture most of new residents' retail spending in categories with low/no leakage and will capture little spending in high leakage categories, based on current spending patterns, and assumes that the mix of retail offerings in Menlo Park remains relatively consistent.
(e) Other Retail Group includes Motor Vehicle and Parts Dealers, Bldg. Materials, Garden Equip. and Supplies, and General Merchandise Stores categories. City data were unavailable for these categories due to confidentiality rules that suppress data when there are four or fewer outlets or sales in a category dominated by one store.
(f) Total does not include taxable sales in the category classified as "All Other Outlets", as these taxable sales consist primarily of business-to-business sales taxes that would not be impacted by resident population growth.

Sources: CA Department of Finance; CA Department of Tax and Fee Administration; BAE, 2024.

Appendix Table A - 3: Projected Net Change in Annual General Fund Sales Tax Revenue from Resident and Worker Spending

	Increased Residential Density Variant		Revised Proposed Project	
	Office Scenario	R&D Scenario	Office Scenario	R&D Scenario
Resident Spending				
Net Change in Residents	2,000	2,000	2,000	2,000
Per Capita Taxable Sales in Menlo Park (a)	$8,087	$8,087	$8,087	$8,087
Net Change in Taxable Resident Spending	**$16,174,956**	**$16,174,956**	**$16,174,956**	**$16,174,956**
Worker Spending				
Net Change in Workers	3,856	2,655	2,343	1,574
Taxable Sales in Menlo Park per Worker (b)	$2,000	$2,000	$2,000	$2,000
Net Change in Taxable Worker Spending	**$7,711,198**	**$5,309,448**	**$4,685,513**	**$3,147,673**
Annual Sales Tax Revenue				
Net Change in Annual Citywide Taxable Sales	$23,886,155	$21,484,404	$20,860,469	$19,322,629
Menlo Park Share of Sales Tax Receipts	0.95%	0.95%	0.95%	0.95%
Net Change in Gen. Fund Sales Tax Revenue	**$226,918**	**$204,102**	**$198,174**	**$183,565**

Notes:
(a) See Appendix Table A - 2
(b) Based on data from International Council of Shopping Centers (ICSC), Office-Worker Retail Spending in a Digital Age, 2012. Figures are shown in 2024 dollars. Estimates were adjusted based on the available retail offerings in Menlo Park and to remove non-taxable spending on services and entertainment as well as a portion of spending at drug and grocery stores.

Sources: ICSC, 2012; CA Department of Finance; CA Department of Tax and Fee Administration; BAE, 2025.

Appendix Table A - 4: Projected Assessed Value of SRI Parcels After Exemptions at Buildout

			SRI Parcels	
Assessed Value of SRI Parcels at Buildout			**Quantity**	**Total Value**
Assessed Value of Improvements	$109	per building sf (a)	286,730	$31,253,570
Estimated Assessed Land Value	$222,426	per acre (b)	8.0	$1,779,408
Total Estimated Assessed Value of SRI Parcels at Buildout				**$33,032,978**
Less: Estimated Exemptions at Buildout	90%	of total assessed value (c)		($29,729,680)
Estimated Assessed Value of SRI Parcels After Exemptions				**$3,303,298**

Notes:
(a) Estimated value of existing improvements to remain on the Project site at buildout based on the current average improvement value per square foot on the Project site.
(b) Estimated assessed land value based on the current average land value per acre for the Project site.
(c) Estimated exemptions on SRI parcels at buildout based on information provided by the Project applicant.

Sources: BAE, 2024.

Appendix Table A - 5: Total Projected Assessed Value of Project Site at Buildout

Assessed Value of Project Site			Increased Residential Density Variant Quantity	Increased Residential Density Variant Total	Revised Proposed Project Quantity	Revised Proposed Project Total
Site Improvements	$35	per site sf (a)	2,378,300	$83,240,500	2,378,300	$83,240,500
Multifamily Apartments	$520	per sf (b)	791,000	$411,320,000	791,000	$411,320,000
Townhomes (Rental)	$475	per net sf	127,000	$60,325,000	127,000	$60,325,000
Office/R&D	$925	per sf (c)	1,091,600	$1,009,730,000	713,270	$659,774,750
Structured Garage Parking (Office/R&D)	$55,000	per space	2,330	$128,150,000	1,821	$100,155,000
Basement Parking (Office/R&D)	$90,000	per space	180	$16,200,000	0	$0
Podium Parking (Residential)	$65,000	per space	827	$53,755,000	827	$53,755,000
Total Hard Construction Costs				**$1,762,720,500**		**$1,368,570,250**
Estimated Soft Costs	20%	of hard costs		$352,544,100		$273,714,050
Total Assessed Value of New Improvements				**$2,115,264,600**		**$1,642,284,300**
Est. New Assessed Land Value	$11,800,000	per acre (d)	54.60	$644,259,412	54.60	$644,259,412
Est. Existing Assessed Value of SRI Parcels at Buildout (e)				$3,303,298		$3,303,298
Total Est. Assessed Value of Project Site at Buildout				**$2,762,827,310**		**$2,289,847,010**

Notes:
(a) Site area excludes the SRI parcels and the 100 percent affordable parcel. The project sponsor intends to dedicate a portion of the site to a non-profit affordable housing developer for the purpose of developing a 100 percent affordable housing project, which would be exempt from property tax.
(b) Multifamily square footages and assessed values on this table exclude affordable units on the 100 percent affordable parcel.
(c) Includes the full costs of tenant improvements.
(d) Estimated land value based on the anticipated sale price of the 201 Ravenswood parcel. Acreage excludes the SRI parcels and the 100 percent affordable parcel, which would be exempt from property tax.
(e) See Appendix Table A - 4.

Sources: Lane Partners, LLC; BAE, 2025.

Appendix Table A - 6: Projected Net Change in Property Tax Revenue at Buildout

	Increased Residential Density Variant	Revised Proposed Project
Assessed Value		
Total Assessed Value of Project Site at Buildout (after Exemptions) (a)	$2,762,827,310	$2,289,847,010
Less: Current Assessed Value of Project Site (after Exemptions) (b)	($49,898,102)	($49,898,102)
Net Change in Assessed Value of Project Site at Buildout	**$2,712,929,208**	**$2,239,948,908**
Annual Property Tax Revenue		
Net Change in Base 1% Property Tax Revenue	$27,129,292	$22,399,489
Menlo Park Share of Base 1% Property Tax (c)	10.2%	10.2%
Net Change in City Property Tax Revenue	**$2,770,491**	**$2,287,475**

Notes:
(a) See Appendix Table A - 4 and Appendix Table A - 5.
(b) See Appendix Table A - 11.
(c) Based on the City's share of the base 1.0 percent property tax revenue in TRA 008-001, after accounting for ERAF reductions.

Sources: San Mateo County Controller; BAE, 2025.

Appendix Table A - 7: Projected Net Change in ILVLF Revenue

	Increased Residential Density Variant	Revised Proposed Project
Net Change in Assessed Value at Buildout	$2,712,929,208	$2,239,948,908
Net Change in ILVLF Revenue	**$458,559**	**$378,612**
Assumptions		
Total Taxable Assessed Value, FY 23-24		$27,527,938,299
FY 23-24 ILVLF Payment		$4,652,968
ILVLF Revenue per $1,000 in Assessed Value		$0.17

Sources: City of Menlo Park; San Mateo County Assessor's Office; BAE, 2025.

Appendix Table A - 8: Projected Net Change in Annual Business License Tax Revenue

	Increased Residential Density Variant	Revised Proposed Project
Office Scenario		
New Business License Tax Revenue	**$23,000**	**$18,000**
Multifamily Rental	$8,500	$8,500
Townhome Rental	$2,000	$2,000
Office	$12,500	$7,500
Existing Business License Tax Revenue	**($2,250)**	**($2,250)**
Net Change in Annual Business License Tax Revenue	**$20,750**	**$15,750**
R&D Scenario		
New Business License Tax Revenue	**$23,000**	**$18,000**
Multifamily Rental	$8,500	$8,500
Townhome Rental	$2,000	$2,000
R&D	$12,500	$7,500
Existing Business License Tax Revenue	**($2,250)**	**($2,250)**
Net Change in Annual Business License Tax Revenue	**$20,750**	**$15,750**
Assumptions		
Existing Business License Tax Revenue		
Number of Existing Entities Paying Business License Tax		6
Average Existing Business License Tax per Entity		$375
New Business License Tax Revenue - Residential		
Number of Multifamily Residential Buildings (Market-Rate)		2
Est. Annual Business License Tax per Multifamily Building		$4,250
Number of Townhome Parcels (Rental)		2
Est. Annual Business License Tax per Townhome Parcel		$1,000
New Bus. License Tax Revenue - Increased Density Variant	Office Scenario	R&D Scenario
Total Employees	4,206	3,005
Number of Establishments	10	10
Average Employees per Business	421	301
Est. Annual Business License Tax per Business	$1,250	$1,250
New Bus. License Tax Revenue - Revised Proposed Project	Office Scenario	R&D Scenario
Total Employees	2,693	1,924
Number of Establishments	6	6
Average Employees per Business	449	321
Est. Annual Business License Tax per Business	$1,250	$1,250

Sources: City of Menlo Park; BAE, 2025.

Appendix Table A - 9: Projected Change in Other General Fund Revenue at Buildout

	Increased Residential Density Variant	Revised Proposed Project
Office Scenario		
Net Change in Service Population	3,285	2,781
Net Change in Franchise Fee & Fines Revenue	**$188,985**	**$159,974**
R&D Scenario		
Net Change in Service Population	2,885	2,525
Net Change in Franchise Fee & Fines Revenue	**$165,956**	**$145,228**

Assumptions	**FY 2023-24** (a)
Franchise Fee Revenue	$2,400,000
Fines Revenue	$180,000
Total Franchise Fee and Fines Revenue	**$2,580,000**
Current (2024) Citywide Service Population (b)	44,851
Revenue Per Service Population	**$57.52**

Notes:
(a) Revenues based on the FY2023-24 Adopted Budget.
(b) Service population is defined as all residents plus one-third of employees.

Sources: City of Menlo Park; BAE, 2025.

Appendix Table A - 10: City of Menlo Park General Fund Expenditures by Department, FY 2023-24 Adopted Budget

Department/Division	Annual General Fund Expenditures	Less: Executive Salary and Benefits (a)	Less: Fixed Assets and Capital Outlay, Utilities, and Special Projects (b)	Less: Charges for Service and Other Offsetting Revenues (c)	Net Variable General Fund Expenditures
Administrative Services	$4,635,563	($557,530)	($12,990)	$0	$4,065,043
Library and Community Svcs	$12,514,500	($297,123)	($643,560)	($3,039,500)	$8,534,317
Police	$23,472,699	($309,318)	($760,546)	($264,000)	$22,138,835
Public Works	$17,817,586	($302,700)	($1,423,600)	($1,160,200)	$14,931,086
Total Expenditures (Impacted Departments)	**$58,440,349**	**($1,466,671)**	**($2,840,696)**	**($4,463,700)**	**$49,669,282**

Notes:
(a) Salary and benefits costs for department/division heads are considered fixed costs that are not expected to increase with new development in the City. Data reflect salaries and benefits for the following positions: Finance Director, Human Resources Manager, Information Technology Manager, Library and Community Services Director, Police Chief, and Public Works Director. Salary and benefit costs are based on 2022 data provided by the State Controller's Office.
(b) Reflects General Fund expenditures for Fixed Assets and Capital Outlay, Utilities, Transfers, Rental of Land and Buildings, and Special Projects expenditures. These costs are not anticipated to increase with new development.
(c) Some expenditures are directly recovered through charges for services, license fees, and permit fees. Revenues from these sources directly offset variable expenditures in each department.

Sources: City of Menlo Park; California State Controller; BAE, 2024.

Appendix Table A - 11: Project Site Assessed Value, 2024

APN	Land	Improvements	Fixtures	Personal Property	Total Value	Exemptions	Value After Exemptions
	FY 2023-24 Assessed Value						
Parkline Master Plan							
062-390-660	$854,332	$141,591	$0	$0	$995,923	$730,618	$265,305
062-390-670	$649,379	$12,085,693	$0	$0	$12,735,072	$9,494,122	$3,240,950
062-390-730	$1,228,611	$31,350,309	$0	$0	$32,578,920	$24,287,909	$8,291,011
062-390-760	$3,789,661	$59,696,468	$7,348,297	$24,212,521	$95,046,947	$70,858,447	$24,188,500
062-390-780	$7,540,679	$47,036,134	$0	$0	$54,576,813	$40,687,559	$13,889,254
Proposed Master Plan Site Total	**$14,062,662**	**$150,310,195**	**$7,348,297**	**$24,212,521**	**$195,933,675**	**$146,058,655**	**$49,875,020**
Increased Residential Density Variant							
062-390-660	$854,332	$141,591	$0	$0	$995,923	$730,618	$265,305
062-390-670	$649,379	$12,085,693	$0	$0	$12,735,072	$9,494,122	$3,240,950
062-390-730	$1,228,611	$31,350,309	$0	$0	$32,578,920	$24,287,909	$8,291,011
062-390-760	$3,789,661	$59,696,468	$7,348,297	$24,212,521	$95,046,947	$70,858,447	$24,188,500
062-390-780	$7,540,679	$47,036,134	$0	$0	$54,576,813	$40,687,559	$13,889,254
062-390-050	$204,275	$1,261,370	$0	$13,180	$1,478,825	$1,455,743	$23,082
Residential	**$14,266,937**	**$151,571,565**	**$7,348,297**	**$24,225,701**	**$197,412,500**	**$147,514,398**	**$49,898,102**

Sources: San Mateo County Tax Collector; BAE, 2024.