



**Economic Benefit Report
Oak Knoll Project
City of Oakland, CA**

Date: June 13, 2017

Prepared By:
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RE: SunCal Proposed Oak Knoll Project: Economic Benefit Report

SunCal has requested the services of Development Planning & Financing Group, Inc. (“DPFG”) to review and quantify the economic benefits of the Proposed Oak Knoll Project (“Project”), located within the boundaries of the City of Oakland (“City”).

The results of our review indicate that the Project will produce significant economic benefits to the local economy, including impact fee benefits, construction benefits, employment benefits, earnings increases, and tax revenue generation. The attached report outlines our conclusions and findings regarding the economic benefits that will accrue to the local economy as a result of the Project.

Sincerely,

Chris Austin
Managing Principal



DEVELOPMENT PLANNING & FINANCING GROUP, INC.

Economic Benefit Report Oak Knoll Project

Purpose of Report

The purpose of this report is to review and quantify the economic benefits produced by the Proposed Oak Knoll Project in the City of Oakland (“Project”) that will accrue to the local economy.

Scope of Work

The scope of our work includes a review of various direct and indirect economic benefits produced by the Project, these include the following: (i) sales tax benefits, (ii) tax revenue generation, (iii) development impact fees, (iv) construction benefits, and (v) earnings increases.

Project Description

The Project is planned for 935 attached and detached residential units at the Oak Knoll Naval Hospital naval base site. The Project is located within the City of Oakland (“City”) and Alameda County (“County”).

Executive Summary

The economic benefits of the Project are as follows:

General Fund Revenues (Annual/Ongoing)

- \$5.2 million increase in revenues
- \$3.4 million net general fund surplus

Property Tax Revenue Generation (Annual/Ongoing)

- \$8.1 million in property tax revenues
 - \$2.3 million in property tax revenues (\$2.1 million increase over existing land use) to the City of Oakland annually.
 - \$1.2 million in property tax revenues (\$1.2 million increase over existing land use) to Alameda County annually.
 - \$4.5 million in property tax revenues (\$4.1 million increase over existing land use) to Other Agencies (Oakland USD, BART, East Bay Regional Park, etc.) annually.

Sales Tax Benefits (Annual/Ongoing)

- \$58.9 million increase in taxable sales from new residential spending.
 - \$43.6 million within the City

Executive Summary (continued)

- \$15.3 million leakage to other Jurisdictions
- \$436,000 in Sales Tax Revenue to the City of Oakland

Development Fees (One-time)

- \$23.9 million in City of Oakland Fees
 - Includes \$19.8 million in Affordable Housing Fees
- \$6.4 million in Oakland Unified School District Fees
- \$32.0 million in East Bay MUD Fees

Voter Approved Revenues/Other Economic Benefits (Annual)

- \$3.2 million voter approved and other economic benefits
 - \$1.6 million in City of Oakland property tax override revenues to fund pension obligations
 - \$94,000 in Alameda County in revenues for affordable housing general obligation bonds (Measure A1)
 - \$623,000 in City of Oakland in revenues for infrastructure projects and affordable housing general obligation bonds (Measure KK)
 - \$96,000 in revenues to City of Oakland for public safety and violence prevention (Measure Z)
 - \$92,000 in revenues to City of Oakland for library services (Measure Q)
 - \$182,000 in revenues to Oakland Unified School District to retain qualified teachers, and other enhanced educational programs (Measure G)
 - \$112,000 in revenues to Oakland Unified School District to reduce high school dropout rates and provide students with real world work and learning opportunities (Measure N)
 - \$45,000 in revenues to Peralta Community College District to support affordable college education (Measure B)
 - \$436,000 in revenues to Alameda County to fund the Alameda County Transportation Expenditure Plan of which 20% will be formulaically distributed to local Cities (Measure BB)

Construction Benefits (One-time)

- \$875.7 million in economic activity will be created by the Project.
- 5,013 total jobs will be created over the construction of the Project

Earnings Increases (One-time)

- \$335.1 million increase in workers' earnings in all industries will occur as a result of the Project's impacts within the local economy.

Economic Benefit Report Oak Knoll Project

General Fund Revenues

Using a fiscal revenue model, DPFPG projected the increase in General Fund revenues anticipated at the buildout of the project. An average per capita approach is used for all revenue categories except property tax and sales tax which are done as separate case studies. Using California Department of Finance data on persons per household for City of Oakland, it is assumed that the persons served base will increase 2,293 new residents and employees because of the Project. Annually the average revenue model illustrates a \$5.2 million increase in the City's General Fund revenues (see **Table 1**). A fiscal impact analysis prepared separately by DPFPG indicates the Project will produce a net fiscal surplus of \$3.4 million after the City costs to serve the Project.

Property Tax Revenue Generation

The Project is anticipated to create additional property tax revenue for the local governments. This positive impact is a result of under-utilized existing uses and vacant land, when compared with a newly developed residential site (See **Table 3**). The Project generates an increase in property tax revenues by \$7.4 million annually after development of the Project. The City and County receive a significant portion of property tax revenues from the Project. The City will receive 28.249% of the 1% ad valorem taxes or \$2.3 million, a \$2.1 million increase. Additionally, the County will receive 15.83% or \$1.3 million of property tax revenues, a \$1.2 million increase annually after development buildout. Other local agencies such as the Oakland USD, BART, and East Bay Regional Park will also benefit from property tax revenues.

Property Tax In-Lieu of Vehicle License Fees

The Project is anticipated to create additional Property Tax In-Lieu of Vehicle License Fee revenue of \$576,000. The calculation of property tax in-lieu of vehicle license fees was a consequence of the passage of Proposition 1A in November of 2004. Revenue was calculated by taking the estimated percent change in assessed value that the Project would have on the City and applying that percent change on the revenue adopted in the FY 2016-17 Budget. Property Tax In-Lieu of Vehicle License Fees revenues are shown in **Table 4**.

Property Transfer Tax

The Project is anticipated to create additional Property Transfer Tax revenues of \$1.3 million. The City receives this tax at the time in which a new or existing property is sold and ownership is transferred. Property transfer tax is collected upon the sale of property at a rate of \$15.00 per \$1,000 of assessed valuation. The transfer tax is calculated by using an annual turnover rate of 11.11% (every nine years) for single family residential units and 5% (every twenty years) for commercial property. Annual document transfer tax revenues are shown in **Table 5**.

Sales Tax Revenue Generation

The Project is anticipated to generate taxable sales through purchases within the local economy by its residents. In DPFPG experience it is typically assumed that leakage, or purchases by new residences outside the City limits, would occur at a rate of 35%. The Project is anticipated to generate total taxable sales of \$58.9 million annually after development of the Project (\$43.6 million within City of Oakland and \$15.3 million leaking to the County or other jurisdictions) and generate \$436,000 in sales tax revenues to the General Fund (see **Table 6**).

Utility Consumption Tax

The Project is anticipated to generate Utility Consumption Tax revenues of \$332,000. Oakland's Utility Consumption Tax is 7.5 percent of utility bills for cable, telephone, gas, wireless phone, and

electric service. Utility Consumption Tax is charged of both residential and commercial development. Assumptions regarding a typical monthly household utility bill and annual commercial utility bill are illustrated in **Table 7**.

Development Fees

The Project is estimated to fund in excess of \$62.3 million in development fees to the City, School District, and other public agencies. The development impact fees contribute to pay for capital costs of new facilities or upgrades to existing facilities. \$4.1 million would fund City fees that fund capital improvements that support fire protections and medical services, police protection, libraries, parks and recreation, storm drain infrastructure, and transportation improvements. An additional \$19.8 million to the City as an Affordable Housing Fee (See **Table 8**).

Voter Approved Revenues/Other Economic Benefits

The Project is estimated to fund approximately \$3.3 million in Oakland City Council and voter approved ad valorem, parcel tax, and sales tax measures that fund the following (See **Table 9**):

- Property Tax Override Revenues - \$1.6 million to the City of Oakland to fund pension obligations.
- Alameda County Affordable Housing Bond Measure A1 - \$94,000 in revenues to fund general obligation bonds to provide affordable local housing and prevent displacement of vulnerable populations, including low- and moderate-income households, veterans, seniors, and persons with disabilities; provide supportive housing for homeless people countywide; and help low- and middle-income households purchase homes and stay in their communities.
- City of Oakland Measure KK - \$623,000 in revenues to fund general obligation bonds to improve public safety and invest in neighborhoods throughout Oakland by re-paving streets to remove potholes, rebuilding cracked and deteriorating sidewalks, funding bicycle and pedestrian safety improvements, funding affordable housing for Oaklanders, and providing funds for facility improvements, such as, neighborhood recreation centers, playgrounds, and libraries. And to develop, construct and acquire up to 2000 rental housing units for low-income households.
- Public Safety Services and Violence Prevention Act of 2014 Measure Z - \$96,000 in revenues to the City of Oakland to reduce gun violence, robberies, and homicides, improve 9-1-1 response times and support at-risk youth/young adults, shall the City provide improved police, fire and emergency response services and proven community programs, including dropout prevention, crisis intervention, and job training/placement.
- Library Parcel Tax Extension Measure Q - \$92,000 in revenues to the City of Oakland for the purpose of maintaining and expanding neighborhood branch library services, days, and hours; maintaining after school homework and tutoring programs; maintaining literacy and children's programs; increasing librarian services to schools; increasing computer and technology access and acquiring new books and materials. The Measure includes a scheduled phase out date of June 30, 2024.
- Oakland Unified School District Educational Parcel Tax Measure G - \$182,000 in revenues to the Oakland Unified School District for the purpose of attracting and retaining highly qualified teachers, maintaining courses that help students qualify for college, maintaining up-to-date textbooks and instructional materials, keeping class sizes small, continued after-school academic programs, maintaining school libraries, and provide programs, including arts and music,

- that enhance student achievement; a \$195 parcel tax in perpetuity, with low income and senior exemptions, and all money benefitting Oakland students.
- Oakland Unified School District Educational Parcel Tax Measure N - \$112,000 in revenues to the Oakland Unified School District used to reduce the drop-out rate and provide Oakland high school students with real-world work and learning opportunities; prepare students for admission to the University of California and other four-year colleges; expand mentoring, tutoring, counseling, support services, and transition to job training programs; a \$120 parcel tax for ten years (Terminating 6/30/25), with low income and senior exemptions, and all money benefitting Oakland students.
- Peralta Community College District Measure B - \$45,000 in revenues to the Peralta Community College District that provides College of Alameda, Laney College, Merritt College and Berkeley City College secure funds that cannot be taken by the state, and support affordable college education including: providing core academic programs including math, science, and English; training students for successful careers; and educating students to transfer to university.
- Alameda County Transportation Commission Sales Tax Measure BB - \$436,000 in revenues that:
 - Expand BART, bus and commuter rail for reliable, safe and fast services
 - Keep fares affordable for seniors, youth and people with disabilities
 - Provide traffic relief, including funds to every city in the County to repave streets, fill potholes, and upgrade local transportation infrastructure. It also invests in aging highway corridors to upgrade on and off ramps, using modern technology to manage traffic and improve safety.
 - Improve air quality and provide clean transportation
 - 20% of all funds allocated to Cities and County for local street maintenance and safety programs

Construction Benefits

Construction benefits created by the Project include direct investment into the economy, the indirect and induced effects from that investment, and job creation. Direct investment into the economy occurs through costs associated with construction of the Project, including such things as materials costs and labor costs. The injection of construction dollars into the economy creates indirect and induced benefits through multiplier effects or the recycling of these additional dollars in the economy. The Project creates economic activity of \$875.7 million for the economy through direct investment and its indirect or multiplier effects. Additionally, the Project creates jobs for workers within the economy. The expected job creation as a result of the construction of the Project is estimated at 5,013 jobs. The Projects investment in construction costs and labor benefits the citizens of the City, County, and surrounding areas.

Earnings Increases

Development of the Project is anticipated to increase workers' earnings in all industries through the creation of on-site jobs by the Project, as well as indirect jobs and induced jobs created by the Project. The recycling of dollars spent by the Project within the local economy causes increased demand for goods and services which increases the number of local jobs. The increased number of jobs in the local economy increases earnings for existing workers. It is estimated that the Project will create a total increase in workers' earnings of \$335.1 million within the local economy. By increasing workers' earnings the Project benefits the citizens of the City, County, and surrounding areas.

Economic Benefit Calculations

For calculation of the Project's economic benefits please see Exhibit A: City of Oakland Economic Benefit Calculation.

Professional Qualifications

DPFG formed in 1991, is a national real estate consulting firm that has been involved in thousands of real estate transactions in California and throughout the nation. DPFG provides consulting services to the land development and homebuilding industry. The Senior Management Team at DPFG has 215 years of combined real estate experience and has been involved in public finance transactions, fiscal impact analyses, pro-forma analyses, development impact fee reviews, and infrastructure finance transactions. DPFG has office locations in six states and is currently working on transactions in fifteen different states.

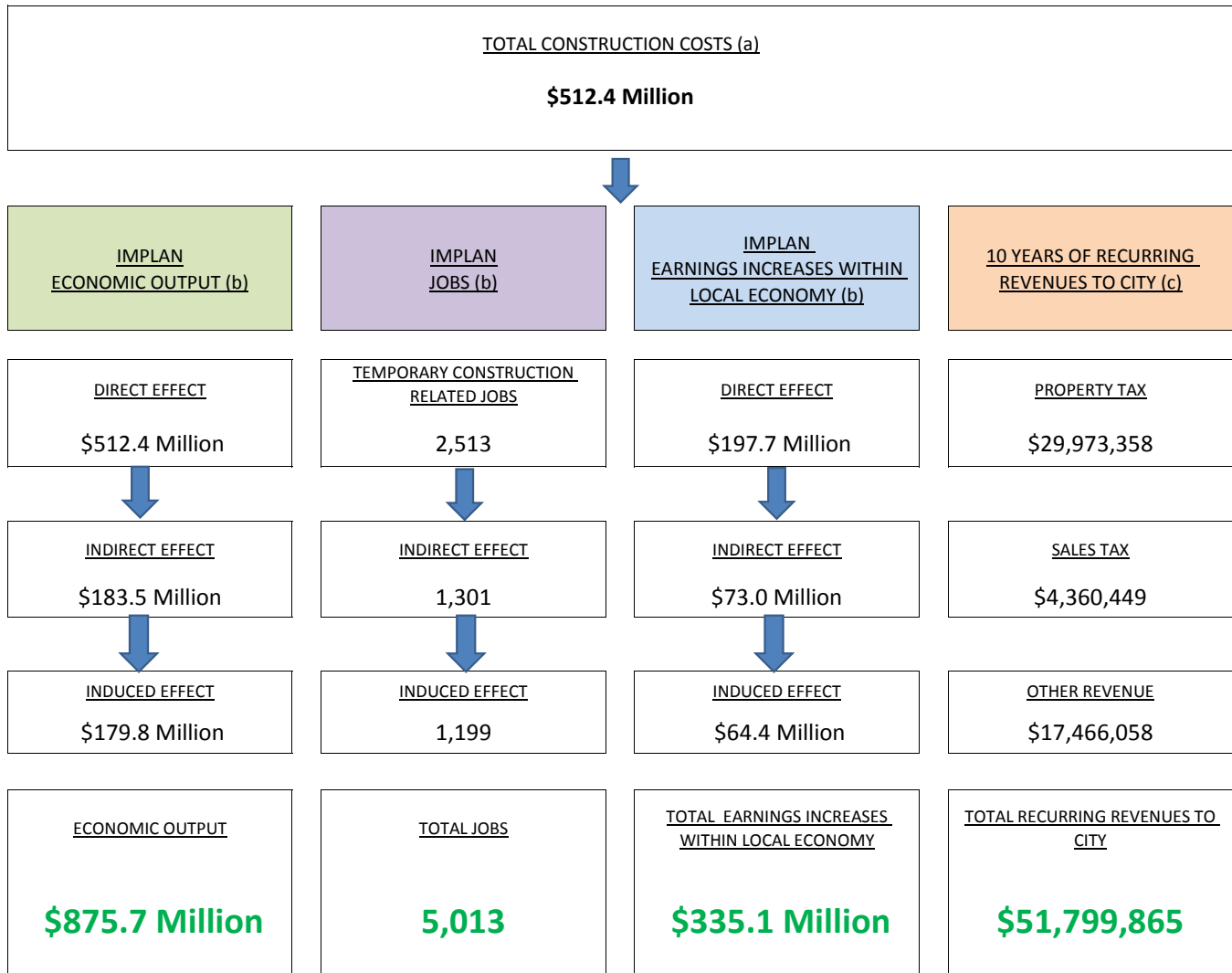
Report Source Documents

City of Oakland, 2016-17 Operating Budget
IMPLAN 2014 Economic Data
BLS Consumer Expenditure Survey Data
US Census Data
Alameda County Assessor

Exhibits & Tables:

City of Oakland
Economic Benefit Calculations

**Exhibit A
Oak Knoll
Economic Benefit Analysis Flow Chart**



Footnotes:

(a) Total construction costs per Oak Knoll residential construction costs from Developer.

Per IMPLAN guidance, construction costs exclude land acquisition costs.

(b) Calculated using the IMPLAN model for new residential construction costs.

**Exhibit A
Oak Knoll
Development Construction Benefits Summary**

		Residential
I. Total Residential Square Footage		
Units (a)		
Attached		
TH18		92
TH19		79
TH20		299
TH22		99
Detached		
SFD - 2100		72
SFD - 2300		113
SFD - 3780		43
SFD - 4050		66
SFD - 4950		43
SFD - 6000		29
Total Units		935
Square Footage per Unit (a)		
Attached		
TH18		1,800
TH20		1,700
TH20		1,600
TH20		1,400
Detached		
SFD - 2100		1,800
SFD - 2300		2,000
SFD - 3780		2,250
SFD - 4050		2,500
SFD - 4950		2,800
SFD - 6000		3,250
Weighted Average Square Footage		1,870
Total Square Footage by Plan Type		
Attached		
TH18		165,600
TH20		134,300
TH20		478,400
TH20		138,600
Detached		
SFD - 2100		-
SFD - 2300		129,600
SFD - 3780		226,000
SFD - 4050		96,750
SFD - 4950		165,000
SFD - 6000		120,400
Total Square Footage	(1)	1,748,900
II. Construction Costs		
Total Construction Costs (b)	(2)	\$ 512,369,013
Total Construction Costs per Unit		\$ 547,988
III. IMPLAN Economic Output		
Direct Effect (c)	=(2)	\$ 512,369,013
Indirect Effect (c)	(3)	183,514,448
Induced Effect (c)	(4)	179,845,412
Total Economic Output	(5)=(2)+(3)+(4)	\$ 875,728,873
Economic Output Multiplier Ratio	(6)=(5)/(2)	1.71
IV. IMPLAN Jobs		
Direct Effect (c)	(7)	2,513
Indirect Effect (c)	(8)	1,301
Induced Effect (c)	(9)	1,199
Temporary Construction Related Jobs	(10)=(7)+(8)+(9)	5,013
Total Jobs Multiplier Ratio	(11)=(10)/((1)/1000)	2.87
V. IMPLAN Earnings Increases within Local Economy		
Direct Effect (c)	(12)	197,669,726
Indirect Effect (c)	(13)	72,984,997
Induced Effect (c)	(14)	64,420,073
Total Earnings Increases within Local Economy	(15)=(12)+(13)+(14)	\$ 335,074,796
Earnings Increases Multiplier Ratio	(16)=(15)/(2)	0.65

Footnotes:

(a) Per the unit mix data provided by developer.

(b) Direct construction costs per data provided by Developer. Per IMPLAN guidance, construction costs exclude land acquisition costs.

(c) Calculated using the IMPLAN model for new residential construction costs.

Exhibit A
General Fund Summary Summary - 10 Years
Oak Knoll

General Fund	Build-out (a)	10 Year Fiscal Impact
Recurring Revenues		
Property Taxes	\$ 2,997,336	\$ 29,973,358
Subtotal Property Taxes	\$ 2,997,336	\$ 29,973,358
Sales Taxes	436,045	4,360,449
Subtotal Sales Tax	\$ 436,045	\$ 4,360,449
Business License Tax	57,200	571,999
Utility Consumption Tax	331,500	3,314,996
Real Estate Transfer Tax	1,331,654	13,316,538
Transient Occupancy Tax	-	-
Parking Tax	-	-
Licenses & Permits	-	-
Fines & Penalties	26,253	262,525
Interest Income	-	-
Service Charges	-	-
Grants & Subsidies	-	-
Miscellaneous	-	-
Interfund Transfers	-	-
Subtotal Other Revenue	\$ 1,746,606	\$ 17,466,058
Total Revenues	\$ 5,179,986	\$ 51,799,865

Footnotes:

(a) See Table 4.

**Table 1
Oak Knoll
Summary of Impacts**

	Amount	Impact
Annual Retail Sales ¹	\$58,937,443	Annual/Ongoing
City Share of Sales Tax Revenue ¹	\$436,045	Annual/Ongoing
Annual General Fund Revenues	\$5,179,986	Annual/Ongoing
Annual Property Tax Revenues ²	\$8,136,723	Annual/Ongoing
City Share of Property Tax Revenues ²	\$2,298,580	Annual/Ongoing
Development Fees	\$62,279,890	One-time
Voter Approved Revenues/Other Economic Benefits	\$3,276,348	Annual/Ongoing
Construction Benefit	\$875,728,873	Through Buildout
Earnings Increase	\$335,074,796	Through Buildout

Footnotes:

¹\$43.6 million captured within the City, while \$15.3 million will leak outside the City limits. See Table 3.

²See Table 3.

**Table 1
Oak Knoll
General Fund Revenues**

General Fund Revenue Category	2016-17 Budget	Estimating Method	Citywide Population¹	Rev. Per Person	Service Population	Total Project
Property Tax: Current Secured	\$92,258,634	Case Study ²	-	-	-	\$2,298,580
Property Tax: Unsecured	\$6,340,005	Persons Served	525,156	\$12.07	2,293	\$27,683
Property Tax: Vehicle License Fee (VLF) - Property Tax Swap	\$39,113,644	Case Study ³	-	-	-	\$577,643
Property Tax: Other	\$21,397,861	Persons Served	525,156	\$40.75	2,293	\$93,430
Property Transfer Tax	\$69,851,000	Case Study ⁴	-	-	-	\$1,331,654
Sales and Use Tax	\$53,318,906	Case Study ⁵	-	-	-	\$436,045
Business License Tax	\$72,241,300	Employees	204,600	\$353.09	162	\$57,200
Utility Consumption Tax	\$50,500,000	Case Study ⁶	-	-	-	\$331,500
Transient Occupancy Tax	\$19,379,450	NA	-	-	-	-
Licenses & Permits	\$2,335,747	NA	-	-	-	-
Fines & Penalties ⁷	\$24,050,024	Persons Served	525,156	\$11.45	2,293	\$26,253
Service Charges	\$50,108,087	NA	-	-	-	-
Parking Tax	\$12,138,000	NA	-	-	-	-
Miscellaneous Revenue	\$5,149,320	NA	-	-	-	-
Grants & Subsidies	\$119,435	NA	-	-	-	-
Interest Income	\$740,482	NA	-	-	-	-
Interfund Transfers	\$2,554,207	NA	-	-	-	-
Transfer from Fund Balance	\$28,070,087	NA	-	-	-	-
Total Revenues	\$549,666,189					\$5,179,986

Source: City of Oakland FY 2016-17 Amended Midcycle Proposed Budget

Footnotes:

¹See Table 2

²See Table 3

³See Table 4

⁴See Table 5

⁵See Table 6

⁶See Table 7

⁷Fines and penalties is reduced by 75%

Table 2
Oak Knoll
Land Use and Assumptions

Land Use	Units/SF	Occupancy		Avg. Value	Estimated Annual Income ²
		Rate	Units/SF		
Residential					
Attached					
TH18	92	95%	87	\$825,038	\$213,291
TH19	79	95%	75	\$792,540	\$204,890
TH20	299	95%	284	\$758,625	\$196,122
TH22	99	95%	94	\$702,450	\$181,599
Detached					
SFD - 2100	72	95%	68	\$793,800	\$205,215
SFD - 2300	113	95%	107	\$843,990	\$218,191
SFD - 3780	43	95%	41	\$969,801	\$250,716
SFD - 4050	66	95%	63	\$1,050,000	\$271,449
SFD - 4950	43	95%	41	\$1,188,495	\$307,253
SFD - 6000	29	95%	28	\$1,370,880	\$354,404
Total Residential	935		888	844,141	\$218,230
Nonresidential					
Neighborhood Commercial/Community Retail	72,000	90%	64,800	\$300	
Community Center	14,000	90%	12,600	\$200	
Total Nonresidential	86,000		77,400	\$284	
<hr/>					
Assesed Value:					
Residential Weighted Average Value				\$ 844,141	
Units				935	
Total Residential Assesed Value				\$ 789,272,299	
Nonresidential Weighted Average Value				\$ 284	
Square Feet				86,000	
Total Residential Assesed Value				\$ 24,400,000	
Assesed Value				\$813,672,299	
Persons Per Household ¹				2.49	
Residential Persons Served (Net of Vacancy)				2,212	
Square Feet per Employee				478	
Nonresidential Persons Served (Net of Vacancy)				162	
Total Residential/Nonresidential Persons Served (50% of employees)				2,293	
Total City of Oakland					
City of Oakland Population ¹				422,856	
City of Oakland Employees ³				204,600	
City of Oakland Persons Served (Population plus 50% of Employees)				525,156	

Footnotes:

¹Population per California Department of Finance E-5 Report dated 1-1-2016.

²Assumes annual mortgage/taxes payment is equal to 30% of income, and a 20% down/30-year/6% interest mortgage loan.

**Table 3
Oak Knoll
Property Tax Increase**

	Assumptions	Existing Property	Buildout of Project¹	Net Increase
Estimated Valuation		\$77,424,912	\$813,672,299	\$736,247,387
<hr/>				
1% General Property Tax	1%	\$774,249	\$8,136,723	\$7,362,474
Breakdown of 1%				
City of Oakland	28.249%	\$218,721	\$2,298,580	\$2,079,859
Alameda County	15.83%	\$122,602	\$1,288,448	\$1,165,846
Other Agencies/ERAF	55.92%	\$432,926	\$4,549,695	\$4,116,769
Total to City		\$218,721	\$2,298,580	\$2,079,859

Source: Contra Costa County Assessor.

Table 4
Oak Knoll
Property Tax Vehicle License Fee Increase

FY 2016-17 City of Oakland Assessed Valuation ¹	\$ 55,095,742,425
Assessed Value of Project	813,672,299
Total Assessed Value	\$ 55,909,414,724
Percent Change in Assessed Value	1.48%
Total FY 2016-17 Property Tax in Lieu of VLF Adopted Revenue ²	39,113,644
Estimated Increase in Property Tax in Lieu of VLF	\$ 577,643

Source: Contra Costa County Assessor.

Footnotes:

¹Total FY 2016-17 secured and unsecured value for City of Oakland per Alameda County Office of the Assessor Annual Report.

Table 5
Oak Knoll
Property Transfer Tax

Turnover Rate	
Residential Property	11.11%
Commercial Property	5.00%
Residential Property Assessed Value	\$ 789,272,299
Commercial Property Assessed Value (Excludes Community Center)	<u>21,600,000</u>
Estimated Assessed Valuation Turnover Amount	\$ 88,776,922
Rate per \$1,000 of Assessed Value (\$15)	1.500%
Total Estimated Document Transfer Tax	\$ 1,331,654

**Table 6
Oak Knoll
Sales Tax**

Land Use	Estimated Annual Income¹	% of Income as Taxable Spending²	Taxable Spending per Unit	Occupied Units	Total Taxable Spending
Residential					
TH18	\$213,291	22.6%	\$48,204	87	\$4,213,012
TH19	\$204,890	22.6%	\$46,305	75	\$3,475,195
TH20	\$196,122	22.6%	\$44,324	284	\$12,590,103
TH22	\$181,599	22.6%	\$41,041	94	\$3,859,949
SFD - 2100	\$205,215	22.6%	\$46,379	68	\$3,172,302
SFD - 2300	\$218,191	22.6%	\$49,311	107	\$5,293,546
SFD - 3780	\$250,716	22.6%	\$56,662	41	\$2,314,632
SFD - 4050	\$271,449	22.6%	\$61,347	63	\$3,846,486
SFD - 4950	\$307,253	22.6%	\$69,439	41	\$2,836,591
SFD - 6000	\$354,404	22.6%	\$80,095	28	\$2,206,624
				888	\$43,808,443
Leakage (35%)					\$15,332,955
City of Oakland Capture (65%)					\$28,475,488
			SF (Net of Vacancy)	Taxable Sales/SF	
Nonresidential					
Commercial Retail			32,400	\$205	\$6,642,000
Grocery Store			27,000	\$205	\$5,535,000
Community Center Retail			9,000	\$205	\$1,845,000
Restaurant			5,400	\$205	\$1,107,000
Community Center			4,000	\$0	\$0
Total					\$15,129,000
City of Oakland General Fund Sales & Use Tax Revenues:					
City of Oakland Taxable Spending Capture					\$43,604,488
City Share of Sales Tax				1.00%	\$436,045
Project Derived Sales Tax Revenue to City					\$436,045

Footnotes:

¹See Table 1.

²BLS Consumer Expenditure Survey data.

Table 7
Oak Knoll
Utility Consumption Tax

Residential	Assumptions	
Wireless Phone bill [1]	\$	110 per month
Home Phone bill [2]		40 per month
Electricity bill [3]		90 per month
Gas bill [4]		50 per month
Cable bill [5]		100 per month
Total Average Monthly Utility bill	\$	370
Annual Utility bill per Household	\$	4,440
Total Annual Utility bills at Buildout		\$ 4,151,400
Residential Utility Tax	7.5% of Utility Bills	\$ 311,355
Commercial		
Annual Utility costs [6]	\$	268,594
Commercial Utility Tax	7.5% of Utility Bills	\$ 20,145
Total Utility Taxes		\$ 331,500

Footnotes:

- [1] BLS "Beyond the Numbers" February 2016, Vol 5, No. 1.
 [2] Comcast official pricing, Bay Area, CA effective December 01, 2016. Assumes 50% of houses have home phone line.
 [3] US Department of Energy 2013 report.
 [4] PG&E Residential Average Gas Bill report.
 [5] Leichtman Research Group September 23, 2016 press release.
 [6] Per Con Edison Utility bill calculator.

**Table 8
Oak Knoll
Fees**

Description	Residential Attached		
	Units	Fee	Total
- Impact Fees (572 Townhome units/363 Single Family Units)	935	TH \$4K/SF \$5K	\$4,103,000
- Affordable Housing In-Lieu Fees (572 Townhome units/363 Single Family Units)	935	TH \$20K/SF \$23K	\$19,789,000
School District Fees (Avg. Sq Footage 1,959/unit)	935	\$3.48/Sq Ft	\$6,375,360
Other Agencies	935	Various	\$32,012,530
Total Project Development Fees			\$62,279,890

**Table 9
Oak Knoll
Voter Approved Revenues/Other Economic Benefits**

	<u>Assessed Value/Units</u>	<u>Rate/Parcel Tax</u>	<u>Revenue</u>
Property Tax Override Revenues (Based upon the 16-17 rate) ¹	\$813,672,299	0.1961%	\$1,595,611
Alameda County Measure A1 (Affordable Housing Bond) ²	\$813,672,299	0.01160%	\$94,386
Oakland Measure KK (Affordable Housing Bond) ³	\$813,672,299	0.07656%	\$622,948
Public Safety Services and Violence Prevention Act of 2014 Measure Z ⁴	935	\$102	\$95,707
Library Parcel Tax Extension Measure Q ⁵	935	\$99	\$92,247
OUSD Educational Parcel Tax Measure G ⁶	935	\$195	\$182,325
OUSD Educational Parcel Tax Measure N ⁷	935	\$120	\$112,200
Peralta Community College District Measure B ⁸	935	\$48	\$44,880
	<u>Project Taxable Spending</u>		
Alameda County Transportation Commission Sales Tax Measure BB ⁹	\$43,604,488	1%	\$436,045
Total Voter Approved/Other Economic Benefits (At Buildout)			\$3,276,348

¹On August 4, 1981, the Council passed Resolution No. 59916 CMS, which levied a tax on taxable real and personal property within the City. Known as property tax override revenues are used to fund pension obligations.

²\$580 million in general obligation bonds of the County to mitigate the housing crisis by providing affordable housing to low- and middleincome families. The best estimate of the average annual tax rate which would be required to be levied to fund the bond issue over the entire life of the bond debt service, based on estimated assessed valuations, is \$0.0116 per \$100 (\$11.60 per \$100,000) of assessed valuation. The final fiscal year in which a tax is anticipated to be collected is 2040/41.

³\$600 million in general obligation bonds to finance City infrastructure projects and affordable housing. The best estimate of the tax rate that would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations, is 7.66 average cents per \$100 (\$76.56 average per \$100,000) of assessed valuation in fiscal year 2026-2027.

⁴In November 2014, the Oakland voters approved Measure Z, the new Public Safety and Services Violence Prevention Act of 2014 which includes roughly \$22 million dollars annually for ten years and has the following allocation structure: three percent (3%) for evaluation and audits, \$2,000,000 for the Fire Department, 60 percent of the remaining funding for the police department and the final 40 percent of the funding for violence prevention and intervention strategies. The resolution passed by City Council called for a measure which would last for 10 years and automatically expire in 2024. Voter approval required for any changes.

⁵For the purpose of: (1) maintaining and expanding neighborhood branch library services, days, and hours; (2) maintaining after school homework and tutoring programs; (3) maintaining literacy and children's programs; (4) increasing librarian services to schools; (5) increasing computer and technology access and (6) acquiring new books and materials. The Measure will also include a new scheduled phase out date of June 30, 2024.

⁶Revenues to attract and retain highly qualified teachers, maintain courses that help students qualify for college, maintain up-to-date textbooks and instructional materials, keep class sizes small, continue after-school academic programs, maintain school libraries, and provide programs, including arts and music, that enhance student achievement; a \$195 parcel tax in perpetuity, with low income and senior exemptions, and all money benefitting Oakland students.

⁷Revenues used to reduce the drop-out rate and provide Oakland high school students with real-world work and learning opportunities; prepare students for admission to the University of California and other four-year colleges; expand mentoring, tutoring, counseling, support services, and transition to job training programs; a \$120 parcel tax for ten years (Terminating 6/30/25), with low income and senior exemptions, and all money benefitting Oakland students.

⁸Provides College of Alameda, Laney College, Merritt College and Berkeley City College secure funds that cannot be taken by the state, and support affordable college education including: providing core academic programs including math, science, and English; training students for successful careers; and educating students to transfer to university.

⁹Measure BB implemented a 30 year Transportation Expenditure Plan. The measure renewed the 0.5 percent transportation sales tax approved in 2000 and increased the tax by 0.5 percent. This resulted in a 1 percent sales tax in the county dedicated to transportation expenses alone, which was set to expire in 2045 without voter renewal. The tax revenue from this tax was designed to be controlled by the Alameda County Transportation Commission.

Table 10
Oak Knoll
Construction Benefits

I: Construction Benefits - Residential

Construction Spending		
Total Construction Cost (a)	(1)	\$ 179,915,000
Total Indirect Construction Cost (a)	(2)	\$ 332,454,013
Construction Spending Total	(3)=(1)+(2)	<u>\$ 512,369,013</u>
 Investment into Local Economy		
Direct Effect (b)	(3)	\$ 512,369,013
Indirect Effect (b)	(4)	183,514,448
Induced Effect (b)	(5)	179,845,412
Total Economic Output	(6) = (3)+(4)+(5)	<u>\$ 875,728,873</u>
 Employment		
Direct Effect (b)	(7)	2,513
Indirect Effect (b)	(8)	1,301
Induced Effect (b)	(9)	1,199
Jobs Created through Buildout	(10)=(7)+(8)+(9)	<u>5,013</u>
 <u>II: Earnings Increases</u>		
Labor Income		
Direct Effect (b)	(13)	\$ 197,669,726
Indirect Effect (b)	(14)	72,984,997
Induced Effect (b)	(15)	64,420,073
Total Earnings Increase for Workers within the Local Economy	(16)=(13)+(14)+(15)	<u>\$ 335,074,796</u>

Notes:

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- (a) Construction spending amounts are based on estimates per Table 8.
 (b) Based on the IMPLAN model for new residential construction assuming construction costs of \$512,369,013
 (c) Development period is set at 2.2 years, pursuant to buildout projections.

Table 11
Oak Knoll
Construction Costs

Cost Category	TOTAL
Units	935
Total Square Footage	1,834,900
Construction Cost	
Direct Construction Site Improvement	179,915,000
Total Construction Costs	179,915,000
Indirect Costs	
Intract Costs	22,684,836
Intract Fees	34,699,125
Builder Soft Costs	146,352,991
Developer Hard Costs	86,395,011
Developer Soft Costs	30,335,801
Contingency	11,986,249
Total Indirect Costs	332,454,013
Grand Total Project Cost	512,369,013

Source: Developer