The Economics of Land Use

Draft Report

Fiscal and Economic Impact of Candlestick Point/ Hunters Point Shipyard

Prepared for:

FivePoint Communities

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1. INTRODUCTION

Economic & Planning Systems, Inc. (EPS) has conducted a fiscal and economic impact evaluation (2018 Analysis) of the Candlestick Point Hunters Point Shipyard (CP/HPS) (Project). This includes analysis of the fiscal impacts on the City and County of San Francisco's (CCSF's) General Fund and Transit Budget as well as the ongoing economic impacts from Project development and the one-time economic impacts from construction activity. This Report provides a detailed description of the assumptions and methodology used, a summary of the key findings of this 2018 Analysis, and a comparison between the results of this 2018 Analysis and the prior 2010 Analysis.[1]

The 2018 fiscal impact analysis is based on inputs/calculations by FivePoint (development schedule, assessed values, and property tax pass-throughs), Fehr & Peers (all transit costs and selected transit revenues), and EPS (all General Fund revenues, selected transit revenues, conversion of transit capital costs into annual debt service payments, and a first-order evaluation of General Fund expenditures). The economic impact analysis is based on FivePoint and EPS estimates of job density for different uses, the overall development program, and TRC estimates of construction jobs. In addition, the incomes, output, and multiplier effects associated with this job growth are estimated using the IMPLAN Economic Impact Model for San Francisco.

In 2010, CCSF requested that the master developer, CP Development Co, obtain a fiscal and economic impact analysis. EPS conducted that original 2010 Impact Analysis (2010 Analysis) with substantial input from CCSF staff and the master developer. The methodology for this 2018 Analysis is broadly consistent with the methodology applied in the original 2010 Fiscal Impact Analysis (2010 Analysis). For the General Fund impact analysis, all revenue items have been re-estimated based on new project and market information/ forecasts and unit costs have been refined based on the latest CCSF budget. Revised transit costs reflect the new development schedule and expected transit capital investments needs, including contingency mitigations in case of capital stock problems. Revised transit costs also include a revised approach to the estimation of T-Third/Central Subway capital and operation costs. [2] The 2018 economic impact analysis uses the same approach as in 2010, updating estimates to reflect the new development program and the latest economic multiplier model. Refinements to any of these core assumptions would affect the fiscal results.

Organization of Report

Following this introductory chapter, **Chapter 2** summarizes the differences between the results of the 2010 and 2018 Analyses. **Chapter 3** then provides a more detailed summary of the outcomes of the 2018 Analysis. The following chapters, **Chapters 4** through **8**, then provide detailed information on the assumptions and methodology that underpin the 2018 estimates of

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[1] Economic & Planning Systems, Inc., "Fiscal and Economic Impact Analysis of the Candlestick Point-Hunters Point Shipyard Phase II Development Project", June 15, 2010.

[2] For a detailed discussion of transit impacts, see Fehr & Peers, "Fiscal and Economic Impact Report: Transportation Components Memorandum", February 27, 2018.

fiscal and economic impacts. Specifically, **Chapter 4** outlines the development program and associated demographic/economic assumptions; **Chapter 5** describes the Project-related General Fund revenues, **Chapter 6** describes the Project-related General Fund expenditures; **Chapter 7** addresses impacts on transit revenues and expenditures; and **Chapter 8** describes the Project-related development impact fee revenues.

2. KEY FINDINGS: 2010 TO 2018 COMPARISON

A key purpose of this 2018 Fiscal Report is to determine the changes in the fiscal and economic impacts of the CP/HPS Project on the City and County of San Francisco relative to the 2010 Analysis. The findings described in this section summarize the primary differences and their causes. As described below, primary reasons for the improved fiscal performance are improved market conditions and changes in tax rates (e.g. property transfer taxes). **Chapter III** provides more detail on the specific findings of the 2018 Analysis.

- ***The proposed CP/HPS development program has changed since 2010, particularly for nonresidential uses.***

  As shown in **Table 1**, the proposed development program has changed since 2010. In particular, the development program: (1) no longer includes a stadium, (2) incorporates fewer parking spaces, (3) allows for an additional 200,000 square feet in retail space, (4) includes more hotel room development, and, (5) includes capacity for twice as much office/R&D space. The residential program remains consistent with about 10,670 units, including 3,363 below-market rate, workforce, and public housing units.

Table 1 2010 and 2018 Development Program Comparison

Item	2010 Program Description at Buildout	2018 Program Description at Buildout
Residential		
Market-Rate		
For-Sale	6,043 units	5,874 units
Rental	1,113 units	1,435 units
Market-Rate Subtotal	7,156 units	7,309 units
Below Market-Rate		
For-Sales	446 units	584 units
Rental	362 units	243 units
Below Market-Rate Subtotal	808 units	827 units
Workforce Units	892 units	892 units
Public Housing & Agency Units	1,644 units	1,644 units
Residential Total	**10,500** units	**10,672** units
Commercial Uses		
Hotel	150,000 Gross Sq. Ft.	270,000 Gross Sq. Ft.
Regional Retail	635,000 Gross Sq. Ft.	735,000 Gross Sq. Ft.
Neighborhood Retail	250,000 Gross Sq. Ft.	351,000 Gross Sq. Ft.
Commercial Total	**1,035,000** Gross Sq. Ft.	**1,356,000** Gross Sq. Ft.
Other Non-Residential Uses and Parking		
Film & Arts Center	10,000 Gross Sq. Ft.	75,000 Gross Sq. Ft.
Community Use	N/A	100,000 Gross Sq. Ft.
Research & Development	2,650,000 Gross Sq. Ft.	4,415,000 Gross Sq. Ft.
Artist Studio	N/A	255,000 Gross Sq. Ft.
Maker Space	N/A	75,000 Gross Sq. Ft.
Institutional	N/A	410,000 Gross Sq. Ft.
Football Stadium	69,000 Gross Sq. Ft.	N/A
Other Non-Residential Uses Total	**2,729,000** Gross Sq. Ft.	**5,330,000** Gross Sq. Ft.
Public Parking	11,964 Spaces	9,889 Spaces

Sources: Lennar (2010); FivePoint Construction Schedule (November 8, 2017) and FivePoint correspondence (March 2018); Economic & Planning Systems, Inc.

- ***At Project buildout, the net annual Project-related General Fund surplus is expected to be $40.6 million in 2017 constant dollars, compared to $16.1 million in 2010 constant dollars under the 2010 Analysis.***

  Table 2 shows a side-by-side comparison of estimated projected-related General Fund revenues and expenditures at Project buildout for the 2010 and 2018 analyses (in constant 2010 and 2017 dollars respectively). As shown, General Fund revenues at Project buildout are estimated to be 79 percent higher than in 2010, while General Fund expenditures at Project buildout are estimated to be 39 percent higher than in 2010. The level of inflation over this period, as measured by the Consumer Price Index for the San Francisco/San Jose/Oakland area, was 17 percent, accounting for a portion of these increases. When the 2010 numbers are adjusted for inflation, the annual General Fund revenues increase by 53 percent in real terms and the General Fund expenditures increase by about 18 percent in real terms. Over half of the increase in General Fund revenues is tied to the General Fund revenue items driven by the Project's assessed values, including property tax, property transfer tax, and property tax in-lieu of vehicle license fees.[3] Increases in business taxes, sales and use taxes, and transient occupancy taxes also contributed to the increase in General Fund revenues.

- ***The changes in the CP/HPS development program have affected the Project's fiscal impacts, though the effects are modest relative to broader real estate market factors.***

  Market-driven changes and forecasts (that have increased and are expected to continue to increase the development values of market-rate residential in the southeast market area, both initially and through appreciation over time, increased the development values of commercial development, and improved the expected overnight rates at hotels and taxable sales per square foot at the regional retail) are primary drivers of the improved fiscal performance. In addition, increases in property transfer tax rates have substantially increased transfer revenues. Changes in the development program have, however, had a direct effect on some General Fund revenues items, including: (1) increased transient occupancy taxes due to the increased scale of hotel development; (2) increased business taxes due to the increased amount of R&D workspace, payrolls, and business activity; (3) increased sales and use taxes due to the increase in retail development; and, (4) reduced parking taxes due to the reduction in the number of parking spaces.

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[3] As with all revenue and expenditure items, the reasons for the changes between 2010 and 2018 are manifold. For example, in addition to improved real estate market conditions, changes in the City's property tax transfer rates and a more specific accounting of the inflationary impacts and the expected land and building transfers also accounted for some of the change in the property transfer taxes.

Table 2 General Fund Revenue and Expenditures at Buildout

Item	2010 Model at Buildout[1] (2010 Constant $$)	Buildout (2035) (2017 Constant $$)	Percent Change
REVENUES			
Business Taxes[2]	$9,048,178	$14,901,834	65%
Hotel Room Tax	$631,519	$4,163,053	559%
Parking Tax	$1,624,915	$1,029,074	-37%
Property Tax	$11,294,241	$17,950,445	59%
Property Transfer Tax	$3,663,254	$12,404,662	239%
Property Tax in Lieu of VLF	$8,432,624	$15,421,155	83%
Sales and Use Tax	$4,918,447	$7,853,629	60%
Gas Electric Steam Users Tax	$739,469	$1,013,935	37%
Telephone Users Tax	$1,158,475	$1,159,024	0%
Water Users Tax	$45,297	$112,668	149%
Fines, Forfeitures & Penalties	$113,601	$124,566	10%
License, Permits, and Franchises	$743,583	$785,420	6%
Sales Tax Allocation to Public Safety	$2,459,224	$3,926,815	60%
Stadium Admission Tax	$218,400	Not Estimated	N/A
Total Revenues	**$45,091,227**	**$80,846,279**	**79%**
EXPENDITURES			
Elections	$360,000	$419,583	17%
Assessor/Recorder	$105,530	$123,565	17%
311	$242,169	$245,482	1%
Police Services	$10,066,737	$13,772,563	37%
Fire Protection	$7,506,617	$8,139,727	8%
911 Emergency Response	$496,267	$1,087,694	119%
San Francisco MTA			
MUNI	$2,907,863	$5,276,675	81%
Other MTA Programs	$4,949,176	$7,653,043	55%
Department of Public Health	$841,597	$1,652,037	96%
DPW (Road Maintenance)	$1,010,231	$1,286,035	27%
Recreation and Parks	$351,703	$343,850	-2%
Library	$186,724	$218,635	17%
Total Expenditures	**$29,024,614**	**$40,218,890**	**39%**
NET REVENUES (COSTS)	**$16,066,613**	**$40,627,389**	**153%**

[1] The 2010 fiscal analysis included access line tax, sales tax realignment to health and welfare, and VLF realignment to health and welfare, bringing total revenues to $50 million. For purpose of comparison, these revenues have been excluded in the 2018 analysis.
[2] Includes business tax and payroll tax revenue in 2010 analysis.

Sources: FivePoint; City and County of San Francisco; Economic & Planning Systems, Inc.

- ***At Project buildout, the net annual Project-related Transit surplus is expected to be $3.4 million in 2018 constant dollars, compared to $1.5 million in 2010 constant dollars under the 2010 Analysis.***

Table 3 shows a side-by-side comparison of estimated projected-related transit revenues and expenditures at Project buildout for the 2010 and 2018 analyses (in constant 2010 and 2017 dollars respectively). As shown **Table 3**, transit revenues at Project buildout are estimated to be one percent higher than in 2010, while transit expenditures are expected to be 6 percent lower than in 2010. In inflation-adjusted terms, both transit revenues and expenditures were higher in 2010 than in 2018, though the net annual surplus was lower, at $1.7 million, than under the 2018 Analysis. For transit revenues, significant changes, both positive and negative, in individual transit revenue line items effectively balanced each other. For example, transit revenues driven by taxable sales all increased substantially, while revenues tied to the number of parking spaces all decreased substantially. For transit costs, operation costs increased in nominal dollar terms, transit facilities costs increased significantly based on new transit facility costs, and capital facilities costs decreased. The key driver of the reduced capital costs (and for the modest operations costs increases) relate to the revised calculations and timing of the Project's fair-share contributions to the light rail T-Third capital and operation costs.

Table 3 Transportation Revenue and Expenditures at Buildout

Item	Buildout (2010 Constant $$)	Buildout (2035) (2017 Constant $$)	Percent Change
Transit Revenues			
FastPass	$8,825,040	$10,184,000	15%
Farebox Recovery	$2,988,781	$3,034,000	2%
Advertising	$188,361	$813,000	332%
Prop K Sales Tax[1]	$904,994	$1,570,726	74%
On-Street Parking	$2,698,284	$1,250,000	-54%
Parking Tax[2]	$6,499,661	$4,116,296	-37%
Parking Fees and Fines	$2,459,302	$700,000	-72%
State Sales Tax (AB 1107)[3]	$614,806	$981,704	60%
TDA Sales Tax[4]	$1,229,612	$1,963,407	60%
Other[5]	$209,271	N/A	N/A
Annual General Fund Transfer to MUNI[6]	$2,907,863	$5,276,675	81%
Subtotal	**$29,525,975**	**$29,889,808**	**1%**
Transit Expenditures			
Operation Costs	$15,919,609	$17,942,500	13%
Mitigation Costs[7]	$2,988,781	$1,809,743	-39%
Capital Costs	$7,044,474	$3,191,888	-55%
Facilities[8]	$2,106,105	$3,551,808	69%
Subtotal	**$28,058,969**	**$26,495,939**	**-6%**
Net Annual Transportation Impact	**$1,467,006**	**$3,393,869**	**131%**
Cumulative	$7,426,926	$36,242,529	

[1] According to January 2017 Proposition K Sales Tax Expenditure Plan Summary, 40.0% of one-half cent sales tax allocated to transit maintenance and rehabilitation.

[2] According to Proposition A, SFMTA receives 80% of parking tax from off-street, commercial spaces. SFMTA Adopted Operating Budget FY2016, p. 33.

[3] State sales tax (AB 1107 or BART) is a one-half cent sales tax, which allocates 25% to SFMTA and AC Transit (75% to BART). Mtc.ca.gov/our-work/fund-invest.

[4] Transportation Development Act (TDA) sales tax is a tax of one-quarter of one percent on all retail sales, which is used to finance transit. Mtc.ca.gov/our-work/fund-invest.

[5] Other transit revenues were a separate line item in 2010 but have been included in other revenue line items for 2017.

[6] 6.68% baseline of discretionary General Fund revenues are assumed transferred to MUNI. FY2017-18 Controller's Discussion of the Mayor's FY2017-18 Proposed Budget, p. 20.

[7] Potential mitigation capital costs for rolling stock includes 11 motor coaches, 2 trolley coaches, and one light rail vehicle.

[8] Fehr & Peers provided a 2018 facilities cost, which EPS amortized assuming a 5 percent interest rate over 30 years.

Sources: FivePoint; City and County of San Francisco Operating Budget (2016); SFMTA website; Fehr & Peers; Economic & Planning Systems, Inc.

- ***By Project buildout, ongoing economic activity at the Project and associated "multiplier" effects will support about 28,800 new jobs in San Francisco, up 28 percent from 22,500 jobs in the 2010 Analysis.***

  Table 4 shows a side-by-side comparison of direct jobs and multiplier (indirect and induced) effects under the 2010 and 2018 analyses. As shown, under the 2018 development program, the proposed employment-generating uses within the Project will generate approximately about 15,700 jobs under the 2018 development program at Project buildout, with an additional 13,000 jobs in San Francisco generated through indirect and induced effects. This compares to a total of 10,700 direct Project jobs under the 2010 development program and an associated 12,654 indirect and induced jobs. The increased number of jobs supported under the 2018 development program is primarily due to the increase in Research and Development workspace. In addition, the estimated number of direct jobs associated with Project construction activity increased from 5,600 job-years under the 2010 Analysis to 8,327 job-years under the 2018 Analysis, an increase of about 49 percent. The multiplier effects (including indirect and induced jobs) also increased between the 2010 and 2018 Analyses.

Table 4 Ongoing Employment at Project Buildout

Item	**2010 Employment**	**2018 Employment[1]**
Residential	420	427
Commercial Uses		
Film & Arts Center (2010 Performance Venue)[2]	87	100
Community Use	N/A	282
Artists' Studios[3]	N/A	300
Hotel	214	386
Office	543	N/A
Regional Retail	1,814	1,838
Neighborhood Retail	926	878
Maker Space	N/A	188
Research & Development	6,250	11,038
Institutional[4]	N/A	200
Commercial Subotal	9,834	15,207
Public Parking[5]	32	37
Parks and Open Space[6]	60	88
Water Taxi[7]	N/A	4
Football Stadium[8]	357	N/A
Other Subtotal	449	129
Total Direct Jobs	**10,703**	**15,763**
Indirect Jobs[9]	7,410	7,724
Induced Jobs[9]	4,390	5,295
TOTAL JOBS	**22,503**	**28,783**

[1] Unless otherwise noted, employment assumptions based on industry standards and previous EPS studies for individual land use types.

[2] Because the type of performance venue has changed since 2010 from a concert hall to a center with a focus on film and performing arts, the employment estimate is founded on EPS' study of movie and theater centers and is based on a building square footage instead of number of events as was done in 2010.

[3] Based on information about number of studios and artists provided by FivePoint.

[4] Based on generalized population density at institutions such as schools.

[5] Includes all off-street parking.

[6] EPS assumption. Open space acreages based on 2018 Modified Project Variant Land Use Program.

[7] FivePoint estimate assumes capacity for 22 passengers plus captain and crew members.

[8] Stadium jobs based on data provided by 49ers (excluding 725 media jobs assumed existing jobs). Assumes 12 football games and 20 other events, 8 hours/shift.

[9] Indirect and induced employment according to IMPLAN input-output modeling software. Includes full- and part-time jobs.

Sources: FivePoint; Minnesota IMPLAN System; Economic & Planning Systems, Inc.

3. *KEY FINDINGS: 2018 FISCAL AND ECONOMIC IMPACTS*

This chapter provides a detailed discussion of the findings of the 2018 Analysis and is separated into four sections: General Fund (Fiscal) Impacts; Transit (Fiscal) Impacts; Economic Impacts; and, Affordable Housing/Development Impact Fee Investments.

General Fund Impacts

- ***At Project buildout, Project-related annual General Fund revenues to the City are forecast to be more than twice as high as annual Project-related General Fund expenditures.***[4]

  New General Fund revenues associated with CP/HPS development are forecast to be substantially greater than annual General Fund expenditures at estimated project buildout (2035) and beyond. As shown in **Table 2** in the prior chapter, in 2035, Project-related annual General Fund revenues are estimated at $80.8 million, relative to $40.2 million in Project-related annual General Fund expenditures (2017 constant dollar terms). This net inflow will provide the City with the opportunity to enhance investments in a range of services throughout the City. Furthermore, in the mid-2040s when many of the tax increment obligations are expected to have been met, the annual property tax revenues accruing to the City's General Fund will increase substantially, further increasing the annual Project-related surplus. As shown in **Table 2**, property taxes, business taxes, sales and use taxes, and transient occupancy taxes, in particular, provide substantial annual revenues. The revenue streams are more than sufficient to cover the largest expenditure categories, including police services, fire services, and allocations to San Francisco MTA, including $5.3 million to MUNI and $7.7 million to other SFMTA programs/expenditure categories.

- ***With the exception of 2021, City revenues are projected to exceed annual operating costs to serve the Project through Project buildout.***

  New General Fund revenues associated with CP/HPS development are forecast to be greater than annual General Fund expenditures from the first year of new revenue and expenditure generation (2019) through estimated project buildout (2035) and beyond, with the exception of 2021. As shown in **Table 5**, the property transfer taxes associated with early land acquisitions and other revenue categories are sufficient to cover the early public service expenditures associated with the first set of residents and businesses in 2017 through 2020. By 2022, when more substantial development has occurred, the full range of General Fund revenue items are generating more than the estimated General Fund expenditures. This remains the case through buildout, including the point at which Fire Department costs increase significantly (2031). As shown in **Figure 1**, the General Fund annual surpluses develop more quickly and become more substantial than in the 2010 Analysis.

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[4] EPS has not conducted recent interviews with CCSF staff. The current expenditure estimates are based on the general conclusions and relationships drawn in 2010.

Transit Impacts

- ***At Project buildout, the Project-related annual revenues will be more than sufficient to cover Project-related annual transit expenditures.***

  At Project buildout (and beyond), the combination of Project-related annual transit revenues and the Project-related allocation to MUNI of General Fund revenues, are expected to more than cover Project-related transit expenditures. As shown in **Table 3** in the previous chapter, in 2035, Project-related annual transit revenues are estimated at $29.9 million, including the required General Fund revenue allocation to MUNI of $5.3 million. At the same time, annual transit expenditures are estimated at $26.5 million (including $17.9 million in operations costs, $6.7 million in debt service payments on capital and transit facilities investments, and an additional $1.8 million in debt service on potential capital cost mitigations). The result is a net annual surplus at buildout of approximately $3.4 million.

- ***Transit revenues will exceed costs in every year of Project buildout with the exception of 2021, 2027, and 2028.***

  Transit revenues and costs both accrue incrementally through time as new development occurs and new transit investments are made. The distribution of costs is affected by the assumption that all investments in transit vehicles and facilities can be financed, with costs thereby spread more evenly through time. As shown in **Table 6**, annual transit revenues are greater than transit costs every year except 2021, 2027, and 2028. Outside of the three annual deficits, the Project is expected to generate an annual transit surplus every year, as well as a cumulative surplus that is positive and remains positive from 2029 through 2035. By Project buildout, the analysis shows a positive cumulative transit surplus of approximately $36.2 million (see **Figure 2**).

Economic Impacts

- ***By Project buildout, ongoing economic activity at the Project and associated "multiplier" effects will provide about 28,800 new jobs in San Francisco.***

  As shown in **Table 4** in the previous chapter, proposed employment-generating uses within the Project will generate approximately 15,763 jobs, spanning a broad range of industries and occupations, from entry-level jobs to executive and management positions. Of these jobs, about 11,000 will be in the research and development workspaces, 2,700 associated with the regional and neighborhood retail, and another 2,011 jobs associated with the maker spaces, the institutional uses, the film and art center, and the hotels among other uses. As shown in **Table 8**, these employment-generating uses are expected, annually, to generate about $4.3 billion in direct economic output, add $2.7 billion to San Francisco "Gross Domestic Product" (value-added), and provide $1.9 billion in income. The economic multiplier effects in San Francisco provide significant additional economic impacts, generating an estimated additional 13,000 jobs, $1.3 billion in income, and adding another $2.1 billion to San Francisco "Gross Domestic Product" (value-added).

- ***Throughout the expected period of Project buildout, from 2014 through 2034, construction activity will generate jobs and income. Direct construction jobs are estimated to be about 49 percent above the 2010 estimates.***

  TRC has estimated a schedule of full-time and part-time construction jobs associated with Project development from the start of horizontal development. The number of direct construction jobs varies by year but averages about 400 jobs annually over 20 years, or a total of about 8,327 construction job-years. As shown in **Table 9**, about $716 million in income is associated with these jobs. The construction activity will also generate "multiplier" effects—indirect and induced effects—during the period of construction, adding an additional 2,400 construction job-years in San Francisco and about $204 million in extra income.[5] Consistent with the 2010 analysis, this analysis relies on TRC project-specific estimates of construction jobs through time. It is recognized that these estimates of construction jobs are lower than the estimates indicated by the IMPLAN economic model of the San Francisco economy.

Affordable Housing and Development Impact Fees

- ***In addition to direct investments in affordable housing, the Project will generate substantial property tax increment revenues for additional affordable housing investments.***

  Through Project buildout, a total of $231 million in affordable housing revenues is expected to be generated. At Project buildout and beyond, $29 million in annual property tax increment revenues will continue to be generated to support City investments in affordable housing over-and above the $231 million noted (in 2017 constant dollar terms). In the 2010 Analysis, the equivalent affordable housing revenues were about $135 million (in 2017 constant dollar terms) and $17 million annually from Project buildout.

- ***In addition to direct investments in transportation and transit, and parks and recreation, among other community benefits, the Project will pay school facilities, child-care, and public art development impact fees (or provide the equivalent).***

  According to the 2010 Project Redevelopment Plan, FivePoint will contribute several one-time development impact fees relating to development of the Project. The three applicable impact fees support school facilities, public realm art, and child-care in San Francisco. The total fee payments will amount to $49 million, as shown in **Table 10**, if the developer pays the in-lieu fees (as opposed to building new facilities or art installations).

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[5] Multiplier effects include economic effects beyond the on-site/direct economic activity. *Indirect* jobs results from jobs created by industry-to-industry spending by direct employees. *Induced* jobs consist of jobs driven by employee (and associated household) spending in the San Francisco economy.

Table 5 General Fund Fiscal Impact (2017$)

	Fiscal Year											
Item	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
REVENUES												
Business Taxes[1]	$0	$0	$0	$12,818	$256,901	$2,463,589	$5,722,887	$5,742,743	$6,524,911	$9,300,931	$9,417,981	$9,514,899
Hotel Room Tax	$0	$0	$0	$0	$0	$2,318,663	$2,318,663	$2,318,663	$2,318,663	$2,318,663	$2,318,663	$2,318,663
Parking Tax	$0	$0	$0	$0	$0	$270,042	$333,158	$377,142	$423,770	$689,310	$691,495	$691,495
Property Tax[2]	$0	$0	$107,023	$256,780	$319,876	$737,116	$1,687,706	$3,304,576	$4,792,966	$6,172,709	$7,561,119	$8,945,570
Property Transfer Tax	$0	$0	$2,574,110	$3,679,743	$1,685,876	$5,877,004	$6,447,469	$11,505,650	$15,695,361	$17,720,361	$15,360,111	$20,400,620
Property Tax in Lieu of VLF	$0	$0	$91,943	$220,598	$274,805	$633,254	$1,449,902	$2,838,948	$4,117,618	$5,302,950	$6,495,727	$7,685,103
Sales Tax	$0	$0	$131,780	$184,399	$400,501	$4,792,671	$5,764,028	$6,705,484	$7,432,159	$7,334,499	$7,394,568	$7,993,529
Gas Electric Steam Users Tax	$0	$0	$0	$872	$17,480	$167,625	$389,391	$390,742	$443,961	$632,844	$640,808	$647,403
Telephone Users Tax	$0	$0	$0	$22,836	$124,575	$243,154	$394,382	$429,754	$513,496	$628,475	$644,519	$817,179
Water Users Tax	$0	$0	$0	$2,220	$12,110	$23,637	$38,338	$41,776	$49,917	$61,094	$62,654	$79,438
Fines, Forfeitures & Penalties	$0	$0	$0	$3,017	$16,082	$27,460	$41,080	$45,753	$55,343	$65,101	$67,004	$89,813
License, Permits, and Franchises	$0	$0	$0	$19,021	$101,402	$173,144	$259,019	$288,482	$348,949	$410,477	$422,476	$566,292
Sales Tax Allocation to Public Safety[3]	$0	$0	$65,890	$92,199	$200,250	$2,396,336	$2,882,014	$3,352,742	$3,716,080	$3,667,249	$3,697,284	$3,996,765
Subtotal	**$0**	**$0**	**$2,970,747**	**$4,494,504**	**$3,409,858**	**$20,123,695**	**$27,728,036**	**$37,342,456**	**$46,433,193**	**$54,304,663**	**$54,774,409**	**$63,746,768**
EXPENDITURES												
Elections	$0	$0	$0	$13,250	$68,961	$99,785	$131,198	$151,721	$187,263	$205,860	$213,251	$313,429
Assessor/Recorder	$0	$0	$0	$123,565	$123,565	$123,565	$123,565	$123,565	$123,565	$123,565	$123,565	$123,565
311	$0	$0	$0	$7,752	$40,346	$58,380	$76,759	$88,767	$109,561	$120,441	$124,765	$183,376
Police Services	$0	$0	$0	$328,011	$1,748,632	$2,985,794	$4,466,669	$4,974,745	$6,017,483	$7,306,836	$7,513,755	$9,993,789
Fire Protection	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
911 Emergency Response	$0	$0	$0	$34,347	$178,768	$258,674	$340,108	$393,311	$485,447	$533,655	$552,816	$812,509
San Francisco MTA												
MUNI[4]	$0	$0	$199,273	$301,998	$220,179	$1,216,097	$1,704,437	$2,331,694	$2,930,394	$3,473,727	$3,503,891	$4,098,850
Other MTA Programs	$0	$0	$0	$150,787	$822,568	$1,605,548	$2,604,108	$2,837,672	$3,390,620	$4,149,828	$4,255,766	$5,395,842
Department of Public Health[5]	$0	$0	$0	$52,168	$271,521	$392,885	$516,571	$597,377	$737,318	$810,539	$839,641	$1,234,074
DPW (Road Maintenance)[6]	$0	$0	$39,268	$39,268	$39,268	$39,268	$39,268	$225,792	$323,963	$323,963	$755,914	$814,816
Recreation and Parks[7]	$0	$0	$0	$10,858	$56,514	$81,774	$107,518	$124,336	$153,463	$168,703	$174,761	$256,857
Library	$0	$0	$0	$306,569	$306,569	$218,635	$218,635	$218,635	$218,635	$218,635	$218,635	$218,635
Subtotal	**$0**	**$0**	**$238,541**	**$1,368,573**	**$3,876,891**	**$7,080,406**	**$10,328,837**	**$12,067,616**	**$14,677,711**	**$17,435,751**	**$18,276,759**	**$23,445,743**
NET REVENUES (COSTS)	**$0**	**$0**	**$2,732,206**	**$3,125,931**	**-$467,034**	**$13,043,290**	**$17,399,199**	**$25,274,840**	**$31,755,482**	**$36,868,911**	**$36,497,650**	**$40,301,026**
Additional Revenues (Restricted, Non-Gen. Fund)[8]												
Children's Fund	$0	$0	$6,666	$15,994	$19,925	$45,914	$105,125	$205,838	$298,547	$384,490	$470,972	$557,208
Library Fund	$0	$0	$4,762	$11,425	$14,232	$32,796	$75,089	$147,027	$213,248	$274,636	$336,409	$398,005
Open Space Fund	$0	$0	$4,762	$11,425	$14,232	$32,796	$75,089	$147,027	$213,248	$274,636	$336,409	$398,005
Total Additional Revenues	**$0**	**$0**	**$16,190**	**$38,844**	**$48,388**	**$111,505**	**$255,303**	**$499,891**	**$725,044**	**$933,761**	**$1,143,789**	**$1,353,218**

[1] Includes Gross Receipts Tax, Payroll Tax, and Business Registration Tax.
[2] AB1290 property tax increment pass-throughs will conclude in the mid-2040s, after which, the City's share of property taxes generated from this Project will increase substantially.
[3] Half cent sales tax allocation to public safety is included in this analysis because it provides funding for police department costs.
[4] MUNI expenditure is the General Fund revenues required to be transferred to SFMTA per City Charter 8A.
[5] Based on estimates of hospital admissions and emergency room visits not reimbursed from other sources.
[6] Based on road mileage in 2017 CP/HPS development plan.
[7] Parks and recreation costs will be covered by special taxes and an annuity provided by the Developer. The costs shown here are associated with recreational programming.
[8] These funds receive a share of property tax increment.

Sources: FivePoint; City and County of San Francisco; Economic & Planning Systems, Inc.

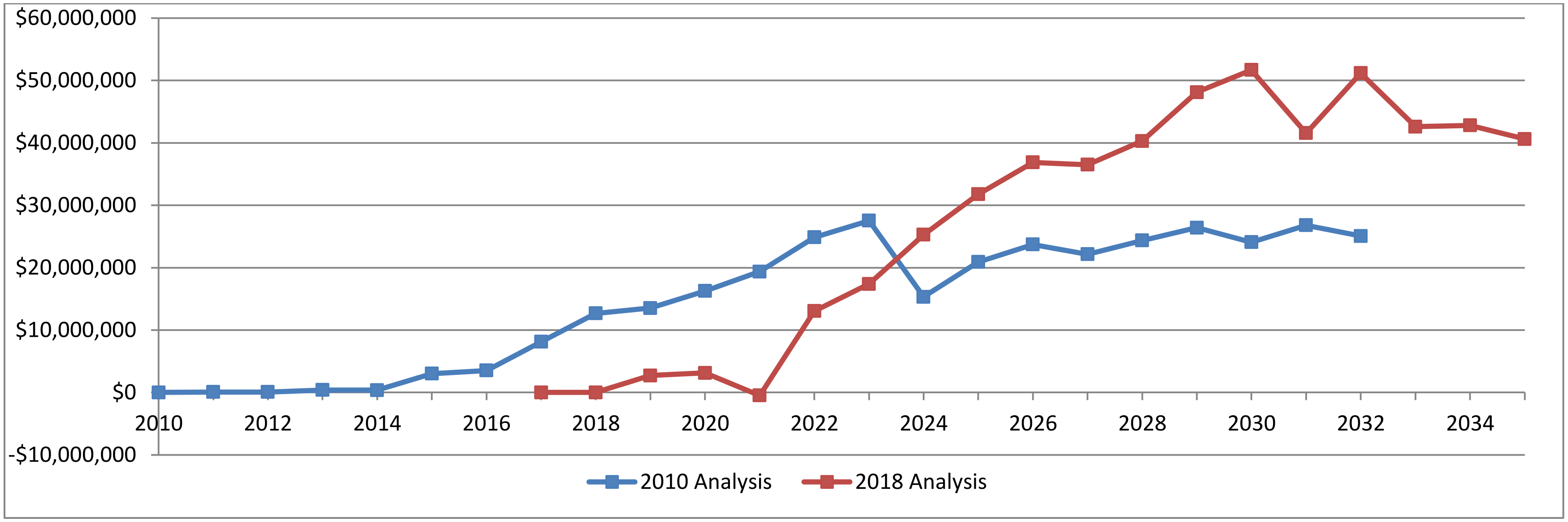
Table 5 General Fund Fiscal Impact (2017$) (continued)

	Fiscal Year						Buildout
Item	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
	13	**14**	**15**	**16**	**17**	**18**	**19**
REVENUES							
Business Taxes[1]	$9,837,377	$14,893,791	$14,893,791	$14,893,791	$14,893,791	$14,901,834	$14,901,834
Hotel Room Tax	$4,163,053	$4,163,053	$4,163,053	$4,163,053	$4,163,053	$4,163,053	$4,163,053
Parking Tax	$709,810	$1,028,866	$1,028,866	$1,028,866	$1,028,866	$1,029,074	$1,029,074
Property Tax[2]	$10,626,645	$12,688,558	$14,491,878	$16,523,037	$17,170,707	$17,409,776	$17,950,445
Property Transfer Tax	$25,022,754	$22,063,515	$19,721,159	$23,574,146	$15,780,320	$16,314,429	$12,404,662
Property Tax in Lieu of VLF	$9,129,308	$10,900,689	$12,449,914	$14,194,874	$14,751,285	$14,956,668	$15,421,155
Sales Tax	$8,757,671	$9,726,777	$9,408,363	$9,688,908	$7,985,383	$7,482,261	$7,853,629
Gas Electric Steam Users Tax	$669,344	$1,013,387	$1,013,387	$1,013,387	$1,013,387	$1,013,935	$1,013,935
Telephone Users Tax	$921,875	$1,158,782	$1,158,782	$1,158,782	$1,158,782	$1,159,024	$1,159,024
Water Users Tax	$89,615	$112,645	$112,645	$112,645	$112,645	$112,668	$112,668
Fines, Forfeitures & Penalties	$103,115	$124,550	$124,550	$124,550	$124,550	$124,566	$124,566
License, Permits, and Franchises	$650,166	$785,319	$785,319	$785,319	$785,319	$785,420	$785,420
Sales Tax Allocation to Public Safety[3]	$4,378,835	$4,863,388	$4,704,182	$4,844,454	$3,992,692	$3,741,130	$3,926,815
Subtotal	**$75,059,569**	**$83,523,321**	**$84,055,888**	**$92,105,811**	**$82,960,779**	**$83,193,838**	**$80,846,279**
EXPENDITURES							
Elections	$369,494	$419,583	$419,583	$419,583	$419,583	$419,583	$419,583
Assessor/Recorder	$123,565	$123,565	$123,565	$123,565	$123,565	$123,565	$123,565
311	$216,177	$245,482	$245,482	$245,482	$245,482	$245,482	$245,482
Police Services	$11,440,169	$13,770,811	$13,770,811	$13,770,811	$13,770,811	$13,772,563	$13,772,563
Fire Protection	$0	$0	$10,481,527	$8,139,727	$8,139,727	$8,139,727	$8,139,727
911 Emergency Response	$957,848	$1,087,694	$1,087,694	$1,087,694	$1,087,694	$1,087,694	$1,087,694
San Francisco MTA							
MUNI[4]	$4,848,698	$5,396,071	$5,443,527	$5,986,129	$5,417,211	$5,450,456	$5,276,675
Other MTA Programs	$6,087,146	$7,651,446	$7,651,446	$7,651,446	$7,651,446	$7,653,043	$7,653,043
Department of Public Health[5]	$1,454,821	$1,652,037	$1,652,037	$1,652,037	$1,652,037	$1,652,037	$1,652,037
DPW (Road Maintenance)[6]	$932,621	$932,621	$1,060,242	$1,286,035	$1,286,035	$1,286,035	$1,286,035
Recreation and Parks[7]	$302,802	$343,850	$343,850	$343,850	$343,850	$343,850	$343,850
Library	$218,635	$218,635	$218,635	$218,635	$218,635	$218,635	$218,635
Subtotal	**$26,951,975**	**$31,841,796**	**$42,498,401**	**$40,924,995**	**$40,356,077**	**$40,392,670**	**$40,218,890**
NET REVENUES (COSTS)	**$48,107,593**	**$51,681,525**	**$41,557,487**	**$51,180,816**	**$42,604,702**	**$42,801,167**	**$40,627,389**
Additional Revenues (Restricted, Non-Gen. Fund)[8]							
Children's Fund	$661,920	$790,353	$902,680	$1,029,198	$1,069,540	$1,084,432	$1,118,109
Library Fund	$472,800	$564,538	$644,771	$735,141	$763,957	$774,594	$798,649
Open Space Fund	$472,800	$564,538	$644,771	$735,141	$763,957	$774,594	$798,649
Total Additional Revenues	**$1,607,519**	**$1,919,430**	**$2,192,222**	**$2,499,481**	**$2,597,455**	**$2,633,620**	**$2,715,408**

[1] Includes Gross Receipts Tax, Payroll Tax, and Business Registration Tax.
[2] AB1290 property tax increment pass-throughs will conclude in the mid-2040s, after which, the City's share of property taxes generated from this Project will increase substantially.
[3] Half cent sales tax allocation to public safety is included in this analysis because it provides funding for police department costs.
[4] MUNI expenditure is the General Fund revenues required to be transferred to SFMTA per City Charter 8A.
[5] Based on estimates of hospital admissions and emergency room visits not reimbursed from other sources.
[6] Based on road mileage in 2017 CP/HPS development plan.
[7] Parks and recreation costs will be covered by special taxes and an annuity provided by the Developer.
The costs shown here are associated with recreational programming.
[8] These funds receive a share of property tax increment.

Sources: FivePoint; City and County of San Francisco; Economic & Planning Systems, Inc.

Figure 1 General Fund Net Impact Comparison



**Note the 2010 net impact has been inflated to 2017 constant dollar terms.*

Table 6 Impacts on Transportation (2017$)

Item	Source	Fiscal Year									
		2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
		1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Transit Revenues											
FastPass	Fehr & Peers/Other	$0	$0	$0	$0	$1,243,000	$2,978,000	$2,978,000	$3,567,000	$4,485,000	$4,762,000
Farebox Recovery	Fehr & Peers/Other	$0	$0	$0	$0	$730,000	$935,000	$1,113,000	$1,113,000	$2,310,000	$2,310,000
Advertising	Fehr & Peers/Other	$0	$0	$0	$0	$277,000	$303,000	$303,000	$303,000	$675,000	$787,000
Prop K Sales Tax[1]	EPS	$0	$0	$26,356	$36,880	$80,100	$958,534	$1,152,806	$1,341,097	$1,486,432	$1,466,900
On-Street Parking	Fehr & Peers/Other	$0	$0	$7,000	$21,000	$216,000	$627,000	$719,000	$743,000	$834,000	$898,000
Parking Tax[2]	EPS	$0	$0	$0	$0	$0	$1,080,169	$1,332,633	$1,508,570	$1,695,078	$2,757,240
Parking Fees and Fines	Fehr & Peers/Other	$0	$0	$4,000	$12,000	$121,000	$351,000	$403,000	$416,000	$467,000	$503,000
State Sales Tax (AB 1107)[3]	EPS	$0	$0	$16,473	$23,050	$50,063	$599,084	$720,504	$838,186	$929,020	$916,812
TDA Sales Tax[4]	EPS	$0	$0	$32,945	$46,100	$100,125	$1,198,168	$1,441,007	$1,676,371	$1,858,040	$1,833,625
General Fund Transfer to MUNI[5]	EPS	$0	$0	$199,273	$301,998	$220,179	$1,216,097	$1,704,437	$2,331,694	$2,930,394	$3,473,727
Subtotal		**$0**	**$0**	**$286,047**	**$441,027**	**$3,037,467**	**$10,246,052**	**$11,867,387**	**$13,837,918**	**$17,669,964**	**$19,708,303**
Transit Expenditures											
Operations	Fehr & Peers/Other	$0	$0	$0	$27,432	$3,868,647	$5,271,558	$5,400,405	$5,431,439	$13,242,560	$15,850,626
Capital Costs	Fehr & Peers/Other	$0	$0	$0	$12,812	$1,240,097	$1,771,825	$1,832,004	$1,846,499	$3,679,375	$3,748,484
Facilities[6]	Fehr & Peers/Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Mitigation Costs[7]	Fehr & Peers/Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal		**$0**	**$0**	**$0**	**$40,244**	**$5,108,744**	**$7,043,383**	**$7,232,409**	**$7,277,938**	**$16,921,935**	**$19,599,110**
Net Annual Transportation Impact		**$0**	**$0**	**$286,047**	**$400,783**	**-$2,071,277**	**$3,202,668**	**$4,634,977**	**$6,559,980**	**$748,029**	**$109,194**
Cumulative		$0	$0	$286,047	$686,830	-$1,384,446	$1,818,222	$6,453,199	$13,013,179	$13,761,208	$13,870,401

[1] Assumes 40.0% of Prop. K's one-half cent sales tax is allocated to transit system maintenance and renovation.
[2] Assumes 80% of parking tax from off-street, commercial spaces is transferred from General Fund to SFMTA.
[3] State sales tax (AB 1107 or BART) is a one-half cent sales tax, which allocates 25% to MTC (75% to BART).
[4] Transportation Development Act (TDA) sales tax is a tax of one-quarter of one percent on all retail sales, which is used to finance transit.
[5] 6.68% baseline of discretionary General Fund revenues are assumed transferred to MUNI.
[6] Updated facilities cost assumes a fair share cost of $54.6 million for 39 buses. This cost has been amortized assuming an interest rate of 5 percent over 30 years.
[7] Capital costs for rolling stock includes 11 motor coaches, 2 trolley coaches, and one light rail vehicle.

Sources: FivePoint; City and County of San Francisco; SFMTA website; Fehr & Peers; Economic & Planning Systems, Inc.

Table 6 Impacts on Transportation (2017$) (continued)

					Fiscal Year					Buildout
Item	**Source**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
		11	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
Transit Revenues										
FastPass	Fehr & Peers/Other	$4,974,000	$7,409,000	$9,228,000	$10,184,000	$10,184,000	$10,184,000	$10,184,000	$10,184,000	$10,184,000
Farebox Recovery	Fehr & Peers/Other	$2,310,000	$3,034,000	$3,034,000	$3,034,000	$3,034,000	$3,034,000	$3,034,000	$3,034,000	$3,034,000
Advertising	Fehr & Peers/Other	$787,000	$813,000	$813,000	$813,000	$813,000	$813,000	$813,000	$813,000	$813,000
Prop K Sales Tax[1]	EPS	$1,478,914	$1,598,706	$1,751,534	$1,945,355	$1,881,673	$1,937,782	$1,597,077	$1,496,452	$1,570,726
On-Street Parking	Fehr & Peers/Other	$916,000	$1,068,000	$1,211,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000
Parking Tax[2]	EPS	$2,765,981	$2,765,981	$2,839,241	$4,115,464	$4,115,464	$4,115,464	$4,115,464	$4,116,296	$4,116,296
Parking Fees and Fines	Fehr & Peers/Other	$513,000	$598,000	$678,000	$700,000	$700,000	$700,000	$700,000	$700,000	$700,000
State Sales Tax (AB 1107)[3]	EPS	$924,321	$999,191	$1,094,709	$1,215,847	$1,176,045	$1,211,113	$998,173	$935,283	$981,704
TDA Sales Tax[4]	EPS	$1,848,642	$1,998,382	$2,189,418	$2,431,694	$2,352,091	$2,422,227	$1,996,346	$1,870,565	$1,963,407
General Fund Transfer to MUNI[5]	EPS	$3,503,891	$4,098,850	$4,848,698	$5,396,071	$5,443,527	$5,986,129	$5,417,211	$5,450,456	$5,276,675
Subtotal		**$20,021,749**	**$24,383,111**	**$27,687,600**	**$31,085,432**	**$30,949,800**	**$31,653,715**	**$30,105,270**	**$29,850,052**	**$29,889,808**
Transit Expenditures										
Operations	Fehr & Peers/Other	$15,896,345	$17,466,736	$17,839,423	$17,942,500	$17,942,500	$17,942,500	$17,942,500	$17,942,500	$17,942,500
Capital Costs	Fehr & Peers/Other	$3,769,838	$4,107,794	$4,281,860	$4,330,004	$4,330,004	$4,330,004	$4,330,004	$4,330,004	$3,191,888
Facilities[6]	Fehr & Peers/Other	$3,551,808	$3,551,808	$3,551,808	$3,551,808	$3,551,808	$3,551,808	$3,551,808	$3,551,808	$3,551,808
Mitigation Costs[7]	Fehr & Peers/Other	$0	$0	$0	$0	$0	$0	$1,809,743	$1,809,743	$1,809,743
Subtotal		**$23,217,992**	**$25,126,339**	**$25,673,091**	**$25,824,312**	**$25,824,312**	**$25,824,312**	**$27,634,055**	**$27,634,055**	**$26,495,939**
Net Annual Transportation Impact		**-$3,196,243**	**-$743,228**	**$2,014,509**	**$5,261,120**	**$5,125,487**	**$5,829,403**	**$2,471,215**	**$2,215,997**	**$3,393,869**
Cumulative		$10,674,158	$9,930,930	$11,945,439	$17,206,558	$22,332,046	$28,161,449	$30,632,663	$32,848,660	$36,242,529

[1] Assumes 40.0% of Prop. K's one-half cent sales tax is allocated to transit system maintenance and renovation.

[2] Assumes 80% of parking tax from off-street, commercial spaces is transferred from General Fund to SFMTA.

[3] State sales tax (AB 1107 or BART) is a one-half cent sales tax, which allocates 25% to MTC (75% to BART).

[4] Transportation Development Act (TDA) sales tax is a tax of one-quarter of one percent on all retail sales, which is used to finance transit.

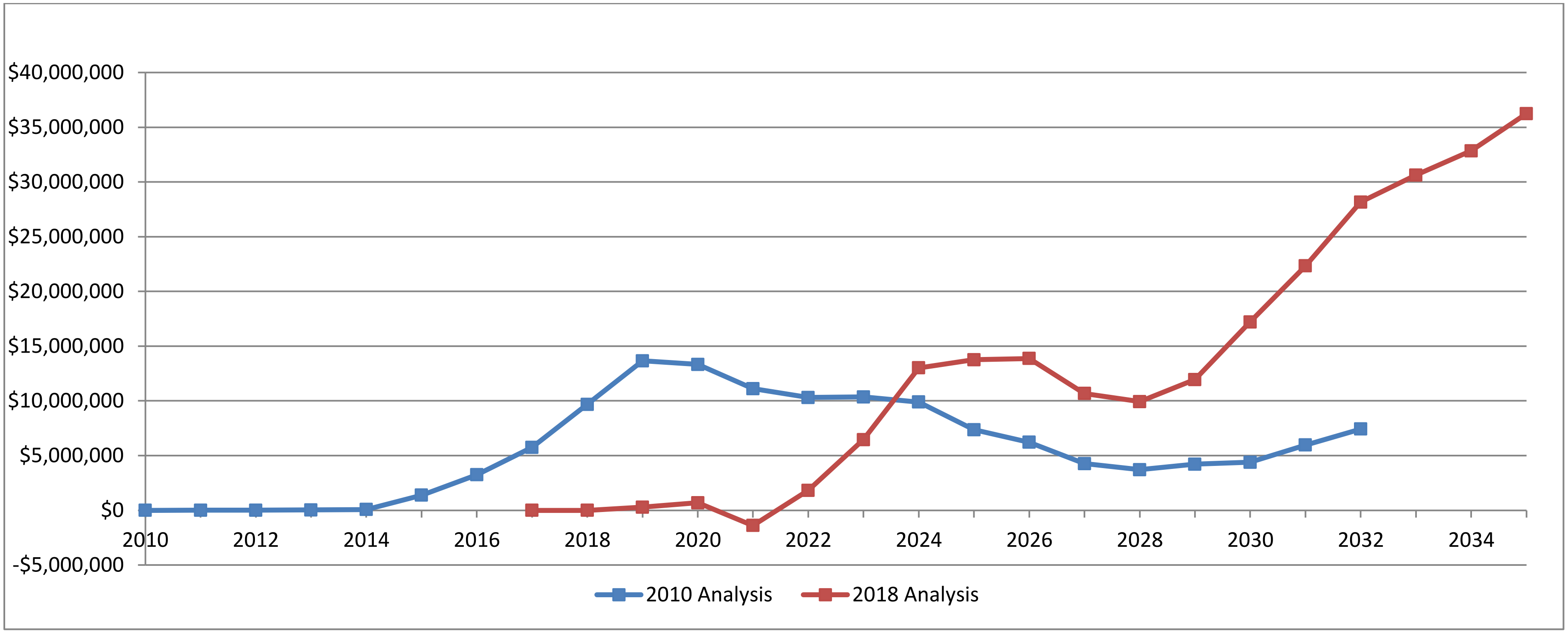
[5] 6.68% baseline of discretionary General Fund revenues are assumed transferred to MUNI.

[6] Updated facilities cost assumes a fair share cost of $54.6 million for 39 buses. This cost has been amortized assuming an interest rate of 5 percent over 30 years.

[7] Capital costs for rolling stock includes 11 motor coaches, 2 trolley coaches, and one light rail vehicle.

Sources: FivePoint; City and County of San Francisco; SFMTA website; Fehr & Peers; Economic & Planning Systems, Inc.

Figure 2 Cumulative Transportation Impact Comparison



**Note the 2010 net impact has been inflated to 2017 constant dollar terms.*

Table 7 Direct Employment Estimates

Item	Development Program		Worker Density Assumptions[1]		Employment
Residential	10,672	Units	25	Units/job	427
Commercial Uses					
Film & Arts Center[2]	75,000	Gross Sq. Ft.	750	Sq. ft./job	100
Community Use	100,000	Gross Sq. Ft.	355	Sq. ft./job	282
Artists' Studios[3]	255,000	Gross Sq. Ft.	850	Sq. ft./job	300
Hotel	270,000	Gross Sq. Ft.	700	Sq. ft./job	386
Regional Retail	735,000	Gross Sq. Ft.	400	Sq. ft./job	1,838
Neighborhood Retail	351,000	Gross Sq. Ft.	400	Sq. ft./job	878
Maker Space	75,000	Gross Sq. Ft.	400	Sq. ft./job	188
Research & Development	4,415,000	Gross Sq. Ft.	400	Sq. ft./job	11,038
Institutional[4]	410,000	Gross Sq. Ft.	2,050	Sq. ft./job	200
Commercial Subotal	6,686,000	Gross Sq. Ft.			15,207
Public Parking[5]	9,889	Spaces	270	Spaces/job	37
Parks and Open Space[6]	337.70	acres	0.26	Jobs/ acre	88
Water Taxi[7]	16	Trips/day	4	Jobs/day	4
Other Subtotal					129
Total Direct Jobs					**15,763**

[1] Unless otherwise noted, employment assumptions based on industry standards and previous EPS studies for individual land use types.

[2] Because the type of performance venue has changed since 2010 from a concert hall to a center with a focus on film and performing arts, the employment estimate is founded on EPS' study of movie and theater centers and is based on a building square footage instead of number of events as was done in 2010.

[3] Based on information about number of studios and artists provided by FivePoint.

[4] Based on generalized population density at institutions such as schools.

[5] Includes all off-street parking.

[6] EPS assumption. Open space acreages based on 2018 Modified Project Variant Land Use Program.

[7] FivePoint estimate assumes capacity for 22 passengers plus captain and crew members.

Sources: FivePoint; Minnesota IMPLAN System; Economic & Planning Systems, Inc.

Table 8 Ongoing Economic Impacts

Impact Type	Employment[1]	Income[2]	Value Added	Output
Direct Effect	15,763	$1,922,730,963	$2,659,642,266	$4,326,369,383
Indirect Effect	7,724	$892,276,365	$1,400,403,104	$1,871,821,910
Induced Effect	5,295	$383,249,689	$656,115,857	$958,559,554
Total Effect	**28,783**	**$3,198,257,017**	**$4,716,161,228**	**$7,156,750,846**

[1] Reflects full- and part-time employment. See Table 4 for detailed employment assumptions.
[2] Includes employee wages and benefits and proprietor income.

Sources: Minnesota Implan Group, Inc.; Economic & Planning Systems, Inc.

Table 9 Construction Employment and Income Impacts

Impact Type	Employment[1]	Income[2]
Direct Effect[3]	8,327	$716,293,808
Indirect Effect	885	$94,120,798
Induced Effect	1,519	$109,996,588
Total Effect	**10,731**	**$920,411,194**

[1] Employment in job-years. One job-year is equal to one person working for one year.
[2] Includes employee wages and benefits and proprietor income.
[3] Direct construction employment estimate provided by TRC (March 28, 2018). Includes on-site construction, off-site roadway improvements, and shoreline improvements.

Sources: TRC; Minnesota Implan Group, Inc.; Economic & Planning Systems, Inc.

Table 10 Development Impact Fee Summary

Fee	Total
School Facilities Impact Fee	$37,618,754
Art Fee	$7,133,750
Child-Care Requirements	$4,685,000
Total Impact Fees	**$49,437,504**

Sources: 2010 Redevelopment Plan, p. 45-47 and 82-96 (Attachment E); Master Impact Fee Schedule 2017; Economic and Planning Systems, Inc.

4. *PROJECT DESCRIPTION*

A summary of the proposed CP/HPS development program is provided in **Table 11**, below. As shown, the Project is assumed to include 10,672 housing units. About 32 percent of the new units will be affordable at below-market rates. Over 1.3 million square feet of hotel and retail uses are planned, in addition to approximately 4.4 million square feet of research and development. The plan also includes community and institutional use, a film and arts center, artist studios, and maker space. **Table 12** provides an annual development schedule from 2019 through project buildout in 2035.

Table 11 Development Program Summary

Item	2018 Development Program Total	
Residential		
Market-Rate		
For-Sale	5,874	units
Rental	1,435	units
Market-Rate Subtotal	7,309	units
Below Market-Rate		
For-Sales	584	units
Rental	243	units
Below Market-Rate Subtotal	827	units
Workforce Units	892	units
Public Housing & Agency Units	1,644	units
Residential Total	**10,672**	units
Commercial Uses		
Hotel	270,000	Gross Sq. Ft.
Regional Retail	735,000	Gross Sq. Ft.
Neighborhood Retail	351,000	Gross Sq. Ft.
Commercial Total	**1,356,000**	Gross Sq. Ft.
Other Non-Residential Uses and Parking		
Film & Arts Center	75,000	Gross Sq. Ft.
Community Use	100,000	Gross Sq. Ft.
Research & Development	4,415,000	Gross Sq. Ft.
Artist Studio	255,000	Gross Sq. Ft.
Maker Space	75,000	Gross Sq. Ft.
Institutional	410,000	Gross Sq. Ft.
Football Stadium	N/A	
Other Non-Residential Uses Total	**5,330,000**	Gross Sq. Ft.
Public Parking	9,889	Spaces

Sources: Lennar (2010); FivePoint Construction Schedule (November 8, 2017) and FivePoint correspondence (March 27, 2018); Economic & Planning Systems, Inc.

Table 12 Development Program and Population Density Assumptions

Item	Development Program Total	Fiscal Year										
		2017 1	2018 2	2019 3	2020 4	2021 5	2022 6	2023 7	2024 8	2025 9	2026 10	2027 11
Residential												
Market-Rate												
For-Sale	5,874 units	0	0	0	0	1,139	0	602	256	506	221	169
Rental	1,435 units	0	0	0	0	0	633	0	0	135	0	0
Market-Rate Subtotal	7,309 units	0	0	0	0	1,139	633	602	256	641	221	169
Below Market-Rate												
For-Sales	584 units	0	0	0	0	48	0	67	29	58	25	19
Rental	243 units	0	0	0	0	0	151	0	0	15	0	0
Below Market-Rate Subtotal	827 units	0	0	0	0	48	151	67	29	73	25	19
Workforce Units	892 units	0	0	0	0	0	0	0	237	100	0	0
Public Housing & Agency Units	1,644 units	0	0	0	337	230	0	130	0	90	227	0
Residential Total	**10,672** units	**0**	**0**	**0**	**337**	**1,417**	**784**	**799**	**522**	**904**	**473**	**188**
Commercial Uses												
Hotel	270,000 Gross Sq. Ft.	0	0	0	0	0	150,000	0	0	0	0	0
Regional Retail	735,000 Gross Sq. Ft.	0	0	0	0	0	635,000	0	0	100,000	0	0
Neighborhood Retail	351,000 Gross Sq. Ft.	0	0	0	0	0	0	125,000	0	18,500	18,500	0
Commercial Total	**1,356,000** Gross Sq. Ft.	**0**	**0**	**0**	**0**	**0**	**785,000**	**125,000**	**0**	**118,500**	**18,500**	**0**
Other Non-Residential Uses and Parking												
Film & Arts Center	75,000 Gross Sq. Ft.	0	0	0	0	0	75,000	0	0	0	0	0
Community Use	100,000 Gross Sq. Ft.	0	0	0	0	0	1,000	5,000	0	0	50,000	41,000
Research & Development	4,415,000 Gross Sq. Ft.	0	0	0	0	0	150,000	1,224,977	0	0	1,083,000	0
Artist Studio	255,000 Gross Sq. Ft.	0	0	0	0	0	0	0	0	255,000	0	0
Maker Space	75,000 Gross Sq. Ft.	0	0	0	0	0	0	0	0	75,000	0	0
Institutional	410,000 Gross Sq. Ft.	0	0	0	0.0	410,000	0	0	0	0	0	0
Other Non-Residential Uses Total	**5,330,000** Gross Sq. Ft.	**0**	**0**	**0**	**0**	**410,000**	**226,000**	**1,229,977**	**0**	**330,000**	**1,133,000**	**41,000**
Public Parking[1]	9,889 Spaces	0	0	0	0	0	2,595	1,761	0	709	1,559	21
Population and Employment												
Annual New Residents[2]	24,866 residents	0	0	0	785	3,302	1,827	1,862	1,216	2,106	1,102	438
Cumulative New Residents	24,866 residents	0	0	0	785	4,087	5,914	7,775	8,991	11,098	12,200	12,638
Annual New Employees[3]	15,671 employees	0	0	0	13	257	2,321	3,428	21	823	2,919	123
Cumulative New Employees	15,671 employees	0	0	0	13	270	2,591	6,018	6,039	6,862	9,781	9,904
Annual Resident + Employee Population	40,537 resident + employees	0	0	0	799	3,558	4,147	5,289	1,237	2,929	4,021	561
Cumulative Resident + Employee Population	40,537 resident + employees	0	0	0	799	4,357	8,504	13,793	15,031	17,959	21,981	22,542
Annual Service Population[4]	32,701 service population	0	0	0	792	3,430	2,987	3,575	1,227	2,518	2,562	500
Cumulative Service Population	32,701 service population	0	0	0	792	4,222	7,209	10,784	12,011	14,529	17,090	17,590
Construction Jobs[5]	8,327 employees	501	259	529	573	540	664	1,019	949	676	587	580

[1] According to FivePoint construction schedule dated November 8, 2017 and FivePoint correspondence on March 2 and March 14, 2018.
[2] Assumes 2.33 persons per household according to the CP/HPS Phase II Development Plan Project Final EIR (2010) Vol. II, p. C-6, Table III.
[3] See Table 4 for employment by use estimates.
[4] Service population is calculated by adding total residential population and half of total employment.
[5] Average construction jobs estimate provided by TRC, (March 28, 2018). Jobs estimated for 2014 - 2016 have been added to year 2017.

Sources: FivePoint Absorption Schedule (May 16, 2017); FivePoint Construction Schedule (November 8, 2017) and FivePoint correspondence (March 27, 2018); Economic & Planning Systems, Inc.

Table 12 Development Program and Population Density Assumptions (continued)

Item	Development Program Total	Fiscal Year							Buildout
		2028 **12**	**2029** **13**	**2030** **14**	**2031** **15**	**2032** **16**	**2033** **17**	**2034** **18**	**2035** **19**
Residential									
Market-Rate									
For-Sale	5,874 units	1,176	1,065	740	0	0	0	0	0
Rental	1,435 units	668	0	0	0	0	0	0	0
Market-Rate Subtotal	7,309 units	1,844	1,065	740	0	0	0	0	0
Below Market-Rate									
For-Sales	584 units	133	121	84	0	0	0	0	0
Rental	243 units	76	0	0	0	0	0	0	0
Below Market-Rate Subtotal	827 units	209	121	84	0	0	0	0	0
Workforce Units	892 units	105	110	340	0	0	0	0	0
Public Housing & Agency Units	1,644 units	390	130	110	0	0	0	0	0
Residential Total	**10,672** units	**2,548**	**1,426**	**1,274**	**0**	**0**	**0**	**0**	**0**
Commercial Uses									
Hotel	270,000 Gross Sq. Ft.	0	120,000	0	0	0	0	0	0
Regional Retail	735,000 Gross Sq. Ft.	0	0	0	0	0	0	0	0
Neighborhood Retail	351,000 Gross Sq. Ft.	0	44,000	145,000	0	0	0	0	0
Commercial Total	**1,356,000** Gross Sq. Ft.	**0**	**164,000**	**145,000**	**0**	**0**	**0**	**0**	**0**
Other Non-Residential Uses and Parking									
Film & Arts Center	75,000 Gross Sq. Ft.	0	0	0	0	0	0	0	0
Community Use	100,000 Gross Sq. Ft.	0	0	0	0	0	0	3,000	0
Research & Development	4,415,000 Gross Sq. Ft.	0	0	1,957,023	0	0	0	0	0
Artist Studio	255,000 Gross Sq. Ft.	0	0	0	0	0	0	0	0
Maker Space	75,000 Gross Sq. Ft.	0	0	0	0	0	0	0	0
Institutional	410,000 Gross Sq. Ft.	0	0	0	0	0	0	0	0
Other Non-Residential Uses Total	**5,330,000** Gross Sq. Ft.	**0**	**0**	**1,957,023**	**0**	**0**	**0**	**3,000**	**0**
Public Parking[1]	9,889 Spaces	0	176	3,066	0	0	0	2	0
Population and Employment									
Annual New Residents[2]	24,866 residents	5,937	3,323	2,968	0	0	0	0	0
Cumulative New Residents	24,866 residents	18,575	21,897	24,866	24,866	24,866	24,866	24,866	24,866
Annual New Employees[3]	15,671 employees	102	339	5,317	0	0	0	8	0
Cumulative New Employees	15,671 employees	10,006	10,345	15,662	15,662	15,662	15,662	15,671	15,671
Annual Resident + Employee Population	40,537 resident + employees	6,039	3,662	8,286	0	0	0	8	0
Cumulative Resident + Employee Population	40,537 resident + employees	28,581	32,242	40,528	40,528	40,528	40,528	40,537	40,537
Annual Service Population[4]	32,701 service population	5,988	3,492	5,627	0	0	0	4	0
Cumulative Service Population	32,701 service population	23,578	27,070	32,697	32,697	32,697	32,697	32,701	32,701
Construction Jobs[5]	8,327 employees	452	221	227	230	248	45	27	0

[1] According to FivePoint construction schedule dated November 8, 2017 and FivePoint correspondence on March 2 and March 14, 2018.
[2] Assumes 2.33 persons per household according to the CP/HPS Phase II Development Plan Project Final EIR (2010) Vol. II, p. C-6, Table III.
[3] See Table 4 for employment by use estimates.
[4] Service population is calculated by adding total residential population and half of total employment.
[5] Average construction jobs estimate provided by TRC, (March 28, 2018). Jobs estimated for 2014 - 2016 have been added to year 2017.

Sources: FivePoint Absorption Schedule (May 16, 2017); FivePoint Construction Schedule (November 8, 2017) and FivePoint correspondence (March 27, 2018); Economic & Planning Systems, Inc.

Table 13 summarizes the resident, employment, and service population assumptions for the City and County of San Francisco and the CP/HPS Project at buildout. The Project's service population is calculated by adding total residential population and half of total employment. It represents a measure of public service demand in which employees are given 50 percent the weight of residents because of more modest demands for public service.

Table 13 Citywide and Project Population and Employment Estimates

Item	Total	Service Population Weighting Factor[1]	Service Population
San Francisco			
Residents[2]	850,282	1.00	850,282
Jobs[3]	704,000	0.50	352,000
Total Service Population	1,554,282		**1,202,282**
CP/HPS at Buildout			
Residents[4]	24,866	1.00	24,866
Total Direct Jobs	15,763	0.50	7,882
Total Service Population	40,629		**32,747**

[1] Service population is calculated by adding total residential population and half of total employment. It represents a measure of public service demand in which employees are given 50 percent the weight of residents because of more modest demands for public service.

[2] U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

[3] Data on jobs and non-resident employees provided by SF Planning Department on 2/3/17.

[4] Assumes 2.33 persons per household according to the CP/HPS Phase II Development Plan Project Final EIR (2010) Vol. II, p. C-6, Table III.

Sources: United States Census Bureau; SF Planning Department; CP/HPS EIR; Economic & Planning Systems, Inc.

5. San Francisco General Fund Revenues

Table 14 provides an overview of the City and County of San Francisco's (CCSF) General Fund revenues in fiscal year 2016 – 2017 and the allocation method used to estimate the revenues generated by CP/HPS. These revenues will help fund public services to the Project area, as well as citywide services and facilities. Actual outcomes will vary depending on the realized levels and types of activities, as well as fiscal and economic conditions at the time the Project is completed. General Fund revenues are estimated on a pro-rata basis for revenue items that fluctuate proportionally with residential and employment populations or on a case study basis where applicable. A number of revenue items that are not expected to be affected by Project development are not estimated. Calculations displaying EPS's case study approach are shown in **Table 15** - **Table 18**.

Table 14 Summary of General Fund Revenue Estimates

Item	GF Revenue 2016-17	Allocation Method	
Business Taxes[1]	$669,450,000	$951	per employee population
Hotel Room Tax	$409,250,000		*Case Study*
Parking Tax	$92,820,000		*Case Study*
Property Tax	$1,189,950,000		*Case Study*
Property Transfer Tax	$235,000,000		*Case Study*
Property Tax in Lieu of VLF	$222,050,000		*Case Study*
Sales and Use Tax	$237,545,000		*Case Study*
Gas Electric Steam Users Tax	$45,550,000	$64.70	per employee population
Telephone Users Tax	$44,440,000	$28.59	per resident and employee population
Water Users Tax	$4,320,000	$2.78	per resident and employee population
Fines, Forfeitures & Penalties	$4,579,750	$3.81	per service population[2]
License, Permits, and Franchises	$28,876,499	$24.02	per service population[2]
Other Local Taxes	$46,960,000	-	not estimated
Charges for Service	$236,101,725	-	not estimated
Expenditure Recovery	$421,085,839	-	not estimated
Stadium Admission Tax	$1,360,000	-	not estimated
Interest & Investment Income	$13,969,863	-	not estimated
Intergovernmental Transfers (Local, State, Federal)	$959,099,074	-	not estimated
General Fund Support	($640,803,508)	-	not estimated
Other Transfers In[3]	$686,132,452	-	not estimated
Other Financing Sources	$881,000	-	not estimated
Other Revenues	$61,333,621	-	not estimated
Rents and Concessions	$16,140,178	-	not estimated
Transfer Adjustments	-$15,162,070	-	not estimated
Unappropriated Fund Balance	$178,109,083	-	not estimated
Transfer Adjustments Citywide	($1,234,113,727)	-	not estimated
Total General Fund Revenues	**$3,914,924,779**		

[1] Includes Gross Receipts Tax, Payroll Tax, and Business Registration Tax.

[2] Service population is calculated by adding total residential population and half of total employment. It represents a measure of public service demand in which employees are given 50 percent the weight of residents because of more modest demands for public service.

[3] Includes Intrafund transfers in as well as operating transfers in.

Source: openbook.sfgov.org General Fund Revenues FY 2016-2017; Economic and Planning Systems, Inc.

Assessed Value

A key factor in determining the scale of fiscal revenues is the Project's assessed value. The real estate assessed value is used to estimate property taxes, real estate transfer taxes, and property tax in-lieu of VLF (motor vehicle license fees). The Project's annualized assessed value is based on FivePoint's forecasts of residential and commercial land sales, building sales, and future development value.

The assessed values through time in nominal dollars are shown in **Table 15** along with a conversion of the cumulative assessed value into constant dollars. Project assessed value increases each year as land is improved, building constructed, and existing properties turnover. The new land and building sales are assessed at their forecasted market value, while a consistent average annual increase in existing assessed value is applied each year to reflect both the limits placed by Proposition 13 on assessed value increases for property that does not turn over as well as the periodic re-assessments to market value that occur when existing properties do turn over. As shown, at buildout, the Project is estimated to have an assessed value of approximately $21.0 billion in nominal dollars and $14.7 billion in 2017 constant dollars.

Table 15 Assessed Value

Item[1]	Fiscal Year								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
	1	2	3	4	5	6	7	8	9
Residential For-Sale									
Land AV	$0	$0	$91,402,880	$0	$55,596,371	$45,516,886	$30,469,012	$163,303,142	$270,122,545
Building AV	$0	$0	$0	$0	$0	$0	$88,294,875	$301,266,870	$832,066,410
Existing AV	$0	$0	$0	$93,687,952	$96,030,150	$155,417,185	$205,957,422	$332,839,342	$817,344,587
Cumulative Inflated AV	$0	$0	$91,402,880	$93,687,952	$151,626,522	$200,934,071	$324,721,309	$797,409,353	$1,919,533,542
Residential For-Rent									
Land AV	$0	$0	$0	$0	$0	$34,305,880	$10,651,520	$0	$0
Building AV	$0	$0	$0	$0	$0	$0	$0	$465,240,642	$115,483,274
Existing AV	$0	$0	$0	$0	$0	$0	$35,163,527	$46,960,423	$525,006,092
Cumulative Inflated AV	$0	$0	$0	$0	$0	$34,305,880	$45,815,047	$512,201,065	$640,489,366
Residential Cumulative Inflated AV Subtotal	$0	$0	$91,402,880	$93,687,952	$151,626,522	$235,239,950	$370,536,356	$1,309,610,418	$2,560,022,907
Commercial									
Land AV	$0	$0	$0	$130,000,000	$0	$90,377,051	$15,844,500	$59,280,000	$34,275,000
Building AV	$0	$0	$0	$0	$0	$207,195,868	$732,335,103	$533,664,171	$173,032,105
Existing AV	$0	$0	$0	$0	$132,600,000	$135,252,000	$441,481,417	$1,213,454,240	$1,842,526,379
Cumulative Inflated AV	$0	$0	$0	$130,000,000	$132,600,000	$432,824,919	$1,189,661,020	$1,806,398,411	$2,049,833,485
TOTAL CUMULATIVE INFLATED AV (NOMINAL $)	**$0**	**$0**	**$91,402,880**	**$223,687,952**	**$284,226,522**	**$668,064,869**	**$1,560,197,376**	**$3,116,008,829**	**$4,609,856,392**
TOTAL CUMULATIVE INFLATED AV (CONSTANT $)[2]	**$0**	**$0**	**$87,853,595**	**$210,786,153**	**$262,581,372**	**$605,086,935**	**$1,385,410,620**	**$2,712,673,203**	**$3,934,468,043**

[1] Assessed values provided by FivePoint. Residential property values are assumed to increase 2.5 percent annually. Commercial values increase 2 percent annually.

[2] Assumes annual inflation rate of 2 percent.

Sources: FivePoint; Economic & Planning Systems, Inc.

Table 15 Assessed Value (Continued)

	Fiscal Year									Buildout
Item[1]	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
	10	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
<u>Residential For-Sale</u>										
Land AV	$193,013,340	$125,442,685	$273,233,442	$438,204,438	$135,027,362	$96,504,241	$129,676,862	$30,218,034	$0	$0
Building AV	$696,334,058	$772,900,567	$599,260,046	$916,789,241	$1,264,685,940	$1,292,488,771	$1,681,841,451	$634,934,763	$205,144,632	$561,477,656
Existing AV	$1,967,521,880	$2,928,291,010	$3,922,300,118	$4,914,663,446	$6,426,398,553	$8,021,764,651	$9,646,026,605	$11,743,983,541	$12,719,364,747	$13,247,622,113
Cumulative Inflated AV	$2,856,869,278	$3,826,634,262	$4,794,793,606	$6,269,657,125	$7,826,111,855	$9,410,757,664	$11,457,544,918	$12,409,136,338	$12,924,509,378	$13,809,099,769
<u>Residential For-Rent</u>										
Land AV	$9,985,800	$0	$12,632,540	$20,970,180	$7,579,524	$0	$0	$0	$0	$0
Building AV	$0	$111,105,534	$0	$0	$230,981,348	$203,882,357	$88,792,484	$0	$0	$0
Existing AV	$656,501,600	$683,149,585	$814,111,496	$847,412,637	$890,092,388	$1,156,869,591	$1,394,770,747	$1,520,652,312	$1,558,668,620	$1,597,635,335
Cumulative Inflated AV	$666,487,400	$794,255,118	$826,744,036	$868,382,817	$1,128,653,259	$1,360,751,948	$1,483,563,231	$1,520,652,312	$1,558,668,620	$1,597,635,335
Residential Cumulative Inflated AV Subtotal	$3,523,356,678	$4,620,889,380	$5,621,537,642	$7,138,039,942	$8,954,765,114	$10,771,509,612	$12,941,108,149	$13,929,788,650	$14,483,177,998	$15,406,735,104
<u>Commercial</u>										
Land AV	$163,329,200	$93,530,000	$139,032,389	$71,356,000	$96,888,000	$0	$0	$0	$0	$0
Building AV	$278,110,043	$268,720,166	$365,799,151	$274,704,747	$418,695,200	$315,595,813	$289,859,155	$0	$0	$0
Existing AV	$2,090,830,154	$2,582,914,785	$3,004,068,250	$3,579,077,786	$4,003,641,304	$4,609,608,994	$5,023,708,903	$5,419,839,420	$5,528,236,208	$5,638,800,933
Cumulative Inflated AV	$2,532,269,397	$2,945,164,951	$3,508,899,790	$3,925,138,533	$4,519,224,504	$4,925,204,807	$5,313,568,059	$5,419,839,420	$5,528,236,208	$5,638,800,933
TOTAL CUMULATIVE INFLATED AV (NOMINAL $)	**$6,055,626,075**	**$7,566,054,331**	**$9,130,437,432**	**$11,063,178,475**	**$13,473,989,618**	**$15,696,714,419**	**$18,254,676,208**	**$19,349,628,070**	**$20,011,414,206**	**$21,045,536,037**
TOTAL CUMULATIVE INFLATED AV (CONSTANT $)[2]	**$5,067,077,006**	**$6,206,799,807**	**$7,343,273,357**	**$8,723,240,728**	**$10,415,832,217**	**$11,896,147,826**	**$13,563,493,314**	**$14,095,155,565**	**$14,291,402,848**	**$14,735,229,357**

[1] Assessed values provided by FivePoint. Residential property values are assumed to increase 2.5 percent annually. Commercial values increase 2 percent annually.
[2] Assumes annual inflation rate of 2 percent.

Sources: FivePoint; Economic & Planning Systems, Inc.

Property Tax

Property tax will account for a significant share of the annual revenue that this project will generate to San Francisco's General Fund. Property tax is based on one percent of the Project's assessed value, and will be collected from the land and improvements within the Project Area. The Project is located in the Hunters Point Shipyard and Candlestick Point Redevelopment Area. Within this Redevelopment Area, the taxes collected will be distributed to the Office of Community Investment and Infrastructure, successor agency to the San Francisco Redevelopment Agency for redevelopment purposes. As a committed obligation under the California Redevelopment Law before the dissolution of redevelopment in California, a 20 percent portion[6] of the 1.0 percent gross "tax increment" collected is required to be passed-through to taxing entities (including the City and County of San Francisco), and 20 percent is required to be allocated to affordable housing purposes. The remainder is available for redevelopment purposes, namely payment of existing debt service obligations that extend beyond the development period. After buildout, tax increment not otherwise committed to debt service or other redevelopment purposes could be available for distribution to taxing entities, including CCSF's General Fund.

As shown in **Table 16**, the Project would result in annual revenue of about $18.0 million to the City and County based on AB1290 pass-through allocations (after distributions to affordable housing set-asides and debt service purposes) at buildout. The estimates are based on the amount of property tax increment pass-through to the General Fund after accounting for adjustments to ERAF deductions[7]; the General Fund would receive 56.19 percent of the 20 percent pass-through of gross tax increment.

Property Tax In-Lieu of Vehicle License Fees

Changes in the State budget converted a significant portion of Motor Vehicle License Fee (VLF) subventions, previously distributed by the State based on a per-capita formula, into property tax distributions. These distributions increase over time based on assessed value. To the extent that development of CP/HPS results in an increase in the CCSF assessed value, these revenues are projected to increase proportionately, as shown in **Table 16**. At buildout, approximately $15.4 million in annual property tax in-lieu of vehicle license fees will be generated by the Project.

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[6] Also referred to as 25 percent of the gross tax increment after affordable housing set-asides are deducted from the total tax increment.

[7] ERAF is the Education Revenue Augmentation Fund that receives a share of property tax and is used by the State to supplement education funding.

Table 16 Property Tax

Item	Estimating Factor					Fiscal Year				
		2017	2018	2019	2020	2021	2022	2023	2024	2025
		1	2	3	4	5	6	7	8	9
Gross Tax Increment	1.0% of property value	$0	$0	$878,536	$2,107,862	$2,625,814	$6,050,869	$13,854,106	$27,126,732	$39,344,680
(Less) Low Mod Housing	20.0%	$0	$0	($175,707)	($421,572)	($525,163)	($1,210,174)	($2,770,821)	($5,425,346)	($7,868,936)
Net Tax Increment (Gross Less Low Mod and ERAF)		$0	$0	$702,829	$1,686,289	$2,100,651	$4,840,695	$11,083,285	$21,701,386	$31,475,744
(Less) County Admin Fees	0.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0
(Less) AB 1290 Tier 1 (2007-End)[2]	25.0%	$0	$0	($175,707)	($421,572)	($525,163)	($1,210,174)	($2,770,821)	($5,425,346)	($7,868,936)
(Less) AB 1290 Tier 2 (2017-End)[2]	2.1%			($14,759)	($35,412)	($44,114)	($101,655)	($232,749)	($455,729)	($660,991)
(Less) AB 1290 Tier 3 (2037-End)[2]	1.4%									
Total Property Tax AB 1290 Pass-Through				($190,467)	($456,984)	($569,276)	($1,311,828)	($3,003,570)	($5,881,076)	($8,529,927)
Total Property Tax General Fund Share (post ERAF)[3]	56.19% of pass-through	**$0**	**$0**	**$107,023**	**$256,780**	**$319,876**	**$737,116**	**$1,687,706**	**$3,304,576**	**$4,792,966**
Children's Fund	3.50%	$0	$0	$6,666	$15,994	$19,925	$45,914	$105,125	$205,838	$298,547
Library Preservation Fund	2.50%	$0	$0	$4,762	$11,425	$14,232	$32,796	$75,089	$147,027	$213,248
Open Space Acquisition Fund	2.50%	$0	$0	$4,762	$11,425	$14,232	$32,796	$75,089	$147,027	$213,248
Citywide Assessed Value (millions)[4]		$212,173	$212,173	$212,261	$212,384	$212,436	$212,778	$213,559	$214,886	$216,108
Growth in citywide AV due to Project		100%	100%	100%	100%	100%	100%	100%	101%	101%
Citywide Property Tax in Lieu of VLF[5]		$222,050,000	$222,050,000	$222,141,943	$222,270,598	$222,324,805	$222,683,254	$223,499,902	$224,888,948	$226,167,618
Annual Incremental Property Tax in Lieu of VLF (constant $)		**$0**	**$0**	**$91,943**	**$128,655**	**$54,206**	**$358,449**	**$816,648**	**$1,389,047**	**$1,278,669**
Cumulative Total Property Tax in Lieu of VLF (constant $)		**$0**	**$0**	**$91,943**	**$220,598**	**$274,805**	**$633,254**	**$1,449,902**	**$2,838,948**	**$4,117,618**

[1] See Table 15 for assessed value.
[2] Consistent with Five Point assumption, EPS assumes the City is eligible to receive Tier 1 through Tier 3 pass-throughs.
[3] San Francisco Controller's Office, FY 2016-17.
[4] Based on the CCSF FY2016 total taxable assessed value recorded by the Controller's office, City and County of San Francisco; includes growth in AV due to the Project only.
[5] SF Open Book, City and County of San Francisco, General Fund Revenue FY 2016-2017.

Sources: FivePoint; Economic & Planning Systems, Inc.

Table 16 Property Tax (continued)

Item	Estimating Factor						Fiscal Year				Buildout
			2026 10	2027 11	2028 12	2029 13	2030 14	2031 15	2032 16	2033 17	2034 18	2035 19
Gross Tax Increment	1.0%	of property value	$50,670,770	$62,067,998	$73,432,734	$87,232,407	$104,158,322	$118,961,478	$135,634,933	$140,951,556	$142,914,028	$147,352,294
(Less) Low Mod Housing	20.0%		($10,134,154)	($12,413,600)	($14,686,547)	($17,446,481)	($20,831,664)	($23,792,296)	($27,126,987)	($28,190,311)	($28,582,806)	($29,470,459)
Net Tax Increment (Gross Less Low Mod and ERAF)			$40,536,616	$49,654,398	$58,746,187	$69,785,926	$83,326,658	$95,169,183	$108,507,947	$112,761,245	$114,331,223	$117,881,835
(Less) County Admin Fees	0.0%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
(Less) AB 1290 Tier 1 (2007-End)[2]	25.0%		($10,134,154)	($12,413,600)	($14,686,547)	($17,446,481)	($20,831,664)	($23,792,296)	($27,126,987)	($28,190,311)	($28,582,806)	($29,470,459)
(Less) AB 1290 Tier 2 (2017-End)[2]	2.1%		($851,269)	($1,042,742)	($1,233,670)	($1,465,504)	($1,749,860)	($1,998,553)	($2,278,667)	($2,367,986)	($2,400,956)	($2,475,519)
(Less) AB 1290 Tier 3 (2037-End)[2]	1.4%											
Total Property Tax AB 1290 Pass-Through			($10,985,423)	($13,456,342)	($15,920,217)	($18,911,986)	($22,581,524)	($25,790,848)	($29,405,654)	($30,558,297)	($30,983,761)	($31,945,977)
Total Property Tax General Fund Share (post ERAF)[3]	56.19%	of pass-through	**$6,172,709**	**$7,561,119**	**$8,945,570**	**$10,626,645**	**$12,688,558**	**$14,491,878**	**$16,523,037**	**$17,170,707**	**$17,409,776**	**$17,950,445**
Children's Fund	3.50%		$384,490	$470,972	$557,208	$661,920	$790,353	$902,680	$1,029,198	$1,069,540	$1,084,432	$1,118,109
Library Preservation Fund	2.50%		$274,636	$336,409	$398,005	$472,800	$564,538	$644,771	$735,141	$763,957	$774,594	$798,649
Open Space Acquisition Fund	2.50%		$274,636	$336,409	$398,005	$472,800	$564,538	$644,771	$735,141	$763,957	$774,594	$798,649
Citywide Assessed Value (millions)[4]			$217,240	$218,380	$219,517	$220,897	$222,589	$224,069	$225,737	$226,268	$226,465	$226,909
Growth in citywide AV due to Project			101%	101%	101%	101%	101%	101%	101%	100%	100%	100%
Citywide Property Tax in Lieu of VLF[5]			$227,352,950	$228,545,727	$229,735,103	$231,179,308	$232,950,689	$234,499,914	$236,244,874	$236,801,285	$237,006,668	$237,471,155
Annual Incremental Property Tax in Lieu of VLF (constant $)			**$1,185,332**	**$1,192,777**	**$1,189,376**	**$1,444,205**	**$1,771,382**	**$1,549,224**	**$1,744,960**	**$556,411**	**$205,383**	**$464,487**
Cumulative Total Property Tax in Lieu of VLF (constant $)			**$5,302,950**	**$6,495,727**	**$7,685,103**	**$9,129,308**	**$10,900,689**	**$12,449,914**	**$14,194,874**	**$14,751,285**	**$14,956,668**	**$15,421,155**

[1] See Table 15 for assessed value.
[2] Consistent with Five Point assumption, EPS assumes the City is eligible to receive Tier 1 through Tier 3 pass-throughs.
[3] San Francisco Controller's Office, FY 2016-17.
[4] Based on the CCSF FY2016 total taxable assessed value recorded by the Controller's office, City and County of San Francisco; includes growth in AV due to the Project only.
[5] SF Open Book, City and County of San Francisco, General Fund Revenue FY 2016-2017.

Sources: FivePoint; Economic & Planning Systems, Inc.

Property Transfer Tax

CCSF collects a property transfer tax of $3.75 per $500 on transactions between $1 million and $5 million and $15 per $500 on transactions of $25 million or more. The analysis estimates the tax based on the assumed values and absorption of the development program for land sales and building sales. FivePoint determined a weighted average downward adjustment of the City rate of $15.00 per $500 to $14.65 per $500 to account for the modest number of land transactions that are less than $25 million.

This analysis estimates transfer tax from for-sale units only and conservatively excludes sales of for-rent residential properties. As indicated by FivePoint, residential home sales are all assumed to be between $1 million and $5 million, so EPS applied the City rate of $3.75 per $500 of value. Fourteen percent of residential for-sale units are assumed to sell every year after the initial sale of new units; this rate represents an average, and will vary year-to-year depending on economic conditions and average length of ownership by the occupants.

As indicated by FivePoint, virtually all commercial building sales are assumed to exceed $25 million, so the rate of $15 per $500 was applied. Of the newly developed commercial property, 20 percent on average is assumed to be sold upon construction, and the balance of the commercial property is assumed to be "built-to-suit" and owner occupied; to the extent that more taxable transactions occur, transfer tax revenues will be greater than estimated. Commercial property resales are difficult to predict, but for purposes of this analysis commercial properties are assumed to sell an average of at least once every forty years, which is to say that 2.5 percent of the properties sell, on average, every year following initial occupancy. This represents a conservatively low turnover estimate. As noted above, this rate will vary depending on economic cycles, age of the property, and other economic and investment factors. Annual revenue from property transfer tax is estimated in **Table 17**, showing a total of $12.4 million in annual property transfer taxes at buildout (in constant dollars). Note that new residential building sales that are expected to be completed in 2035 have been moved to 2034 to allow property transfer tax revenues in buildout year 2035 to better represent revenues at project stabilization.

Table 17 Property Transfer Tax

Item	Estimating Factor		Fiscal Year								
			2017	2018	2019	2020	2021	2022	2023	2024	2025
			1	2	3	4	5	6	7	8	9
Transfer Tax from Land Sales[1]											
Transfer Tax from Residential Land Sale[2]	$14.65	per $500 value	$0	$0	$2,678,104	$0	$1,628,974	$2,338,807	$1,204,832	$4,784,782	$7,914,591
Transfer Tax from Commercial Land Sales[2]	$14.65	per $500 value	$0	$0	$0	$3,809,000	$0	$2,648,048	$464,244	$1,736,904	$1,004,258
Transfer Tax from Land Sales			$0	$0	$2,678,104	$3,809,000	$1,628,974	$4,986,855	$1,669,075	$6,521,686	$8,918,848
Transfer Tax from Building Sales[1]											
Transfer Tax from Sale of New Residential Buildings[3]	$3.75	per $500 value	$0	$0	$0	$0	$0	$0	$662,212	$2,259,502	$6,240,498
Transfer Tax from Re-sale of Existing Residential Buildings[4]	14.0%	annual turnover	$0	$0	$0	$95,973	$98,372	$159,208	$210,981	$340,957	$837,280
Transfer Tax from Sale of New Commercial Buildings[5]	$15.00	per $500 value	$0	$0	$0	$0	$0	$1,243,175	$4,394,011	$3,201,985	$1,038,193
Transfer Tax from Re-sale of Existing Commercial Buildings[6]	2.5%	annual turnover	$0	$0	$0	$0	$97,500	$99,450	$324,619	$892,246	$1,354,799
Transfer Tax from Building Sales			$0	$0	$0	$95,973	$195,872	$1,501,833	$5,591,822	$6,694,690	$9,470,769
Total Property Transfer Tax to General Fund (nominal $)			**$0**	**$0**	**$2,678,104**	**$3,904,973**	**$1,824,846**	**$6,488,688**	**$7,260,897**	**$13,216,376**	**$18,389,617**
Total Property Transfer Tax to General Fund (constant $)[7]			**$0**	**$0**	**$2,574,110**	**$3,679,743**	**$1,685,876**	**$5,877,004**	**$6,447,469**	**$11,505,650**	**$15,695,361**

[1] See Table 15 for assessed values.

[2] The City transfer tax rate is $15 per $500 of value for transactions larger than $25 million. FivePoint adjusted the rate downward to $14.65 to account for the modest number of land values that are less than $25 million.

[3] City rate of $3.75 per $500 in value applies to transactions between $1 million and $5 million. Assumes all for-sale transactions fall into this range. Analysis excludes for-rent units.

[4] FivePoint assumption of 14 percent turnover of cumulative inflated residential building value at the end of the prior fiscal year.

[5] City rate of $15 per $500 of value for transactions larger than $25 million. It is assumed that 20 percent of new commercial space turns over upon completion while the remainder is built-to-suit space that will not change ownership.

[6] EPS assumption of 2.5 percent turnover of cumulative inflated commercial building value at the end of the prior fiscal year.

[7] The 2034 new residential development transfer tax reflects 2034 and 2035 development so that property transfer tax at buildout better reflects project revenue at stabilization.

Sources: FivePoint; CCSF Office of Assessor-Recorder Transfer Tax schedule; Economic and Planning Systems, Inc.

Table 17 Property Transfer Tax (continued)

Item	**Estimating Factor**		**Fiscal Year**									**Buildout**
			2026	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
			10	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
Transfer Tax from Land Sales[1]												
Transfer Tax from Residential Land Sale[2]	$14.65	per $500 value	$5,947,875	$3,675,471	$8,375,873	$13,453,816	$4,178,382	$2,827,574	$3,799,532	$885,388	$0	$0
Transfer Tax from Commercial Land Sales[2]	$14.65	per $500 value	$4,785,546	$2,740,429	$4,073,649	$2,090,731	$2,838,818	$0	$0	$0	$0	$0
Transfer Tax from Land Sales			$10,733,420	$6,415,900	$12,449,522	$15,544,547	$7,017,200	$2,827,574	$3,799,532	$885,388	$0	$0
Transfer Tax from Building Sales[1]												
Transfer Tax from Sale of New Residential Buildings[3]	$3.75	per $500 value	$5,222,505	$5,796,754	$4,494,450	$6,875,919	$9,485,145	$9,693,666	$12,613,811	$4,762,011	$5,749,667	$0
Transfer Tax from Re-sale of Existing Residential Buildings[4]	14.0%	annual turnover	$2,015,510	$2,999,713	$4,017,966	$5,034,533	$6,583,140	$8,217,417	$9,881,296	$12,030,422	$13,029,593	$13,570,735
Transfer Tax from Sale of New Commercial Buildings[5]	$15.00	per $500 value	$1,668,660	$1,612,321	$2,194,795	$1,648,228	$2,512,171	$1,893,575	$1,739,155	$0	$0	$0
Transfer Tax from Re-sale of Existing Commercial Buildings[6]	2.5%	annual turnover	$1,537,375	$1,899,202	$2,208,874	$2,631,675	$2,943,854	$3,389,418	$3,693,904	$3,985,176	$4,064,880	$4,146,177
Transfer Tax from Building Sales			$10,444,051	$12,307,990	$12,916,085	$16,190,356	$21,524,310	$23,194,076	$27,928,165	$20,777,609	$22,844,140	$17,716,912
Total Property Transfer Tax to General Fund (nominal $)			**$21,177,471**	**$18,723,890**	**$25,365,607**	**$31,734,903**	**$28,541,510**	**$26,021,651**	**$31,727,697**	**$21,662,997**	**$22,844,140**	**$17,716,912**
Total Property Transfer Tax to General Fund (constant $)[7]			**$17,720,361**	**$15,360,111**	**$20,400,620**	**$25,022,754**	**$22,063,515**	**$19,721,159**	**$23,574,146**	**$15,780,320**	**$16,314,429**	**$12,404,662**

[1] See Table 15 for assessed values.
[2] The City transfer tax rate is $15 per $500 of value for transactions larger than $25 million. FivePoint adjusted the rate downward to $14.65 to account for the modest number of land values that are less than $25 million.
[3] City rate of $3.75 per $500 in value applies to transactions between $1 million and $5 million. Assumes all for-sale transactions fall into this range. Analysis excludes for-rent units.
[4] FivePoint assumption of 14 percent turnover of cumulative inflated residential building value at the end of the prior fiscal year.
[5] City rate of $15 per $500 of value for transactions larger than $25 million. It is assumed that 20 percent of new commercial space turns over upon completion while the remainder is built-to-suit space that will not change ownership.
[6] EPS assumption of 2.5 percent turnover of cumulative inflated commercial building value at the end of the prior fiscal year.
[7] The 2034 new residential development transfer tax reflects 2034 and 2035 development so that property transfer tax at buildout better reflects project revenue at stabilization.

Sources: FivePoint; CCSF Office of Assessor-Recorder Transfer Tax schedule; Economic and Planning Systems, Inc.

Sales Taxes

Sales tax revenue will be generated by the Project's retail stores and restaurants patronized by residents, employees, and visitors. Regional retail sales, which include an outlet shopping mall, are expected to exceed neighborhood sales on a per-square-foot basis. Regional retail sales are discounted by 10 percent under the assumption that some sales may be shifted from existing retail. Neighborhood retail is expected to primarily cater to the Project's residents, and thus, have been discounted by 50 percent to avoid double counting resident spending to account for neighborhood retailers that are not subject to sales tax. The new maker space and community facilities space[8] are also expected to include some retailers and result in the generation of some taxable sales. Recognizing that there will be a range of uses in these spaces, the taxable sales generation per square foot is assumed to be half of that of the neighborhood retail spaces and is further discounted by 50 percent to recognize that some existing local businesses might choose to re-locate to these new spaces. Expenditures by CP/HPS residents spent elsewhere in San Francisco will also produce sales tax to the City.

Although employee expenditures associated with commercial uses can produce taxable sales, no employee impact on taxable sales taxes is assumed. Taxable sales by other commercial businesses occupying R&D space is also not estimated; these amounts can vary significantly depending on whether the businesses conduct taxable transactions that are reported at their San Francisco location. The sales tax revenue generated by residents is based on estimated household incomes. Sales tax driven by residents is reduced to reflect that a portion of resident expenditures will occur outside of the City. A summary of the Project's sales tax revenue is provided in **Table 18**. At buildout, the Project will generate approximately $7.9 million in sales tax revenue, including $670,000 from one-time construction sales.

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[8] The Project will include 75,000 square feet of Community Facilities Space, offered to tenants at a subsidized lease rate. It is expected that a portion of this space will include retail tenants.

Table 18 Sales Tax

Item	Estimating Factor			Fiscal Year				
				2017	2018	2019	2020	2021
				1	2	3	4	5
Sales Tax from Market-Rate For-Sale Unit Households								
Average for-sale unit selling price[1]			$1,160,900					
Average Amount Mortgaged[2]	80%	Mortgaged	$928,720					
Average Annual Housing Payment[3]			$57,016					
Average Annual HH Income[4]	30%		$190,052					
Average HH Taxable Retail Expenditure[5]	24%		$44,852					
Expenditures per New Household Captured by San Francisco[6]	62%	of taxable expenditures		$27,808	$27,808	$27,808	$27,808	$27,808
For-Sale Units				0	0	0	0	1,139
New Retail Sales Captured by San Francisco				$0	$0	$0	$0	$31,673,743
New Sales from Market-Rate For-Sale Units	1.0%	of taxable sales		$0	$0	$0	$0	$316,737
Sales Tax from BMR For-Sale Unit Households								
Average for-sale unit selling price[1]			$388,156					
Average Amount Mortgaged[2]	80%	Mortgaged	$310,525					
Average Annual Housing Payment[3]			$19,064					
Average Annual HH Income[4]	30%		$63,545					
Average HH Taxable Retail Expenditure[5]	32%		$20,398					
Expenditures per New Household Captured by San Francisco[6]	62%	of taxable expenditures		$12,647	$12,647	$12,647	$12,647	$12,647
For-Sale Units				0	0	0	0	48
New Retail Sales Captured by San Francisco				$0	$0	$0	$0	$607,046
New Sales from BMR For-Sale Units	1.0%	of taxable sales		$0	$0	$0	$0	$6,070
Sales Tax from Market-Rate Rental Unit Households								
Average Annual Rent			$55,229					
Average Annual HH Income[4]	30%		$184,096					
Average HH Taxable Retail Expenditure[5]	30%		$54,492					
Expenditures per New Household Captured by San Francisco[6]	62%	of taxable expenditures		$33,785.30	$33,785	$33,785	$33,785	$33,785
Rental Units				0	0	0	0	0
New Retail Sales Captured by San Francisco				$0	$0	$0	$0	$0
New Sales from Market-Rate Units	1.0%	of taxable sales		$0	$0	$0	$0	$0
Sales Tax from BMR Rental Unit Households								
Average Annual HH Income[4]	30%		$110,822					
Average HH Taxable Retail Expenditure[5]	27%		29,368					
Expenditures per New Household Captured by San Francisco[6]	62%	of taxable expenditures		$18,208	$18,208	$18,208	$18,208	$18,208
BMR Rental Units				0	0	0	0	0
New Retail Sales Captured by San Francisco				$0	$0	$0	$0	$0
New Sales from Market-Rate Units	1.0%	of taxable sales		$0	$0	$0	$0	$0
Sales Tax from Workforce Unit Households								
Average for-sale unit selling price			$648,700					
Average Amount Mortgaged[2]	80%	Mortgaged	$518,960					
Average Annual Housing Payment[3]			$31,860					
Average Annual HH Income[4]	30%		$106,199					
Average HH Taxable Retail Expenditure[5]	30%		$31,435					
Expenditures per New Household Captured by San Francisco[6]	62%	of taxable expenditures		$19,490	$19,490	$19,490	$19,490	$19,490
Workforce Units				0	0	0	0	0
New Retail Sales Captured by San Francisco				$0	$0	$0	$0	$0
New Sales from Market-Rate Units	1.0%	of taxable sales		$0	$0	$0	$0	$0
Total New Retail Sales Tax from Households				**$0**	**$0**	**$0**	**$0**	**$322,808**
Sales Tax Generated from New Retail								
New Regional Retail Space (Sq. Ft.)				0	0	0	0	0
Total Taxable Sales[7]	$650	per sq. ft.		$0	$0	$0	$0	$0
Net New Taxable Sales[8]	90%	of total taxable sales		$0	$0	$0	$0	$0
Sales Tax Generated from New Regional Retail	1.0%	of taxable sales		$0	$0	$0	$0	$0
New Neighborhood Retail Space (Sq. Ft.)				0	0	0	0	0
Total Taxable Sales[9]	$300	per sq. ft.		$0	$0	$0	$0	$0
Net New Taxable Sales[10]	50%	of total taxable sales		$0	$0	$0	$0	$0
Sales Tax Generated from New Neighborhood Retail	1.0%	of taxable sales		$0	$0	$0	$0	$0
New Makerspace and Community Facility Space (Sq. Ft.)				0	0	0	0	0
Total Taxable Sales[11]	$150	per sq. ft.		$0	$0	$0	$0	$0
Net New Taxable Sales[12]	50%	of total taxable sales		$0	$0	$0	$0	$0
Sales Tax Generated from New Makerspace/Community Facilities	1.0%	of taxable sales		$0	$0	$0	$0	$0
Total New Retail Sales Tax from New Retail				**$0**	**$0**	**$0**	**$0**	**$0**
Construction-related Sales Tax								
Total Development Value				$0	$0	$87,853,595	$122,932,558	$51,795,219
Supply/Materials Portion of Construction Cost	30%			$0	$0	$26,356,078	$36,879,768	$15,538,566
San Francisco Capture of Taxable Sales	50%	of total taxable sales		$0	$0	$13,178,039	$18,439,884	$7,769,283
New One-Time Retail Sales Tax from Construction	1.0%	of taxable sales		**$0**	**$0**	**$131,780**	**$184,399**	**$77,693**
Total Sales Tax Revenue to General Fund				**$0**	**$0**	**$131,780**	**$184,399**	**$400,501**

[1] Weighted average adjusted, uninflated sales price for Candlestick and Hunter's Point Shipyard market-rate units.
[2] Assumes a 20 percent down payment.
[3] Assumes a 4.5 percent interest rate and a 30-year mortgage period.
[4] Assumes average household spends 30 percent of income on housing.
[5] Based on 2015 Consumer Expenditure Survey.
[6] IMPLAN data for SF County suggests a citywide capture rate of 62.2% based on distribution of spending by retail category for households with the Project's average annual household incomes.
[7] Regional retail sales provided by FivePoint (November 21, 2017) based on Macerich retail study.
[8] Assumes 10 percent of sales a relocation of existing citywide retail sales to the site.
[9] Actual retail sales after accounting for neighborhood retailers not subject to sales tax. EPS assumption.
[10] Assumes neighborhood retail largely caters to Project residents. Discounted 50 percent to avoid double counting resident spending.
[11] Lower sales due to assumption that a portion of makerspace/ community facilities space will not generate retail sales.
[12] Discounted 50 percent to account for the relocation of existing retail to the site.

Sources: FivePoint; Economic & Planning Systems, Inc.

Table 18 Sales Tax (continued)

Item	Estimating Factor		Fiscal Year								
			2022	2023	2024	2025	2026	2027	2028	2029	2030
			6	7	8	9	10	11	12	13	14
Sales Tax from Market-Rate For-Sale Unit Households											
Average for-sale unit selling price[1]		$1,160,900									
Average Amount Mortgaged[2]	80% Mortgaged	$928,720									
Average Annual Housing Payment[3]		$57,016									
Average Annual HH Income[4]	30%	$190,052									
Average HH Taxable Retail Expenditure[5]	24%	$44,852									
Expenditures per New Household Captured by San Francisco[6]	62% of taxable expenditures		$27,808	$27,808	$27,808	$27,808	$27,808	$27,808	$27,808	$27,808	$27,808
For-Sale Units			1,139	1,741	1,997	2,503	2,724	2,893	4,069	5,134	5,874
New Retail Sales Captured by San Francisco			$31,673,743	$48,414,387	$55,533,332	$69,604,372	$75,750,023	$80,449,639	$113,152,292	$142,768,215	$163,346,416
New Sales from Market-Rate For-Sale Units	1.0% of taxable sales		$316,737	$484,144	$555,333	$696,044	$757,500	$804,496	$1,131,523	$1,427,682	$1,633,464
Sales Tax from BMR For-Sale Unit Households											
Average for-sale unit selling price[1]		$388,156									
Average Amount Mortgaged[2]	80% Mortgaged	$310,525									
Average Annual Housing Payment[3]		$19,064									
Average Annual HH Income[4]	30%	$63,545									
Average HH Taxable Retail Expenditure[5]	32%	$20,398									
Expenditures per New Household Captured by San Francisco[6]	62% of taxable expenditures		$12,647	$12,647	$12,647	$12,647	$12,647	$12,647	$12,647	$12,647	$12,647
For-Sale Units			48	115	144	202	227	246	379	500	584
New Retail Sales Captured by San Francisco			$607,046	$1,454,381	$1,821,138	$2,554,652	$2,870,821	$3,111,110	$4,793,133	$6,323,395	$7,385,725
New Sales from BMR For-Sale Units	1.0% of taxable sales		$6,070	$14,544	$18,211	$25,547	$28,708	$31,111	$47,931	$63,234	$73,857
Sales Tax from Market-Rate Rental Unit Households											
Average Annual Rent		$55,229									
Average Annual HH Income[4]	30%	$184,096									
Average HH Taxable Retail Expenditure[5]	30%	$54,492									
Expenditures per New Household Captured by San Francisco[6]	62% of taxable expenditures		$33,785	$33,785	$33,785	$33,785	$33,785	$33,785	$33,785	$33,785	$33,785
Rental Units			633	633	633	768	768	768	1,436	1,436	1,436
New Retail Sales Captured by San Francisco			$21,386,094	$21,386,094	$21,386,094	$25,947,109	$25,947,109	$25,947,109	$48,515,688	$48,515,688	$48,515,688
New Sales from Market-Rate Units	1.0% of taxable sales		$213,861	$213,861	$213,861	$259,471	$259,471	$259,471	$485,157	$485,157	$485,157
Sales Tax from BMR Rental Unit Households											
Average Annual HH Income[4]	30%	$110,822									
Average HH Taxable Retail Expenditure[5]	27%	29,368									
Expenditures per New Household Captured by San Francisco[6]	62% of taxable expenditures		$18,208	$18,208	$18,208	$18,208	$18,208	$18,208	$18,208	$18,208	$18,208
BMR Rental Units			151	151	151	166	166	166	242	242	242
New Retail Sales Captured by San Francisco			$2,749,416	$2,749,416	$2,749,416	$3,022,537	$3,022,537	$3,022,537	$4,406,349	$4,406,349	$4,406,349
New Sales from Market-Rate Units	1.0% of taxable sales		$27,494	$27,494	$27,494	$30,225	$30,225	$30,225	$44,063	$44,063	$44,063
Sales Tax from Workforce Unit Households											
Average for-sale unit selling price		$648,700									
Average Amount Mortgaged[2]	80% Mortgaged	$518,960									
Average Annual Housing Payment[3]		$31,860									
Average Annual HH Income[4]	30%	$106,199									
Average HH Taxable Retail Expenditure[5]	30%	$31,435									
Expenditures per New Household Captured by San Francisco[6]	62% of taxable expenditures		$19,490	$19,490	$19,490	$19,490	$19,490	$19,490	$19,490	$19,490	$19,490
Workforce Units			0	0	237	337	337	337	442	552	892
New Retail Sales Captured by San Francisco			$0	$0	$4,619,053	$6,568,020	$6,568,020	$6,568,020	$8,614,436	$10,758,300	$17,384,789
New Sales from Market-Rate Units	1.0% of taxable sales		$0	$0	$46,191	$65,680	$65,680	$65,680	$86,144	$107,583	$173,848
Total New Retail Sales Tax from Households			**$564,163**	**$740,043**	**$861,090**	**$1,076,967**	**$1,141,585**	**$1,190,984**	**$1,794,819**	**$2,127,719**	**$2,410,390**
Sales Tax Generated from New Retail											
New Regional Retail Space (Sq. Ft.)			635,000	635,000	635,000	735,000	735,000	735,000	735,000	735,000	735,000
Total Taxable Sales[7]	$650 per sq. ft.		$412,750,000	$412,750,000	$412,750,000	$477,750,000	$477,750,000	$477,750,000	$477,750,000	$477,750,000	$477,750,000
Net New Taxable Sales[8]	90% of total taxable sales		$371,475,000	$371,475,000	$371,475,000	$429,975,000	$429,975,000	$429,975,000	$429,975,000	$429,975,000	$429,975,000
Sales Tax Generated from New Regional Retail	1.0% of taxable sales		$3,714,750	$3,714,750	$3,714,750	$4,299,750	$4,299,750	$4,299,750	$4,299,750	$4,299,750	$4,299,750
New Neighborhood Retail Space (Sq. Ft.)			0	60,000	60,000	78,500	97,000	97,000	97,000	141,000	286,000
Total Taxable Sales[9]	$300 per sq. ft.		$0	$18,000,000	$18,000,000	$23,550,000	$29,100,000	$29,100,000	$29,100,000	$42,300,000	$85,800,000
Net New Taxable Sales[10]	50% of total taxable sales		$0	$9,000,000	$9,000,000	$11,775,000	$14,550,000	$14,550,000	$14,550,000	$21,150,000	$42,900,000
Sales Tax Generated from New Neighborhood Retail	1.0% of taxable sales		$0	$90,000	$90,000	$117,750	$145,500	$145,500	$145,500	$211,500	$429,000
New Makerspace and Community Facility Space (Sq. Ft.)			0	65,000	65,000	140,000	65,000	65,000	65,000	65,000	65,000
Total Taxable Sales[11]	$150 per sq. ft.		$0	$9,750,000	$9,750,000	$21,000,000	$9,750,000	$9,750,000	$9,750,000	$9,750,000	$9,750,000
Net New Taxable Sales[12]	50% of total taxable sales		$0	$4,875,000	$4,875,000	$10,500,000	$4,875,000	$4,875,000	$4,875,000	$4,875,000	$4,875,000
Sales Tax Generated from New Makerspace/Community Facilities	1.0% of taxable sales		$0	$48,750	$48,750	$105,000	$48,750	$48,750	$48,750	$48,750	$48,750
Total New Retail Sales Tax from New Retail			**$3,714,750**	**$3,853,500**	**$3,853,500**	**$4,522,500**	**$4,494,000**	**$4,494,000**	**$4,494,000**	**$4,560,000**	**$4,777,500**
Construction-related Sales Tax											
Total Development Value			$342,505,563	$780,323,686	$1,327,262,582	$1,221,794,840	$1,132,608,963	$1,139,722,801	$1,136,473,550	$1,379,967,370	$1,692,591,490
Supply/Materials Portion of Construction Cost	30%		$102,751,669	$234,097,106	$398,178,775	$366,538,452	$339,782,689	$341,916,840	$340,942,065	$413,990,211	$507,777,447
San Francisco Capture of Taxable Sales	50% of total taxable sales		$51,375,834	$117,048,553	$199,089,387	$183,269,226	$169,891,344	$170,958,420	$170,471,033	$206,995,106	$253,888,723
New One-Time Retail Sales Tax from Construction	1.0% of taxable sales		**$513,758**	**$1,170,486**	**$1,990,894**	**$1,832,692**	**$1,698,913**	**$1,709,584**	**$1,704,710**	**$2,069,951**	**$2,538,887**
Total Sales Tax Revenue to General Fund			**$4,792,671**	**$5,764,028**	**$6,705,484**	**$7,432,159**	**$7,334,499**	**$7,394,568**	**$7,993,529**	**$8,757,671**	**$9,726,777**

[1] Weighted average adjusted, uninflated sales price for Candlestick and Hunter's Point Shipyard market-rate units.
[2] Assumes a 20 percent down payment.
[3] Assumes a 4.5 percent interest rate and a 30-year mortgage period.
[4] Assumes average household spends 30 percent of income on housing.
[5] Based on 2015 Consumer Expenditure Survey.
[6] IMPLAN data for SF County suggests a citywide capture rate of 62.2% based on distribution of spending by retail category for households with the Project's average annual household incomes.
[7] Regional retail sales provided by FivePoint (November 21, 2017) based on Macerich retail study.
[8] Assumes 10 percent of sales a relocation of existing citywide retail sales to the site.
[9] Actual retail sales after accounting for neighborhood retailers not subject to sales tax. EPS assumption.
[10] Assumes neighborhood retail largely caters to Project residents. Discounted 50 percent to avoid double counting resident spending.
[11] Lower sales due to assumption that a portion of makerspace/ community facilities space will not generate retail sales.
[12] Discounted 50 percent to account for the relocation of existing retail to the site.

Sources: FivePoint; Economic & Planning Systems, Inc.

Table 18 Sales Tax (continued)

Item	Estimating Factor			Fiscal Year				Buildout
				2031	2032	2033	2034	2035
				15	16	17	18	19
Sales Tax from Market-Rate For-Sale Unit Households								
Average for-sale unit selling price[1]			$1,160,900					
Average Amount Mortgaged[2]	80%	Mortgaged	$928,720					
Average Annual Housing Payment[3]			$57,016					
Average Annual HH Income[4]	30%		$190,052					
Average HH Taxable Retail Expenditure[5]	24%		$44,852					
Expenditures per New Household Captured by San Francisco[6]	62%	of taxable expenditures		$27,808	$27,808	$27,808	$27,808	$27,808
For-Sale Units				5,874	5,874	5,874	5,874	5,874
New Retail Sales Captured by San Francisco				$163,346,416	$163,346,416	$163,346,416	$163,346,416	$163,346,416
New Sales from Market-Rate For-Sale Units	1.0%	of taxable sales		$1,633,464	$1,633,464	$1,633,464	$1,633,464	$1,633,464
Sales Tax from BMR For-Sale Unit Households								
Average for-sale unit selling price[1]			$388,156					
Average Amount Mortgaged[2]	80%	Mortgaged	$310,525					
Average Annual Housing Payment[3]			$19,064					
Average Annual HH Income[4]	30%		$63,545					
Average HH Taxable Retail Expenditure[5]	32%		$20,398					
Expenditures per New Household Captured by San Francisco[6]	62%	of taxable expenditures		$12,647	$12,647	$12,647	$12,647	$12,647
For-Sale Units				584	584	584	584	584
New Retail Sales Captured by San Francisco				$7,385,725	$7,385,725	$7,385,725	$7,385,725	$7,385,725
New Sales from BMR For-Sale Units	1.0%	of taxable sales		$73,857	$73,857	$73,857	$73,857	$73,857
Sales Tax from Market-Rate Rental Unit Households								
Average Annual Rent			$55,229					
Average Annual HH Income[4]	30%		$184,096					
Average HH Taxable Retail Expenditure[5]	30%		$54,492					
Expenditures per New Household Captured by San Francisco[6]	62%	of taxable expenditures		$33,785	$33,785	$33,785	$33,785	$33,785
Rental Units				1,436	1,436	1,436	1,436	1,436
New Retail Sales Captured by San Francisco				$48,515,688	$48,515,688	$48,515,688	$48,515,688	$48,515,688
New Sales from Market-Rate Units	1.0%	of taxable sales		$485,157	$485,157	$485,157	$485,157	$485,157
Sales Tax from BMR Rental Unit Households								
Average Annual HH Income[4]	30%		$110,822					
Average HH Taxable Retail Expenditure[5]	27%		29,368					
Expenditures per New Household Captured by San Francisco[6]	62%	of taxable expenditures		$18,208	$18,208	$18,208	$18,208	$18,208
BMR Rental Units				242	242	242	242	242
New Retail Sales Captured by San Francisco				$4,406,349	$4,406,349	$4,406,349	$4,406,349	$4,406,349
New Sales from Market-Rate Units	1.0%	of taxable sales		$44,063	$44,063	$44,063	$44,063	$44,063
Sales Tax from Workforce Unit Households								
Average for-sale unit selling price			$648,700					
Average Amount Mortgaged[2]	80%	Mortgaged	$518,960					
Average Annual Housing Payment[3]			$31,860					
Average Annual HH Income[4]	30%		$106,199					
Average HH Taxable Retail Expenditure[5]	30%		$31,435					
Expenditures per New Household Captured by San Francisco[6]	62%	of taxable expenditures		$19,490	$19,490	$19,490	$19,490	$19,490
Workforce Units				892	892	892	892	892
New Retail Sales Captured by San Francisco				$17,384,789	$17,384,789	$17,384,789	$17,384,789	$17,384,789
New Sales from Market-Rate Units	1.0%	of taxable sales		$173,848	$173,848	$173,848	$173,848	$173,848
Total New Retail Sales Tax from Households				**$2,410,390**	**$2,410,390**	**$2,410,390**	**$2,410,390**	**$2,410,390**
Sales Tax Generated from New Retail								
New Regional Retail Space (Sq. Ft.)				735,000	735,000	735,000	735,000	735,000
Total Taxable Sales[7]	$650	per sq. ft.		$477,750,000	$477,750,000	$477,750,000	$477,750,000	$477,750,000
Net New Taxable Sales[8]	90%	of total taxable sales		$429,975,000	$429,975,000	$429,975,000	$429,975,000	$429,975,000
Sales Tax Generated from New Regional Retail	1.0%	of taxable sales		$4,299,750	$4,299,750	$4,299,750	$4,299,750	$4,299,750
New Neighborhood Retail Space (Sq. Ft.)				286,000	286,000	286,000	286,000	286,000
Total Taxable Sales[9]	$300	per sq. ft.		$85,800,000	$85,800,000	$85,800,000	$85,800,000	$85,800,000
Net New Taxable Sales[10]	50%	of total taxable sales		$42,900,000	$42,900,000	$42,900,000	$42,900,000	$42,900,000
Sales Tax Generated from New Neighborhood Retail	1.0%	of taxable sales		$429,000	$429,000	$429,000	$429,000	$429,000
New Makerspace and Community Facility Space (Sq. Ft.)				65,000	65,000	65,000	65,000	65,000
Total Taxable Sales[11]	$150	per sq. ft.		$9,750,000	$9,750,000	$9,750,000	$9,750,000	$9,750,000
Net New Taxable Sales[12]	50%	of total taxable sales		$4,875,000	$4,875,000	$4,875,000	$4,875,000	$4,875,000
Sales Tax Generated from New Makerspace/Community Facilities	1.0%	of taxable sales		$48,750	$48,750	$48,750	$48,750	$48,750
Total New Retail Sales Tax from New Retail				**$4,777,500**	**$4,777,500**	**$4,777,500**	**$4,777,500**	**$4,777,500**
Construction-related Sales Tax								
Total Development Value				$1,480,315,609	$1,667,345,487	$531,662,251	$196,247,283	$443,826,510
Supply/Materials Portion of Construction Cost	30%			$444,094,683	$500,203,646	$159,498,675	$58,874,185	$133,147,953
San Francisco Capture of Taxable Sales	50%	of total taxable sales		$222,047,341	$250,101,823	$79,749,338	$29,437,093	$66,573,976
New One-Time Retail Sales Tax from Construction	1.0%	of taxable sales		**$2,220,473**	**$2,501,018**	**$797,493**	**$294,371**	**$665,740**
Total Sales Tax Revenue to General Fund				**$9,408,363**	**$9,688,908**	**$7,985,383**	**$7,482,261**	**$7,853,629**

[1] Weighted average adjusted, uninflated sales price for Candlestick and Hunter's Point Shipyard market-rate units.
[2] Assumes a 20 percent down payment.
[3] Assumes a 4.5 percent interest rate and a 30-year mortgage period.
[4] Assumes average household spends 30 percent of income on housing.
[5] Based on 2015 Consumer Expenditure Survey.
[6] IMPLAN data for SF County suggests a citywide capture rate of 62.2% based on distribution of spending by retail category for households with the Project's average annual household incomes.
[7] Regional retail sales provided by FivePoint (November 21, 2017) based on Macerich retail study.
[8] Assumes 10 percent of sales a relocation of existing citywide retail sales to the site.
[9] Actual retail sales after accounting for neighborhood retailers not subject to sales tax. EPS assumption.
[10] Assumes neighborhood retail largely caters to Project residents. Discounted 50 percent to avoid double counting resident spending.
[11] Lower sales due to assumption that a portion of makerspace/ community facilities space will not generate retail sales.
[12] Discounted 50 percent to account for the relocation of existing retail to the site.

Sources: FivePoint; Economic & Planning Systems, Inc.

Hotel Tax

Hotel Room Tax (also known as Transient Occupancy Tax) will be generated by the proposed hotels in the Project. The City and County of San Francisco currently receives 14 percent of room charges and 100 percent of Hotel Room Tax proceeds are allocated to the General Fund. For this analysis an average daily room rate of $275 was applied to the total number of rooms (220). A vacancy rate of 25 percent was subtracted and the 14 percent tax rate was applied. Total hotel revenue allocated to the General Fund at Project buildout is estimated to be just over $4 million (see **Table 19**).

Table 19 Hotel Tax

			Fiscal Year								
Item	**Estimating Factor**		**2017 1**	**2018 2**	**2019 3**	**2020 4**	**2021 5**	**2022 6**	**2023 7**	**2024 8**	**2025 9**
Hotel rooms[1]			0	0	0	0	0	220	220	220	220
Gross Daily Hotel Room Revenue[1]	$275	per room- night	$0	$0	$0	$0	$0	$60,500	$60,500	$60,500	$60,500
Gross Annual Hotel Room Revenue	365	nights per year	$0	$0	$0	$0	$0	$22,082,500	$22,082,500	$22,082,500	$22,082,500
(minus) Vacancy	25%		$0	$0	$0	$0	$0	($5,520,625)	($5,520,625)	($5,520,625)	($5,520,625)
Total Hotel Room Proceeds			$0	$0	$0	$0	$0	$16,561,875	$16,561,875	$16,561,875	$16,561,875
Total Hotel Tax Revenue to General Fund[2]	14%	of room rent revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,318,663**	**$2,318,663**	**$2,318,663**	**$2,318,663**

[1] According to email from FivePoint, July 5, 2017. Average daily rate of $275. 220 rooms in Candlestick Point and 175 rooms in Hunters Point Shipyard.
[2] Assumes that 100 percent of the 14 percent hotel tax revenues were allocated to the General Fund.

Sources: FivePoint; Economic & Planning Systems, Inc.

Table 19 Hotel Tax (continued)

			Fiscal Year									Buildout
Item	**Estimating Factor**		**2026 10**	**2027 11**	**2028 12**	**2029 13**	**2030 14**	**2031 15**	**2032 16**	**2033 17**	**2034 18**	**2035 19**
Hotel rooms[1]			220	220	220	395	395	395	395	395	395	395
Gross Daily Hotel Room Revenue[1]	$275	per room- night	$60,500	$60,500	$60,500	$108,625	$108,625	$108,625	$108,625	$108,625	$108,625	$108,625
Gross Annual Hotel Room Revenue	365	nights per year	$22,082,500	$22,082,500	$22,082,500	$39,648,125	$39,648,125	$39,648,125	$39,648,125	$39,648,125	$39,648,125	$39,648,125
(minus) Vacancy	25%		($5,520,625)	($5,520,625)	($5,520,625)	($9,912,031)	($9,912,031)	($9,912,031)	($9,912,031)	($9,912,031)	($9,912,031)	($9,912,031)
Total Hotel Room Proceeds			$16,561,875	$16,561,875	$16,561,875	$29,736,094	$29,736,094	$29,736,094	$29,736,094	$29,736,094	$29,736,094	$29,736,094
Total Hotel Tax Revenue to General Fund[2]	14%	of room rent revenue	**$2,318,663**	**$2,318,663**	**$2,318,663**	**$4,163,053**	**$4,163,053**	**$4,163,053**	**$4,163,053**	**$4,163,053**	**$4,163,053**	**$4,163,053**

[1] According to email from FivePoint, July 5, 2017. Average daily rate of $275. 220 rooms in Candlestick Point and 175 rooms in Hunters Point Shipyard.
[2] Assumes that 100 percent of the 14 percent hotel tax revenues were allocated to the General Fund.

Sources: FivePoint; Economic & Planning Systems, Inc.

Parking Tax

The City collects a 25 percent parking tax from commercial off-street parking charges. The Project is estimated to result in approximately 9,889 net new off-street and structured parking spaces. The Project's parking spaces are assumed to be subject to the parking tax based on potential public parking revenues. Approximately 20 percent of the parking tax proceeds are allocated to the General Fund, while the remaining 80 percent are allocated to the San Francisco Municipal Transportation Agency (SFMTA). This analysis assumes a parking vacancy rate of 7.5 percent. The revenues per retail space are set at $250 per parking space in constant 2017 dollars (with adjustments for inflation), while revenues per R&D space start at a lower rate of $50 and then increase incrementally until they match the per space revenue from the retail spaces from 2026 onwards. By 2026, all off-street commercial spaces are assumed to have an average monthly rate of $250 in constant dollar terms. A blended revenue per space rate is used prior to 2026 to account for the balance between retail and R&D parking space revenues and the lower R&D per space rates in these early years. At buildout the Project is estimated to generate approximately $5.1 million in parking tax, of which $1.0 million will be allocated to the General Fund and $4.1 million to the Municipal Transportation Fund (see **Table 20**).

Table 20 Parking Tax

Item	Estimating Factor		Fiscal Year								
			2017 1	2018 2	2019 3	2020 4	2021 5	2022 6	2023 7	2024 8	2025 9
Commercial Off-Street Parking at Buildout[1]	9,889	spaces	0	0	0	0	0	2,595	4,356	4,356	5,065
(less) Vacancy	7.5%		0	0	0	0	0	(195)	(327)	(327)	(380)
Occupied Commercial Off-Street Parking	9,147	spaces	0	0	0	0	0	2,400	4,029	4,029	4,685
Monthly Revenue Rates[2]											
Year 2023	$184	per space per month	-	-	-	-	-	-	$740,352	-	-
Year 2024	$208	per space per month	-	-	-	-	-	-	-	$838,094	-
Year 2025	$201	per space per month	-	-	-	-	-	-	-	-	$941,710
Years 2026 - 2035	$250	per space per month	-	-	-	-	-	$600,094	-	-	-
Subtotal			$0	$0	$0	$0	$0	$600,094	$740,352	$838,094	$941,710
Gross Annual Parking Revenue	12	months per year	$0	$0	$0	$0	$0	$7,201,125	$8,884,222	$10,057,133	$11,300,522
(minus) Vacancy	25%		$0	$0	$0	$0	$0	($1,800,281)	($2,221,056)	($2,514,283)	($2,825,130)
Total Parking Tax Proceeds			$0	$0	$0	$0	$0	$5,400,844	$6,663,167	$7,542,850	$8,475,391
San Francisco Parking Tax	25%	of annual revenue	$0	$0	$0	$0	$0	$1,350,211	$1,665,792	$1,885,712	$2,118,848
Total Parking Tax Revenue to General Fund	20%	of tax proceeds	$0	$0	$0	$0	$0	$270,042	$333,158	$377,142	$423,770
Municipal Transportation Fund Allocation	80%	of GF allocation	$0	$0	$0	$0	$0	$1,080,169	$1,332,633	$1,508,570	$1,695,078

[1] According to FivePoint March 27, 2018. Excludes residential parking, on-street parking, and parking for community, artist, or recreational uses not subject to the City's parking tax.

[2] Retail spaces are estimated to have a monthly rate of $250 in years 2021-2035, while other commercial spaces have a growing rate that eventually reaches $250 in 2026. Based on the ratio of retail to other commercial spaces, EPS calculated a blended rate for years 2023 - 2025.

Sources: FivePoint; Economic & Planning Systems, Inc.

Table 20 Parking Tax (continued)

Item	Estimating Factor		Fiscal Year									Buildout
			2026	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
			10	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
Commercial Off-Street Parking at Buildout[1]	9,889	spaces	6,624	6,645	6,645	6,821	9,887	9,887	9,887	9,887	9,889	9,889
(less) Vacancy	7.5%		(497)	(498)	(498)	(512)	(742)	(742)	(742)	(742)	(742)	(742)
Occupied Commercial Off-Street Parking	9,147	spaces	6,127	6,147	6,147	6,309	9,145	9,145	9,145	9,145	9,147	9,147
Monthly Revenue Rates[2]												
Year 2023	$184	per space per month	-	-	-	-	-	-	-	-	-	-
Year 2024	$208	per space per month	-	-	-	-	-	-	-	-	-	-
Year 2025	$201	per space per month	-	-	-	-	-	-	-	-	-	-
Years 2026 - 2035	$250	per space per month	$1,531,800	$1,536,656	$1,536,656	$1,577,356	$2,286,369	$2,286,369	$2,286,369	$2,286,369	$2,286,831	$2,286,831
Subtotal			$1,531,800	$1,536,656	$1,536,656	$1,577,356	$2,286,369	$2,286,369	$2,286,369	$2,286,369	$2,286,831	$2,286,831
Gross Annual Parking Revenue	12	months per year	$18,381,600	$18,439,875	$18,439,875	$18,928,275	$27,436,425	$27,436,425	$27,436,425	$27,436,425	$27,441,975	$27,441,975
(minus) Vacancy	25%		($4,595,400)	($4,609,969)	($4,609,969)	($4,732,069)	($6,859,106)	($6,859,106)	($6,859,106)	($6,859,106)	($6,860,494)	($6,860,494)
Total Parking Tax Proceeds			$13,786,200	$13,829,906	$13,829,906	$14,196,206	$20,577,319	$20,577,319	$20,577,319	$20,577,319	$20,581,481	$20,581,481
San Francisco Parking Tax	25%	of annual revenue	$3,446,550	$3,457,477	$3,457,477	$3,549,052	$5,144,330	$5,144,330	$5,144,330	$5,144,330	$5,145,370	$5,145,370
Total Parking Tax Revenue to General Fund	20%	of tax proceeds	$689,310	$691,495	$691,495	$709,810	$1,028,866	$1,028,866	$1,028,866	$1,028,866	$1,029,074	$1,029,074
Municipal Transportation Fund Allocation	80%	of GF allocation	$2,757,240	$2,765,981	$2,765,981	$2,839,241	$4,115,464	$4,115,464	$4,115,464	$4,115,464	$4,116,296	$4,116,296

[1] According to FivePoint March 27, 2018. Excludes residential parking, on-street parking, and parking for community, artist, or recreational uses not subject to the City's parking tax.

[2] Retail spaces are estimated to have a monthly rate of $250 in years 2021-2035, while other commercial spaces have a growing rate that eventually reaches $250 in 2026.
Based on the ratio of retail to other commercial spaces, EPS calculated a blended rate for years 2023 - 2025.

Sources: FivePoint; Economic & Planning Systems, Inc.

6. *SAN FRANCISCO GENERAL FUND EXPENDITURES*

This section summarizes key public costs for services that will be required as redevelopment occurs. This analysis is based on Project-specific estimates for on-site services, for example police and fire, as well as a "per-capita" approach for certain other citywide services. Actual costs will vary by department, and will depend on future service demands, fiscal and economic conditions, and policy decisions to be made by the Board of Supervisors related to staffing and service levels. **Table 21** summarizes General Fund expenditures in fiscal year 2016 - 2017 and the method of allocation used for this analysis. Calculations displaying EPS's case study approach for expenditures are shown in **Table 22-Table 29**.

Table 21 General Fund Expenditures

Item	GF Expenditure 2016-2017	Allocation Method		
General Fund				
General Administration and Finance	$318,494,000			
Elections[1]	-	$419,583	at buildout	*Case Study*
Assessor/Recorder[2]	-	$123,565	per year	
311 [3]	-	$245,482	at buildout	*Case Study*
Other	-	-	not estimated	
Public Protection				
Police Services[4]	$499,386,000			*Case Study*
Fire Protection[5]	$337,682,000			*Case Study*
911 Emergency Response[6]	-	$1,087,694	at buildout	*Case Study*
Other Public Protection	$416,330,000	-	not estimated	
Community Health[7]	$657,630,000	$66	per capita	*Case Study*
Public Works, Transportation, and Commerce[8]	$58,361,000			*Case Study*
Culture and Recreation	$120,543,000			
Recreation and Parks[9]	-			*Case Study*
Library[10]	-			*Case Study*
Other Culture and Recreation	-	-	not estimated	
Human Welfare and Neighborhood Development	$966,146,000	-	not estimated	
General City Responsibility	$907,285,000	-	not estimated	
Transfers Out	($935,472,000)	-	not estimated	
Total Expenditures	**$3,346,385,000**			

[1] Estimated cost growth is assumed in proportion to population growth. The Project cost is based on the City's estimates in 2010 and the Wells Lawson and Erin McGrath 12.04.2008 memo, and has been inflated using the CPI index to 2017 dollars.

[2] Assumes additional staff would be added to facilitate the assessment and recording process. Cost is based on the City's estimates in 2010 and the Wells Lawson and Erin McGrath 12.04.2008 memo, and has been inflated using the CPI index to 2017 dollars.

[3] Based on estimated calls and required staffing cost. Staff salary assumptions inflated to 2017 dollars.

[4] Additional officers are added to achieve 1.9 officers per 1,000 service population (Citywide average). Also includes cost for space expansion.

[5] Citywide operating costs per station and facility costs for a new station inflated to 2017 dollars.

[6] Based on estimated calls and required staffing cost. Staff salary assumptions inflated to 2017 dollars.

[7] Department of Public Health costs based on estimates of hospital admissions and emergency room visits not reimbursed from other sources (W. Lawson, 8/2008). Cost and staffing estimates have been inflated to 2017 dollars. Affordable units updated to 2018 plan.

[8] Transportation impacts are addressed separately. Cost of road maintenance based on mileage in 2017 plan.

[9] Parks and recreation costs will be covered by special taxes and an annuity provided by the Developer. The costs shown here are associated with recreational programming.

[10] Includes 2-3 staff, and costs for furnishings, fixtures, and equipment. Cost estimates inflated to 2017 dollars.

Sources: Wells Lawson and Erin McGrath; openbook.sfgov.org General Fund Revenues FY 2016-2017; Economic and Planning Systems, Inc.

Elections

The community will require equipment and staffing for elections. Costs are based on 2010 estimated costs required annually to serve the projected population and have been inflated to 2017 dollars. The estimates are based on estimates of new residents in the 2018 plan, the percentage eligible to vote, number of required polling places, and costs including voting materials, signage, and equipment. The cost is estimated to be approximately $420,000 (see **Table 22**) multiplied by the annual number of new residents at the Project through buildout.

Table 22 Elections

Item	Assumptions		Total
New Residents			24,866
New Residents Eligible to Register[1]	72%	of total residents	17,903
Registered Voters[1]	80%	of eligible residents	14,323
Polling places needed[1]	1	per 800 residents	18
Total Annual Cost[2]	$23,436	per polling place	**$419,583**

[1] 2010 analysis assumptions.
[2] Using the CPI index, EPS inflated the 2010 cost per polling place to 2017 dollars.

Sources: City and County of San Francisco; W. Lawson, E. McGrath (December 4, 2008); Economic & Planning Systems, Inc.

Assessor

Assessment services will be required to assure that developing properties are added to the tax rolls in a timely manner. This will also help to assure that property taxes and tax increment financing are available as projected. The estimated costs assume that an approximately one Full-Time Equivalent (FTE) position will be required. The services may actually include portions of an FTE from an appraiser, principal appraiser, and mapping engineer. The 2010 estimate of one FTE position has been inflated to 2017 dollars using the Consumer Price Index, resulting in an annual cost of approximately $124,000.

311

The City's "311" service provides residents with assistance over the phone with non-emergency City and County of San Francisco government matters. The potential impacts on "311" services have been estimated based on average calls per resident in 2018, and the staff required to respond to those calls. The costs have been spread over time as population of CP/HPS grows. Actual costs and staff will depend on timing of buildout, demand for "311," and capacity of the service at future points in time (see **Table 23**).

Table 23 311 Cost

Item	Total			
City Population	850,282			
Annual Calls to 311[1]	452,019			
Call per Resident	0.53			
New Residents at CP/HPS	24,866			
Annual Call Increase	13,219			
Current Staffed CSR[2]	74			
Annual Calls per CSR	6,108			
Increase in CSR	2.16			
Increase in CSR Supervisor[2]	0.22			
	Step 5	Fringe[3]	Total	Increase
1324 Customer Service Agent[4]	$76,322	$25,568	$101,889	$220,495
1326 Customer Service Agent Supervisor[3]	$86,490	$28,974	$115,464	$24,987
Total 311 Cost				**$245,482**

[1] Number of calls in 2016 according to DataSF.org.
[2] Organization chart on sf311.org website (2017).
[3] Fringe rate is percent of total salaries.
[4] Using the CPI index, EPS inflated the 2010 salaries to 2017 dollars.

Sources: W. Lawson, E. McGrath (December 4, 2008); Economic & Planning Systems, Inc.

Police Services

The current level of staffing may provide some capacity to handle increased calls and could be augmented as demands exceed that capacity and/or the types of calls require a greater level of backup. Based on a current San Francisco average officers per service population,[9] approximately 63 officers would be required to serve the project 24/7 at buildout (compared to the 53 officers required during the time of the 2010 analysis). Since 2010, the citywide officer per service population ratio has increased from 1.6 officers to 1.9 officers per service population. Staffing and related costs are phased as development occurs, although actual staff and service area configurations will need to be developed based on future demands and service configurations in neighboring areas. The level and cost of future police protection will vary depending on the type and extent of future calls for service.

Expansion of service is likely to require additional equipment and facilities on approximately 6,000 square feet of land. The land will either be existing land owned and provided by the SFPD or by the Developer for community facilities. A new or expanded facility is not expected to be needed until year 10. The cost assumes development costs for newly constructed/expanded

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[9] Service population is calculated by adding total residential population and half of total employment. It represents a measure of public service demand in which employees are given 50 percent the weight of residents because of more modest demands for public service.

SFPD space; to the extent that a new facility locates within a commercial building built onsite by the Developer, estimated costs could be lower than shown. The 2010 facility costs have been inflated to 2017 dollars. Annual police service costs are estimated in **Table 24**, with a cost of $13.8 million at buildout.

Table 24 Police Services

Item	Estimating Factor		Fiscal Year								
			2017	2018	2019	2020	2021	2022	2023	2024	2025
			1	2	3	4	5	6	7	8	9
Sworn Police Officers[1]	2,292										
Officers per 1,000 Service Population	1.9										
Cumulative New Service Population	32,701	service population	0	0	0	792	4,222	7,209	10,784	12,011	14,529
Officers Required	62	officers	0	0	0	2	8	14	21	23	28
Officer Cost[2]	$217,261	per officer	$0	$0	$0	$328,011	$1,748,632	$2,985,794	$4,466,669	$4,974,745	$6,017,483
Facilities Cost[3]	$585	per square foot									
Total Police Cost			**$0**	**$0**	**$0**	**$328,011**	**$1,748,632**	**$2,985,794**	**$4,466,669**	**$4,974,745**	**$6,017,483**

[1] San Francisco Police Department Statistics Report, March 1, 2017.
[2] Based on CCSF 2016-2017 budget; includes costs of salaries, fringe benefits, materials, and supplies.
[3] Consistent with 2010 analysis, assumes 6,000 square feet of facilities by tenth year of occupancy. Cost estimate assumes $585 per square foot, amortized over 30 years at 5 percent.
Per square foot cost has been inflated to 2017 dollars.

Sources: City and County of San Francisco; Economic & Planning Systems, Inc.

Table 24 Police Services (continued)

Item	Estimating Factor		Fiscal Year									Buildout
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
			10	11	12	13	14	15	16	17	18	19
Sworn Police Officers[1]	2,292											
Officers per 1,000 Service Population	1.9											
Cumulative New Service Population	32,701	service population	17,090	17,590	23,578	27,070	32,697	32,697	32,697	32,697	32,701	32,701
Officers Required	62	officers	33	34	45	52	62	62	62	62	62	62
Officer Cost[2]	$217,261	per officer	$7,078,505	$7,285,424	$9,765,459	$11,211,838	$13,542,480	$13,542,480	$13,542,480	$13,542,480	$13,544,232	$13,544,232
Facilities Cost[3]	$585	per square foot	$228,331	$228,331	$228,331	$228,331	$228,331	$228,331	$228,331	$228,331	$228,331	$228,331
Total Police Cost			**$7,306,836**	**$7,513,755**	**$9,993,789**	**$11,440,169**	**$13,770,811**	**$13,770,811**	**$13,770,811**	**$13,770,811**	**$13,772,563**	**$13,772,563**

[1] San Francisco Police Department Statistics Report, March 1, 2017.
[2] Based on CCSF 2016-2017 budget; includes costs of salaries, fringe benefits, materials, and supplies.
[3] Consistent with 2010 analysis, assumes 6,000 square feet of facilities by tenth year of occupancy. Cost estimate assumes $585 per square foot, amortized over 30 years at 5 percent.
Per square foot cost has been inflated to 2017 dollars.

Sources: City and County of San Francisco; Economic & Planning Systems, Inc.

Fire Protection

Fire protection service costs provided to CP/HPS assume development of a new station on the site to serve areas of CP/HPS. The services are likely to include an engine company, truck company, and ambulance.[10] The fiscal analysis utilizes the 2010 average cost per station (inflated to 2017 dollars) to estimate the operating costs based on existing citywide averages. Depending on the magnitude and type of future service demands, and possible re-configuration of other existing or new stations in the City, it may be necessary to modify staff and/or facilities and equipment relative to typical City stations.

The new station is assumed to be required by about year 15. This analysis assumes that a new station will cost approximately $14 million for construction. Additional costs are included for vehicles and equipment and estimated to cost a total of $2 million; these costs are amortized over multiple years. **Table 25** provides an estimate of the operating and capital costs for a new fire station. Note that only Years 15-19 are shown, as costs do not occur until Year 15. At buildout, total fire costs are approximately $8 million.

Table 25 Fire Protection

Item	Estimating Factor		Fiscal Year				Buildout
			2031 15	2032 16	2033 17	2034 18	2035 19
Operations Cost[1]	$7,225,702	per station	$7,225,702	$7,225,702	$7,225,702	$7,225,702	$7,225,702
Facilities Cost[2]	$14,050,800	per facility	$914,025	$914,025	$914,025	$914,025	$914,025
Equipment and vehicles cost[2]	$2,341,800		$2,341,800	$0	$0	$0	$0
Total Fire Cost			**$10,481,527**	**$8,139,727**	**$8,139,727**	**$8,139,727**	**$8,139,727**

[1] Cost per station is based on FY16 Adopted Budget, total fire budget (including GF and Departmental revenue-funded costs) per 47 stations (2016 CAFR statistical data). Cost assumed to be incurred in Year 15, as was assumed in 2010 following buildout of parcel D2.

[2] Assumes $14,050,800 facility cost amortized over 30 years at 5 percent. Equipment and vehicles assumed at $2,341,800. EPS has inflated the 2010 cost estimates to 2017 dollars.

Sources: City and County of San Francisco; Project EIR (p. III.0-12); 2016 CCSF CAFR Report; Economic & Planning Systems, Inc.

911

Other Public Protection services may be affected by new development. Costs for the City's "911" service have been estimated based on potential call volume and additional staff required to handle the calls. The costs have been spread over time as population of CP/HPS grows. Actual costs and staff will depend on timing of buildout, demand for "911," and capacity of the service at future points in time. **Table 26** summarizes the estimated cost for additional 911 demand.

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[10] Draft EIR (III.0-20).

Table 26 911 Calls

Item	Total			
City Population	850,282			
Annual Calls to 911[1]	1,240,257			
Calls per Resident	1.46			
New Residents at CP/HPS	24,866			
Annual Call Increase	36,270			
Current Staffed PSD[1]	261			
Annual Calls per PSD	4,752			
Increase in PSD	7.63			
Increase in PSD Supervisor[2]	1.27			
	Step 5	Fringe[3]	Total	Increase
8238 Public Safety Dispatcher	$89,899	$30,116	$120,016	$916,046
8239 Public Safety Supervising Dispatcher	$101,072	$33,859	$134,931	$171,649
Total 911 Costs				**$1,087,694**

[1] San Francisco Department of Emergency Management Annual Report (2016).
[2] 2010 assumption.
[3] Fringe rate is percent of total salaries.

Sources: City and County of San Francisco; W. Lawson, E. McGrath (December 4, 2008); Economic & Planning Systems, Inc.

Public Health

Public health expenditures reflect costs related to emergency room visits and hospital stays, which are partially funded by the General Fund. The costs were estimated by the Department of Public Health (DPH) in 2010 based on the number of affordable units, average number of visits and admissions, and average cost per visit after accounting for reimbursements. This analysis has updated the number of affordable units and inflated the average cost per visit to 2017 dollars (see **Table 27**).

Table 27 Public Health

Item	Total
Total number of Units	10,672
Affordable Units[1]	3,363
Person per Unit[2]	2.33
Population seeking DPH services[3]	7,836
Children Population at Buildout[4]	2,166
DPH	
Expected number of ER visits annually[5]	2,351
Percent increase in people to ER[6]	3.9%
Inpatient cost per visit[7]	$662
Annual cost of ER visits	$1,555,150
Number of patients admitted annually[8]	329
Cost per day of inpatient[9]	$3,513
Average length of stay (days)[10]	5.8
Annual admission cost	$6,705,036
Total cost ER + Inpatient Admissions	$8,260,186
Non-GF Reimbursements[11]	$6,608,149
Remaining General Fund Cost	**$1,652,037**

[1] Units sold or rented to individuals with less than the area median income (AMI).
[2] Derived from housing units and US Census data for people per household in San Francisco County.
[3] Conservative assumption that residents with less than AMI are more likely to be uninsured.
[4] Ratio of children to total number of units assumed to be consistent with 2010 analysis.
[5] Estimate from 2010 analysis.
[6] Estimate of 60,000 according to the Department of Public Health (DPH) in 2010.
[7] EPS inflated the 2010 cost to 2017 dollars.
[8] 0.3 visits per person according to the California Health Care Foundation (CHF) in 2010.
[9] EPS inflated the 2010 cost to 2017 dollars.
[10] According to OSHPD (state regulatory agency for acute care hospitals) in 2010.
[11] In 2010, on average, SFGH generated $4 in reimbursements for every $5 spent per patient visit.

Sources: City and County of San Francisco; California Health Care Foundation; OSHPD; Economic & Planning Systems, Inc.

Public Works

Maintenance of roadways will include street sweeping, routine maintenance (pothole repair and patching), sidewalks, striping and signage, as well as resurfacing and reconstruction that will be necessary as roads age. Costs have been estimated for periodic resurfacing and reconstruction to City standards on an optimal schedule to maintain a high level of street condition. The costs have been converted to an average annual cost equivalent. The 2010 average annual cost has been inflated to 2017 dollars.

Maintenance costs are phased proportionate to the schedule of new road construction, which was provided by BKF Engineers in August 2017. The costs are assumed to be incurred annually beginning no earlier than about three years after road construction is initiated. This phasing allows for completion of new development sites, absorption of new units, then conveyance of streets for public use and maintenance. During construction, the developer is assumed to be responsible for maintenance of streets to address wear because of construction activity. Street sweeping will be required and is included in the cost estimates shown in **Table 28**. At buildout, road costs are approximately $1.3 million.

Table 28 Public Works

Item	Estimating Factor		Fiscal Year								
			2017 1	2018 2	2019 3	2020 4	2021 5	2022 6	2023 7	2024 8	2025 9
Mileage[1]											
CP	7	miles									
HPS	6.1	miles									
Subtotal	13.1	miles									
Cumulative Road Total[1]			0.4	0.4	0.4	0.4	0.4	2.3	3.3	3.3	7.7
City Road Maintenance Responsibility[3]			0	0	0.4	0.4	0.4	0.4	0.4	2.3	3.3
Total Roads Service Costs[4]	$98,171	per mile	**$0**	**$0**	**$39,268**	**$39,268**	**$39,268**	**$39,268**	**$39,268**	**$225,792**	**$323,963**

[1] Mileage schedule according to BKF Engineers, August 29, 2017.
[2] Annual road construction percentages consistent with the proposed road phasing in 2010.
[3] City responsibility assumed to begin 3 years after the start of road construction, by year.
[4] Includes periodic partial and full reconstruction, and pothole repair/patching during interim years. Per mile cost includes cost of maintenance and street sweeping, less Prop. K sales tax revenue and a portion of gas tax revenue. Per mile cost at stabilization in 2010 inflated to 2017 dollars.

Sources: City and County of San Francisco; BKF Engineers Construction Schedule; Economic & Planning Systems, Inc.

Table 28 Public Works (continued)

Item	**Estimating Factor**					**Fiscal Year**					**Buildout**
		2026	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
		10	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
Mileage[1]											
CP	7 miles										
HPS	6.1 miles										
Subtotal	13.1 miles										
Cumulative Road Total[1]		8.3	9.5	9.5	10.8	13.1	13.1	13.1	13.1	13.1	13.1
City Road Maintenance Responsibility[3]		3.3	7.7	8.3	9.5	9.5	10.8	13.1	13.1	13.1	13.1
Total Roads Service Costs[4]	$98,171 per mile	**$323,963**	**$755,914**	**$814,816**	**$932,621**	**$932,621**	**$1,060,242**	**$1,286,035**	**$1,286,035**	**$1,286,035**	**$1,286,035**

[1] Mileage schedule according to BKF Engineers, August 29, 2017.

[2] Annual road construction percentages consistent with the proposed road phasing in 2010.

[3] City responsibility assumed to begin 3 years after the start of road construction, by year.

[4] Includes periodic partial and full reconstruction, and pothole repair/patching during interim years. Per mile cost includes cost of maintenance and street sweeping, less Prop. K sales tax revenue and a portion of gas tax revenue. Per mile cost at stabilization in 2010 inflated to 2017 dollars.

Sources: City and County of San Francisco; BKF Engineers Construction Schedule; Economic & Planning Systems, Inc.

Recreation

The CP/HPS plan will include new public parks, trails, and sports fields and urban recreation areas, which will require maintenance and operation. The Project will also likely to result in a need for new recreational programs once the recreational facilities are built. The potential costs of new recreational programs are estimated on per capita basis based on the 2017 budget for children recreation programing at an approximate cost of $13.83 per person.

Library

The community facilities include a reading room operated by the San Francisco Public Library (SFPL) system. It would be staffed by two to three librarians, and would include programming space as well as collections and computers with internet connections. In addition, the Project envisions the incorporation of automated book pick-up and drop-off kiosks ("bookautomatons") to be operated by the SFPL. The operating and capital costs for a new library facility have been inflated from 2010 to 2017 dollars in **Table 29**.

Table 29 Library

Item	Total
Annual Operating Costs[1]	
Personnel	$207,789
Telephone Costs	$241
Internet Costs	$828
Utilities[2]	$9,777
Total Annual Costs	$218,635
Capital Costs[1]	
Programming Space[3]	$100,110
Collections	$96,592
Technology[4]	$158,526
FF&E Contingency	$25,481
Total Capital Costs	$380,708

[1] Costs inflated to 2017 dollars.
[2] Includes light, heat, power, water, sewer, and trash.
[3] Includes tables, chairs, white board, curtains, book trucks, and miscellaneous supplies and tax.
[4] Includes Phone, WiFi, copier, data projector, retractable screen, audio visual, laptops, printer, and a keycard system.

Sources: City and County of San Francisco; Economic & Planning Systems, Inc.

7. TRANSPORTATION

The results of the transit fiscal impact analysis are presented earlier in this report in **Chapters 2** and **3**. **Table 3** shows a comparison between annual transit revenues and cost under the 2010 and 2018 analyses at Project buildout. **Tables 6** and **Figure 2** show the annual forecasted Projected-related transit revenue and expenditure forecasts.

Fehr & Peers estimated all the transit expenditures as well as a number of transit revenues as documented in their Memorandum entitled, "Candlestick Point Hunters Point Shipyard Fiscal and Economic Impact Report: Transportation Components", February 27, 2018. Transit revenues estimated by Fehr & Peers included revenues from FastPasses, Farebox recovery, advertising, on-street parking, and parking fees and fines.

EPS estimated the Project-related transit revenues associated with the taxable sales and parking revenues discussed in **Chapter 5** as well as the City Charter's appropriation of a portion of General Fund revenues to SFMTA. These revenue items are addressed briefly below. It is important to note that while, historically, Muni's capital costs have been funded through federal and state sources in addition to local, this analysis makes the conservative assumption that no State and federal revenues will be available.

EPS estimated the following revenue sources assumed for transportation:

- Sales Tax (Prop K) – The City of San Francisco has enacted a 1/2-cent sales tax for purposes of funding transportation projects, 36.8 percent of which is allocated to transit system maintenance and renovation.
- Parking Tax – Approximately $1 million of parking tax revenue is dedicated to the City's General Fund and over $4 million is dedicated to SFMTA.
- State sales tax (AB 1107 or BART) is a one-half cent sales tax, which allocates 25 percent to SFMTA and AC Transit and 75 percent to BART.
- TDA Sales Tax – SFMTA receives an amount equal to ¼ cent sales tax. The analysis estimates sales tax revenues based on new commercial space at the Project and resident expenditures.

The transportation services provided by the SFMTA are an integral component of the success of the new neighborhood, and therefore, its ability to generate the additional General Fund revenues. Section 8A.105 of the City's Charter directs the Controller to adjust the Base Amount of annual General Fund appropriations to the SFMTA for any increases in service not provided in the Base Year. This mechanism will allow Muni to direct additional surplus General Fund revenue generated by the Project to Muni for operations and maintenance expenses, as well as financing for capital and facilities expenses through mechanisms such as certificates of participation, revenue bonds, or leases. In 2018, 6.68 percent of discretionary General Fund revenues will be transferred to SFMTA. For the purposes of this analysis, this appropriation is assumed to remain constant, though it might increase over time as transit demand increases.

8. *DEVELOPMENT IMPACT FEES*

San Francisco levies one-time development impact fees on all net new development within the City. These fees are in place to help mitigate the direct impact new development has on City infrastructure and quality of life. FivePoint will pay the following applicable development impact fees relating to development of this Project consistent with the 2010 Redevelopment Plan:

- School Facilities Impact Fee
- Art Contribution
- Child Care

Table 30 shows that total impact fees are estimated to be $49 million.

Table 30 Development Impact Fee Revenue

Fee Type	Gross Square Feet		Fee per Gross Square Foot	Total	
School Facilities Impact Fee					
	9,993,996	Residential[1]	$3.48	$34,779,106	Fee
	270,000	Hotel	$0.19	$51,840	Fee
	4,415,000	R&D	$0.54	$2,366,440	Fee
	1,086,000	Retail	$0.39	$421,368	Fee
Total School Fee				$37,618,754	Fee
Art Fee[2]	4,390,000	R&D > 25,000 Sq. Ft.	$1.63	$7,133,750	Fee
Child-Care Requirements	4,685,000	Hotel and R&D	$1.00	$4,685,000	In-lieu Fee
or	4,685,000	Hotel and R&D	0.01	46,850	Sq. Ft. Child-Care Facility
Total				**$49,437,504**	**In-lieu fee**

[1] Average gross square feet per market-rate, inclusionary, and workforce unit of 1,107 square feet provided by FivePoint.

[2] Fee equals .5 percent of hard costs of new R&D construction in excess of 25,000 square feet. Hard cost estimate of $325 per square foot provided by FivePoint.

[3] Child-care fee according to 2010 Redevelopment Plan (Attachment E).

Sources: 2010 Redevelopment Plan, p. 45-47 and 82-96 (Attachment E); CCSF Master Impact Fee Schedule 2017; Economic and Planning Systems, Inc.