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CITY OF OAKLAND

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Funding for the West Oakland Job Resource Center Supplemental Report Regarding Jobs Forecast

DATE: December 13, 2012

City Administrator Approval Deanna J. Santana

Date 12/13/12

COUNCIL DISTRICT: 3

RECOMMENDATION

Staff continues to recommend approval of

A Resolution Appropriating And Allocating Revenue Generated From The Oakland Army Base Billboard Franchise And Lease Agreement To The West Oakland Job Resource Center And Other Oakland Army Base Community Benefits-Related Uses Including Staff

REASON FOR SUPPLEMENTAL

At the December 11, 2012 CED Committee, there were questions asked regarding the number of construction jobs estimated in the Staff Report supporting this proposed Resolution to fund the West Oakland Job Resource Center. This supplemental report is to meant to clarify the statement in the previous staff report that "*Over the course of the next 7-10 years, the project is expected to generate roughly 1,000 construction jobs and another 1,500-2000 operations jobs with at least half of the jobs targeted for Oakland residents.*" Staff believe that those numbers are understated, in large part because they were characterizing only a portion of the development at the former Oakland Army Base (OAB), and did not include the Port of Oakland's portions of the OAB. This supplemental report provides the correct estimate of construction and operating jobs which, when development of the entire City portion and the Port portion of Oakland Army Base is completed, will include 2,686 on-site construction jobs and 2,335 on-site operational jobs.

ANALYSIS

Included as *Attachment A* to this supplemental report is a Memo to Pat Cashman from Keyser Marston and Associates (KMA) which was initially prepared in September, for a presentation to

the Oakland Oversight Board. The information in this memo was presented to the Oversight Board on December 3, 2012, and the narrative portion has since been revised for resubmittal to the Oversight Board on January 7, 2013. The analysis portion, including the jobs estimates to which this supplemental report makes reference, has not been changed.

The KMA Memo deals with all the property tax and other economic impacts of the Oakland Army Base. It looks at three scenarios:

Scenario 1- Completion of the City portion of the OAB and the Port Rail Terminal;

Scenario 2 - Completion of the entire Oakland Army Base as contemplated in the approved master plan, which includes the build out of the Port's logistics buildings and the construction of the 7th Street grade separation; and

Scenario 3 – Maintaining the Status quo with no infrastructure or commercial development.

The KMA Memo makes a powerful case for the beneficial economic impact of the OAB. However, for the purpose of this Supplemental Report reference need only be made to the figures on pages 6 and 9, which detail the direct construction and operational impacts of Scenarios 1 and 2. Those tables explain the assumptions and conclusions of the job estimates stated above for both Scenario 1 and Scenario 2.

Scenario 1 – Building out of the City's portion of the OAB and the currently planned Port Rail Terminal results in 1,523 direct construction jobs and 1,838 operational jobs

Scenario 2 - Full Build out of the OAB results in the 2,686 direct construction jobs and 2335 operational jobs.

The above numbers are direct jobs located on the OAB and in Scenario 2 add up to 5,021 total jobs. There are significant indirect and induced jobs that are important to the region but are not the subject of this supplemental report.

KMA methodology and assumptions are outlined in the Memo and represent the accepted standards by which economists and the federal and state government evaluate the economic impact of projects. KMA used the same analysis model as the Developer, with more fine tuning to separate actual construction jobs from the related design, engineering, and managerial jobs that are often aggregated in the "construction jobs" forecast. Other than that difference, the Developer's forecasts and the KMA Memo estimates are quite similar.

The Oakland Army Base has been under discussion for years, and over that time a number of different jobs forecasts have been made. In fact, the project's master planning and CEQA process has resulted in considerably less building area than was contemplated two years ago, and therefore the jobs projections are lower now than at that time. However, ever since the master plan was completed the Developer and City staff have been quite consistent in their projections

of jobs. The City is moving forward on all of its land. Other than the Port Rail Yard, which is a very significant and critical part of the OAB, the Port has not set a schedule for the development of the remaining portion of their land. Key to realizing the full potential of this development is moving forward with development of both the City and Port portions of the OAB.

For questions regarding this report, please contact Pat Cashman, Project Manager, at 510-238-6281.

Respectfully submitted,

FRED BLACKWELL
Assistant City Administrator

ATTACHMENT A



KEYSER MARSTON ASSOCIATES

ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

***MEMO*RANDUM**

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REDEVELOPMENT
AFFORDABLE HOUSING
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To: Pat Cashman
City of Oakland

From: Keyser Marston Associates, Inc.

Date: December 7, 2012

Subject: Property Tax and Economic Impacts - Oakland Army Base

In accordance with your request, Keyser Marston Associates, Inc. (KMA) has evaluated the annual property tax revenues and economic impacts to be generated by the Army Base Gateway Redevelopment Project set forth in the Lease Disposition and Development Agreement (LDDA), effective December 4, 2012 for the Oakland Global Trade and Industry Center project ("Oakland Global" or "Project"), which includes the City Gateway area and Port railyard. The purpose of the analysis is to provide information to the Oversight Board of the Successor Agency to the Oakland Redevelopment Agency regarding the tax revenues and economic benefits that will be generated by the Project.

I. Approach and Key Assumptions

Development Scenarios – KMA has analyzed the property tax and economic benefits that would be generated upon the build-out of a range of development scenarios. Scenario 1 represents the City development program provided by the LDDA, which includes the Gateway development area and the Port Railyard. Scenario 2 represents an expansion to be implemented by the Port, which is enabled by Scenario 1 and could only occur if Scenario 1 infrastructure improvements are developed first. Scenario 3 represents the status quo, or a "no project" alternative.

Scenario 1 – Completion of the Project (the City Gateway and the Port Railyard) in accordance with the LDDA;

Scenario 2 – Completion of the entire Oakland Global program, including the Port's Logistic area and the Seventh Street grade separation improvements. As noted

above, the completion of Scenario 1 infrastructure improvements is a necessary precondition for the feasibility of Scenario 2. Although the City does not control the Port's development under this Scenario, it is part of the California Transportation Commission (CTC) grant supporting Scenario 1 and is considered in order to provide a full picture of the taxable income potential for the Project.

Scenario 3 – A third scenario is maintaining the status quo on the LDDA development area with no project moving forward. This scenario assumes retention of existing tenants which are predominately storage and trucking related and generate a nominal amount of property taxes.

Table 1 provides additional details regarding new development under Scenarios 1 and 2.

While a performance schedule has been established for the commencement of the various components of infrastructure improvements, a schedule for the completion of specific vertical improvements has not yet been established other than the requirement that all vertical improvements are to be complete by no later than June 30, 2020, consistent with the CTC grant requirements. The schedule will be driven by market conditions. Given this consideration, the full amount of property tax revenues and permanent job-creation will not be fully realized until after the project is fully completed, which may not occur until 2020. It is anticipated that some development will be complete by 2015, and will gradually come on-line through this five-year period, which will provide a corresponding gradual increase in property tax revenues to the taxing agencies and permanent jobs to the region.

Distribution of Property Taxes – For purposes of this analysis, it has been assumed that property tax revenues resulting from the 1% base property tax levy are distributed to affected taxing agencies in accordance with the "normal" process for allocation of property tax and not subject to the flow of funds that applies for dissolved redevelopment agencies. It is assumed that property tax funds will not be deposited into the Redevelopment Property Tax Trust Fund, will be outside the purview of the Successor Agency/redevelopment dissolution process, and are not encumbered by any debt of the former Redevelopment Agency. We recommend that the Alameda County Auditor Controller be consulted to verify this assumption. Alternatively, if property taxes are deposited into the Redevelopment Property Tax Trust Fund of the former Redevelopment Agency, the taxing agencies would instead receive a combination of pass-through payments and a proportionate share of unencumbered "residual" funds.

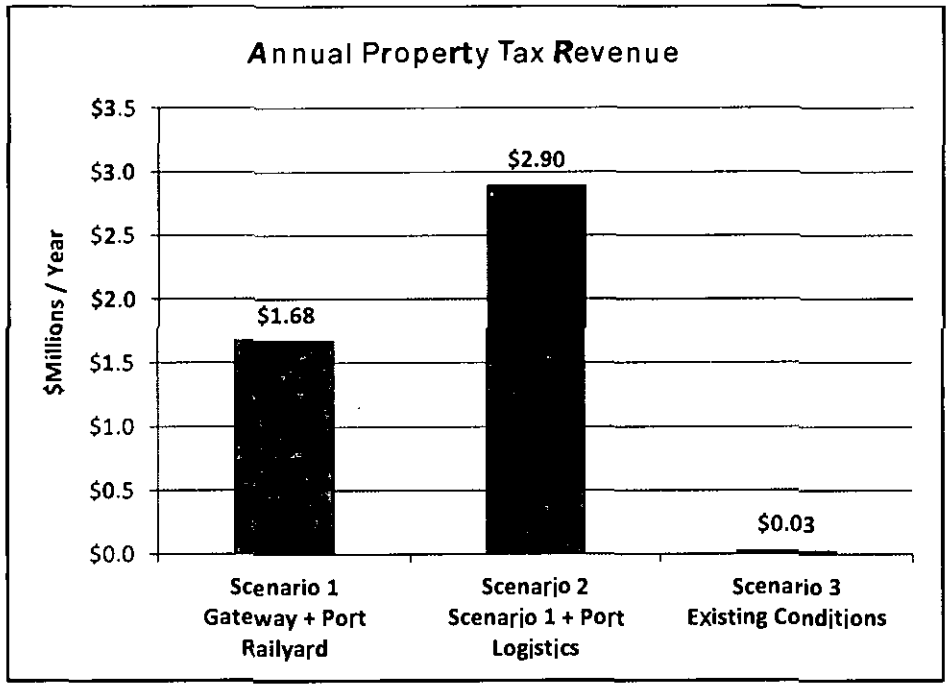
Assessed Value of Oakland Global – For purposes of this analysis, the assessed property values have conservatively been estimated, consisting of the sum of direct

vertical construction costs and an estimated land value. The land value estimate is after planned horizontal improvements are in place; therefore, horizontal improvement costs (remediation, demolition, utilities, and backbone infrastructure) are not additive to the estimated assessed value. The Railyard itself may be assessed if, for example, it is leased to a private sector railroad. However, railroads are assessed by the State Board of Equalization with all of the assets of the railroad bundled together. The State generally assesses railroads using an income approach applied on a State-wide level. As a result, it is unclear whether any increase in local property tax revenue would be generated from the Railyard, so none has been assumed in the analysis.

II. Preliminary Findings and Conclusions

A. Annual Property Tax Revenues to Taxing Agencies

Upon completion and reflection on the tax rolls, Scenario 1 (Gateway and Port Railyard) is estimated to annually generate approximately $1.7 million of local property taxes. With the addition of the Port Logistics development, Scenario 2 is estimated to generate approximately 70% more annual property tax revenue, totaling $2.9 million per year. Currently the City Oakland Global LDDA development site on the former Oakland Army Base generates only a nominal amount of property tax (approximately $0.03 million per year).



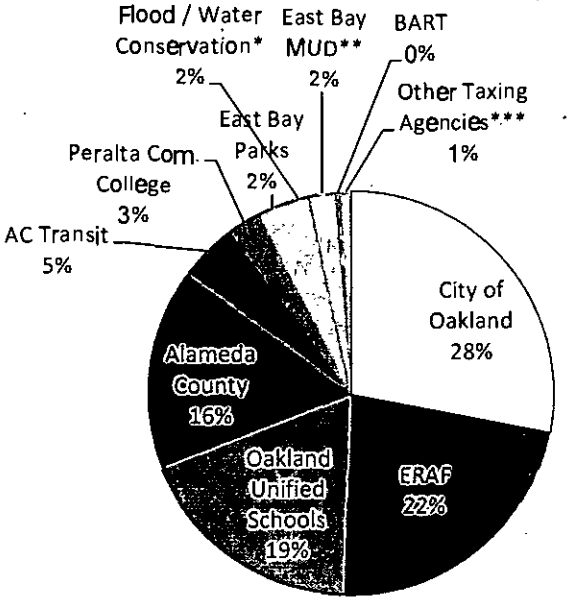
As illustrated below and on Table 2, the taxing agencies that receive the largest portion of property taxes are: 1) the City of Oakland (28%); 2) the Oakland Unified School District (19%), 3) Alameda County (16%) and 4) AC Transit (5%). Under the full build-out program (Scenario 2), annual property taxes to these taxing agencies are estimated as follows:

- City of Oakland: $815,000
- Oakland Unified: $541,000
- Alameda County: $464,000
- AC Transit: $134,000

The estimated distribution of property taxes by taxing agency for each scenario is summarized in the table pie chart below (percentage shares constant in all scenarios).

Annual Projected Property Tax Revenue by Taxing Agency

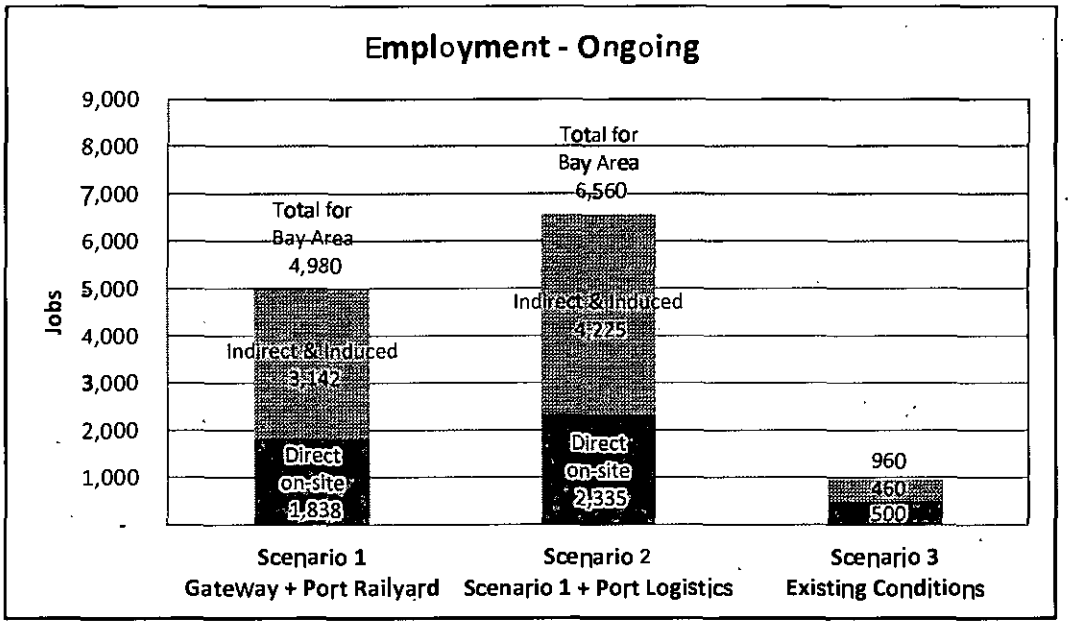
	Scenario 1 Gateway + Port Railyard	Scenario 2 Scenario 1 + Port Logistics	Scenario 3 Existing Conditions
City of Oakland	$ 471,200	$ 814,600	$ 9,100
Oakland Unified Schools	$ 312,800	$ 540,800	$ 6,000
Alameda County	$ 268,200	$ 463,700	$ 5,200
AC Transit	$ 77,600	$ 134,100	$ 1,500
Peralta Com. College	$ 44,200	$ 76,400	$ 900
East Bay Parks	$ 40,500	$ 70,100	$ 800
Flood & Water Conserv.*	$ 31,100	$ 53,800	$ 600
East Bay MUD**	$ 33,000	$ 57,100	$ 700
BART	$ 9,000	$ 15,600	$ 200
Other Taxing Agencies***	$ 13,200	$ 22,900	$ 200
ERAF	$ 374,500	$ 647,500	$ 7,200
Total	$ 1,675,300	$ 2,896,600	$ 32,400



* Includes Flood Control Zone 12.
** Includes Special District #1
*** Includes BAAQMD, County Superintendent of Schools, Mosquito Abatement, and Oakland Zoo.

B. Ongoing Jobs to be Created by Oakland Global

As indicated in the Master Plan, the TIGER grant application, and other pertinent documents, Oakland Global will be a key job-generator for Oakland. Once completed and fully operational, Oakland Global is estimated to generate between 1,840 (Scenario 1) and 2,335 (Scenario 2) full-time permanent on-site jobs. These jobs will be held by residents of Oakland and other communities in the Bay Area. The on-site operations will indirectly support an additional 3,140 to 4,225 full-time equivalent jobs throughout the region resulting in a total employment impact for the region of between 4,980 and 6,560 jobs.

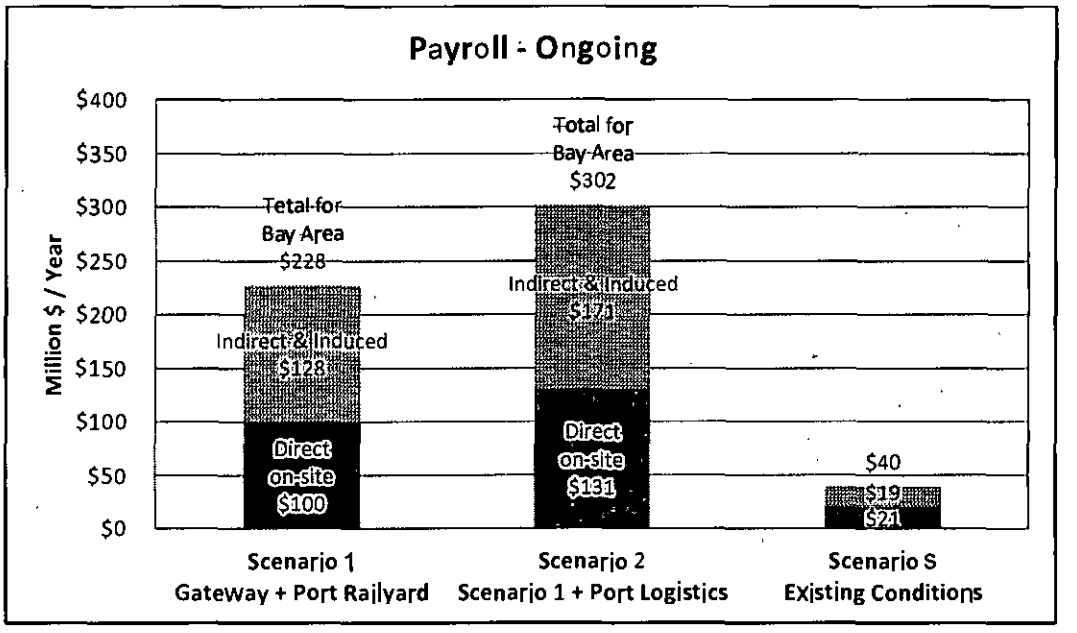


Employment created by Oakland Global (Scenarios 1 and 2) significantly exceeds the approximately 500 permanent jobs associated with existing uses[1] which are estimated to indirectly support an additional 460 jobs throughout the Bay Area for a total of 960 jobs (Scenario 3).

[1] Does not include temporary jobs associated with construction staging for the Bay Bridge replacement project.

C. Ongoing Employee Income to be Created by Oakland Global

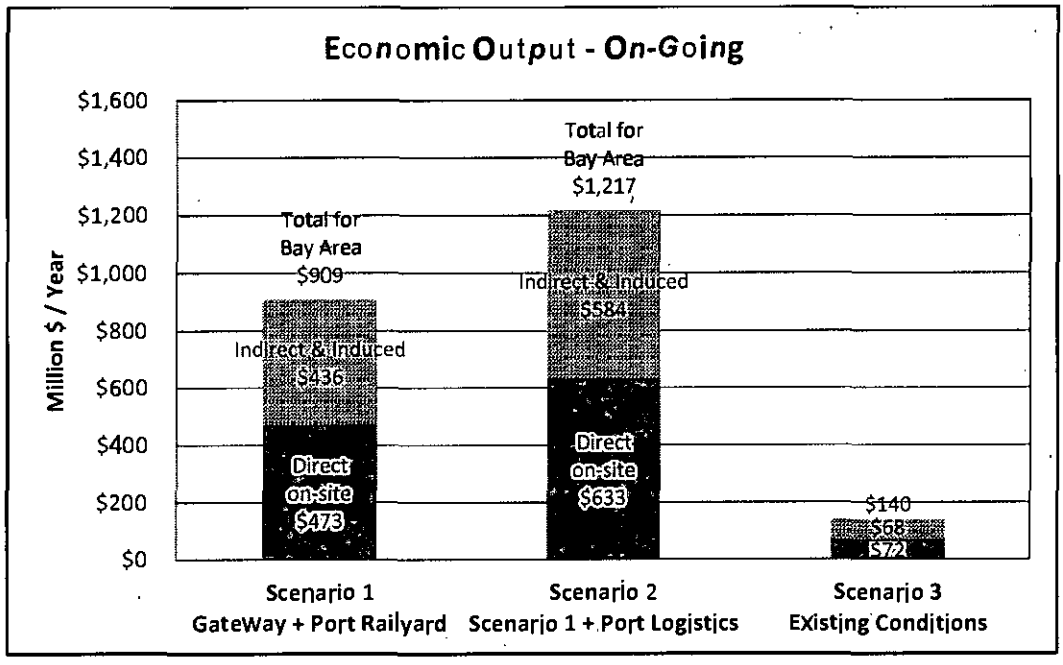
Annual direct payroll from on-site jobs in Oakland will total approximately $100 million to $130 million. Including indirect and induced employment throughout the region, Oakland Global will generate a total of approximately $230 million to $300 million of employee income.



Estimated income created by Oakland Global (Scenarios 1 and 2) significantly exceeds the existing $21 million in on-site employee income and $40 million in income inclusive of indirect and induced employment throughout the region (Scenario 3).

D. Ongoing Output/Gross Receipts of Oakland Global Businesses

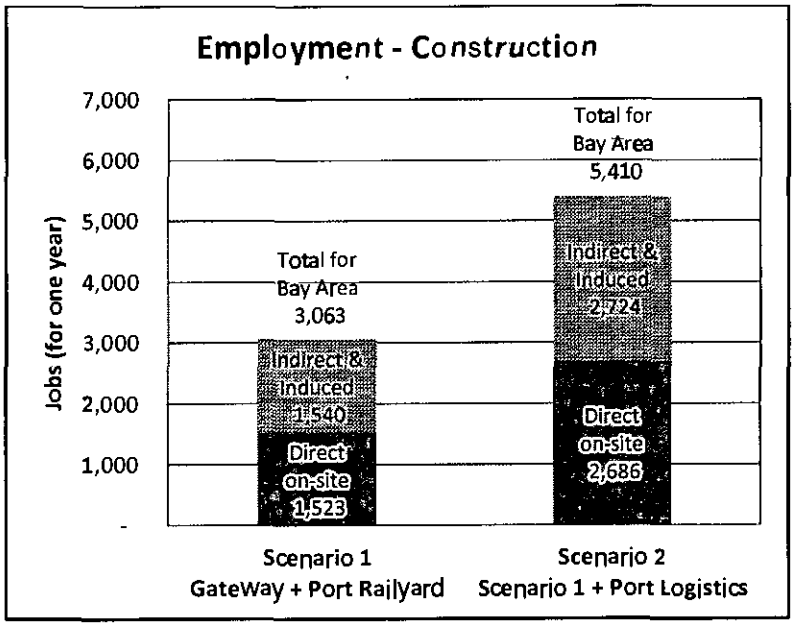
Based on regional statistics for rail transportation and warehouse industries, it is estimated that on-site Oakland Global businesses will directly generate from $470 million to $630 million in annual gross receipts. These gross receipts will stimulate economic output throughout the region. The total impact on regional output is estimated to range from $900 million to $1.2 billion per year.



Estimated gross receipts for Oakland Global businesses (Scenarios 1 and 2) significantly exceed the existing $72 million in direct on-site gross receipts and $140 million inclusive of indirect and induced economic activity throughout the region (Scenario 3).

E. Construction Jobs Created by Oakland Global

As detailed in the Master Plan, development costs for Scenario 1 are estimated to total $560 million, which is estimated to support approximately 1,520 direct construction jobs on-site in the City of Oakland[2] for a full year. Development costs for Scenario 2 are estimated to reach $1 billion, which is estimated to support approximately 2,690 direct on-site construction jobs in the City of Oakland for a full year.[3] Through purchases of supplies from other businesses and the expenditures of construction employees, it is estimated that, regionally, the construction of Oakland Global will generate between 3,060 and 5,410 jobs for a full-year. While the construction impacts are not permanent, they will bring a significant boost to Oakland and the region.

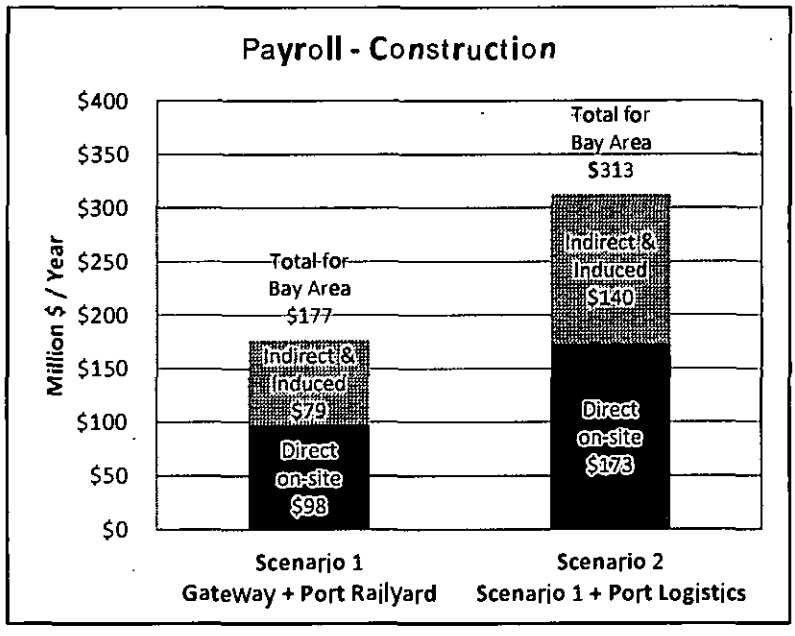


No construction jobs are created under Scenario 3, which would retain existing uses and does not involve new construction.

[2] The majority of the estimated direct construction-related jobs would be on on-site in Oakland (90% or more). The remaining approximately 10% of jobs for construction related professional services may be located in Oakland and/or other cities throughout the Bay Area.
[3] Ibid.

F. Income Created by Construction of Oakland Global

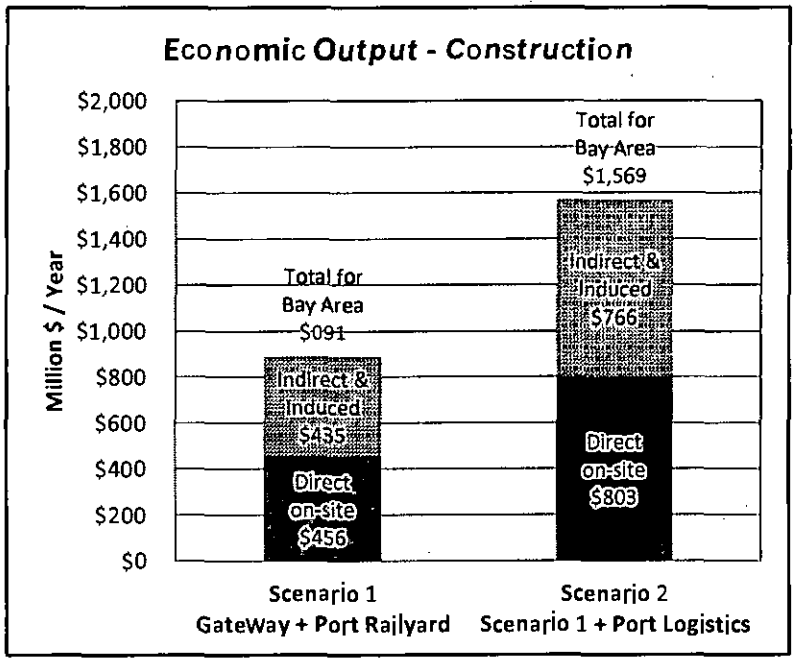
Direct employee payroll for the 1,520 to 2,690 on-site construction jobs in Oakland is estimated to range from $98 million to $173 million. The weighted average annual wage of construction and professional services workers who would be employed in developing Oakland Global currently approximates $64,000. Including indirect and induced impacts throughout the region, the construction of Oakland Global is estimated to generate a total of $177 million to $313 million in employee payroll.



No construction-related payroll is generated under Scenario 3 which would retain existing uses and does not involve new construction.

G. Output/Gross Receipts Created by Construction of Oakland Global

Construction firms engaged in development of Oakland Global are estimated to support other businesses throughout the region through the purchases of construction materials and the expenditures of construction employees. Total regional output is estimated to range from $890 million to $1.6 billion.



No construction-related increase in gross receipts or economic output is generated under Scenario 3 which would retain existing uses and does not involve new construction.

III. List of Tables

The calculations made to prepare the property tax and economic impact estimates summarized in this memorandum are presented in the following technical tables:

Table 1: Summary of Proposed Vertical Development Scenarios
Table 2: Distribution of Annual Property Tax Revenue by Taxing Agency
Table 3: Summary of Ongoing and Construction Impacts
Table 4: Economic Benefits from On-Going Operations
Table 5: Economic Benefits from Construction
Table 6: Assessed Property Value
Table 7: Development Costs
Table 8: Ongoing Full Time Employment from Operations

Table 1
Summary of Proposed Vertical Development Scenarios - Gateway, Port Railyard and Port Logistics Areas
Property Tax and Economic Benefits Analysis
Oakland Army Base

	Scenario 1 Gateway + Port Railyard	Scenario 2 Scenario 1 + Port Logistics
Private Vertical Dvlpmnt Prgrm - GBA[1]		
City West Gateway - Option B		
R&D	0	0
Bulk Warehouse	146,460	146,460
City Central Gateway		
Transload Warehouse	500,203	500,203
Truck Services	36,846	36,846
City North Gateway		
Recycling Facility	407,160	407,160
Truck Services	827	827
City East Gateway		
Transload Warehouse	442,560	442,560
Total City Area	1,534,056	1,534,056
Port Area - GBA		
Port Railyard	included	included
Port Logistics Transload Warehouse	0	882,881
Total Port Area	0	882,881
Total Vertical Building Area - GBA	1,534,056	2,416,937
Distribution by Land Use		
R&D	0	0
Bulk Warehouse	146,460	146,460
Transload Warehouse	942,763	1,825,644
Truck Sen/ices	37,673	37,673
Recycling	407,160	407,160
Total Vertical GBA	1,534,056	2,416,937
Land Area		
City Area	5,579,024	5,579,024
Port Area	2,900,201	7,269,918
Total, SF	8,479,225	12,848,942
Total, Acres	195	295

[1] Source of building areas is the "Oakland Global Trade and Industry Center Master Plan."

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Table 2
Distribution of Annual Property Tax Revenue by Taxing Agency - City Gateway and Port Logistics Properties
Property Tax and Economic Benefits Analysis
Oakland Army Base

		City Gateway Property + Port Railyard - Scenario 1							
		West Gateway	Central Gateway	North Gateway	East Gateway	Scenario 1 Gateway + Port Railyard	Port Logistics	Scenario 2 Scenario 1 + Port Logistics	Scenario 3 Existing Conditions
Assessed Value Est. (SMillions) [1]		$22.3	$57.0	$46.9	$41.4	$167.5	$122.1	$289.7	$3.2
Base Annual Property Tax	1.00%	$222,700	$569,700	$469,000	$414,200	$1,675,500	$1,221,300	$2,896,700	$32,400
Distribution by Taxing Agency - TRA 17041									
City of Oakland	28.12%	$62,600	$160,200	$131,900	$116,500	$471,200	$343,400	$814,600	$9,100
ERAF	22.35%	$49,800	$127,300	$104,800	$92,600	$374,500	$273,000	$647,500	$7,200
Oakland Unified School District	18.67%	$41,600	$106,400	$87,600	$77,300	$312,800	$228,000	$540,800	$6,000
Alameda County	16.01%	$35,700	$91,200	$75,100	$66,300	$268,200	$195,500	$463,700	$5,200
AC Transit	4.63%	$10,300	$26,400	$21,700	$19,200	$77,600	$56,500	$134,100	$1,500
Peralta Community College District	2.64%	$5,900	$15,000	$12,400	$10,900	$44,200	$32,200	$76,400	$900
East Bay Parks	2.42%	$5,400	$13,800	$11,300	$10,000	$40,500	$29,600	$70,100	$800
Flood Control Zone 12	1.75%	$3,900	$10,000	$8,200	$7,200	$29,300	$21,400	$50,700	$600
County Flood Control and Water Conservation	0.11%	$200	$600	$500	$500	$1,800	$1,300	$3,100	$0
East Bay MUD	1.45%	$3,200	$8,300	$6,800	$6,000	$24,300	$17,700	$42,000	$500
EBMUD Special District #1	0.52%	$1,200	$3,000	$2,400	$2,200	$8,700	$6,400	$15,100	$200
BART	0.54%	$1,200	$3,100	$2,500	$2,200	$9,000	$6,600	$15,600	$200
Air Quality Management District	0.19%	$400	$1,100	$900	$800	$3,200	$2,300	$5,500	$100
County Institution Pupils	0.15%	$300	$900	$700	$600	$2,500	$1,800	$4,300	$0
County Superintendent Service	0.09%	$200	$500	$400	$400	$1,500	$1,100	$2,600	$0
County Superintendent Capital	0.07%	$200	$400	$300	$300	$1,200	$900	$2,100	$0
County Juvenile Hall Education	0.03%	$100	$200	$100	$100	$500	$400	$900	$0
Mosquito Abatement	0.08%	$200	$500	$400	$300	$1,300	$1,000	$2,300	$0
Oakland Zoo	0.18%	$400	$1,000	$800	$700	$3,000	$2,200	$5,200	$100
Total	100.00%	$222,800	$569,900	$468,800	$414,100	$1,675,300	$1,221,300	$2,896,600	$32,400

[1] Estimates are presented on Table 6. Existing conditions represents actual FY 12-13 AV per Alameda County Assessor.

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Table 3
Summary of Impacts - Gateway, Port Railyards, and Port Logistics Areas
Property Tax and Economic Benefits Analysis
Oakland Army Base

	Scenario 1 Gateway + Port Railyard	Scenario 2 Scenario 1 + Port Logistics	Scenario 3 Existing Conditions	
Local On-Going Annual Property Tax Revenues[1]	$1,675,300	$2,896,600	$32,400	
On-Going Economic Benefits / Operations[2]				
Direct Impact - On-site Impacts				
Economic Output	$473	$633	$72	Million/Yr
Payroll	$100	$131	$21	Million/Yr
Employment	1,838	2,335	500	jobs
Direct, Indirect, Induced Impact - SF/Oak/Fremont MSA				
Economic Output	$909	$1,217	$140	Million/Yr
Payroll	$228	$302	$40	Million/Yr
Employment	4,980	6,560	960	jobs
Construction Economic Benefits[3]				
Direct Impact - On-site Impacts				
Economic Output	$456	$803	N/A	Million
Payroll	$98	$173	N/A	Million
Employment[4]	1,523	2,686	N/A	jobs
Direct, Indirect, Induced Impact - SF/Oak/Fremont MSA				
Economic Output	$891	$1,569	N/A	Million
Payroll	$177	$313	N/A	Million
Employment[4]	3,063	5,410	N/A	jobs

[1] Estimates are presented on Table 6. Distribution among taxing agencies is presented on Table 2.
[2] Estimates are presented on Table 4.
[3] Estimates are presented on Table 5.
[4] Estimates are presented on Table 5. Employment impacts represent equivalent full-time jobs over a 1-year construction period.

Prepared by: Keyser Marston Associates, Inc.
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Table 4
Summary of Economic Benefits from On-Going Operations - Gateway, Railyard, and Port Logistics
Property Tax and Economic Benefits Analysis
Oakland Army Base

Estimated Economic Impacts from On-Going Operations	Annual Direct Impact	Bay Area Multiplier[1]	Indirect & Induced Impact	Total Annual Impact
Economic Output / Gross Sales				
Scenario 1				
New	$441,800,000 [3]	1.9214 [1]	$407,200,000	$849,000,000
Retained Existing (Port Property) [4]	$30,700,000	1.9536 [1]	$29,100,000	$59,700,000
Total	$472,500,000		$436,300,000	$908,700,000
Scenario 2	$633,400,000 [3]	1.9214 [1]	$583,600,000	$1,217,000,000
Scenario 3	$71,900,000 [3]	1.9536 [1]	$68,100,000	$140,000,000
Employment				
Scenario 1				
New	1,628 [2]	2.8094 [1]	2,942	4,570
Retained Existing (Port Property) [4]	210	1.9257 [1]	200	410
Total	1,838		3,142	4,980
Scenario 2	2,335 [2]	2.8094 [1]	4,225	6,560
Scenario 3	500 [2]	1.9257 [1]	460	960
Earnings / Payroll				
Scenario 1				
New	$91,200,000 [3]	2.3093 [1]	$119,500,000	$210,700,000 [1]
Retained Existing (Port Property) [4]	$8,900,000	1.8951 [1]	$8,000,000	$16,900,000
Total	$100,100,000		$127,500,000	$227,600,000
Scenario 2	$130,800,000 [3]	2.3093 [1]	$171,300,000	$302,100,000 [1]
Scenario 3	$20,900,000 [3]	1.8951 [1]	$18,800,000	$39,700,000 [1]

Notes:

[1] Bureau of Economic Analysis RIMS II multipliers for the Bay Area (11-County Combined Statistical Area) applicable to rail transportation and warehousing/storage industries. Multiplier for existing uses are for warehousing/storage and truck transportation industries.
Output, indirect/induced employment, and total payroll figures have been estimated by applying the RIMS II multipliers to the direct job counts.

[2] Please see Table 8 for calculation of jobs.

[3] Estimate derived using RIMS II multipliers based upon estimated direct employment.

[4] Approximately 65% of existing jobs are located on the Port Parcels of which two thirds are assumed to be retained in Scenario 1 (Gateway + Port Railyard only).

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Table 5
Projection of Economic Benefits from Construction - Gateway and Port Railyard and Port Logistics Areas
Property Tax and Economic Benefits Analysis
Oakland Army Base

				Direct Construction Impact	MSA Multiplier[2]	Indirect & Induced Impact	Total Impact
Estimated Construction Period Economic Impacts							
Scenario 1 (Gateway + Port Railyard)							
Economic Output (Costs)		millions		$456 [1]		$435	$891
Construction Trades				$422	1.9458	$399	$822
Professional Services				$33	2.0625	$36	$69
Construction Payroll		millions		$98		$79	$177
Construction Trades	20%		[3]	$84	1.7996	$68	$152
Professional Services	40%		[3]	$13	1.8547	$11	$25
Construction Employment - One-Year's Duration				1,523		1,540	3,063
Construction Trades	$61,100	avg. wage	[4]	1,382	1.9617	1,329	2,712
Professional Services	$95,000	avg. wage	[4]	141	2.4978	211	352
Scenario 2 (Scenario 1 + Port Logistics)							
Economic Output (Costs)		millions		$803 [1]		$766	$1,569
Construction Trades				$740	1.9458	$700	$1,440
Professional Services				$63	2.0625	$67	$129
Construction Payroll		millions		$173		$140	$313
Construction Trades	20%		[3]	$148	1.7996	$118	$266
Professional Services	40%		[3]	$25	1.8547	$21	$46
Construction Employment - One Year's Duration				2,686		2,724	5,410
Construction Trades	$61,100	avg. wage	[4]	2,422	1.9617	2,329	4,751
Professional Services	$95,000	avg. wage	[4]	264	2.4978	395	658

Notes:

[1] Reflects development cost estimates contained in the "Oakland Global Trade Industry center Master Plan."

[2] Bureau of Economic Analysis RIMS II multipliers for the San Francisco/Oakland/Fremont MSA.

[3] Based on the 2007 Economic Census. Ratio of net value of construction work and professional services to gross payroll for industrial building construction contractors and architectural and engineering services.

[4] Per California Employment Development Department data on average pay for construction and professional service workers in Alameda County.

Sources: Bureau of Economic Analysis, Oakland Army Base, RIMS II multipliers.

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Table 6
Assessed Property Value - City Gateway and Port Logistics Properties
Property Tax and Economic Benefits Analysis
Oakland Army Base

	City Gateway Property + Port Railyard - Scenario 1							
Est. Assessed Value[1]	West Gateway	Central Gateway	North Gateway	East Gateway	Scenario 1 Gateway + Port Railyard	Port Logistics	Scenario 2 Scenario 1 + Port Logistics	Scenario 3 Existing Conditions
Base Bldg.	$15,000,000	$25,499,436	$36,000,000	$20,144,640	$96,644,000	$40,476,000	$137,120,000	
Site Work	$0	$6,444,000	$0	$6,048,000	$12,492,000	$14,662,000	$27,154,000	
Tenant Improvement Allowance	$839,561	$2,501,015	$0	$2,212,800	$5,553,000	$4,414,000	$9,967,000	
Acquisition	$0	$552,690	$0	$0	$553,000	$0	$553,000	
Land Value (@$8/sf of land)	$5,694,504	$19,285,464	$8,854,704	$10,797,520	$44,632,000	$58,159,000	$102,791,000	actual 12-13 AV
Personal Property (@$5/sf gba)	$732,300	$2,685,245	$2,039,935	$2,212,800	$7,670,000	$4,414,000	$12,084,000	Per Assessor
Estimated Assessed Value	$22,266,365	$56,967,850	$46,894,639	$41,415,760	$167,544,614	$122,125,000	$289,669,000	$3,236,000
Per SF of GBA								
Base Bldg.	$102.42	$47.48	$88.24	$45.52	$63.00	$45.85	$56.73	
Site Work	$0.00	$12.00	$0.00	$13.67	$8.14	$16.61	$11.23	
TIs	$5.73	$4.66	$0.00	$5.00	$3.62	$5.00	$4.12	
Acquisition	$0.00	$1.03	$0.00	$0.00	$0.36	$0.00	$0.23	
Land Value (@$8/sf of land)	$38.88	$35.91	$21.70	$24.40	$29.09	$65.87	$42.53	
Personal Property (@$5/sf gba)	$5.00	$5.00	$5.00	$5.00	$5.00	$5.00	$5.00	
Total Assessed Value / sf gba	$152.03	$106.08	$114.94	$93.58	$109.22	$138.33	$119.85	
Land Area	711,813	2,410,683	1,106,838	1,349,690	5,579,024	7,269,918	12,848,942	
Bldg. Area	146,460	537,049	407,987	442,560	1,534,056	882,881	2,416,937	

[1] Assessed value estimates are based on the construction budget for vertical improvements contained in the "Oakland Global Trade and Industry Master Plan" and summarized on Table 1. This projection does not include an assessed value for the horizontal improvements, including the port railyard improvements.

Table 7
Estimated Development Costs Oakland Global[1]
Property Tax and Economic Benefits Analysis
Oakland Army Base

	City Gateway Planning Areas						Port Planning Areas				Scenario 1	Scenario 2
	1	2	3	4	5	6	7	8	9	10	11	12
	CW1	CE1 &2, CC1,4,5	CE3,CC2,CC 3	CC6 - 9	CN1, CN2	Gateway Subtotal	Port Railyard	PL 1 - 9 Transload	PL 1 - 9 warehouse	Port Subtotal (inc. 7th st)	Columns 6, and 7	Columns 6 + 10
Land SF						5,579,024	2,900,201			7,269,918	8,479,225	12,648,942
Gross Building Area	146,460	347,000	595,763	36,846	407,987	1,534,056				882,881	1,534,056	2,416,937
Remediation						$5,700,000	$3,425,464	$2,274,536		$5,700,000	$9,125,464	$11,400,000
Horizontal Costs												
Direct Costs						$150,843,068	$125,523,137			$362,371,625	$276,366,205	$513,214,693
Professional Services						$15,838,522	$13,179,929			$38,049,021	$29,018,451	$53,667,543
Contingency and Escalation						$37,673,705	$31,224,000			$90,019,832	$68,897,705	$127,693,537
General Contractor Costs						$12,067,445	$10,041,851			$28,989,730	$22,109,296	$41,057,175
Other Soft Costs						$12,488,047	$9,752,545			$27,543,087	$22,240,592	$40,031,134
Subtotal Horizontal						$228,910,787	$189,721,462			$546,973,295	$418,632,249	$775,884,082
Vertical Development Costs												
Predevelopment Costs		$1,127,750	$1,280,890			$2,408,640	$0	$1,323,660	$1,022,542	$2,346,202	$2,408,640	$4,754,842
Arch. & Stmctural		$520,500	$744,704			$1,265,204	$0	$610,920	$594,501	$1,205,421	$1,265,204	$2,470,625
Civil Engineering		$225,550	$268,093			$493,643	$0	$264,732	$214,020	$478,752	$493,643	$972,395
Bldg. Permit Fees		$326,490	$875,772			$1,802,262	$0	$1,087,438	$699,133	$1,786,571	$1,802,262	$3,588,833
Utility Fees		$347,000	$297,882			$644,882	$0	$407,280	$237,801	$645,081	$644,882	$1,289,963
Jobs/Hsg. Fee		$1,265,856	$2,445,011			$3,710,667	$0	$1,485,757	$1,951,867	$3,437,624	$3,710,667	$7,148,491
Environmental		$13,880	$11,915			$25,795	$0	$16,291	$9,512	$25,803	$25,795	$51,598
Dev. Fee		$1,080,905	$1,021,734			$2,102,639	$0	$1,268,677	$815,656	$2,084,333	$2,102,539	$4,166,972
Title		$164,825	$162,048			$326,873	$0	$193,458	$129,363	$322,S21	$326,873	$649,694
Transfer Tax		$15,268	$16,383			$31,651	$0	$17,920	$13,079	$30,999	$31,651	$62,650
Legal		$133,800	$119,153			$257,953	$0	$162,912	$95,120	$258,032	$257,953	$515,985
Con. Ins.		$329,650	$324,095			$653,745	$0	$386,916	$258,727	$645,643	$653,745	$1,299,388
Possessory Int. Tax		$723,820	$735,023			$1,458,843	$0	$849,561	$586,773	$1,436,334	$1,458,843	$2,895,177
Op. Exp.		$166,560	$214,475			$381,035	$0	$195,494	$171,216	$356,710	$381,035	$747,745
Dev. Cany		$2,491,460	$2,073,255			$4,564,715	$0	$2,924,270	$1,655,091	$4,579,361	$4,564,715	$9,144,076
Base Bldg.	$15,000,000	$16,656,000	$26,213,572	$2,774,504	$36,000,000	$96,644,076	$0	$19,549,440	$20,926,444	$40,475,884	$96,644,076	$137,119,960
Site Work		$12,492,000				$12,492,000	$0	$14,662,080		$14,662,080	$12,492,000	$27,154,080
Tis	$839,561	$1,735,000	$2,978,815			$5,553,376	$0	$2,036,400	$2,376,005	$4,414,405	$5,553,376	$9,967,781
Acquisition				$552,690		$552,690	$0	$0	$0	$0	$552,690	$552,690
Subtotal, Vertical	$15,839,561	$40,421,314	$39,782,820	$3,327,194	$36,000,000	$135,370,889	$0	$47,443,206	$31,758,850	$79,202,056	$135,370,889	$214,572,945
Total Project Costs						$369,981,676	$193,146,926			$631,875,351	$563,126,602	$1,001,857,027
Costs Included for Economic Impact Estimates [2]						$303,563,927	$152,170,381			$498,951,152	$455,734,308	$802,515,079

[1] Development cost estimates reflect construction budget presented in ttie "Oakland Global Trade and Industry Center Master Plan".
[2] To provide a conservative analysis, selected soft cost / contingency line items have been excluded for purposes of economic impact estimates as they may not represent local expenditures within the Bay Area economy.

Table 8
Ongoing Full-Time Employment from Operations - Gateway and Port Logistics Properties
Property Tax and Economic Benefits Analysis
Oakland Army Base

I. Direct Ongoing Jobs	Employment Density[1]	Scenario 1 Gateway + Port Railyard	Scenario 2 Scenario 1 + Port Logistics	Scenario 3 Existing Conditions[3]
R&D	2.50	0	0	
Bulk Warehouse, West Gateway	0.80	117	117	
Transload Warehouse, Gateway and Port	0.80	754	1,461	
Truck Services, Gateway	0.80	30	30	
Port Railyard Terminal[1]		401	401	
Recycling, North Gateway	0.80	326	326	
Total Direct On-going Full Time Equivalent Jobs		1,628	2,335	500
II. Indirect and Induced Jobs - San Francisco-Oakland-Fremont MSA		2,946	4,224	460
III. Total Jobs - San Francisco-Oakland-Fremont MSA		4,574	6,559	960
Multiplier[2]		2.809	2.809	1.926

[1] Represent number of on-going full time equivalent jobs per 1,000 square feet of gross building area.
These job generation factors reflect the factors and the rail employment estimates in the "2012 Oakland Army Base Project Initial Study/Addendum" prepared by LSA in May 2012.

[2] Weighted average of RIMS II multipliers for San Francisco- Oakland-Fremont MSA, weighted 50% rail transportation and 50% warehouse and storage.
For existing uses, multipliers are based on a weighted average of 70% warehousing and storage and 30% truck transportation which represent the largest share of overall existing employment although other uses exist such as the Oakland Film Center.

[3] Jobs for Scenario 3 (existing conditions) Per "2012 Oakland Army Base Project Initial Study/Addendum" prepared by LSA in May 2012."
Excludes temporary jobs associated with Bay Bridge construction staging / lay down area.

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