



## **MEMORANDUM**

To: EQX JACKSON SQ HOLDCO LLC

From: Benjamin C. Sigman and Megan Gregory, Economic & Planning Systems, Inc.

Subject: 447 Battery & 530 Sansome:  
Economic Impact Analysis; EPS #241058

Date: May 7, 2025

This memorandum describes the results and methodology of an Economic Impact Analysis (EIA) for the 447 Battery & 530 Sansome Development Project (Project). Economic & Planning Systems, Inc. (EPS) prepared this EIA for EQX JACKSON SQ HOLDCO LLC (Project Sponsor).

The Project would replace an existing fire station, offices, and restaurant space with a 41-story mixed-use tower housing a new fire station, up to 200 hotel rooms, over 350,000 square feet of office, and approximately 7,500 square feet of restaurant space. **Table 1** details the proposed development program. The EIA evaluates both one-time development impacts and ongoing operational impacts.

The following **Key Findings** highlight key aspects of the Project's projected economic impact within the City and County of San Francisco. The analysis presents impact estimates in constant 2025 dollars. Actual economic impacts will depend on a variety of factors that cannot be predicted with certainty, including market performance of the project, final tenanting of the project, local and regional economic conditions, and other factors.

### **Key Findings**

- 1. Development of the Project will support over 1,800 job years in San Francisco, including directly supporting more than 1,500 job years and stimulating additional multiplier effects in the city economy.**

The EIA estimates that development of the proposed Project will directly support San Francisco-based jobs in construction, legal

services, and architectural and engineering services. Over approximately four years (including 3.25 years of construction), Project development would directly support approximately 390 jobs on average annually, and about 470 jobs total citywide including multiplier effects. Estimated employee compensation (including benefits) for the direct full-time and part-time positions attributable to the project is more than \$118,000 per job per year. With multiplier effects, this analysis finds that development of the Project would have a one-time economic impact of roughly \$520 million within the San Francisco economy.

**2. Once fully built out, the Project will support approximately 2,600 jobs and have a recurring economic impact of nearly \$1.2 billion per year in San Francisco.**

After completion of the development and full lease up, the Project is anticipated to directly support about 1,750 jobs through its office, restaurant, and hotel uses. Direct impacts attributable to the Project total more than \$850 million in economic activity, including on-site economic activities and hotel guest spending in the city.<sup>1</sup> With multiplier effects, the Project's impact grows to an estimated 2,600 jobs with a recurring economic impact of roughly \$1.2 billion per year in San Francisco, as spending ripples through the local economy. Considering baseline economic activity at the site, the Project's ongoing economic impact generates a net increase in citywide economic impact estimated at \$1.1 billion and roughly 2,400 jobs.

**Table ES-1** provides a summary of economic impact estimates attributable to the 447 Battery & 530 Sansome Development Project on the City and County of San Francisco. The section that follows presents a summary of the analysis, including methodology, data sources, assumptions, and definitions of key economic impact terminology.

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<sup>1</sup> Economic impact estimates exclude fire department activities on at the Project site.

**Table ES-1 Project Economic Impact in San Francisco (2025\$ Estimates)**

Item	Existing	Proposed	Net New
<b><u>Annual Recurring Economic Impact</u></b>			
<b>Economic Output</b>			
Direct Effect	\$40,311,000	\$856,151,000	\$815,840,000
Total Effect (w/ Multiplier)	\$54,025,000	\$1,174,383,000	\$1,120,358,000
<b>Employment (Full-Time and Part-Time Jobs)</b>			
Direct Effect	142	1,750	1,608
Total Effect (w/ Multiplier)	183	2,623	2,440
<b><u>One-Time Economic Impact from Project Development - Aggregate Estimates</u></b>			
<b>Economic Output</b>			
Direct Effect	N/A	\$417,900,000	\$417,900,000
Total Effect (w/ Multiplier)	N/A	\$520,416,000	\$520,416,000
<b>Employment (Job Years)</b>			
Direct Effect	N/A	1,551	1,551
Total Effect (w/ Multiplier)	N/A	1,859	1,859
<b><u>One-Time Economic Impact from Project Development - Annual Estimates (1)</u></b>			
<b>Economic Output</b>			
Direct Effect	N/A	\$104,475,000	\$104,475,000
Total Effect (w/ Multiplier)	N/A	\$86,722,000	\$86,722,000
<b>Employment (Average Jobs)</b>			
Direct Effect	N/A	388	388
Total Effect (w/ Multiplier)	N/A	465	465

(1) Assumes development occurs over 4 years, including pre-construction work.

## Economic Impact Analysis

This section describes the methodology, data, and assumptions used to estimate economic impacts attributable to:

- (1) One-time Project development spending in San Francisco and
- (2) Ongoing annual Project-related economic activities in San Francisco.

This analysis evaluates the proposed Project's economic impact in the San Francisco economy using project data and the IMPLAN "Input/Output" (I/O) model of the local economy.<sup>2</sup> To inform economic impact modeling, EPS analyzed local development expenditures and Project tenancing assumptions to estimate economic impact metrics including direct employment, labor income, value added (a metric comparable to GDP), and economic output. Based on direct economic impact estimates, the IMPLAN model supports estimation of indirect and induced economic impacts, commonly referred to as "multiplier" or "ripple" effects in the local economy.

Developer spending in the local economy and on-site jobs attributable to the Project are referred to as the "direct effects." Based on these Project factors, the I/O model quantifies the additional multiplier effects that result as spending recirculates in the local economy. Multiplier effects are categorized as "indirect" and "induced." Indirect effects represent business spending while induced effects reflect the economic impact of employees' consumer spending. In this report, direct, indirect, and induced effects are defined as follows for Project impacts:

- **Direct Effect** is a measure of the economic value of the initial injection of spending into the economy, including one-time spending on development of the Project and recurring annual expenditures directly attributable to economic activities within the Project.
- **Indirect Effect** is a measure of the economic value of "upstream" industry-to-industry transactions that supply inputs to the production of goods and services consumed by the Project, including during Project development and from ongoing economic activity after the project is fully occupied.
- **Induced Effect** is a measure of the economic value of labor income that re-circulates in the economy because of consumer spending by employees attributable to the Project, both during the development period and after project completion.
- **Total Effect** is the sum of the direct, indirect, and induced effects. The total economic effect measures the full impact impact of economy activity in San Francisco.

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<sup>2</sup> IMPLAN is an Input-Output modeling system (software and data) that is widely used in the U.S. for estimating economic impacts across a wide array of industries and economic settings. IMPLAN draws upon data collected from state and federal sources, including the Bureau of Economic Analysis, Bureau of Labor Statistics, and the Census Bureau. For the purposes of this economic impact analysis, the "local" economy is defined as the City and County of San Francisco.

Importantly, economic effects are calculated for the site's existing land uses as well as the proposed project, to estimate the net impact of the Project in San Francisco.<sup>3</sup>

This analysis measures economic significance using well accepted economic metrics, including employment, labor income, output, and value added, as defined below.

- **Employment** is equivalent to total jobs count, including both part-time and full-time workers. For "one-time" impacts, employment is reported in "job years." A job year is simply one job for one year, with total job years distributed over the time horizon of development.
- **Labor Income** represents payments to labor in the form of income and fringe benefits paid by the employer (e.g., health, retirement), as well as proprietor income.
- **Value Added** represents a contribution to gross regional product and equals the market value of the final goods and services produced within the local economy. Value added is equal to economic output, less the value of intermediate goods and services.
- **Economic Output** represents a measure of gross economic activity. Output includes spending on labor income as well as the value of intermediate inputs, such as equipment, supplies, insurance, rents, utilities, communication (i.e., the goods and services used in the production of final products).

### One-Time Economic Impacts from Project Development

Development of the Project, including design, entitlement, and construction, supports local jobs and requires purchasing of materials and services which results in a one-time economic impact (i.e., this economic benefit concludes once the Project is delivered). Based on an estimate of local design and legal services spending along with the total construction cost estimate reported by the Project Sponsor, the EIA relies on an IMPLAN model data for San Francisco to derive the one-time economic impact from development. These local spending estimates inform the number of jobs and economic activity attributable to development of the Project.

- **Table 2** presents assumptions regarding development spending in San Francisco. These inputs to the EIA include a \$398 million construction budget for the Project and nearly \$20 million in local spending on architecture, engineering, legal, and other professional services. The analysis assumes that local spending on these Project "soft costs" is 5.0 percent of the total construction budget.
- **Table 3** presents estimated one-time economic impact attributable to development of the proposed Project. The findings reflect nearly \$418 million in local spending. The estimated total one-time economic impact, including direct effects and multiplier effects, is about \$520 million in San Francisco. The EIA estimates that development of the proposed Project will directly support over 1,500 job years of employment with average total estimated labor income (including benefits) of about \$118,000 per job per year. The average number of jobs supported by the Project at any time will depend on the development timeline, as discussed below.

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<sup>3</sup> The project site includes a San Francisco Fire Station now as well as within the proposed Project. Neither baseline nor projected economic impact estimates include Fire Department activities on the site.

- **Table 4** presents the economic impact from development on an annual basis by accounting for the anticipated development timeline. Given current development assumptions, the Project will take roughly 3.25 years to construct. The analysis assumes that pre-construction and construction is spread over four years, during which time one-time development spending will directly support over 465 jobs.<sup>4</sup> This includes about 388 direct jobs and an additional 77 jobs that result from multiplier effects in the San Francisco Economy.

### Recurring Economic Impacts from Project Operations

After development and lease up, the Project will support ongoing employment as future tenants engage in office, restaurant, and hospitality activities. In addition, the Project's hotel guests will spend at San Francisco retailers, restaurants, and other establishments. To estimate the recurring economic impact of the project, the EIA uses employment density assumptions consistent with the City's 2019 Jobs Housing Study (KMA 2019) and the Project's Fiscal Impact Analysis (EPS 2025).

- **Table 5** presents a summary of analytical inputs informing estimation of ongoing operational economic impacts. On-site economic activity is defined by anticipated employment across the land uses contained in the Project program, with office employment concentrated in finance and insurance (75% of office jobs) and professional services (25% of office jobs). Associated economic output is determined using IMPLAN data for corresponding industry sectors. In addition to on-site employment, the EIA also considers hotel guest spending in the city, which is conservatively estimated at \$79 per day per person, based on federal per diem spending allowances for San Francisco travel.
- **Table 6** presents estimated recurring annual economic impacts attributable to the proposed Project. These estimates are based on IMPLAN model data for the City of San Francisco. Direct employment on-site at the Project is anticipated to include over 1,700 jobs in the professional services, finance, restaurant, and hotel sectors. The on-site and off-site economic activity attributable to the project results in a total recurring economic impact of approximately 2,600 jobs and about \$1.2 billion per year in San Francisco.

### Net New Economic Impact

The Project will replace existing commercial space, which currently employment and economic activity in San Francisco. By deducting current economic activity from the estimated economic impact of the proposed Project, the EIA provides an assessment of net new economic impact attributable to the Project.

- **Table 7** presents estimated recurring annual economic impacts from the proposed Project, capturing office, restaurant, and hotel impacts. These estimates reflect Project

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<sup>4</sup> Full project development is assumed to have 4-year development timeframe. A "job year" equals one job for one year. Total job years supported by project development spending divided by the anticipated time horizon for project development yields the average number of jobs supported by the project at any point during the development period ( $9,700 \text{ job years} \div 8 \text{ years of development} = 1,200 \text{ jobs}$ ).

data and IMPLAN data, like Table 6, though the analysis assumes current office employment is concentrated in professional services and that ground floor commercial is a mix of retail and restaurant uses.

- **Table 8** presents the net new recurring annual economic impacts to the City of San Francisco. After accounting for the impacts associated with the existing uses at the site, excluding Fire Department activities, the EIA estimates the Project will generate a net new recurring economic impact of approximately 2,400 jobs and \$1.1 billion in San Francisco.

**Table 1**  
**Project Program EIA Inputs**  
**447 Battery & 530 Sansome Economic Impact Analysis**

Item	Existing	Proposed (1)	Net New
Hotel Rooms	0	198	198
Office Square Footage	20,718	373,992	353,274
Restaurant Square Footage	20,154	7,406	-12,748
Fire Station Square Footage	18,626	26,589	7,963
Parking Spaces	21	74	53

(1) Square footages derived from the project program, including rentable office square footage, net hotel square footage, and net restaurant square footage. Excludes basement space and associated parking for SFFD.

Source: EQX JACKSON SQ HOLDCO LLC



Table 2

Project Development Budget EIA Inputs (2025\$)  
447 Battery & 530 Sansome Economic Impact Analysis

Spending	Buildout
<u>Construction Spending in San Francisco</u>	
Commercial Construction Spending	\$398,000,000
<u>Soft Cost Spending in San Francisco</u>	
Architecture & Engineering	\$18,900,000
Legal and other Professional Services	<u>\$1,000,000</u>
Soft Cost Subtotal	\$19,900,000
<b>Total Development Spending in San Francisco</b>	<b>\$417,900,000</b>

Source: EQX JACKSON SQ HOLDCO LLC

**Table 3**

**One-Time Economic Impact from Project Development - Total Impact (2025\$)  
447 Battery & 530 Sansome Economic Impact Analysis**

<b>Impact</b>	<b>Job Years (1)</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Output</b>
Direct (2)	1,551	\$183,665,000	\$273,837,000	\$417,900,000
Indirect	143	\$23,295,000	\$37,411,000	\$55,540,000
Induced	<u>165</u>	<u>\$19,431,000</u>	<u>\$35,638,000</u>	<u>\$46,976,000</u>
<b>Total</b>	<b>1,859</b>	<b>\$226,390,000</b>	<b>\$346,886,000</b>	<b>\$520,416,000</b>

(1) A "job year" is one job for one year. For example, 10 job years over 5 years indicates average employment of 2 for the 5-year period.

(2) Direct output based on construction costs and soft costs shown in **Table 2**.

Source: EQX JACKSON SQ HOLDCO LLC; IMPLAN; and Economic & Planning Systems, Inc.

Table 4

One-Time Economic Impact from Project Development - Annual Impact (2025\$)  
447 Battery & 530 Sansome Economic Impact Analysis

Impact (1)	Jobs (2)	Labor Income	Value Added	Output
Direct (3)	388	\$45,916,000	\$68,459,000	\$104,475,000
Indirect	36	\$5,824,000	\$9,353,000	\$13,885,000
Induced	<u>41</u>	<u>\$4,858,000</u>	<u>\$8,910,000</u>	<u>\$11,744,000</u>
<b>Total</b>	<b>465</b>	<b>\$56,598,000</b>	<b>\$86,722,000</b>	<b>\$130,104,000</b>

(1) Assumes a 4-year development period, including pre-construction work.

(2) Jobs represents average employment during development and is calculated by dividing job years by the anticipated time horizon for project development.

(3) Direct output based on construction costs and soft costs shown in **Table 2**.

Source: EQX JACKSON SQ HOLDCO LLC; IMPLAN; and Economic & Planning Systems, Inc.

**Table 5**  
**Project Operations Direct Economic Impacts**  
**447 Battery & 530 Sansome Economic Impact Analysis**

<b>Economic Activity in San Francisco</b>		<b>At Project Buildout</b>
<b><u>On-Site Economic Activity</u></b>		<b><u>Employment</u></b>
Office		1,571
Restaurant		20
Hotel		<u>149</u>
Subtotal		1,741
		<b><u>Annual Economic Output (Millions 2025\$)</u></b>
Office		\$821.5
Restaurant		\$3.2
Hotel		<u>\$30.1</u>
Subtotal		\$854.8
<b><u>Economic Activity from Visitor Spending</u></b>		
Retail Output (1)		\$0.1
Restaurant Output		<u>\$2.9</u>
Subtotal		\$3.0
<b><u>Ongoing Direct Economic Output (2)</u></b>		<b><u>\$856.2</u></b>

Source: EQX JACKSON SQ HOLDCO LLC; IMPLAN; Economic & Planning Systems, Inc.

(1) Retail economic output reflects marginal value created by retail operations (vs. full retail sale value).

(2) Reflects adjustments for sales redistribution and to avoid double counting of visitor spending.

**Table 6**

**Recurring Annual Economic Impact from Stabilized Operations - Proposed Project (2025\$)  
447 Battery & 530 Sansome Economic Impact Analysis**

<b>Impact</b>	<b>Jobs</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Output</b>
Direct	1,750	\$491,584,000	\$662,813,000	\$856,151,000
Indirect	426	\$97,987,000	\$148,418,000	\$193,512,000
Induced	<u>446</u>	<u>\$54,873,000</u>	<u>\$94,886,000</u>	<u>\$124,720,000</u>
<b>Total</b>	<b>2,623</b>	<b>\$644,444,000</b>	<b>\$906,117,000</b>	<b>\$1,174,383,000</b>

(1) Direct jobs based on employment, spending, and direct output presented in **Table 5**.

Source: EQX JACKSON SQ HOLDCO LLC; IMPLAN; Economic & Planning Systems, Inc.

Table 7

Recurring Annual Economic Impact - Baseline Existing Conditions (2025\$)  
447 Battery & 530 Sansome Economic Impact Analysis

Impact	Jobs	Labor Income	Value Added	Output
Direct	142	\$23,995,000	\$32,178,000	\$40,311,000
Indirect	19	\$3,472,000	\$5,807,000	\$7,632,000
Induced	<u>22</u>	<u>\$2,668,000</u>	<u>\$4,627,000</u>	<u>\$6,082,000</u>
<b>Total</b>	<b>183</b>	<b>\$30,135,000</b>	<b>\$42,611,000</b>	<b>\$54,025,000</b>

Source: EQX JACKSON SQ HOLDCO LLC; IMPLAN; Economic & Planning Systems, Inc.

Table 8

Net New Recurring Annual Economic Impact from Stabilized Operations (2025\$)  
447 Battery & 530 Sansome Economic Impact Analysis

Impact	Jobs	Labor Income	Value Added	Output
Direct	1,608	\$467,589,000	\$630,635,000	\$815,840,000
Indirect	407	\$94,515,000	\$142,611,000	\$185,880,000
Induced	<u>424</u>	<u>\$52,205,000</u>	<u>\$90,259,000</u>	<u>\$118,638,000</u>
<b>Total</b>	<b>2,440</b>	<b>\$614,309,000</b>	<b>\$863,506,000</b>	<b>\$1,120,358,000</b>

Source: EQX JACKSON SQ HOLDCO LLC; IMPLAN; Economic & Planning Systems, Inc.