



# Memorandum

To: Andrea Granados, JMA Ventures LLC

From: Benjamin C. Sigman and Bryan Isaac, Economic & Planning Systems

Subject: Hearst Hotel Fiscal and Economic Impact Analysis  
EPS #251079

Date: January 26, 2026

This memorandum describes the methodology and results of a Fiscal Impact Analysis (FIA) and Economic Impact Analysis (EIA) of the proposed Hearst Hotel Project (“Project”) in the City and County of San Francisco (CCSF). The Project would redevelop an existing office building as a new 113-room hotel with a roof deck and ground level restaurant and retail. To incentivize the Project, CCSF is contemplating the use of a 20-year Transient Occupancy Tax (TOT) rebate. The FIA considers the fiscal impact of the Project during the TOT incentive rebate period and after the incentive rebate has ended. The EIA evaluates one-time and ongoing economic benefits from the Project.

Economic & Planning Systems, Inc. (EPS) prepared the analysis under contract with JMA Ventures LLC, the Project Sponsor. The FIA evaluates the Project at stabilization (i.e., built out and fully operational) and quantifies annual ongoing net redevelopment effects on the City’s General Fund and Municipal Transportation Agency (MTA) Fund budgets. The Project is compared to a baseline scenario which assumes a fully occupied office building in the absence of the proposed Project. Sources for the FIA include the CCSF Fiscal Year 2025/26 adopted Operating Budget and Project assumptions provided by the Project Sponsor. The fiscal analysis also estimates one-time CCSF revenues from Project construction. Economic impacts are generated based on the Project development budget and operational parameters, with economic impact multipliers (i.e., “ripple effects”) generated using the current IMPLAN model for San Francisco.

The following **Key Findings** highlight the Project’s estimated fiscal and economic impacts. Actual impacts will depend on a variety of factors that cannot be predicted with certainty, including market conditions, future changes in City or State budgeting, the efficiency of various CCSF departments in providing services, and other factors. The analysis presents all impact estimates in constant 2025 dollars.

## Key Findings

1. The Project generates an ongoing net positive fiscal impact of roughly \$713,000 per year for the CCSF General Fund during the TOT incentive rebate period, increasing to \$2.9 million per year after the TOT incentive rebate expires.

Annual General Fund surpluses represent the net impact associated with increased CCSF revenues after deducting municipal service costs. Net fiscal benefits will be available to fund additional and improved services throughout the city. The most significant revenue source generated by the Project will be property tax, which accounts for approximately 65 percent of new General Fund revenue (before mandated General Fund requirements). After the TOT incentive rebate expires, TOT becomes the largest General Fund revenue source. Once the TOT rebate terminates, the net fiscal impact of the Project on the General Fund increases by approximately \$2.2 million annually. **Summary Table 1** and **Summary Table 2** compare the fiscal impacts of the Project with and without the TOT rebate, respectively.

**Summary Table 1: Annual Fiscal Impact on CCSF General Fund (TOT Incentive Period) (2025\$)**

Revenue / Expense Category	Baseline Existing Uses	Proposed Project	Net New
<b>General Fund</b>			
Annual General Fund Revenues	\$660,000	\$995,000	\$337,000
(Less) General Fund Baseline Requirements	<u>-\$189,000</u>	<u>-\$285,000</u>	<u>-\$97,000</u>
<b>Annual General Fund Revenues After Baseline Funding</b>	<b>\$470,000</b>	<b>\$710,000</b>	<b>\$240,000</b>
(Less) Annual General Fund Expenditures	<u>-\$579,000</u>	<u>-\$106,000</u>	<u>\$473,000</u>
<b>Net Annual Impact on General Fund</b>	<b>-\$109,000</b>	<b>\$604,000</b>	<b>\$713,000</b>

**Summary Table 2: Annual Fiscal Impact on CCSF General Fund  
(Post TOT Incentive Period) (2025\$)**

<b>Revenue / Expense Category</b>	<b>Baseline Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
<b><u>General Fund</u></b>			
Annual General Fund Revenues	\$660,000	\$4,058,000	\$3,398,000
(Less) General Fund Baseline Requirements	<u>-\$189,000</u>	<u>-\$1,163,000</u>	<u>-\$974,000</u>
<b>Annual General Fund Revenues After Baseline Funding</b>	<b>\$470,000</b>	<b>\$2,894,000</b>	<b>\$2,424,000</b>
(Less) Annual General Fund Expenditures	<u>-\$579,000</u>	<u>-\$106,000</u>	<u>\$473,000</u>
<b>Net Annual Impact on General Fund</b>	<b>-\$109,000</b>	<b>\$2,788,000</b>	<b>\$2,897,000</b>

*Note: Totals may not sum due to rounding.*

2. The FIA finds that the Project is likely to generate additional net fiscal benefits for CCSF, including for San Francisco Municipal Transportation Agency, Special Revenue Funds, and for other CCSF “baseline” funding recipients, both during and after the TOT incentive period.

During the incentive period, the Project is estimated to generate approximately \$157,000 in net fiscal benefit to the MTA fund, increasing to about \$450,000 following the incentive period. The MTA fiscal benefit derives from the General Fund’s baseline funding requirement, which currently directs approximately 9.6 percent of CCSF Aggregate Discretionary Revenue (ADR) from the General Fund to the MTA. Additionally, the Project will net \$93,000 annually for the CCSF Special Revenue Funds, including the Park Recreation, and Open Space Fund, the Children’s Fund, and the Library Preservation Fund. Additional CCSF voter-approved “baseline” funding will also increase with the Project. In sum, General Fund, MTA Fund, Special Revenue Funds, and baseline funding allocations create net benefits attributable to the Project that total more than \$1.0 million per year during the incentive period and almost \$4.1 million per year after the TOT rebate has expired.

**Summary Table 3: Combined Annual Fiscal Impact (2025\$)**

Revenue / Expense Category	TOT Incentive Period (Years 1 - 20)	Post TOT Incentive Period (Years 21 Onward)
Net Annual Impact on General Fund	\$713,000	\$2,897,000
Net Impact on MTA	\$157,000	\$450,000
Revenue to Special Funds (1)	\$93,000	\$93,000
Other Voter-Approved Baseline Funding (2)	\$64,000	\$649,000
<b>Total Fiscal Impact</b>	<b>\$1,028,000</b>	<b>\$4,090,000</b>

*Note: Totals may not sum due to rounding.*

(1) Special Revenue Fund includes the Park, Recreation, and Open Space Fund, the Children's Fund, and the Library Preservation Fund.

(2) Other Voter-Approved Baselines include CCSF funding earmarks for Children's Services, Library Preservation, Street Tree, Early Care and Education, Housing Trust Fund, Recreation and Parks, Dignity Fund, and Student Success Fund.

- In addition to the ongoing fiscal benefits that accrue after Project stabilization, the Project will generate one-time sales fiscal benefits from construction, including sales tax and gross receipts tax revenue for CCSF that the FIA estimates at approximately \$784,000.**

Taxable sales of Project construction materials in San Francisco will CCSF General Fund revenue totaling an estimated \$292,000. Additionally, construction operations will be subject to the local gross receipts tax on business activity in San Francisco, resulting in an estimated \$492,000 in General Fund revenue. These one-time revenues will accrue to CCSF during the Project's development period.

- Once fully built out, the Project will support approximately 150 jobs and have a recurring economic impact of approximately \$42.6 million per year in the San Francisco economy.**

After completion of the development and full lease up, the Project Sponsor anticipates the Project will directly support about 100 jobs through the hotel, restaurant, and ground floor retail. Direct annual economic impacts attributable to the Project total about 121 jobs and \$32.6 million in economic activity, including on-site economic activities and hotel guest spending in the city. With multiplier effects, the Project's impact grows to an estimated 151 jobs with a recurring economic impact of roughly \$42.6 million per year in San

Francisco, as spending ripples through the local economy. **Summary Table 4** presents economic impact estimates attributable to the Project.

**5. Development of the Project will support about 706 “job years” in San Francisco, including directly supporting roughly 586 job years and creating general additional multiplier effects in the city’s economy.**

The EIA estimates that construction of the Project will directly support San Francisco-based jobs in construction, legal services, and architectural and engineering services. As shown in **Summary Table 4**, project construction over approximately two years would directly support an average of approximately 259 jobs. Construction-related employment would total an average of about 309 jobs citywide including multiplier effects. Estimated employee compensation (including benefits) for the direct full-time and part-time positions attributable to Project development is more than \$126,000 per job per year. With multiplier effects, the EIA finds that Project development would have a one-time economic impact of roughly \$206.6 million within the San Francisco economy.

**Summary Table 4: Economic Impact Estimates (2025\$)**

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**Economic Impact of Stabilized Project Operations -  
Annual Recurring Economic Impact**

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**Fully Occupied Baseline**

**Economic Output**

Direct Effect	\$32,567,000
Total Effect (w/ Multiplier)	\$42,610,000

**Employment (Full-Time and Part-Time Jobs)**

Direct Effect	121
Total Effect (w/ Multiplier)	151

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**Economic Impact from Project Development -  
One-Time Economic Impact**

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**Aggregate Estimates (Total Development Impact)**

**Economic Output**

Direct Effect	\$166,607,000
Total Effect (w/ Multiplier)	\$206,620,000

**Employment (Job Years)**

Direct Effect	586
Total Effect (w/ Multiplier)	706

**Annual Estimates During Development Period (1)**

**Economic Output**

Direct Effect	\$69,323,000
Total Effect (w/ Multiplier)	\$86,027,000

**Employment (Average Jobs)**

Direct Effect	259
Total Effect (w/ Multiplier)	309

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(1) Assumes construction occurs over 2 years (annual estimate excludes pre-development impacts).

## Fiscal Impact Analysis Assumptions and Methodology

This section describes the methodology and calculations underlying FIA and EIA estimates shown in the summary tables above. The memorandum describes the methodology and calculations below. The **Appendix** provides data tables detailing the analysis.

- **Table 1** provides an overview of the Project program and assumptions related to new building square footages by use.
- **Table 2** presents the detailed fiscal impact analysis results *without* the TOT revenues (i.e., stabilized fiscal impact during the incentive rebate period).
- **Table 3** presents the detailed fiscal impact analysis results *with* the TOT revenues (i.e., stabilized fiscal impact after the incentive rebate period has ended).
- **Table 4** provides building occupancy assumptions and calculation of the estimated municipal service population attributable to the Project.<sup>1</sup>

Additional tables that follow detail supporting calculations for the Project during the TOT incentive rebate period, including both General Fund revenue calculations and General Fund cost calculations.

- **Table 5** summarizes CCSF General Fund revenues by line item and identifies estimating factors used in this FIA to quantify new revenues from Project development.
- **Table 6** provides assumptions related to the Project's anticipated assessed value, based on market assumptions provided to EPS by the Project Sponsor.
- **Table 7 and Table 8** show property tax and property tax in-lieu of vehicle license fee (VLF) revenue estimates, respectively. The calculations reflect that the CCSF's General Fund will collect about 56 percent of the base one percent property tax revenue growth, while the balance goes to CCSF special funds and other affected taxing entities (e.g., school and community college districts). Property tax in-lieu of VLF revenue growth is from the Project's pro rata contribution to total CCSF citywide assessed value, which increases property tax in-lieu of VLF by a proportionate amount.
- **Table 9** documents the assumptions and calculations for office worker, hotel guest, and on-site taxable spending. CCSF's General Fund receives one percent of net-

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<sup>1</sup> This analysis is focused on the CCSF General Fund and relies on cost estimates for the CCSF "service population." Service population is calculated as the number of residents plus 50% of employees, an industry-accepted approach to evaluating per-capita demand for municipal services. The 50% weight applied to employees reflects their relatively lower demand for CCSF public services relative to residents.

new sales (i.e., the local Bradley-Burns Sales and Use Tax). Key sales tax revenue assumptions include:

- The hotel will operate at 66 percent occupancy on average and hotel guests will spend an average of \$150 per person per day on taxable retail goods. Assuming 1.5 guests per room, the analysis calculates spending of \$225 per day per occupied room. These assumptions were sourced from the Project Sponsor and San Francisco Travel Association data.
- The FIA estimates that on-site restaurant and ground floor retail produce a combined estimated \$9.1 million in taxable sales per year. The analysis further assumes that 20 percent of these revenues are redistributed from existing restaurants (i.e., 80 percent net new). To further avoid double counting of taxable sales the analysis assumes that 25 percent of guest spending in San Francisco occurs on site.
- **Table 10** documents the TOT revenue estimate for the Project (i.e., after the incentive period). In San Francisco, 1.5 percentage points of the TOT rate is allocated to the Arts & Culture fund, while the remaining amount is allocated to the General Fund. The portion allocated to the General Fund (i.e., 89.3 percent of the 14 percent TOT rate) will be allocated back to the Project during the first 20 years of Project operations.
- **Table 11** estimates the Parking Tax revenue generated by the 90 stalls available for valet in the neighboring Hearst Garage at 45 3<sup>rd</sup> Street. This analysis assumes parking spaces are occupied throughout the year, each at a rate of \$100 per night with a 20 percent average occupancy rate. The parking revenue assumption is based on estimates provided to EPS by the Project Sponsor.
- **Table 12 and Table 13** estimate gross receipts tax (GRT) revenue. The FIA relies on annual gross revenue generated for unique business categories and average employment per firm. Gross receipts taxes are only collected from businesses earning over a minimum of \$5 million of sales in a year in San Francisco. The FIA calculates gross receipts tax for the Project assuming one primary hospitality operation and an additional tenant are subject to the tax. In the analytical baseline, the majority of office spaces in the existing building are small (i.e., typically about 300 to 1,500 square feet) and unlikely to support businesses operations that generate \$5 million in San Francisco sales. Five existing office spaces on the rent roll provided to EPS by the Project Sponsor were large enough (i.e., over 2,500 square feet) and more likely to support business activity exceeding \$5 million in San Francisco. The baseline calculation includes gross receipts tax estimates for these five office spaces. San Francisco-specific data from IMPLAN and the Census Bureau's Economic Census inform calculations of effective tax rates based on CCSF's updated GRT tax schedules. Revenue and estimates of effective tax rate are applied to anticipated employment at the Project to estimate GRT.

- **Table 14** estimates CCSF's business registration revenue for the baseline (office and retail spaces) and for the Project. CCSF publishes a schedule of business registration fees based on a firm's gross receipts, which the analysis applies based on the revenue and average firm size estimate for each business category.
- **Table 15** estimates commercial rents tax revenues from office and retail rents. CCSF commercial rents tax rate is 3.5 percent of annual rental revenue, and 15 percent of commercial rents tax revenue is allocated to the General Fund.
- **Table 16** documents estimated CCSF utility users' tax revenues attributable to the Project. Revenue calculations are derived on a per-service population or per-employee basis, depending on the revenue stream. For example, the analysis relies on a per-service population approach to estimate Access Line Tax revenue since both households and businesses generally pay the tax.
- **Table 17** estimates mandated baseline funding requirements applied to CCSF General Fund revenues attributable to the Project. The total mandated funding requirements include defined shares of San Francisco's aggregate discretionary revenue (ADR)- General Fund revenue net of transfers, fees, and state and federal subventions – that are earmarked for MTA and other designated City functions and programs.
- **Table 18** summarizes the CCSF General Fund expenditures by department and documents the assumptions and calculations that inform new General Fund expenses attributable to the Project. The FIA relies on categorization of the likely budgetary response to employment growth, expressed in terms of "fixed expenses" and "variable expenses" within the department budget. The variable portion of each department budget is used to estimate per-capita (service population) costs. Per-service population cost factors are multiplied by the projected increase in service population generated by the Project. The proposed Project is not expected to generate new capital and technology, overhead, debt service, and other non-departmental expenditure requirements for the General Fund.
- **Table 19** presents an overview of the MTA fiscal impact analysis. MTA revenues considered by this analysis include the required baseline transfers to MTA from the General Fund. MTA cost impacts reflect only the portion of MTA Fund expenses supported by CCSF's General Fund contributions. The analysis assumes that other MTA funding sources beyond Project contributions to the CCSF General Fund, such as State and Federal support, MTA farebox recovery, and marketing revenues, increase proportionally with the expansion of the General Fund's contribution to the MTA Fund.
- **Table 20** documents the population, employment, and service population assumptions underlying the FIA. The metrics are sourced directly from the California Department of Finance and the US Census Bureau's American

Community Survey. EPS calculated San Francisco's service population by adjusting total employment by a factor of 0.5 to reflect the relatively lower municipal service burden attributable to local workers relative to residents.

- **Table 21** estimates the one-time sales tax revenues generated by the sales of construction materials for the Project in San Francisco. The analysis assumes that 35 percent of the construction project is taxable goods, and that 50 percent of those purchases are subject to sales tax in San Francisco.
- **Table 22** estimates the one-time Gross Receipts Tax revenue from the construction operations associated with the project. The analysis follows the same methodological approach used to estimate stabilized, recurring GRT (described for **Table 12** and **Table 13**). The annual GRT estimate is aggregated to reflect total GRT generated during the 2-year construction period.

## 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:

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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.

- **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 of economy activity in San Francisco.

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 23** presents assumptions regarding development spending in San Francisco. These inputs to the EIA include a \$138 million construction budget for the Project and approximately \$5.7 million in local spending on architecture, engineering, legal, and other professional services. The analysis derives local spending on Project “soft costs” from the Project Sponsor’s development budget. Local soft costs include design, architecture, engineering, and marketing costs.
- **Table 24** presents estimated one-time economic impact attributable to development of the proposed Project. The findings reflect over \$166 million in anticipated local spending. The estimated total one-time economic impact, including direct effects and multiplier effects, is about \$206 million in San Francisco. The EIA estimates that development of the proposed Project will directly support roughly 586 job years of employment with average total estimated labor income (including benefits) of more than \$126,000 per job per year. The average number of jobs supported by Project at any given time during development will depend on the development timeline, as discussed below.
- **Table 25** presents the economic impact from construction on an annual basis by accounting for the anticipated development timeline. Given current development assumptions, the Project will take roughly two years to construct. The analysis assumes that construction is spread over two years, during which time one-time construction spending will directly support about 259 jobs.<sup>3</sup> The total impact in San Francisco includes an additional 50 jobs that result from multiplier effects in the local economy.

## Recurring Economic Impacts from Project Operations

After development, the Project will support ongoing direct employment in entertainment, hospitality, and restaurant industries. In addition, the Project’s hotel guests will spend at San Francisco retailers, restaurants, and other local establishments.

- **Table 26** presents a summary of analytical inputs informing estimation of ongoing operational economic impacts. On-site economic activity is defined by anticipated employment across the business activities contained in the Project program. Associated economic output is determined using IMPLAN data for corresponding industry sectors. In addition to on-site employment, the EIA also considers hotel

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<sup>3</sup> Project construction is assumed to occur over 2 years. A “job year” equals one job for one year. Total job years supported by construction spending divided by the anticipated time horizon for project development yields the average number of jobs supported by the project at any point during construction (518 job years ÷ 2 years of construction = 259 jobs).

guest spending in the city, which is estimated at \$150 per day per person, based on data from the San Francisco Travel Association and the Project Sponsor.

- **Table 27** 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. On-site and off-site direct employment in San Francisco is anticipated to include approximately 121 jobs in the entertainment, retail, restaurant, and hotel sectors. Including multipliers, the Project results in a total recurring economic impact of approximately 151 jobs and about \$42.6 million per year in San Francisco.<sup>4</sup>

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<sup>4</sup> This analysis considers only gross outputs from the Project. It assumes that displaced office-dependent economic activity will not leave San Francisco because of the Project, particularly given the high current office vacancy in San Francisco. If the Project were to cause all tenants of the fully-occupied building to leave San Francisco, the net economic loss is estimated at roughly \$110 million per year. Given current economic and market conditions, EPS believes that the gross economic impact of the proposed project is an appropriate measure of its economic benefit in San Francisco.

**Summary Table 1**  
**Annual Fiscal Impact at Buildout During TOT Incentive Period (2025\$)**  
**Hearst Hotel FIA & EIA; EPS #251079**

<b>Revenue / Expense Category</b>	<b>Baseline Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
<b><u>General Fund</u></b>			
Annual General Fund Revenues	\$660,000	\$995,000	\$337,000
(Less) General Fund Baseline Requirements	<u>-\$189,000</u>	<u>-\$285,000</u>	<u>-\$97,000</u>
<b>Annual General Fund Revenues After Baseline Funding</b>	<b>\$470,000</b>	<b>\$710,000</b>	<b>\$240,000</b>
(Less) Annual General Fund Expenditures	<u>-\$579,000</u>	<u>-\$106,000</u>	<u>\$473,000</u>
<b>Net Annual Impact on General Fund</b>	<b>-\$109,000</b>	<b>\$604,000</b>	<b>\$713,000</b>
<b><u>MTA Fund</u></b>			
MTA General Fund Baseline Funding	\$63,000	\$95,000	\$32,000
(Less) MTA General Fund Expenses	<u>-\$153,000</u>	<u>-\$28,000</u>	<u>\$125,000</u>
<b>Net Impact on MTA Fund</b>	<b>-\$89,000</b>	<b>\$67,000</b>	<b>\$157,000</b>
<b>Special Revenue Funds (1)</b>	<b>\$9,000</b>	<b>\$102,000</b>	<b>\$93,000</b>
<b>Other Voter-Approved Baseline Funding (2)</b>	<b>\$126,000</b>	<b>\$190,000</b>	<b>\$64,000</b>
<b>Total Fiscal Benefit Estimate</b>	<b>-\$64,000</b>	<b>\$963,000</b>	<b>\$1,028,000</b>

*Note: Totals may not sum due to rounding.*

(1) Special Revenue Fund includes the Park, Recreation, and Open Space Fund, the Children's Fund, and the Library Preservation Fund.

(2) Other Voter-Approved Baselines include CCSF funding earmarks for Children's Services, Library Preservation, Street Tree, Early Care and Education, Housing Trust Fund, Recreation and Parks, Dignity Fund, and Student Success Fund.

**Summary Table 2**  
**Annual Fiscal Impact at Buildout After TOT Incentive Period (2025\$)**  
**Hearst Hotel FIA & EIA; EPS #251079**

<b>Revenue / Expense Category</b>	<b>Baseline Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
<b><u>General Fund</u></b>			
Annual General Fund Revenues	\$660,000	\$4,058,000	\$3,398,000
(Less) General Fund Baseline Requirements	<u>-\$189,000</u>	<u>-\$1,163,000</u>	<u>-\$974,000</u>
<b>Annual General Fund Revenues After Baseline Funding</b>	<b>\$470,000</b>	<b>\$2,894,000</b>	<b>\$2,424,000</b>
(Less) Annual General Fund Expenditures	<u>-\$579,000</u>	<u>-\$106,000</u>	<u>\$473,000</u>
<b>Net Annual Impact on General Fund</b>	<b>-\$109,000</b>	<b>\$2,788,000</b>	<b>\$2,897,000</b>
<b><u>MTA Fund</u></b>			
MTA General Fund Baseline Funding	\$63,000	\$389,000	\$325,000
(Less) MTA General Fund Expenses	<u>-\$153,000</u>	<u>-\$28,000</u>	<u>\$125,000</u>
<b>Net Impact on MTA Fund</b>	<b>-\$89,000</b>	<b>\$361,000</b>	<b>\$450,000</b>
<b>Special Revenue Funds (1)</b>	<b>\$9,000</b>	<b>\$102,000</b>	<b>\$93,000</b>
<b>Other Voter-Approved Baseline Funding (2)</b>	<b>\$126,000</b>	<b>\$775,000</b>	<b>\$649,000</b>
<b>Total Fiscal Benefit Estimate</b>	<b>-\$64,000</b>	<b>\$4,026,000</b>	<b>\$4,090,000</b>

*Note: Totals may not sum due to rounding.*

(1) Special Revenue Fund includes the Park, Recreation, and Open Space Fund, the Children's Fund, and the Library Preservation Fund.

(2) Other Voter-Approved Baselines include CCSF funding earmarks for Children's Services, Library Preservation, Street Tree, Early Care and Education, Housing Trust Fund, Recreation and Parks, Dignity Fund, and Student Success Fund.

**Summary Table 3**  
**Annual Total Fiscal Impact (2025\$)**  
**Hearst Hotel FIA & EIA; EPS #251079**

<b>Revenue / Expense Category</b>	<b>TOT Incentive Period (Years 1 - 20)</b>	<b>Post TOT Incentive Period (Years 21 Onward)</b>
Net Annual Impact on General Fund	\$713,000	\$2,897,000
Net Impact on MTA	\$157,000	\$450,000
Revenue to Special Funds (1)	\$93,000	\$93,000
Other Voter-Approved Baseline Funding (2)	\$64,000	\$649,000
<b>Total Fiscal Impact</b>	<b>\$1,028,000</b>	<b>\$4,090,000</b>

*Note: Totals may not sum due to rounding.*

(1) Special Revenue Fund includes the Park, Recreation, and Open Space Fund, the Children's Fund, and the Library Preservation Fund.

(2) Other Voter-Approved Baselines include CCSF funding earmarks for Children's Services, Library Preservation, Street Tree, Early Care and Education, Housing Trust Fund, Recreation and Parks, Dignity Fund, and Student Success Fund.

**Summary Table 4**  
**Summary of Economic Impacts in San Francisco (2025\$)**  
**Hearst Hotel FIA & EIA; EPS #251079**

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**Economic Impact of Stabilized Project Operations -  
Annual Recurring Economic Impact**

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**Fully Occupied Baseline**

**Economic Output**

Direct Effect	\$32,567,000
Total Effect (w/ Multiplier)	\$42,610,000

**Employment (Full-Time and Part-Time Jobs)**

Direct Effect	121
Total Effect (w/ Multiplier)	151

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**Economic Impact from Project Development -  
One-Time Economic Impact**

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**Aggregate Estimates (Total Development Impact)**

**Economic Output**

Direct Effect	\$166,607,000
Total Effect (w/ Multiplier)	\$206,620,000

**Employment (Job Years)**

Direct Effect	586
Total Effect (w/ Multiplier)	706

**Annual Estimates During Development Period (1)**

**Economic Output**

Direct Effect	\$69,323,000
Total Effect (w/ Multiplier)	\$86,027,000

**Employment (Average Jobs)**

Direct Effect	259
Total Effect (w/ Multiplier)	309

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(1) Assumes construction occurs over 2 years (annual estimate excludes pre-development impacts).

**Table 1**  
**Program Summary**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Baseline Existing Uses (1)</b>	<b>Proposed Project (2)</b>	<b>Net New</b>
<b><u>Office</u></b>			
Office Net Square Footage	78,700	0	-78,700
Office Gross Square Footage	119,237	0	-119,237
Office Efficiency	66%		
<b><u>Hotel</u></b>			
Hotel Rooms	0	113	113
Hotel Net Square Footage	0	91,313	91,313
Hotel Gross Square Footage	0	142,070	142,070
Hotel Efficiency		64%	
<b><u>Ground Floor Retail</u></b>			
Retail Net Square Footage	13,658	11,871	-1,787
Retail Gross Square Footage	14,943	12,993	-1,950
Retail Efficiency	91%	91%	

(1) Baseline square footages from rent roll provided by project sponsor.

(2) Proposed Project hotel square footages include meeting & conference space, roof top bar, and office.

Source: JMA Ventures LLC

**Table 2**  
**Annual Fiscal Impact at Buildout Detail During Rebate Period**  
**Hearst Hotel FIA & EIA; EPS #251079**

	Baseline Existing Uses	Proposed Project	Net New
<b><u>General Fund Revenues</u></b>			
Property Tax	\$53,000	\$630,000	\$577,000
Property Tax in Lieu of VLF	\$10,000	\$120,000	\$110,000
Property Transfer Tax	\$0	\$0	\$0
Sales Tax	\$49,000	\$130,000	\$81,000
Transient Occupancy Tax (TOT) (1)	\$0	\$0	\$0
Gas Electric Steam Users Tax	\$57,000	\$10,000	-\$47,000
Telephone Users Tax Land & Mobile	\$16,000	\$3,000	-\$13,000
Water Users Tax	\$4,000	\$1,000	-\$3,000
Access Line Tax	\$13,000	\$2,000	-\$10,000
Parking Tax	\$0	\$33,000	\$33,000
Gross Receipts Tax	\$351,000	\$58,000	-\$292,000
Business Registration	\$93,000	\$7,000	-\$85,000
Commercial Rents Tax	<u>\$15,000</u>	<u>\$1,000</u>	<u>-\$14,000</u>
<b>Subtotal General Revenue</b>	<b>\$660,000</b>	<b>\$995,000</b>	<b>\$337,000</b>
(less) General Fund Baseline Requirements	<u>-\$189,000</u>	<u>-\$285,000</u>	<u>-\$97,000</u>
<b>General Fund Revenue After Requirements</b>	<b>\$470,000</b>	<b>\$710,000</b>	<b>\$240,000</b>
<b><u>General Fund Expenditures</u></b>			
Community Health	\$72,000	\$13,000	-\$58,000
Culture & Recreation	\$12,000	\$2,000	-\$10,000
General Administration & Finance	\$20,000	\$4,000	-\$16,000
General City Responsibilities	\$12,000	\$2,000	-\$10,000
Human Welfare & Neighborhood Development	\$98,000	\$18,000	-\$80,000
Police	\$172,000	\$32,000	-\$141,000
Fire	\$117,000	\$21,000	-\$95,000
Other Public Protection	\$40,000	\$7,000	-\$33,000
Public Works, Transportation & Commerce	<u>\$37,000</u>	<u>\$7,000</u>	<u>-\$31,000</u>
<b>Total General Fund Expenditures</b>	<b>\$579,000</b>	<b>\$106,000</b>	<b>-\$473,000</b>
<b>NET Annual General Revenues</b>	<b>-\$109,000</b>	<b>\$604,000</b>	<b>\$713,000</b>
<b><u>MTA Fund</u></b>			
MTA General Fund Baseline Funding	\$63,000	\$95,000	\$32,000
MTA General Fund Expenses	<u>-\$153,000</u>	<u>-\$28,000</u>	<u>\$125,000</u>
<b>Net Impact on the MTA Fund</b>	<b>-\$89,000</b>	<b>\$67,000</b>	<b>\$157,000</b>
<b>Special Revenue Funds</b>	<b>\$9,000</b>	<b>\$102,000</b>	<b>\$93,000</b>
<b>Other Voter-Approved Baseline Funding</b>	<b>\$126,000</b>	<b>\$190,000</b>	<b>\$64,000</b>
<b>Total Fiscal Benefit Estimate</b>	<b>-\$64,000</b>	<b>\$963,000</b>	<b>\$1,028,000</b>

*Note: Totals may not sum due to rounding.*

(1) As an incentive to deliver the Proposed Project, this analysis assumes that 89.3% of TOT (the amount allocated to the General Fund), up to a predetermined amount, will be reimbursed to the Project Sponsor ("Incentive Payment") for 20 years. Following that period, the City is estimated to received approximately \$3.0 million in 2025 dollars annually in TOT revenue.

**Table 3**  
**Annual Fiscal Impact at Buildout Detail After TOT Rebate Period**  
**Hearst Hotel FIA & EIA; EPS #251079**

	Existing Development	Proposed Project	Net New
<b><u>General Fund Revenues</u></b>			
Property Tax	\$53,000	\$630,000	\$577,000
Property Tax in Lieu of VLF	\$10,000	\$120,000	\$110,000
Property Transfer Tax	\$0	\$0	\$0
Sales Tax	\$49,000	\$130,000	\$81,000
Transient Occupancy Tax (TOT)	\$0	\$3,062,000	\$3,062,000
Gas Electric Steam Users Tax	\$57,000	\$10,000	-\$47,000
Telephone Users Tax Land & Mobile	\$16,000	\$3,000	-\$13,000
Water Users Tax	\$4,000	\$1,000	-\$3,000
Access Line Tax	\$13,000	\$2,000	-\$10,000
Parking Tax	\$0	\$33,000	\$33,000
Gross Receipts Tax	\$351,000	\$58,000	-\$292,000
Business Registration	\$93,000	\$7,000	-\$86,000
Commercial Rents Tax	\$15,000	\$1,000	-\$14,000
<b>Subtotal General Revenue</b>	<b>\$660,000</b>	<b>\$4,058,000</b>	<b>\$3,398,000</b>
(less) General Fund Baseline Requirements	<u>-\$189,000</u>	<u>-\$1,163,000</u>	<u>-\$974,000</u>
<b>General Fund Revenue After Requirements</b>	<b>\$470,000</b>	<b>\$2,894,000</b>	<b>\$2,424,000</b>
<b><u>General Fund Expenditures</u></b>			
Community Health	\$72,000	\$13,000	-\$58,000
Culture & Recreation	\$12,000	\$2,000	-\$10,000
General Administration & Finance	\$20,000	\$4,000	-\$16,000
General City Responsibilities	\$12,000	\$2,000	-\$10,000
Human Welfare & Neighborhood Development	\$98,000	\$18,000	-\$80,000
Police	\$172,000	\$32,000	-\$141,000
Fire	\$117,000	\$21,000	-\$95,000
Other Public Protection	\$40,000	\$7,000	-\$33,000
Public Works, Transportation & Commerce	\$37,000	\$7,000	-\$31,000
<b>Total General Fund Expenditures</b>	<b>\$579,000</b>	<b>\$106,000</b>	<b>-\$473,000</b>
<b>NET Annual General Revenues</b>	<b>-\$109,000</b>	<b>\$2,788,000</b>	<b>\$2,897,000</b>
<b><u>MTA Fund</u></b>			
MTA General Fund Baseline Funding	\$63,000	\$389,000	\$325,000
MTA General Fund Expenses	<u>-\$153,000</u>	<u>-\$28,000</u>	<u>\$125,000</u>
<b>Net Impact on the MTA Fund</b>	<b>-\$89,000</b>	<b>\$361,000</b>	<b>\$450,000</b>
<b>Special Revenue Funds</b>	<b>\$9,000</b>	<b>\$102,000</b>	<b>\$93,000</b>
<b>Other Voter-Approved Baseline Funding</b>	<b>\$126,000</b>	<b>\$775,000</b>	<b>\$649,000</b>
<b>Total Fiscal Benefit Estimate</b>	<b>-\$64,000</b>	<b>\$4,026,000</b>	<b>\$4,090,000</b>

Note: Totals may not sum due to rounding.

**Table 4**  
**Project Service Population**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Worker Density Assumptions (1)</b>		<b>Existing Development</b>	<b>Proposed Project</b>	<b>Net New</b>
Office (1)	238	SF / Employee	501.0	0	-501.0
Hotel (Incl. F&B) (2)	1,776	SF / Employee	0.0	80.0	80.0
Ground Floor Retail (2)	330	SF / Employee	45.3	20.0	-25.3
<b>Total</b>			<b>546.3</b>	<b>100.0</b>	<b>-446.3</b>
<b>Project Service Population (3)</b>	0.5	Employee Service Burden Weight	<b>273.1</b>	<b>50.0</b>	<b>-223.1</b>

(1) Project sponsor reports that most office tenants are single-person. The baseline service population is therefore likely less than the amount estimated in this analysis.

(2) Office density assumptions from 2019 Jobs Housing Nexus Report for the City of San Francisco. Hotel and retail employment estimates provided by project sponsor.

(3) Employee municipal service burden weighted at 50 percent of resident burden.

Source: JMA Ventures LLC; Jobs Housing Nexus Report for the City of San Francisco; Economic & Planning Systems, Inc.

**Table 5**  
**FY2024-25 Revenue Budget Summary and Fiscal Impact Estimating Factors**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>FY2025-26 Adopted General Fund</b>	<b>Estimating Factors Applied to Calculate City Revenue from the Project</b>
<b><u>Property Taxes</u></b>	<b>\$2,437,000,000</b>	
Property Tax in Lieu of VLF	\$381,000,000	% of Citywide Assessed Value
Other Property Taxes (1)	\$2,056,000,000	55.588206% of base property tax rate (1%)
<b><u>Other Local Taxes</u></b>	<b>\$988,170,000</b>	
Sales Tax	\$189,550,000	1.00% of estimated taxable sales
Hotel Room Tax	\$265,190,000	13% tax rate (GF portion of 14% rate)
Parking Tax	\$88,800,000	5% tax rate (GF portion of 25% rate)
Property Transfer Tax	\$267,550,000	tax rate schedule
Gas Electric Steam Users Tax	\$68,260,000	\$104.54 per employee
Telephone Users Tax	\$43,120,000	\$28.84 per resident/employee
Water Users Tax	\$4,990,000	\$7.64 per employee
Access Line Tax	\$54,480,000	\$46.62 per service population
Other Local Taxes	\$6,230,000	<i>not estimated</i>
<b><u>Business Taxes</u></b>	<b>\$1,153,600,000</b>	
Gross Receipts Tax	\$1,100,600,000	tax rate schedule
Business Registration Fees	\$53,000,000	tax rate schedule
<b><u>Other Revenues</u></b>	<b>\$2,918,318,454</b>	
Rents & Concessions	\$18,501,901	<i>not estimated</i>
Fines, Forfeiture, & Penalties	\$6,037,823	<i>not estimated</i>
Interest & Investment Income	\$151,881,895	<i>not estimated</i>
Licenses, Permits, & Franchises	\$23,126,250	<i>not estimated</i>
Intergovernmental	\$1,372,884,661	<i>not estimated</i>
Charges for Services	\$405,243,352	<i>not estimated</i>
Other Revenues	\$18,908,890	<i>not estimated</i>
Transfers In	\$734,577,719	<i>not estimated</i>
Prior Year	\$187,155,963	<i>not estimated</i>
<b>Total Revenues</b>	<b>\$7,497,088,454</b>	

(1) Other Property Taxes includes Excess ERAF, which is determined by a separate formula.

Sources: City and County San Francisco Budget and Appropriation Ordinance 2025/2026; Economic & Planning Systems, Inc.

**Table 6**  
**Project Assessed Value**  
**Hearst Hotel FIA & EIA; EPS #251079**

<b>Program Assumptions</b>		<b>Assessed Value Factor</b>	<b>Total AV at Buildout (1)(2)</b>
Hotel	113 Rooms	\$802,218 per Room	\$90,650,578
Retail	12,993 Square Feet	\$1,744 per Sq.Ft.	<u>\$22,662,644</u>
			<b>\$113,313,222</b>
<b>Total Project Assessed Valuation</b>			<b>\$113,313,222</b>
<b>(Less) Existing Assessed Value</b>			<b><u>\$9,521,115</u></b>
<b>Total Net New Assessed Value</b>			<b>\$103,792,107</b>

(1) Existing and proposed assessed values provided to EPS by JMA Ventures LLC. Proposed project assessed value is estimate from first stabilized year (2031) de-inflated to 2025\$ at a rate of 2.5% inflation and includes \$30M base building improvement deduction.

(2) Assumes 80% of assessed value is allocated to hotel and 20% is allocated to retail.

Sources: JMA Ventures LLC; Economic & Planning Systems, Inc.

**Table 7**  
**Property Tax Estimate**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Assumption / Factor</b>		<b>Baseline Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
<b>Total Assessed Value</b>			<b>\$9,521,115</b>	<b>\$113,313,222</b>	<b>\$103,792,107</b>
Property Tax	1.0%	Base Property Tax Rate	\$95,211	\$1,133,132	\$1,037,921
<b>General Fund Revenue</b>	<b>55.588206%</b>	Allocation to General Fund	<b>\$52,926</b>	<b>\$629,888</b>	<b>\$576,962</b>
<b>Special Revenue Fund (1)</b>	<b>9.000000%</b>	Allocation to Special Revenue Fund	<b>\$8,569</b>	<b>\$101,982</b>	<b>\$93,413</b>

(1) Special Revenue Fund includes allocations of 0.025 to the Park, Recreation, and Open Space Fund, 0.04 to the Children's Fund, and 0.025 to the Library Preservation Fund as required under Sections 16.107, 16.108, and 16.109 respectively of the San Francisco Charter.

Sources: City and County San Francisco Budget and Appropriation Ordinance 2025/2026; Economic & Planning Systems, Inc.

**Table 8**  
**Property Tax In Lieu of VLF Estimate**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Baseline Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
Existing Citywide Property Tax in Lieu of Vehicle License Fee (VLF) (1)	\$381,000,000	\$381,000,000	\$381,000,000
Citywide Assessed Value (2)	\$358,424,092,463	\$358,424,092,463	\$358,424,092,463
Assessed Value	\$9,521,115	\$113,313,222	\$103,792,107
Assessed Value Change (3)	0.003%	0.032%	0.029%
<b>Property Tax In Lieu of VLF Revenue (4)</b>	<b>\$10,121</b>	<b>\$120,450</b>	<b>\$110,330</b>
<i>VLF Per \$1B AV</i>	<i>\$1,062,987</i>	<i>\$1,062,987</i>	<i>\$1,062,987</i>

(1) FY 2025-26 Citywide VLF recovered per Controller's Office Property Tax Manager.

(2) FY2025-26 net total assessed value for VLF per Controller's Office Property Tax Manager.

(3) Calculated by dividing assessed value by citywide assessed value.

(4) Calculated by multiplying existing property tax in lieu of VLF by percentage increase in net assessed value.

Sources: City and County San Francisco Budget and Appropriation Ordinance 2025/2026; Project Sponsor; Economic & Planning Systems, Inc.

**Table 9**  
**Annual Sales Tax Revenue Estimate**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Assumptions / Factor</b>	<b>Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
<b><u>Office Worker Spending</u></b>				
Average Daily Employee Taxable Spending (1)	\$39.86 per Work Day			
Annual Employee Taxable Spending (2)	\$192 Work Days per Year	\$8,000	\$0	-\$8,000
Total Employee Annual Spending	501 Employees	\$4,010,000	\$0	-\$4,010,000
<b>Taxable Office Worker Sales in San Francisco (3)</b>	75% City Capture	<b>\$3,007,500</b>	<b>\$0</b>	<b>-\$3,007,500</b>
<b><u>Hotel Guest Spending</u></b>				
Number of Rooms	113 Rooms			
Total Room Nights	66% Occupancy	0	27,222	27,222
Total Taxable Spending (4)	\$225 per day	\$0	\$6,120,000	\$6,120,000
<b>Taxable Retail Sales in San Francisco (3)</b>	75% City Capture	<b>\$0</b>	<b>\$4,590,000</b>	<b>\$4,590,000</b>
<b><u>On-Site Taxable Sales</u></b>				
Food and Beverage Sales (5)	100% Taxable	\$2,322,000	\$11,930,000	\$9,608,000
Sales Net of Redistributed Sales (6)	80% of Gross Sales	\$1,857,600	\$9,544,000	\$7,686,400
(Less) On-Site Sales by Hotel Guests (7)	25% of Guest Spending	\$0	-\$1,147,500	-\$1,147,500
<b>Net New On-Site Taxable Retail Sales in SF</b>		<b>\$1,857,600</b>	<b>\$8,396,500</b>	<b>\$6,538,900</b>
<b>Net New Taxable Retail Sales</b>		<b>\$4,865,100</b>	<b>\$12,986,500</b>	<b>\$8,121,400</b>
<b>Total Sales Tax Revenue</b>	1.0% of taxable sales	<b>\$48,651</b>	<b>\$129,865</b>	<b>\$81,214</b>

(1) Per-day spending from ICSC survey data

(2) Assumes four days per work week for 48 work weeks each year.

(3) Assumes 75% of employee and visitor retail spending is captured in San Francisco.

(4) Hotel guest spending derives from SF Travel Data. Assumes \$150 per guest and 1.5 persons per room.

(5) Projected hotel restaurant food and beverage sales provided by Project Sponsor plus estimated leased retail sales. Food and beverage sales estimate is from first stabilized year (2031) and de-inflated to 2025\$ at a rate of 2.5% per year.

(6) Assumes 20% of retail sales are redistributed from existing retailers.

(7) Assumes that 25% of hotel guest spending occurs at on-site retailers/restaurants, which is deducted from on-site sales to avoid double counting.

Sources: State Board of Equalization; IMPLAN; US Bureau of Labor Statistics; JMA Ventures LLC; Economic & Planning Systems, Inc.

**Table 10**  
**Transient Occupancy Tax Revenue Estimate with TOT Rebate**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Assumptions / Factor</b>	<b>Proposed Project</b>
Hotel Rooms		113
Average Daily Room Charge (1)	\$900	
Average Occupancy (1)	66%	
Average Annual Revenue		\$24,499,530
<b>Total TOT Revenue</b>	<b>14.0%</b>	<b>\$3,429,934</b>
TOT to Arts & Culture (2)	1.50%	\$367,493
TOT Allocated to General Fund	12.5%	\$3,062,441
TOT Rebate Payments (3)	100.00%	\$3,062,441
<b>TOT Revenue to General Fund</b>		<b>\$0</b>

(1) ADR and stabilized occupancy assumptions provided by Project Sponsor.

(2) 1.5% of the 14% TOT rate is dedicated to the arts.

(3) As an incentive to deliver the Proposed Project, this analysis assumes that 89.3% of TOT (the amount allocated to the General Fund), up to a predetermined amount, will be reimbursed to the Project Sponsor ("Incentive Payment") for 20 years. Following that period, the City is estimated to received approximately \$3.0 million in 2025 dollars annually in TOT revenue.

**Table 11**  
**Parking Tax Revenue Estimate**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Assumptions / Factor (1)</b>	<b>Baseline Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
Valet Parking	90 total spaces	0	90	90
Occupied Valet Parking	20% average occupancy	0	18	18
Monthly Parking Revenue	\$100 per space per night	\$0	\$1,800	\$1,800
Gross Annual Parking Revenue	365 nights per year	\$0	\$657,000	\$657,000
<b>Parking Tax Revenue</b>	<b>25.0% of parking revenue</b>	<b>\$0</b>	<b>\$164,250</b>	<b>\$164,250</b>
Total Parking Tax Revenue to MTA	80.0% of tax proceeds	\$0	\$131,400	\$131,400
<b>Total Parking Tax Revenue to General Fund</b>	<b>20.0% of tax proceeds</b>	<b>\$0</b>	<b>\$32,850</b>	<b>\$32,850</b>

Source: JMA Ventures LLC

**Table 12**  
**Gross Receipts Tax Revenue Estimate**  
**Hearst Hotel FIA & EIA; EPS #251079**

Industry	Number of Businesses Reaching \$5M GRT	San Francisco Sales	Effective Tax Rate (1)	Gross Receipts Tax Revenue
<u>Proposed Project</u>				
Hotel (2)	1	\$24,515,000	0.200%	\$49,115
Retail	1	\$5,931,000	0.154%	\$9,126
<b>Total GRT Revenue</b>				<b>\$58,241</b>
<u>Existing</u>				
Office	5	\$5,386,500	1.268%	\$341,488
Retail	1	\$5,931,000	0.154%	\$9,126
<b>Total GRT Revenue</b>				<b>\$350,613</b>
<b>Net New GRT Revenue</b>				<b>-\$292,372</b>

(1) See **Table 13** for detailed tax rate breakdown.

(2) Analysis assumes a single hotel entity will operate at site.

**Table 13**  
**Gross Receipts Tax Revenue Detail for Proposed Project**  
**Hearst Hotel FIA & EIA; EPS #251079**

	Baseline			Proposed Project		
	Office (1)(2)	Hotel	Retail	Office	Hotel (3)	Retail (4)
Number of Businesses Reaching \$5M GRT	5	<i>n/a</i>	1	<i>n/a</i>	1	1
Average Business GSF	4,940		6,600		148,463	6,600
Average Employees/Business	20.8		20		80.0	20
Sales/Employee	\$346,000		\$297,000		\$306,000	\$297,000
Sales/Business (5)	\$7,182,000		\$5,931,000		\$24,515,000	\$5,931,000
Sales in San Francisco	75%		100%		100%	100%
San Francisco Sales	\$5,386,500	<i>n/a</i>	\$5,931,000	<i>n/a</i>	\$24,515,000	\$5,931,000

Gross Receipts Tax Rates and Tax Revenue Per Firm

Tax Rate Tiers By Business Activity	Category 5	Category 2	Category 1	Category 5	Category 2	Category 1
<b>\$0M - \$1.0M</b>						
Tax Rate	1.00%	0.19%	0.100%	0.19%	0.19%	0.100%
Tax Revenue	\$10,000	<i>n/a</i>	\$1,000	<i>n/a</i>	\$1,850	\$1,000
<b>\$1.0M - \$2.5M</b>						
Tax Rate	1.00%	0.20%	0.130%	0.20%	0.20%	0.130%
Tax Revenue	\$15,000	<i>n/a</i>	\$1,950	<i>n/a</i>	\$3,015	\$1,950
<b>\$2.5M - \$25M</b>						
Tax Rate	1.50%	0.20%	0.180%	0.20%	0.20%	0.180%
Tax Revenue	\$43,298	<i>n/a</i>	\$6,176	<i>n/a</i>	\$44,250	\$6,176
<b>\$25M - \$50M</b>						
Tax Rate	1.18%	0.33%	0.336%	0.33%	0.33%	0.336%
Tax Revenue	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<b>\$50M - \$75M</b>						
Tax Rate	1.34%	0.58%	0.336%	0.58%	0.58%	0.336%
Tax Revenue	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Effective Tax Rate Per Firm	1.268%	<i>n/a</i>	0.154%	<i>n/a</i>	0.200%	0.154%
Gross Receipts Tax Revenue Per Firm	\$68,298	\$0	\$9,126	\$0	\$49,115	\$9,126

(1) According to the building's rent roll, office spaces on average are not large enough to imply \$5M gross receipts. Only five office spaces have square footage large enough to assume it reaches \$5M gross receipts, one of which is currently tenanted.

(2) Office output per employee estimate from IMPLAN and assumes "Professional Services" industry.

(3) Analysis assumes a single hotel entity will operate hotel and restaurant.

(4) Proposed project retail includes Local Edition only. Restaurant and lounge/bar operated by hotel.

Sources: City of San Francisco Gross Receipts Tax 2025 & 2026 Rates; IMPLAN; Economic & Planning Systems, Inc.

**Table 14**  
**Business Registration Revenue Estimate**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Baseline</b>		<b>Proposed Project</b>		<b>Net New</b>
	<b>Office</b>	<b>Retail</b>	<b>Hotel (1)</b>	<b>Retail (2)</b>	
Number of Businesses	76	6	1	1	
Average Business GSF	1,569	2,491	148,463	6,600	
Average Employees/Business	6.6	7.5	80	20	
Sales/Employee	\$346,000	\$308,000	\$306,000	\$297,000	
Sales/Business (3)	\$2,281,000	\$2,322,000	\$24,515,000	\$5,931,000	
Business Registration Fee per Business	\$1,131	\$1,131	\$6,500	\$800	
<b>Total Business Registration Revenue</b>	<b>\$85,931</b>	<b>\$6,784</b>	<b>\$6,500</b>	<b>\$800</b>	<b>-\$85,415</b>

(1) Analysis assumes a single hotel entity will operate hotel and restaurant.

(2) Proposed project retail includes Local Edition only. Restaurant and lounge/bar operated by hotel.

(3) Retail sales assume \$1,020 per Rentable Square Foot per Year for both ground floor and Local Edition.

Sources: City of San Francisco Business Registration Fees (July 1, 2025 and ending June 30, 2026)

**Table 15**  
**Commercial Rents Tax Revenue Estimate**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Baseline Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
<u>Rentable Square Feet</u>			
Office	78,700	0	-78,700
Retail	13,658	5,618	-8,040
<u>Lease Rates (per Rentable Sq. Ft.)</u>			
Office (1)	\$26.40	<i>n/a</i>	
Retail (2)	\$54.50	\$40.00	
Total Annual Rental Revenue	\$2,822,041	\$224,720	-\$2,597,321
Commercial Rents Tax Revenue (3.5%) (3)	\$98,771	\$7,865	-\$90,906
<b>General Fund Portion of CRT (4)</b>	<b>\$14,816</b>	<b>\$1,180</b>	<b>-\$13,636</b>

(1) Average rent of current tenants on rent roll provided by project sponsor.

(2) Proposed project retail rent provided by project sponsor and includes only Local Edition. Baseline retail rent estimate from CoStar.

(3) Includes General Fund and restricted revenues.

(4) General Fund allocation of CRT is 15% (15% of 3.5% = 0.53%); the remaining 85% (85% of 3.5% = 2.98%) is restricted revenue.

Sources: CoStar; JMA Ventures LLC

**Table 16**  
**Other General Fund Revenue Estimates**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Allocation Factor</b>	<b>Baseline Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
Gas Electric Steam Users Tax	\$105 per employee	\$57,108	\$10,454	-\$46,654
Telephone Users Tax Land & Mobile	\$29 per capita (residents+employees)	\$15,756	\$2,884	-\$12,872
Water Users Tax	\$8 per employee	\$4,175	\$764	-\$3,411
Access Line Tax	\$47 per service population	<u>\$12,735</u>	<u>\$2,331</u>	<u>-\$10,404</u>
<b>Total</b>		<b>\$89,774</b>	<b>\$16,434</b>	<b>-\$73,340</b>

Sources: City and County San Francisco Budget and Appropriation Ordinance 2025/2026; Economic & Planning Systems, Inc.

**Table 17**  
**Aggregate Discretionary Revenue (ADR) and Mandated Transfers with TOT Rebate**  
**Hearst Hotel FIA & EIA; EPS #251079**

		<b>Baseline Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
<b><u>Aggregate Discretionary Revenue (ADR)</u></b>				
Property Tax		\$52,926	\$629,888	\$576,962
Property Tax In-Lieu of Vehicle License Fee		\$10,121	\$120,450	\$110,330
Property Transfer Tax		\$0	\$0	\$0
Transient Occupancy Tax Allocation to General Fund		\$0	\$0	\$0
Sales Tax		\$48,651	\$129,865	\$81,214
Parking Tax		\$0	\$32,850	\$32,850
Gross Receipts Tax		\$350,613	\$58,241	-\$292,372
Business Registration Tax		\$92,715	\$6,500	-\$85,415
Gas Electric Steam Users Tax		\$57,108	\$10,454	-\$46,654
Telephone Users Tax Land & Mobile		\$15,756	\$2,884	-\$12,872
Water Users Tax		\$4,175	\$764	-\$3,411
Access Line Tax		\$12,735	\$2,331	-\$10,404
Commercial Rents Tax		<u>\$14,816</u>	<u>\$1,180</u>	<u>-\$13,636</u>
<b>Total</b>		<b><u>\$659,616</u></b>	<b><u>\$995,408</u></b>	<b><u>\$336,592</u></b>
<b><u>General Fund Baseline Requirements</u></b>				
MTA Fund	9.5745%	\$63,155	\$95,305	\$32,227
Children's Services	8.7564%	\$57,759	\$87,162	\$29,473
Library Preservation	2.2858%	\$15,077	\$22,753	\$7,694
Street Tree	0.5097%	\$3,362	\$5,074	\$1,716
Early Care and Education Baseline	2.0800%	\$13,720	\$20,704	\$7,001
Housing Trust Fund	1.0933%	\$7,212	\$10,883	\$3,680
Recreation and Parks	1.8258%	\$12,043	\$18,174	\$6,145
Dignity Fund	1.3244%	\$8,736	\$13,183	\$4,458
Student Success Fund	<u>1.2210%</u>	<u>\$8,054</u>	<u>\$12,154</u>	<u>\$4,110</u>
<b>Total Baseline Allocations</b>	<b><u>28.6709%</u></b>	<b><u>\$189,118</u></b>	<b><u>\$285,392</u></b>	<b><u>\$96,504</u></b>

Sources: CCSF Controller's Office; Economic & Planning Systems, Inc.

**Table 18**  
**FY2025-26 Expenditure Budget Summary and Service Cost Estimating Factors**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Allocated General Fund Expenses (FY2025-26)</b>	<b>Percent Variable (1)</b>	<b>Per Capita General Fund Expense (2)</b>	<b>Baseline Existing Uses</b>	<b>Proposed Project</b>	<b>Net New</b>
<i>Service Population</i>				273.14	50	-223
Community Health	\$1,223,759,000	25%	\$262	\$71,513	\$13,091	(\$58,422)
Culture & Recreation	\$204,503,000	25%	\$44	\$11,951	\$2,188	(\$9,763)
General Administration & Finance	\$342,691,000	25%	\$73	\$20,026	\$3,666	(\$16,360)
General City Responsibilities	\$201,002,000	25%	\$43	\$11,746	\$2,150	(\$9,596)
Human Welfare & Neighborhood Development	\$1,670,511,000	25%	\$357	\$97,621	\$17,870	(\$79,750)
Public Protection						
Police	\$736,334,755	100%	\$630	\$172,118	\$31,508	(\$140,611)
Fire	\$499,510,852	100%	\$427	\$116,761	\$21,374	(\$95,387)
Other Public Protection	\$687,736,036	25%	\$147	\$40,190	\$7,357	(\$32,833)
Public Works, Transportation & Commerce	<u>\$177,859,000</u>	90%	\$137	<u>\$37,417</u>	<u>\$6,850</u>	<u>(\$30,568)</u>
<b>Total Expenditures</b>	<b>\$5,743,906,643</b>		<b>\$2,121</b>	<b>\$579,343</b>	<b>\$106,053</b>	<b>(\$473,289)</b>

(1) Percentage of costs that are service population-dependent, as opposed to fixed costs or costs recovered through fees or charges.

(2) Per Capita Expenses calculated for San Francisco Service Population of 1.2 million (see **Table 20**)

Sources: City and County of San Francisco Budget and Appropriations Ordinance Fiscal Year Ending June 30, 2025 and Fiscal Year Ending June 30, 2026; Economic & Planning Systems, Inc.

**Table 19**  
**MTA Fund Fiscal Impact Analysis with TOT Rebate**  
**Hearst Hotel FIA & EIA; EPS #251079**

	Baseline Existing Uses	Proposed Project	Net New
<b><u>Annual MTA Fund Revenues (1)</u></b>			
ADR Accruing to the General Fund	\$659,616	\$995,408	\$336,592
Baseline Allocation to MTA	9.57%	9.57%	9.57%
<b>Fund Revenue Attributable to Project</b>	<b>\$63,155</b>	<b>\$95,305</b>	<b>\$32,227</b>
<b><u>Annual MTA Fund Expenses (2)</u></b>			
MTA General Fund Support (3)	\$556,500,000	\$556,500,000	\$556,500,000
Variable GF Support (75%)	\$417,375,000	\$417,375,000	\$417,375,000
Service Population Citywide (4)	1,494,975	1,494,975	1,494,975
Per-Capita Variable General Fund Support	\$279	\$279	\$279
Service Population (5)	546	100	-446
<b>Annual MTA Fund Expenses</b>	<b>\$152,512</b>	<b>\$27,919</b>	<b>-\$124,593</b>
<b>Net Impact on the MTA Fund</b>	<b>-\$89,357</b>	<b>\$67,387</b>	<b>\$156,820</b>

(1) MTA revenues are estimated based on the baseline transfer of General Fund monies to MTA attributable to the Project.

(2) MTA expenses estimate the variable General Fund support to the MTA budget that is required to provide services to the Project service population.

(3) MTA 2024-25 budget presentation.

(4) MTA service population calculated as unweighted resident and worker populations combined.

(5) Net new resident and worker population.

Sources: FY 24-25 and 25-26 Operating Budget Update March 5, 2024; Economic & Planning Systems, Inc.

**Table 20**  
**San Francisco Population, Employment, and Service Population**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Amount</b>	<b>Sources</b>
Housing Units	422,007	DOF Jan 1, 2025 Estimate
Occupied Households	385,822	DOF Jan 1, 2025 Estimate
Population	842,027	DOF Jan 1, 2025 Estimate
Persons/Household	2.10	DOF Jan 1, 2025 Estimate
Employment	652,948	2023 ACS 5-Year Estimate
Service Population (1)	1,168,501	DOF 2024, ACS

(1) Daytime population is calculated by adding total residential population and half of total employment.

Sources: US Census Bureau American Community Survey (ACS); State of California Department of Finance.

**Table 21**  
**One-Time Construction Sales Tax Estimate**  
**Hearst Hotel FIA & EIA; EPS #251079**

<b>Item</b>	<b>Assumptions</b>	<b>Total</b>
Total Construction Hard Costs (1)		\$138,646,319
Labor	65% of Hard Costs	\$90,120,107
Materials	35% of Hard Costs	\$48,526,212
Point-of-Sale Assumption	50% of Materials	\$24,263,106
<b>Total Construction Sales Tax Revenue</b>	1.0% Sales Tax	<b>\$242,631</b>

(1) Includes JMA Ventures construction hard cost with contingency, construction management, and engineering inspection services.

**Table 22**  
**One Time Gross Receipts Tax Revenue from Construction**  
**Hearst Hotel FIA & EIA; EPS #251079**

	<b>Construction</b>
Annual Sales/Employee (1)	\$267,379
Employment	259
Total Annual Sales	\$69,323,000
Taxable Annual Sales (2)	\$34,661,500
<hr/>	
<u>Gross Receipts Tax Rates and Tax Revenue</u>	<i>Category 7</i>
Gross Receipts	
\$0M - \$1.0M	
Tax Rate	0.500%
Tax Revenue	\$5,000
\$1.0M - \$2.5M	
Tax Rate	0.500%
Tax Revenue	\$7,500
\$2.5M - \$25M	
Tax Rate	0.750%
Tax Revenue	\$168,750
\$25M - \$50M	
Tax Rate	0.672%
Tax Revenue	\$64,925
\$50M - \$75M	
Tax Rate	1.008%
Tax Revenue	<i>n/a</i>
Effective Tax Rate	0.710%
Annual Gross Receipts Tax Revenue Estimate	\$246,175
<b>Total Construction Gross Receipts Tax (3)</b>	<b>\$492,351</b>

Sources: City of San Francisco Gross Receipts Tax 2025 Rates

(1) Sales data derived from IMPLAN sales output for San Francisco.

(2) Analysis assumes a one half of total gross receipts generated by construction will be by smaller contractors, whose sales fall below \$5 million and are therefore exempt from GRT.

(3) Assumes 2-year construction period, provided by JMA Ventures.

**Table 23**  
**Project Development Budget EIA Inputs**  
**Hearst Hotel FIA & EIA; EPS #251079**

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<b>Spending</b>	<b>Buildout</b>
<hr/>	
<b><u>Construction Spending in San Francisco</u></b>	
Commercial Construction Spending	\$138,646,319
<b><u>Soft Cost Spending in San Francisco</u></b>	
Soft Cost Spending	\$5,718,397
Transaction Costs	\$22,241,970
<b>Total Development Spending in San Francisco</b>	<b>\$166,606,686</b>

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Source: JMA Ventures LLC, IMPLAN

**Table 24**  
**One-Time Economic Impact from Project Development - Total Impact**  
**Hearst Hotel FIA & EIA; EPS #251079**

<b>Impact</b>	<b>Job Years (1)</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Output</b>
Direct (2)	586	\$74,321,000	\$114,511,000	\$166,607,000
Indirect	55	\$8,964,000	\$14,519,000	\$21,395,000
Induced	<u>65</u>	<u>\$7,700,000</u>	<u>\$14,125,000</u>	<u>\$18,618,000</u>
<b>Total</b>	<b>706</b>	<b>\$90,985,000</b>	<b>\$143,154,000</b>	<b>\$206,620,000</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 21**.

Source: JMA Ventures LLC; IMPLAN; and Economic & Planning Systems, Inc.

**Table 25**  
**One-Time Economic Impact from Project Construction - Annual Impact**  
**Hearst Hotel FIA & EIA; EPS #251079**

<b>Impact (1)</b>	<b>Jobs (2)</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Output</b>
Direct (3)	259	\$29,994,000	\$44,979,000	\$69,323,000
Indirect	23	\$3,740,000	\$6,022,000	\$9,010,000
Induced	<u>27</u>	<u>\$3,182,000</u>	<u>\$5,837,000</u>	<u>\$7,693,000</u>
<b>Total</b>	<b>309</b>	<b>\$36,917,000</b>	<b>\$56,838,000</b>	<b>\$86,027,000</b>

(1) Assumes a 2-year construction period.

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

(3) Direct output based on construction costs shown in **Table 23** (Annual construction impact estimate shown excludes soft costs).

Source: JMA Ventures LLC; IMPLAN; and Economic & Planning Systems, Inc.

**Table 26**  
**Project Operations Direct Economic Impacts**  
**Hearst Hotel FIA & EIA; EPS #251079**

<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>
Hotel Including Food & Beverage	80
Ground Floor Retail (Leased)	<u>20</u>
Subtotal	100
	<b><u>Annual Economic Output (Millions 2025\$)</u></b>
Hotel Including Food & Beverage	\$24.5
Ground Floor Retail (Leased)	<u>\$4.3</u>
Subtotal	\$28.8
<b><u>Economic Activity from Additional Visitor Spending</u></b>	
Entertainment Output	\$1.6
Retail Output (1)	\$1.0
Restaurant Output	<u>\$1.1</u>
Subtotal (2)	\$3.8
<b>Ongoing Direct Economic Output</b>	<b>\$32.6</b>

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

(2) Reflects adjustments accounting for sales redistribution and to avoid double counting of visitor spending included in on-site sales estimates.

Source: JMA Ventures LLC; IMPLAN; and Economic & Planning Systems, Inc.

**Table 27**  
**Recurring Annual Economic Impact from Stabilized Operations - Proposed Project**  
**Hearst Hotel FIA & EIA; EPS #251079**

<b>Impact</b>	<b>Jobs</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Output</b>
Direct (1)	121	\$14,667,000	\$25,897,000	\$32,567,000
Indirect	16	\$2,592,000	\$4,421,000	\$6,096,000
Induced	<u>14</u>	<u>\$1,679,000</u>	<u>\$2,937,000</u>	<u>\$3,947,000</u>
<b>Total</b>	<b>151</b>	<b>\$18,937,000</b>	<b>\$33,255,000</b>	<b>\$42,610,000</b>

(1) Direct jobs based on employment, spending, and direct output presented in **Table 26**, includes offsite jobs generated from visitor spending.

(2) Only gross outputs from proposed development showed. This analysis assumes that displaced office-dependent economic activity will not leave San Francisco because of the project, particularly given the high current office vacancy in San Francisco. If the proposed project were to cause all tenants of the fully-occupied building to leave San Francisco, the net economic loss is estimated at roughly \$110 million per year. Given Current economic and market conditions, EPS believes that the gross economic impact of the proposed project is an appropriate measure of its economic benefit in San Francisco.

Source: JMA Ventures LLC; IMPLAN; and Economic & Planning Systems, Inc.