



MEMORANDUM

TO: Board of Supervisors
FROM: Wells Lawson
CC: Michael Cohen, Tiffany Bohee
DATE: April 25, 2010
RE: Fiscal and Economic Impact Analysis for Candlestick Point/Hunters Point Shipyard

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 JUL -9 PM 8:58
BY _____

Attached please find the Fiscal and Economic Impact Analysis of The Candlestick Point/Hunters Point Shipyard Development Project ("Project"). Together, these sites comprise over 700 acres of waterfront land in southeastern San Francisco. Over the expected 15-20 year phased build out, the Project will include up to 10,500 residential units, about 32% of which (3,345) will be offered at below market rates, (ii) approximately 336 acres of new and improved public parks, recreational fields, open spaces and waterfront trails and plazas, (iii) 935,000 square feet of regional and neighborhood-serving retail space (iv) 255,000 square feet of new and renovated replacement space for the Shipyard artists, including an arts education center within a new "Arts District" supporting the vibrant artist community, (v) 2,650,000 square feet of commercial, light industrial, research and development and office space, including a new United Nations Global Compact Global Warming and Technology Center; (vi) new public and community facilities on the Shipyard and Candlestick Point including a new fire station on the Shipyard and space for an expanded police station or school site on Candlestick Point; and (vii) improved land and supporting infrastructure for a new football stadium for the San Francisco 49ers, including necessary parking areas and transportation improvements. If the 49ers do not avail themselves of the opportunity to build a new stadium in the Project, the Project includes a non-stadium alternative which expands both commercial and residential uses on some of the areas of the Shipyard currently reserved for stadium uses and slightly reduces densities on Candlestick Point. A map of the proposed land uses and development program is also attached.

On June 3, 2010, the San Francisco Planning Commission and the Agency Commission certified the Project's Final Environmental Impact Report, approved the

In July of this year, we intend to bring a variety of actions and associated ordinances to the Board in order to enable the implementation of the plans for revitalization of the Project area including adoption of amendments to the Hunters Point Shipyard and Bayview Hunters Point redevelopment plans. The Fiscal and Economic Analysis is provided to help the City evaluate the economic benefits associated with implementation of the project in relationship to City costs associated with

providing necessary public services for the Project. Use of tax increment, community facilities district bond proceeds, and developer reimbursements will be governed by a separate Financing Plan to be attached to the Project's Disposition and Development Agreement.

The revitalization of the Shipyard and Candlestick Point has become a longstanding priority for the City. Planning for the area has been ongoing for more than twenty years in a variety of forms to ensure that the communities adjacent to these sites benefit from development and that public and private investment in the area stabilizes surrounding neighborhoods and supports economic development in Southeast San Francisco as well as the City. Both the 2007 Conceptual Framework endorsed by the Board, the Mayor and the Redevelopment Commission, and the "Bayview Jobs, Parks and Housing Initiative" (Proposition G), which was approved by San Francisco voters in 2008, required that the integrated redevelopment of the Hunters Point Shipyard and Candlestick Point proceed without risk to the City's General Fund. Since this time, OEWD has worked with various City departments and agencies to ensure that the Project would generate sufficient fiscal benefits to enable each department and agency to maintain or improve the level of services and resources provided to existing and future residents. Some departments and agencies needs were straightforward; others, such as SFMTA, required an exceptionally detailed analysis to ensure that City would have adequate resources to meet its new obligations.

The attached analysis summarizes this research and determines that net new revenues to the City from the Project significantly exceed new costs to the City because of the Project. The analysis also identified the following key economic benefits stemming from the Project at full build out:

- More than \$7 billion in net new property value.
- 10,700 permanent jobs.
- On an annual basis the overall net fiscal impact across all providers is significantly positive, with the surplus growing from \$2.1 million at the end of 2015, to \$14.3 million at the end of 2020, and to \$22.7 million at the end of 2030.
- Net fiscal impact at stabilization continues to be positive across all agencies, departments and service providers:
 - an annual surplus of \$21 million to the General Fund
 - an annual surplus of \$2.1 million to Other City Funds
 - \$26 million in total school impact fees at buildout.
- Approximately \$7.2 million in sales tax revenue to the General Fund, in part representing a recapture of San Francisco resident retail expenditures currently lost to San Mateo County.
- Increased economic activity directly generated by the Project will result in an estimated \$2 billion annually in new revenue to San Francisco businesses.

In total, the analysis finds that the City's new revenues are between 1.5 to 3 times its new costs throughout buildout of the Project. If you have questions or would like any additional background materials on the Project, please do not hesitate to contact me at 554-7613 or wells.lawson@sfgov.org.

The Economics of Land Use



Report

FISCAL AND ECONOMIC IMPACT ANALYSIS OF THE CANDLESTICK POINT-HUNTERS POINT SHIPYARD PHASE II DEVELOPMENT PROJECT

Prepared for:

Lennar Communities

On Behalf of the City and County of San Francisco

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1. EXECUTIVE SUMMARY

Lennar Communities ("Developer"), in partnership with the City of San Francisco, has been planning the redevelopment of the Candlestick Point site and the adjacent former Hunters Point Naval Shipyard. One of the primary issues is the provision of public services to residents, employees, and visitors to the waterfront. In addition to assuring adequate services, it is important to create a safe and well-maintained community and thereby help generate the value necessary to fund essential infrastructure and public facilities.

An important objective for the Candlestick Point-Hunters Point Shipyard Phase II development (CP-HPS II, the "Project") is to fund ongoing public services without adversely affecting the City's fiscal outlook. This analysis provides a basis for evaluating the potential level, timing and costs of City services necessary to support the future neighborhood compared to increased revenues.

This analysis considers ongoing annual revenues and costs (in 2010 constant dollars, except where noted) based on service impacts described in the Project Environmental Impact Report (EIR),¹ data from the Adopted FY2009-10 San Francisco Consolidated Budget and Annual Appropriation Ordinance, and input from City departments. **Appendix A** includes documentation of the estimates and calculations that generate the fiscal estimates. The estimates in this analysis will change as a result of actual rates of development and sales, program refinement and specific timing of public facilities, actual service demands relative to City services, future local and State budget and fiscal conditions, and other cyclical economic factors. Structural changes to the City budget are likely in the near future as the City grapples with revenue reductions and cost increases related to health and pension costs; those changes will affect the cost and revenue factors in this report.

Fiscal Impacts

1. Through Project buildout, City revenues are projected to exceed annual operating costs to serve the Project.

Table 1 summarizes Project impacts through buildout, indicating that revenues exceed costs in each year, after public service costs including Muni operations and capital have been funded. Remaining net revenues could pay for additional services and facilities to the Project or unanticipated costs, as well as improvements to other services and programs Citywide. At buildout, annual revenues exceed costs by approximately \$21 million.

2. Project revenues will contribute to the funding of other Citywide programs.

In addition to the net revenues accruing to the General Fund, other CCSF funds will receive property taxes as shown in **Table 1**. These funds include the Children's Fund, Library Fund and Open Space Fund. Together, these funds receive about 10 percent of property tax increment pass-throughs. At buildout, this pass-through amount totals approximately \$2.1 million annually and would increase over time, particularly as redevelopment debt is paid down and additional tax increment becomes available.

¹ Candlestick Point-Hunters Point Shipyard Phase II Development Plan EIR (Draft EIR, November 2009).

Table 1
Net New Fiscal Impacts (2010\$)
CP-HPS II Development Project

Item	Fiscal Year												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
REVENUES													
GF Property Tax Redev. Pass Through	\$0	\$0	\$0	\$3,819	\$10,499	\$183,333	\$465,011	\$1,418,864	\$2,390,972	\$3,094,301	\$4,019,323	\$4,855,646	
Property Tax in Lieu of Vehicle License Fees	\$0	\$0	\$0	\$0	\$5,703	\$9,976	\$263,789	\$430,593	\$1,688,140	\$1,882,204	\$2,736,395	\$3,263,503	
Property Transfer Tax	\$0	\$0	\$0	\$163,078	\$130,863	\$1,933,576	\$1,670,330	\$2,229,765	\$1,964,436	\$4,156,507	\$3,692,296	\$3,213,710	
Sales and Use Tax (1)	\$0	\$0	\$0	\$0	\$7,546	\$107,924	\$515,005	\$695,238	\$2,145,685	\$1,161,111	\$2,228,677	\$3,129,236	
Sales Tax Allocation to Public Safety	\$0	\$0	\$0	\$0	\$3,773	\$53,962	\$257,502	\$297,619	\$1,073,343	\$580,556	\$1,114,338	\$1,564,618	
Telephone Users Tax	\$0	\$0	\$0	\$0	\$185	\$62,223	\$82,739	\$141,759	\$165,622	\$267,536	\$305,906	\$424,843	
Access Line Tax	\$0	\$0	\$0	\$0	\$174	\$58,827	\$78,224	\$134,024	\$156,585	\$252,938	\$289,213	\$401,661	
Water Users Tax	\$0	\$0	\$0	\$0	\$24	\$3,041	\$3,054	\$7,496	\$7,672	\$9,806	\$10,200	\$19,821	
Gas Electric Steam Users Tax	\$0	\$0	\$0	\$0	\$386	\$49,649	\$49,859	\$122,372	\$125,245	\$160,083	\$166,522	\$323,579	
Parking Tax (GF share)	\$0	\$0	\$0	\$0	\$0	\$105,056	\$105,056	\$336,969	\$341,010	\$404,852	\$414,953	\$728,097	
Stadium Admission Tax (2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$218,400	\$218,400	\$218,400	\$218,400	\$218,400	
Payroll Tax (3)	\$0	\$81,168	\$70,488	\$190,104	\$300,485	\$987,860	\$983,394	\$3,535,950	\$3,572,195	\$3,905,841	\$3,956,986	\$5,239,943	
Business Tax	\$0	\$0	\$0	\$0	\$90	\$11,601	\$11,650	\$28,594	\$29,265	\$37,406	\$38,910	\$75,609	
Licenses, Permits, and Franchise Fees	\$0	\$0	\$0	\$0	\$0	\$35,557	\$54,411	\$76,923	\$97,692	\$176,437	\$209,030	\$249,576	
Fines, Forfeitures, and Penalties	\$0	\$0	\$0	\$0	\$0	\$5,432	\$8,313	\$11,752	\$14,925	\$26,955	\$31,934	\$38,129	
Hotel Room Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
VLF Realignment to Health and Welfare	\$0	\$0	\$0	\$0	\$0	\$64,639	\$98,913	\$139,839	\$177,594	\$320,745	\$379,995	\$453,703	
Sales Tax Realignment to Health and Welfare	\$0	\$0	\$0	\$0	\$0	\$139,123	\$212,892	\$300,977	\$382,240	\$690,346	\$817,869	\$976,513	
Subtotal	\$0	\$81,168	\$70,488	\$357,001	\$459,729	\$3,811,779	\$4,860,141	\$10,027,133	\$14,552,020	\$17,346,025	\$20,632,948	\$25,176,588	
EXPENDITURES													
Elections (4)	\$0	\$0	\$0	\$0	\$0	\$17,215	\$26,342	\$37,242	\$47,297	\$65,421	\$101,200	\$120,830	
Assessor/Recorder (5)	\$0	\$0	\$0	\$0	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	
311 (6)	\$0	\$0	\$0	\$0	\$0	\$11,580	\$17,720	\$25,052	\$31,816	\$57,462	\$68,077	\$81,282	
Police Services (7)	\$0	\$0	\$0	\$0	\$1,573	\$530,212	\$705,035	\$1,207,958	\$1,411,296	\$2,279,729	\$2,606,680	\$3,620,171	
Fire Protection (8)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
911 Emergency Response (6)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
San Francisco MTA	\$0	\$0	\$0	\$0	\$0	\$23,731	\$36,314	\$51,339	\$66,200	\$117,754	\$139,506	\$166,567	
MUNI (9)	\$0	\$5,398	\$4,687	\$23,741	\$30,321	\$236,345	\$285,340	\$617,698	\$659,103	\$1,047,666	\$1,218,330	\$1,475,087	
Other MTA Programs (9)	\$0	\$0	\$0	\$0	\$788	\$265,825	\$353,473	\$605,617	\$707,561	\$1,142,956	\$1,306,874	\$1,814,994	
Department of Public Health (10)	\$0	\$0	\$0	\$0	\$0	\$40,244	\$61,583	\$87,063	\$110,569	\$198,694	\$236,583	\$282,473	
DPW (Road Maintenance)	\$0	\$0	\$0	\$0	\$0	\$0	\$1,507	\$96,419	\$131,527	\$403,252	\$595,246	\$654,648	
Recreation and Parks (11)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$63,452	\$98,868	\$118,045	
Library (12)	\$0	\$0	\$0	\$0	\$0	\$0	\$261,823	\$261,823	\$261,823	\$261,823	\$261,823	\$186,724	
Subtotal	\$0	\$5,398	\$4,687	\$23,741	\$138,212	\$1,230,680	\$1,854,667	\$3,095,741	\$3,731,723	\$5,784,739	\$6,738,716	\$8,626,350	
NET	\$0	\$75,770	\$65,801	\$333,260	\$321,517	\$2,581,099	\$3,005,473	\$6,931,392	\$10,820,298	\$11,561,286	\$13,894,232	\$16,550,238	
Additional Revenues (Restricted, Non-Gen. Fund)													
Hotel Room Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Children's Fund (13)	\$0	\$0	\$0	\$202	\$556	\$9,709	\$24,626	\$75,139	\$126,620	\$163,866	\$212,853	\$257,143	
Library Fund (13)	\$0	\$0	\$0	\$169	\$463	\$8,091	\$20,521	\$62,616	\$105,516	\$136,555	\$177,378	\$214,286	
Open Space Fund (13)	\$0	\$0	\$0	\$169	\$463	\$8,091	\$20,521	\$62,616	\$105,516	\$136,555	\$177,378	\$214,286	
Subtotal	\$0	\$0	\$0	\$539	\$1,483	\$25,890	\$65,669	\$200,372	\$337,653	\$436,977	\$567,608	\$685,714	
Net After Other Revenues	\$0	\$75,770	\$65,801	\$333,800	\$323,000	\$2,606,990	\$3,071,142	\$7,131,764	\$11,157,950	\$11,998,262	\$14,461,840	\$17,235,951	

Note: All numbers shown in constant 2010\$.
See additional notes following the table.

Table 1
Net New Fiscal Impacts (2010\$)
CP-HPS II Development Project

Item	Fiscal Year											Buildout
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
REVENUES												
GF Property Tax Redev. Pass Through	\$5,892,004	\$6,613,706	\$7,163,485	\$8,108,540	\$8,793,248	\$9,133,390	\$9,918,532	\$10,482,946	\$10,888,594	\$11,294,241	\$11,294,241	
Property Tax In Lieu of Vehicle License Fees	\$3,987,244	\$4,811,055	\$5,064,933	\$5,632,018	\$6,476,147	\$6,654,465	\$6,984,465	\$6,984,465	\$7,826,886	\$8,432,624	\$8,432,624	
Property Transfer Tax	\$3,754,658	\$4,042,118	\$3,587,829	\$3,760,590	\$4,123,784	\$3,768,059	\$4,545,215	\$3,955,709	\$3,420,687	\$3,788,158	\$3,663,254	
Sales and Use Tax (1)	\$4,049,619	\$4,302,910	\$3,992,836	\$4,613,597	\$5,136,966	\$4,447,007	\$5,714,222	\$4,699,742	\$5,617,586	\$4,918,447	\$4,918,447	
Sales Tax Allocation to Public Safety	\$2,024,809	\$2,192,951	\$1,996,418	\$2,306,799	\$2,568,483	\$2,223,871	\$2,448,095	\$2,875,111	\$2,348,871	\$2,808,793	\$2,459,224	
Telephone Users Tax	\$554,200	\$629,522	\$716,016	\$839,649	\$896,617	\$951,806	\$1,036,546	\$1,073,439	\$1,100,296	\$1,131,180	\$1,158,475	
Access Line Tax	\$524,007	\$595,171	\$676,946	\$793,832	\$847,692	\$899,869	\$979,986	\$1,014,865	\$1,040,257	\$1,069,456	\$1,095,261	
Water Users Tax	\$28,939	\$33,998	\$36,459	\$43,851	\$45,266	\$45,266	\$45,275	\$45,275	\$45,285	\$45,285	\$45,297	
Gas Electric Stream Users Tax	\$472,424	\$555,019	\$595,199	\$715,871	\$738,969	\$738,969	\$739,118	\$739,118	\$739,284	\$739,284	\$739,469	
Parking Tax (GF share)	\$1,067,683	\$1,241,227	\$1,315,372	\$1,575,184	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	
Stadium Admission Tax (2)	\$218,400	\$218,400	\$218,400	\$218,400	\$218,400	\$218,400	\$218,400	\$218,400	\$218,400	\$218,400	\$218,400	
Payroll Tax (3)	\$6,778,926	\$7,537,135	\$7,788,937	\$8,883,045	\$9,121,738	\$9,070,474	\$9,144,476	\$9,169,040	\$9,040,288	\$8,946,304	\$8,875,390	
Business Tax	\$110,389	\$129,689	\$139,077	\$167,274	\$172,671	\$172,671	\$172,706	\$172,706	\$172,745	\$172,745	\$172,788	
Licenses, Permits, and Franchise Fees	\$303,412	\$336,484	\$388,633	\$459,567	\$501,985	\$552,950	\$631,140	\$665,209	\$689,938	\$718,458	\$743,583	
Fines, Forfeitures, and Penalties	\$46,354	\$51,406	\$60,901	\$70,210	\$76,691	\$84,477	\$96,422	\$101,627	\$105,405	\$109,762	\$113,601	
Hotel Room Tax	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	
VLF Realignment to Health and Welfare	\$551,573	\$611,694	\$724,674	\$835,446	\$912,558	\$1,005,207	\$1,147,348	\$1,209,283	\$1,264,237	\$1,306,084	\$1,351,757	
Sales Tax Realignment to Health and Welfare	\$1,187,160	\$1,316,560	\$1,559,720	\$1,798,145	\$1,964,115	\$2,163,525	\$2,469,459	\$2,602,761	\$2,689,517	\$2,811,108	\$2,909,412	
Subtotal	\$32,183,370	\$35,933,554	\$36,667,365	\$41,453,537	\$44,386,475	\$44,386,475	\$47,729,412	\$50,106,031	\$48,547,868	\$51,465,903	\$50,447,657	
EXPENDITURES												
Elections (4)	\$146,895	\$162,906	\$192,995	\$222,496	\$243,032	\$267,707	\$305,562	\$322,056	\$334,028	\$347,836	\$360,000	
Assessor/Recorder (5)	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	\$105,530	
311 (6)	\$98,815	\$109,586	\$129,826	\$149,671	\$163,486	\$180,084	\$205,549	\$216,645	\$224,698	\$233,987	\$242,169	
Police Services (7)	\$4,722,873	\$5,364,273	\$6,286,466	\$7,349,962	\$7,835,401	\$8,305,672	\$9,027,763	\$9,342,131	\$9,570,989	\$9,834,154	\$10,066,737	
Fire Protection (8)	\$0	\$0	\$9,506,617	\$7,506,617	\$7,506,617	\$7,506,617	\$7,506,617	\$7,506,617	\$7,506,617	\$7,506,617	\$7,506,617	
911 Emergency Response (6)	\$202,497	\$224,569	\$266,047	\$306,715	\$335,025	\$369,039	\$421,222	\$443,960	\$460,464	\$479,498	\$496,267	
San Francisco MTA	\$1,889,919	\$2,115,521	\$2,153,705	\$2,428,124	\$2,620,539	\$2,593,117	\$2,770,690	\$2,888,552	\$2,809,242	\$2,961,905	\$2,907,863	
MUNI (9)	\$2,367,840	\$2,689,410	\$3,086,928	\$3,587,105	\$3,830,482	\$4,066,256	\$4,425,280	\$4,585,890	\$4,700,630	\$4,832,569	\$4,949,176	
Other MTA Programs (9)	\$343,406	\$380,837	\$451,178	\$520,144	\$568,154	\$625,836	\$714,333	\$752,893	\$780,881	\$813,161	\$841,597	
Department of Public Health (10)	\$744,271	\$923,467	\$1,048,445	\$1,008,162	\$973,087	\$1,002,320	\$952,414	\$896,652	\$965,018	\$937,061	\$1,010,231	
DPW (Road Maintenance)	\$143,509	\$159,152	\$188,542	\$217,368	\$237,431	\$261,537	\$298,520	\$314,634	\$326,330	\$339,820	\$351,703	
Recreation and Parks (11)	\$186,724	\$186,724	\$186,724	\$186,724	\$186,724	\$186,724	\$186,724	\$186,724	\$186,724	\$186,724	\$186,724	
Library (12)	\$10,952,280	\$12,421,976	\$23,585,010	\$23,605,618	\$24,605,509	\$25,470,439	\$26,923,203	\$27,562,285	\$27,971,151	\$28,578,861	\$29,024,615	
Subtotal	\$21,231,090	\$23,511,578	\$13,092,356	\$17,864,919	\$20,246,256	\$18,916,036	\$20,806,208	\$22,543,747	\$20,576,717	\$22,887,042	\$21,423,042	
Additional Revenues (Restricted, Non-Gen. Fund)												
Hotel Room Tax	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	
Children's Fund (13)	\$312,026	\$350,245	\$379,360	\$429,408	\$465,668	\$483,681	\$525,260	\$555,154	\$576,632	\$598,114	\$598,114	
Library Fund (13)	\$260,021	\$291,871	\$316,133	\$357,840	\$388,057	\$403,068	\$437,717	\$462,625	\$480,527	\$498,429	\$498,429	
Open Space Fund (13)	\$280,021	\$291,871	\$316,133	\$357,840	\$388,057	\$403,068	\$437,717	\$462,625	\$480,527	\$498,429	\$498,429	
Subtotal	\$1,380,959	\$1,482,877	\$1,560,517	\$1,693,978	\$1,790,672	\$1,836,707	\$1,949,584	\$2,029,291	\$2,066,576	\$2,143,862	\$2,143,862	
Net After Other Revenues	\$22,612,049	\$24,994,456	\$14,642,873	\$19,558,896	\$22,036,928	\$20,754,743	\$22,755,793	\$24,573,038	\$22,663,293	\$25,030,904	\$23,566,904	

Note: All numbers shown in constant 2010\$.
 See additional notes following the table.

Notes to Table 1:

- (1) Net of expenditures by new residents outside of the City.
- (2) Based on an average tax revenue of \$1.50 per seat per event reported by the San Francisco Controller's Office.
- (3) It is assumed that the 49ers' payroll will be subject to the payroll tax as their headquarters are relocated from Santa Clara to San Francisco. Payroll tax includes estimated tax generated by construction employment.
- (4) Estimated cost growth is assumed in proportion to population growth.
- (5) Assumes additional staff would be added to facilitate the assessment and recording process.
- (6) Based on estimated calls and required staffing/costs.
- (7) Additional officers are added to achieve 1,665 officers/1,000 residents and employees (Citywide average) per Draft EIR; includes costs for space expansion.
- (8) Based on average citywide costs; staff and facility costs for new station assumed to be added after year 10.
- (9) MUNI cost equals General Fund revenues required to be transferred to SFMTA per City charter plus increase in CP/HPS (services net of revenues, see Table 2). Other MTA costs based on increase in population and employment relative to Citywide totals; program cost increases include Accessibility Services, Parking and Traffic, Workers Comp and Benefit Programs, Security and Customer Service.
- (10) Based on estimates of hospital admissions and emergency room visits not reimbursed from other sources.
- (11) Includes estimated recreation program costs, other maintenance costs for trails, parks, and sports fields assumed to be offset by special taxes or assessments paid by the Project.
- (12) Includes 2-3 staff, and costs for furnishings, fixtures and equipment (assumed to be amortized over 5 years).
- (13) Other funds will receive a share of property tax increment.

Sources: San Francisco Mayor's Office, Lenhar, and Economic & Planning Systems.

3. Public revenues will be sufficient to fund all costs associated with increased transit service.

While historically transit expansion has been funded with the assistance of State and Federal funds targeting transit expansion projects, the fiscal analysis conservatively assumes that revenues generated by increased economic activity in the Project area will pay for both the purchase and operation of new transit vehicles to provide enhanced transit service in Southeast San Francisco. A range of funding sources will be available to fund transportation, including General Fund allocations, "EcoPass" revenue from residents of CP-HPS II, fare box revenues from transit serving the area, and other public revenues dedicated to transit. Transit operations show annual shortfalls at buildout of about \$1.5 million annually before including allocations of General Fund discretionary revenues; transit operations are positive after General Fund allocations. As shown in **Table 2**, periodic annual shortfalls may be experienced before buildout, which will require the use of cumulative fund balances and/or allocations of General Fund revenues. If traditional funding sources are available to entirely cover the cost of capital and facilities needed, surpluses will total \$90 million greater than currently shown over the 20-year period of analysis.

4. Project-specific funding will help to fund specific services and assure a steady source of ongoing revenue during and after buildout.

A special tax or similar form of assessment on private property within the development area will assure an ongoing source of funding for the maintenance of parks and open space. In addition, the Developer will provide \$10 million toward the ongoing maintenance of the Candlestick Point State Recreation Area.

5. After Project buildout, additional property tax revenues will accrue to the City.

As tax increment debt is repaid over time, property tax revenues available to the City will grow. These revenues would be available to fund additional facilities or services to CP-HPS II if needed at a future time, or would be available to help fund Citywide services. These revenues could total an additional \$10 million to \$15 million annually following Project completion, and would be distributed to taxing entities receiving a share of property tax (primarily CCSF). The revenues would grow over time, as redevelopment debt payments decline; the amounts and growth depend on future market appreciation and economic cycles.

6. Development of the Non-Stadium Alternative will generate similar surpluses, and add 1,000 more jobs compared to the Stadium alternative.

The non-stadium option includes an additional 500,000 square feet of R&D development, resulting in additional jobs, payroll taxes, and other commercial revenues. Residential values are expected to be higher as a result of lower-density product types in certain areas of the Project. These changes are likely to result in revenues that equal or exceed concession and other revenue reductions because of the absence of the stadium, and offset slight increases in public safety costs.

Table 2
Impacts on Transportation (2010\$)
CP-HPS II Development Project

Item	Fiscal Year											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Transit Revenues												
FastPass (1)	\$0	\$0	\$0	\$0	\$0	\$404,040	\$637,560	\$913,920	\$1,170,960	\$2,053,800	\$2,455,320	\$2,966,040
Farebox Recovery	\$0	\$0	\$0	\$0	\$0	\$7,948	\$7,948	\$145,140	\$139,828	\$256,345	\$549,708	\$1,786,017
Advertising (2)	\$0	\$0	\$0	\$0	\$0	\$1,267	\$1,267	\$12,744	\$12,744	\$213,648	\$47,151	\$100,735
Prop K Sales Tax (3)	\$0	\$0	\$0	\$0	\$1,389	\$19,858	\$94,761	\$109,524	\$394,990	\$410,077	\$410,077	\$575,780
On-Street Parking (4)	\$0	\$0	\$0	\$0	\$0	\$183,943	\$183,943	\$443,209	\$450,284	\$562,065	\$579,752	\$1,128,037
Parking Tax Transfer from GF (5)	\$0	\$0	\$0	\$0	\$0	\$420,224	\$420,224	\$1,347,877	\$1,384,040	\$1,619,407	\$1,659,813	\$2,912,386
Parking Fees and Fines (6)	\$0	\$0	\$0	\$0	\$392	\$132,091	\$175,645	\$300,938	\$351,595	\$567,948	\$649,401	\$901,891
State Sales Tax (AB 1107) (7)	\$0	\$0	\$0	\$0	\$943	\$13,490	\$64,376	\$74,405	\$268,336	\$145,139	\$276,585	\$391,155
TDA Sales Tax (8)	\$0	\$0	\$0	\$0	\$1,887	\$26,981	\$128,751	\$146,809	\$536,671	\$290,278	\$557,169	\$782,309
Other (9)	\$0	\$0	\$0	\$0	\$33	\$11,240	\$14,946	\$25,608	\$29,919	\$48,329	\$55,260	\$76,745
Gas Tax (Prop. 42) (10)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$4,644	\$1,221,083	\$1,729,421	\$3,522,174	\$4,719,366	\$5,778,662	\$7,242,235	\$11,631,094
Transit Expenditures												
Operations (1),(11)	\$0	\$0	\$0	\$0	\$0	\$127,173	\$127,173	\$1,279,301	\$1,279,301	\$2,173,116	\$4,733,225	\$10,112,113
Capital Costs (1),(12)	\$0	\$0	\$0	\$0	\$0	\$16,184	\$16,184	\$366,505	\$366,505	\$678,275	\$1,938,745	\$3,114,361
Facilities (12)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,106,105	\$2,106,105
Subtotal	\$0	\$0	\$0	\$0	\$0	\$143,357	\$143,357	\$1,644,805	\$1,644,805	\$2,851,391	\$6,778,076	\$15,332,579
Net Annual Transportation Impact												
General Fund (13)	\$0	\$0	\$0	\$0	\$4,644	\$1,075,726	\$1,584,063	\$1,877,368	\$3,074,561	\$2,927,211	(\$1,535,541)	(\$3,701,485)
Net	\$0	\$5,398	\$4,687	\$23,741	\$30,321	\$236,345	\$285,340	\$617,698	\$859,103	\$1,047,666	\$1,218,330	\$1,475,087
Net	\$0	\$5,398	\$4,687	\$23,741	\$34,965	\$1,312,070	\$1,869,404	\$2,495,067	\$3,933,664	\$3,974,877	\$1,682,788	(\$2,226,398)
Cumulative	\$0	\$5,398	\$10,085	\$33,826	\$68,790	\$1,380,861	\$3,250,265	\$5,745,332	\$9,678,995	\$13,653,873	\$15,336,351	\$11,109,952

(1) Office of Economic & Workforce Development and Fehr & Peers, May 21, 2010.
 Includes revenue from FasrPass purchases to be made as part of Project's Resident TDM program.
 (1) pass per household at average price of \$70/month).
 (2) Advertising based on MTA budget \$5.7 mil. (FY08, Gail Stein, SFMTA, 5/18/10 email to W. Lawson) reduced by 50% (Fehr & Peers), per bus phased over buildout proportionate to operating expenses (adjusted by 3% total CPI change to 2010).
 (3) Prop. K Sales Tax based on projected one-half cent sales tax from project allocated 36.8% to transit system maintenance and renovation (per Prop. K authorization/expenditure plan, from MTA website 3/09). See Table A-2 for sales tax estimates.
 (4) Based on average collections per metered space (FY08 actual audited, adjusted by 3% total CPI change to 2010).
 See Table A-4 for estimates.
 (5) Assume 80% of parking tax from off-street, commercial spaces is transferred from General Fund to SFMTA.
 See Table A-4 for estimates.
 (6) Traffic Fines based on MTA FY03 (Gail Stein, SFMTA, 5/18/10 email to W. Lawson) \$92.9 million, allocated per resident and employee (adjusted by 3% total CPI change to \$70).
 (7) State sales tax (AB 1107) based on one-half cent sales tax, allocated 25% to transit (75% to BART).
 (8) TDA sales tax based on one-quarter of one cent.
 See Table A-2 for sales tax estimates.
 (9) Allocated per resident and employee; include "boot" fines, court fees, contractor low fees, abandoned vehicles, low surcharge, red light camera fines, totaling \$7.9 mill (FY08 actual, adjusted by 3% total CPI change to 2010).
 (10) No Prop. 42 revenues assumed due to State Budget reductions. \$5.95 per resident and employee.
 (11) Operating costs before farebox recapture, Fehr & Peers, April 13, 2010.
 (12) Capital costs are amortized over multiple years, Fehr & Peers, April 13, 2010.
 (13) 6.65% baseline of discretionary General Fund revenues are assumed transferred to MUNI.

Table 2
Impacts on Transportation (2010\$)
CP-HPS II Development Project

Item	Fiscal Year											Buildout	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Transit Revenues													
FastPass (1)	\$3,583,440	\$3,987,480	\$4,716,600	\$5,423,040	\$5,937,120	\$6,563,760	\$7,455,000	\$7,673,320	\$8,166,480	\$8,516,760	\$8,825,040		
Facebox Recovery	\$2,298,488	\$2,502,714	\$2,447,560	\$3,220,212	\$3,176,689	\$3,248,424	\$3,137,660	\$3,089,664	\$3,057,408	\$3,020,270	\$2,986,781		
Advertising (2)	\$124,159	\$135,234	\$135,234	\$179,465	\$179,465	\$188,361	\$188,361	\$188,361	\$188,361	\$188,361	\$188,361		
Prop K Sales Tax (3)	\$745,130	\$807,006	\$734,682	\$848,902	\$945,202	\$818,249	\$900,899	\$1,051,417	\$964,753	\$1,033,636	\$904,994		
On-Street Parking (4)	\$1,722,621	\$2,026,481	\$2,156,303	\$2,611,209	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284		
Parking Tax Transfer from GF (5)	\$4,270,730	\$4,964,908	\$5,261,489	\$6,300,735	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661		
Parking Fees and Fines (6)	\$1,176,607	\$1,336,398	\$1,520,016	\$1,782,473	\$1,903,410	\$2,020,569	\$2,200,462	\$2,278,781	\$2,335,796	\$2,401,358	\$2,459,302		
State Sales Tax (AB 1107) (7)	\$506,202	\$548,238	\$499,105	\$576,700	\$642,121	\$555,876	\$612,024	\$714,278	\$587,468	\$702,198	\$614,806		
TDA Sales Tax (8)	\$1,012,405	\$1,096,475	\$998,209	\$1,153,399	\$1,284,242	\$1,111,752	\$1,224,048	\$1,428,555	\$1,174,936	\$1,404,397	\$1,229,612		
Other (9)	\$100,122	\$113,719	\$129,344	\$151,677	\$161,968	\$171,938	\$187,245	\$193,910	\$198,761	\$204,340	\$209,271		
Gas Tax (Prop. 42) (10)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Subtotal	\$15,539,904	\$17,518,653	\$18,598,541	\$22,247,812	\$23,428,132	\$23,876,873	\$25,103,644	\$26,016,230	\$25,771,908	\$26,669,265	\$26,618,111		
Transit Expenditures													
Operations (1),(11)	\$12,463,579	\$13,575,307	\$13,575,307	\$18,015,364	\$18,015,364	\$18,908,390	\$18,908,390	\$18,908,390	\$18,908,390	\$18,908,390	\$18,908,390		
Capital Costs (1),(12)	\$3,666,255	\$3,903,257	\$5,536,091	\$7,075,387	\$7,075,387	\$7,409,979	\$7,409,979	\$7,391,794	\$7,391,794	\$7,044,474	\$7,044,474		
Facilities (12)	\$2,106,105	\$2,106,105	\$2,106,105	\$2,106,105	\$2,106,105	\$2,106,105	\$2,106,105	\$2,106,105	\$2,106,105	\$2,106,105	\$2,106,105		
Subtotal	\$18,235,939	\$19,584,670	\$21,217,503	\$27,196,857	\$27,196,857	\$28,424,474	\$28,424,474	\$28,406,289	\$28,406,289	\$28,058,969	\$28,058,969		
Net Annual Transportation Impact	(\$2,696,036)	(\$2,066,016)	(\$2,616,962)	(\$4,949,044)	(\$3,768,725)	(\$4,547,600)	(\$3,320,830)	(\$2,390,059)	(\$2,634,381)	(\$1,389,703)	(\$1,440,858)		
General Fund (13)	\$1,889,919	\$2,115,521	\$2,153,705	\$2,428,124	\$2,620,539	\$2,593,117	\$2,770,690	\$2,888,552	\$2,805,242	\$2,961,905	\$2,907,863		
Net	(\$806,117)	\$49,505	(\$463,257)	(\$2,520,920)	(\$1,148,185)	(\$1,954,483)	(\$550,140)	\$498,493	\$174,861	\$1,572,201	\$1,467,005		
Cumulative	\$10,303,845	\$10,353,350	\$9,888,093	\$7,367,174	\$6,218,988	\$4,264,505	\$3,714,365	\$4,212,859	\$4,387,720	\$5,959,921	\$7,426,926		

Economic Impacts

7. The Project will generate 10,700 annual jobs at CP-HPS II, with an estimated payroll of nearly \$800 million.

The proposed employment-generating uses within the Project will generate approximately 10,700 jobs, spanning a broad range of industries and occupations, from entry-level jobs to executive and management positions. In addition, economic activity from CP-HPS II businesses will generate “multiplier” effects on other businesses and employment, creating an additional 9,100 jobs from indirect and induced expenditures in the San Francisco economy, as summarized in **Table 3**.

8. Construction activity will result in as many as 5,582 construction jobs (“job-years”) onsite over buildout of the Project.

The on-site jobs will vary year to year depending on level of activity, ranging from 83 jobs in the early years to 617 on-site jobs at any given time during peak periods of development. Total annual payroll during peak periods is estimated to be \$44 million. Construction spending will indirectly generate an additional 1,600 jobs (“job-years”) total in San Francisco over a 20-year buildout.

9. Economic activity by CP-HPS II businesses will generate over \$2 billion annually in business revenue.

This business activity, in turn, will produce additional indirect spending by vendors to the CP-HPS II businesses estimated to be over \$1 billion annually. Induced spending by employee households as a result of direct and indirect activity will result in over \$700 million in spending.

Table 3
Summary of Economic Impacts (constant 2010\$)
CP-HPS II Development Project

Economic Impacts	Total
Development Value (1)	
Residential	\$5,006,175,000
Commercial	<u>\$2,433,056,000</u>
New Development Value	\$7,439,231,000
Infrastructure Cost	\$1,500,011,000
Business Activity (annual)	
Total Direct	\$2,198,000,000
Indirect	\$1,009,000,000
Induced	\$789,000,000
Employment	
Total Direct Jobs (2)	10,700
Employee Income (3)	\$747,020,000
Indirect Jobs	4,710
Induced Jobs	4,400
Construction Jobs (4)	
Total Direct (total over 20 years)	5,582 total
Average	279 /year
Maximum	up to 617 /year
Employee Income (5)	up to \$43,930,000 /year
Indirect Jobs (total over 20 years)	1,600 total

- (1) Based on assessed value per development pro forma. Additional value will be created by affordable units. Stadium is also estimated to add approximately \$600 million in value.
- (2) Direct jobs based on fiscal analysis. Jobs estimates have been rounded for purposes of the input/output multiplier analysis.
- (3) Assumes average wage of \$74,300 (US Census Community Survey 2007, adjusted by CPI).
- (4) Direct construction jobs based on MACTECH, 3/22/2010. Actual jobs will vary year-to-year. Totals over 20 years represent "job-years".
- (5) Assumes average wage of \$71,200 (US Census Community Survey 2007, adjusted by CPI).

2. PROJECT DESCRIPTION

The CP-HPS II Project is located in the southeastern part of the City and County of San Francisco. **Table 4** provides the summary of the development program and timing. As shown, the Project is assumed to include 10,500 housing units, including condominiums, apartments, and agency homes. About 32 percent of the new units will be affordable at below-market rates. The assessed values for public housing and agency units are excluded from property tax.

Over 3.7 million square feet of commercial uses are planned, including over 600,000 square feet of regional retail, up to 250,000 square feet of neighborhood retail, and 2.65 million square feet of office, R&D, and biotech uses and new artist studios.² The Project also includes a 220-room hotel (150,000 square feet), a 10,000-seat arena and, potentially, a new football stadium for the San Francisco 49ers at Hunters Point (see **Figure 1**). If the 49ers do not avail themselves of the opportunity to build a new stadium at Hunters Point, the Project includes a non-stadium alternative which expands both commercial and residential uses on some of the areas of the Shipyard currently reserved for stadium uses and slightly reduces densities on Candlestick Point. At Project buildout, the development is expected to accommodate approximately 24,500 new residents and 10,000 employees.

Construction on CP-HPS II is assumed to be absorbed through 2032, or nearly 20 years from when development begins. The development period will require at least four years before sales to complete the planning and entitlement process, construct initial infrastructure and site improvements, and complete the construction of vertical improvements. Actual timing will depend on a number of factors, including refinement of the program, construction staging, and economic conditions. It is likely that specific costs and revenues will vary year to year; many revenues such as sales taxes may lag slightly behind development and occupancy as a result of the timing of State collections and distributions.

The fiscal and economic analysis evaluates a slightly more conservative buildout scenario compared to the maximum entitlements, based on potentially less absorption if economic conditions recover more slowly than anticipated.

Community Facilities and Benefits

In addition to the fiscal benefits, public services and facilities analyzed in this report, the Project's Disposition and Development Agreement includes a Community Benefits Plan requiring a number of additional community benefits, including the following:

- \$8,900,000 Workforce Development Fund to match City/Agency investment in workforce training and placement programs;
- \$3,500,000 for an education scholarship fund for local residents;
- \$10,000,000 for an education improvement fund to improve or construct new educational facilities in the area;
- \$2,000,000 for community health facilities, including potentially a pediatric wellness center;

² Square footage expressed as "gross."

**Table 4
Development Schedule
CP-HPS II Development Project**

Item	Fiscal Year											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total	1	2	3	4	5	6	7	8	9	10	11	12
ANNUAL RESIDENTIAL DEVELOPMENT PROGRAM												
Market-Rate For-Sale	6,043	0	0	0	0	230	250	233	276	357	337	340
Rental	1,113	0	0	0	0	0	0	0	0	320	0	0
Market-Rate Subtotal	7,156	0	0	0	0	230	250	233	276	677	337	340
Below Market-Rate (1)	1,338	0	0	0	0	16	16	15	18	24	124	121
Rental	2,006	0	0	0	0	256	0	70	0	411	0	112
Below Market-Rate Subtotal	3,344	0	0	0	0	272	16	85	18	435	124	233
Residential Total (units)	10,500	0	0	0	0	502	266	318	293	1,112	460	573
ANNUAL COMMERCIAL DEVELOPMENT PROGRAM												
Retail (sq.ft.)	635,000	0	0	0	0	0	0	0	0	0	0	470,989
Regional Neighborhood	250,000	0	0	0	0	0	0	0	10,000	74,000	25,000	16,000
Officer/R&D/Biotech (sq.ft.)(2)	2,650,000	0	0	0	0	260,000	0	237,500	0	84,000	0	288,000
Hotel (sq.ft.)	150,000	0	0	0	0	0	0	0	0	0	0	0
Commercial Total (sq.ft.)	3,685,000	0	0	0	0	260,000	0	237,500	10,000	158,000	25,000	774,989
Football Stadium (seats)	69,000	0	0	0	0	0	0	69,000	0	0	0	0
Arena/Performance Venue (seats)	10,000	0	0	0	0	0	0	0	0	0	0	10,000
ANNUAL POPULATION AND EMPLOYMENT												
Annual New Residents	24,466	0	0	0	0	1,170	620	741	683	2,591	1,072	1,334
Cumulative New Residents	24,466	0	0	0	0	1,170	1,790	2,531	3,214	5,805	6,878	8,212
Annual New Employees	10,734	-	-	-	6	715	3	1,053	42	506	93	2,280
Cumulative New Employees	10,734	-	-	-	6	721	724	1,776	1,818	2,324	2,417	4,697
Construction Jobs (3)		76	66	178	278	494	488	357	366	376	368	206

(1) 160% (or less) of Area Median Income
(2) Fiscal and economic analysis evaluate a conservative buildout scenario slightly reduced from maximum entitlements. Includes Bldg. #813 in year 2015.
Occupancy of Bldg. #813 may occur sooner, depending on market conditions and timing of infrastructure development.
(3) MACTECH, 3/22/2010 average jobs onsite for horizontal and vertical construction.
Sources: Lennar, Economic & Planning Systems, Inc.

**Table 4
Development Schedule
CP-HPS II Development Project**

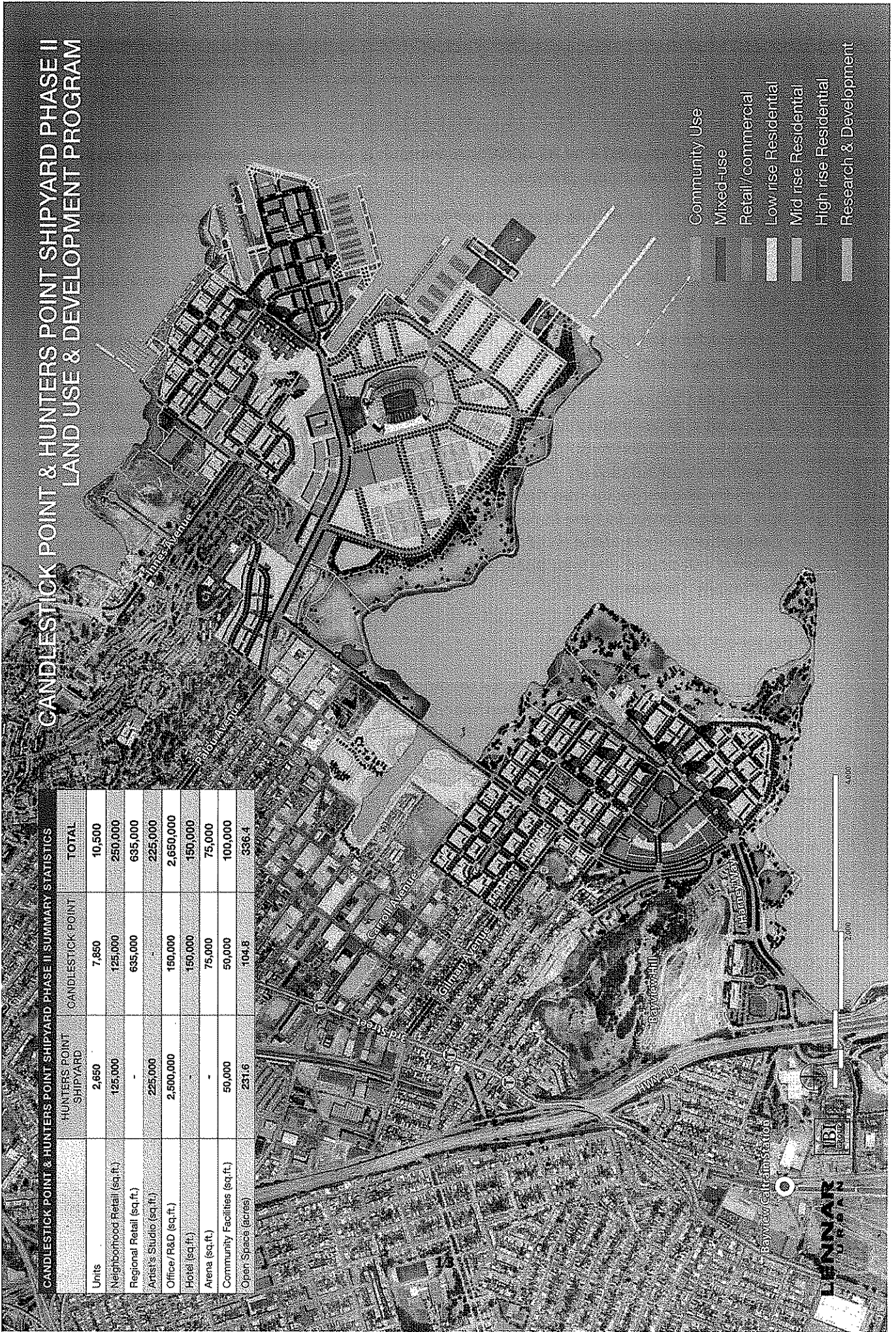
Item	Fiscal Year													Buildout	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Total	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
ANNUAL RESIDENTIAL DEVELOPMENT PROGRAM															
Market-Rate															
For-Sale	324	345	400	340	359	417	370	448	314	375	330				
Rental	177	0	148	141	0	0	327	0	0	0	0				
Market-Rate Subtotal	501	345	548	481	359	417	697	448	314	375	330				
Below Market-Rate (1)															
For-Sale	109	122	141	138	143	202	28	34	35	28	25				
Rental	151	0	189	241	97	100	379	0	0	0	0				
Below Market-Rate Subtotal	260	122	330	379	240	302	407	34	35	28	25				
Residential Total (units)	760	467	878	860	599	720	1,104	481	349	403	355				
ANNUAL COMMERCIAL DEVELOPMENT PROGRAM															
Retail (sq.ft.)															
Regional	164,010	0	0	0	0	0	0	0	0	0	0				
Neighborhood	35,000	29,500	60,500	0	0	0	0	0	0	0	0				
Office/R&D/Biotech (sq.ft.)(2)	491,421	400,000	123,000	643,000	123,079	0	0	0	0	0	0				
Hotel (sq.ft.)	150,000	0	0	0	0	0	0	0	0	0	0				
Commercial Total (sq.ft.)	840,431	429,500	183,500	643,000	123,079	0	0	0	0	0	0				
Football Stadium (seats)	69,000	0	0	0	0	0	0	0	0	0	0				
Arena/Performance Venue (seats)	10,000	0	0	0	0	0	0	0	0	0	0				
ANNUAL POPULATION AND EMPLOYMENT															
Annual New Residents	1,771	1,088	2,045	2,005	1,396	1,677	2,573	1,121	814	938	827				
Cumulative New Residents	9,983	11,071	13,116	15,121	16,517	18,193	20,766	21,887	22,701	23,639	24,466				
Annual New Employees	2,161	1,199	583	1,752	335	-	2	-	2	-	3				
Cumulative New Employees	6,858	8,057	8,640	10,391	10,727	10,727	10,729	10,729	10,731	10,731	10,734				
Construction Jobs (3)	355	348	235	212	235	187	255	278	156	68					

Figure 1

**CANDLESTICK POINT & HUNTERS POINT SHIPYARD PHASE II
LAND USE & DEVELOPMENT PROGRAM**

	HUNTERS POINT SHIPYARD	CANDLESTICK POINT	TOTAL
Units	2,650	7,850	10,500
Neighborhood Retail (sq.ft.)	125,000	125,000	250,000
Regional Retail (sq.ft.)	-	635,000	635,000
Artist's Studio (sq.ft.)	225,000	-	225,000
Office/R&D (sq.ft.)	2,500,000	180,000	2,650,000
Hotel (sq.ft.)	-	150,000	150,000
Arena (sq.ft.)	-	75,000	75,000
Community Facilities (sq.ft.)	50,000	50,000	100,000
Open Space (acres)	231.6	104.8	336.4

- Community Use
- Mixed-Use
- Retail/commercial
- Low rise Residential
- Mid rise Residential
- High rise Residential
- Research & Development



- 4.8 acres of improved land for additional community facilities as determined by a local community development process;
- 65,000 square feet of built space for additional community facilities, including an indoor African marketplace and library reading rooms;
- New and renovated space for the Shipyard's artists at affordable rates and improved land for a possible Arts Center;
- Infrastructure for the United Nations Global Compact Sustainability Center at Building 813 of the Shipyard; and
- The funding of a community benefits fund (the "Legacy Fund") through the payment of 0.5 percent of the initial sales price of all completed market rate homes—estimated to generate \$26 million over the life of the Project—as well as 50 percent of profits above the specified threshold, if any. The Community Benefits Fund will be reinvested at the discretion of the BVHP community with the Agency in the Project Site and the BVHP Area to (a) benefit low- and moderate-income families; (b) eliminate blight; and/or (c) meet other community development needs of the BVHP Area, including those related to social services, affordable housing, education, the arts, public safety, assistance for senior citizens and other community services.

Project Financing

The total horizontal development cost for the Project is approximately \$2.25 billion, including costs to develop the infrastructure, open space, shoreline improvements, transportation improvements and other community benefits. Both the "Conceptual Framework" endorsed by the Mayor, the Board of Supervisors, and the San Francisco Redevelopment Agency Commission in May 2007 and voter-approved Proposition G (the Bayview Jobs, Parks and Housing Initiative), require that Project financing should be non-recourse to the City and the Agency and should be structured to minimize adverse impacts to the General Fund. Project costs will be paid through a combination of tax-increment, community facilities district bonds and private capital from the Developer. It is estimated that the private capital contribution to the Project—in the form of equity and/or private debt—will be approximately \$700 million. Private capital will be invested first so as to create the land values necessary to support the land-secured tax-exempt financing described above. In addition, the Developer will be required to pay the Agency's and the City's costs of administering the Project Documents over the life of the Project.

3. REVENUES

This chapter summarizes key revenues that will be generated as redevelopment of CP-HPS II occurs. These revenues are shown in **Table 1**; detailed assumptions and calculations are included in **Appendix A**.

Property Tax

Property tax based on 1.0 percent of assessed value will be collected from the CP-HPS II land and improvements. Property tax may include some level of possessory interest tax (in lieu of property tax) from facilities, depending on ownership (i.e., in areas that are subject to the Public Trust and therefore continue in public ownership but leased to private interests).

The Project straddles two different Redevelopment Project Areas, the Bayview Hunters Point Project Area B (Candlestick) and the Hunters Point Shipyard Project Area. Within these Redevelopment Project Areas, the taxes collected will be distributed to the San Francisco Redevelopment Agency for redevelopment purposes. A 20 percent portion³ of the 1.0 percent gross "tax increment" collected is required by California Redevelopment Law to be passed-through to taxing entities (including the CCSF⁴), and 20 percent is required to be allocated to affordable housing purposes. The remainder is available for redevelopment purposes, namely the funding of capital improvements including payment of debt service that extends beyond the development period. After buildout, tax increment not otherwise committed to debt service or other redevelopment purposes could be available for distribution to taxing entities, including the General Fund.

The Project would result in annual revenue of more than \$11 million to the CCSF based on AB1290 pass-through allocations (after distributions to affordable housing set-asides and redevelopment purposes) at buildout (in constant 2010\$). The estimates are based on the amount of redevelopment pass-through to the General Fund after accounting for adjustments to ERAF⁵ deductions; the General Fund would receive 75.9 percent of the 20 percent pass-through of gross tax increment.⁶

Other CCSF funds receive a share of property tax growth. The Children's Fund, Library Fund and Open Space Fund receive a combined total of approximately 10 percent of tax increment pass-throughs, in addition to the funds received by the General Fund shown in **Table 1**.

³ Also referred to as 25 percent of the gross tax increment after affordable housing set-asides are deducted from the total tax increment.

⁴ City and County of San Francisco.

⁵ ERAF is the Education Revenue Augmentation Fund that receives a share of property tax and is used by the State to supplement education funding.

⁶ Source: Correspondence from Seifel Consulting Inc., per discussions with CCSF Controller's Office, 2/5/10.

Building values assumed in this analysis are based on the Project's financing plan, and assume a recovery in the real estate market followed by moderate growth. Land transactions and land value, before building construction, will also generate tax increment. A portion of land and building property tax will be received on the "supplemental" tax role for the portion of the year in which it is first assessed; the full value then appears on the tax role for the subsequent full fiscal year.

Property Tax In-Lieu of Vehicle License Fees

Changes in the State budget converted a significant portion of Motor Vehicle License Fee (VLF) subventions, previously distributed by the State based on a per-capita formula, into property tax distributions. These distributions increase over time based on assessed value. To the extent that development of CP-HPS II results in an increase in the CCSF assessed value, these revenues are projected to increase proportionately.

Property Transfer Tax

CCSF collects a property transfer tax of \$6.80 per \$1,000 of transferred value on transactions up to \$1 million, \$7.50 per \$1,000 on transactions up to \$5 million, and \$15.00 per \$1,000 on transactions over \$5 million. The analysis estimates the tax based on the assumed values and absorption of the development program for land sales and building sales. The City will receive the tax upon sale of land and newly developed units, as well as the re-sale of built space. Five percent of residential property is assumed to sell every year after the initial sale of new units; this rate represents an average, and will vary year-to-year depending on economic conditions and average length of ownership by the occupants. The rate could be higher in an active real estate market.

Of the newly developed commercial property, 20 percent on average is assumed to be sold upon construction, and the balance of the commercial property is assumed to be "built-to-suit" and owner occupied; to the extent that more taxable transactions occur, transfer tax revenues will be greater than estimated. Commercial property resales are difficult to predict, but for purposes of this analysis commercial properties are assumed to sell an average of at least once every 20 years, which is to say that 5 percent of the properties sell, on average, every year following initial occupancy. As noted above, this rate will vary depending on economic cycles, age of the property, and other economic and investment factors.

Sales Tax

Sales tax will be generated by the Project's retail stores and restaurants patronized by residents, employees and visitors. Expenditures by CP-HPS II residents spent elsewhere in San Francisco will also produce sales tax to the City. The new stadium and arena will also be a source of sales tax to the City with concession sales generated during events. The new stadium is assumed to result in the increase in sales over the existing stadium based on the addition of concession space. Although employees associated with commercial uses can produce taxable sales, no employee impact on sales tax is assumed. Taxable sales by other commercial businesses occupying office or R&D space is also not estimated; these amounts can vary significantly

depending on whether the businesses conduct taxable transactions that are reported at their San Francisco location. The sales by residents are reduced to reflect that a portion of their expenditures will occur outside of the City.

In addition to the 1.0 percent taxable sales revenue to the General Fund, voter-approved local taxes dedicated to transportation purposes are also collected and are included in the transportation analysis (see **Table 2**). The CCSF also receives revenues from the State based on sales tax, for the purpose of funding public safety-related expenditures.

One-time revenues during the construction phases of the Project will be generated by sales and use tax on construction materials and fixtures. Sales tax would be allocated directly to the City and County of San Francisco if a "sub-permit" applies,⁷ or would be aggregated into the "County Pool" which is allocated to the City and County.

Utility Taxes

The utility tax is a 7.5 percent tax on commercial utility billings. In addition, residential cell phone users pay a utility tax.⁸ The fiscal analysis estimates the revenues based on the citywide per capita average for Telephone Users Tax and the citywide per employee average for other utilities.

Access Line Tax

The City charges an "access line tax" on telephone service (excluding wireless service) to help pay for emergency communications and 911 service. The tax replaces a prior 911 charge. The revenue is discretionary.

Parking Tax

The City collects a 20 percent parking tax from commercial off-street parking charges. The Project is estimated to result in approximately 12,000 net new off-street and structured parking spaces, including about 5,600 net new spaces for the stadium. These spaces are assumed to be subject to the parking tax based on potential public parking revenues. Approximately 20 percent of the parking tax proceeds are allocated to the City's General Fund, while the remaining 80 percent are allocated to SFMTA.⁹ The revenues are phased-in proportionate to the addition of new commercial space in the area.

⁷ State Board of Equalization (SBE) procedures provide that contractors or subcontractors with contracts greater than \$5 million may obtain a "subpermit" which allocates local sales to the jobsite's jurisdiction.

⁸ See Article 10 of the CCSF Municipal Code.

⁹ San Francisco Municipal Transportation Agency (SFMTA) includes the Municipal Railway, the Division of Parking and Traffic, and the Division of Taxis and Accessible Services.

Stadium Admission Tax

Stadium Admission Tax is calculated based on a “per seat” approach applied to the increase in seat capacity associated with the new stadium. The new stadium will result in a net increase of 4,550 seats with 32 annual events, including 12 football games. Stadium admission tax proceeds are estimated at \$1.50 per seat per event based on the tax collected by San Francisco Controller's Office.

Business License/Payroll Tax

CCSF has both a business license and a payroll tax. For estimating purposes, the fiscal analysis uses a “per employee” approach based on total jobs in San Francisco; the resulting factor is multiplied by the projected jobs in CP-HPS II.¹⁰ The Citywide amount reflects some reduction for exemptions currently provided to biotech businesses; the actual tax and exemptions at CP-HPS II will depend on the number and type of exempt businesses, and future exemptions allowed by the CCSF.

This analysis also assumes that the San Francisco 49ers will move their headquarters to San Francisco once the new stadium is built. This will result in new payroll tax revenues to the City in addition to the estimates generated by the “per employee” approach.

Additional revenues will be generated by construction employment. The estimates assume an average wage of \$71,200¹¹ multiplied by the average number of on-site construction workers.¹²

Licenses, Permits, and Franchise Fees and Fines and Forfeitures

Development of CP-HPS II will result in additional revenue to the City through license, permits, and franchise fees, fines and forfeitures. These include a range of miscellaneous revenues, as well as franchises collected from utility providers. A per-capita approach is used to estimate these revenues.

Hotel Room Tax

Hotel Room Tax (also known as Transient Occupancy Tax) will be generated by the proposed hotels in the Project. The CCSF currently receives 14 percent of room charges. Slightly over half of the Hotel Room Tax proceeds are allocated to the General Fund. The remainder is allocated to Cultural Equity Endowment Fund, Culture Centers, Public Advertising, and War Memorial; the

¹⁰ Potential payroll exemptions may apply to new biotech companies, the clean energy technology sector, jobs partially located in other jurisdictions, and jobs with incomes below the threshold for the payroll tax.

¹¹ U.S. Census County Business Patterns 2007.

¹² Average number of workers on site reaches 494 per day, or a maximum of 617, per MACTECH 3/22/2010.

latter revenues are not shown in the General Fund analysis. The actual allocations will vary depending on policy decisions and budget allocations by the Board of Supervisors.

Other Revenues

The CCSF also receives various “realignment” revenues from the State intended to compensate for other reductions by the State. These revenues include Vehicle License Fee (VLF) and sales tax realignment, estimated on a per capita basis. In addition, the City will receive proceeds from development impact fees, including school fees, childcare fees, and art requirement fees. School fees are described in the next Chapter, while childcare fee and art fee estimates are shown in **Appendix A.**

4. EXPENDITURES

This chapter summarizes key public costs for services that will be required as redevelopment occurs. This analysis is based on Project-specific estimates for on-site services, for example police and fire, as well as a "per-capita" approach for certain other citywide services. Actual costs will vary by department, and will depend on future service demands, fiscal and economic conditions, and policy decisions to be made by the Board of Supervisors related to staffing and service levels.

Table 1 summarizes service costs affected by new development of CP-HPS II with additional detail provided in **Appendix A**.

Assessor

Assessment services will be required to assure that developing properties are added to the tax rolls in a timely manner. This will also help to assure that property taxes and tax increment financing are available as projected. The estimated costs assume that an approximately one Full-Time Equivalent (FTE) position will be required. The services may actually include portions of an FTE from an appraiser, principal appraiser, and mapping engineer.

Police Services

The current level of staffing may provide some capacity to handle increased calls and could be augmented as demands exceed that capacity and/or the types of calls require a greater level of backup. Based on a current San Francisco average officers per resident and employee, approximately 53 officers would be required to serve the project 24/7 at buildout, according to the CP-HPS II Draft EIR.¹³ Staffing and related costs are phased as development occurs, although actual staff and service area configurations will need to be developed based on future demands and service configurations in neighboring areas. The level and cost of future police protection will vary depending on the type and extent of future calls for service.

Expansion of service is likely to require additional equipment and facilities on approximately 6,000 square feet of land. The land will either be existing land owned and provided by the SFPD or by the Developer for community facilities. A new or expanded facility is not expected to be needed until after year 10. The cost assumes development costs for newly constructed/expanded SFPD space; to the extent that a new facility locates within a commercial building built onsite by the Developer, estimated costs could be lower than shown.

¹³ Draft EIR (pg. III.0-12).

Fire Protection

Fire protection service costs provided to CP-HPS II assume development of a new station on the site to serve areas of CP-HPS II which would otherwise exceed response time standards. The services are likely to include an engine company, truck company, and ambulance.¹⁴ The fiscal analysis utilizes an average cost per station to estimate the operating costs based on existing citywide averages. Depending on the magnitude and type of future service demands, and possible re-configuration of other existing or new stations in the City, it may be necessary to modify staff and/or facilities and equipment relative to typical City stations.

The new station is assumed to be required by about year 10 of occupancy of new development. Land for a 6,000-square foot facility at the Shipyard has been designated for this purpose. Based on existing citywide averages for new stations, this analysis assumes that a new station will cost approximately \$12 million for construction. Additional costs are included for vehicles and equipment and estimated to cost a total of \$2 million; these costs are amortized over multiple years.

Public Works

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

Maintenance costs are phased proportionate to the construction of new roads. The costs are assumed to be incurred annually beginning no earlier than about three years after road construction is initiated. This phasing allows for completion of new development sites, absorption of new units, then conveyance of streets for public use and maintenance. During construction, the developer is assumed to be responsible for maintenance of streets to address wear because of construction activity. Street sweeping will be required and is included in the cost estimates.

Recreation

Approximately 260 acres of new public parks, trails, sports fields and urban recreation areas are planned in CP-HPS II which will require maintenance and operation. In addition, the development will provide about 130 acres of State parks.

The Project will establish a Mello-Roos Community Facilities District (CFD) as a dedicated funding source to pay for the ongoing operations and maintenance of the City-owned public parks and public open space in the Project site. The CFD would have no impact to the City's General Fund as the CFD would be funded by a special tax on the private development in the district.

¹⁴ Draft EIR (III.0-20).

In addition, the Project will require the Developer to provide an annuity totaling \$10 million for ongoing maintenance of the Candlestick Point State Recreation Area in accordance with Senate Bill 792, enacted in 2009.

Currently Recreation and Parks receives approximately \$2 million in lease revenues from the Candlestick Park stadium. While the Project provides a new stadium site for the 49ers, the team is also pursuing a location in Santa Clara. If the 49ers leave San Francisco, this revenue source will be lost to the City. If instead, the 49ers accept the City's offer to relocate on the Hunters Point Shipyard, a variety of revenue sources may be available to Recreation and Parks, including parking fees, concessions sales, or, potentially, ticket surcharges.

The Project will also likely to result in a need for new recreational programs, once the recreational facilities are built; these potential costs are estimated on per capita basis.

Library

The community facilities include a reading room operated by the San Francisco Public Library (SFPL) system. It would be staffed by two to three librarians, and would include programming space as well as collections and computers with internet connections. In addition, the Project envisions the incorporation of automated book pick-up and drop-off kiosks ("bookautomatons") to be operated by the SFPL.

311

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

911

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

Public Health

Public health expenditures reflect costs related to emergency room visits and hospital stays, which are partially funded by the General Fund. The costs were estimated by the Department of Public Health (DPH) based on the likely population served (households below median income is used as a proxy), average number of visits and admissions, and average cost per visit after accounting for reimbursements.

The total population of the project at buildout is projected at 24,465 persons, of which approximately 7,331 will be households earning less than 160% of Area Median Income. Further, approximately 2,131 school-age children would live within the Project site following full build-out of the Project. Currently, Southeast Health Center serves approximately 1,000 children less than 18 years of age.

With the anticipated growth in the population of the clinic's surrounding community, there will be many more children to serve. DPH staff estimate that increased population may double the demand for pediatric services at the Southeast Health Center. The Fiscal and Economic Impact Analysis finds that there would be adequate General Fund revenue resulting from implementation of the Project to fund this service expansion, however two to three additional exam rooms may be required to support this expansion. Currently, DPH operates 4 different facilities within Southeast San Francisco. DPH staff have been working with Redevelopment Agency staff to explore consolidation of these facilities to expand the Southeast Health Center. The Project's Community Benefits Plan also requires the Developer to contribute \$2 million toward this expansion and further specifies that a portion of the \$10 million "Education Improvement Fund" may go toward in-school health facilities. Should additional resources be required to fund the facilities expansion, the Fiscal and Economic Impacts Analysis finds that General Fund revenues generated by the Project could be used to finance capital and facilities expenses through mechanisms such as certificates of participation, revenue bonds, or leases.

Elections

The community will require equipment and staffing for elections. Costs are based on estimated costs required annually to serve the projected population. The estimates are based on estimates of new residents, the percentage eligible to vote, number of required polling places, and costs including voting materials, signage, and equipment.

Transportation

Table 2 details the costs to MTA for implementing and operating the Project's Transportation Plan and traffic Mitigation Measures as identified in the Project's Draft EIR. The analysis identifies all revenue sources that will be available to Muni, with the exception of state and federal transfers. Historically, Muni's capital costs have been funded through federal, state and local sources, not through the General Fund. However, this analysis takes a very conservative approach to ensure that the City may implement the service and mitigation measures associated with the Project. At Muni's request, analysis of several revenue sources noted below utilizes FY08 figures (adjusted for inflation) to provide a more conservative estimate.

Funding sources assumed for transportation, in addition to Eco-Pass and fare revenues, include:

- Advertising Revenue—According to Muni's Fiscal Year 2009-2010 budget, Muni anticipates receiving \$13.8 million in total advertising revenue. The FY08 amount was \$5.7 million from on-vehicle advertising. Based on Muni's current fleet size of 1,200 vehicles, this translates to an average of \$2,400 per vehicle in revenue after assuming that 50 percent of the advertising revenue is a net surplus (i.e., the other 50 percent is used for operating the program, administrative costs, etc.). Since an additional 77 vehicles will be added to Muni's

fleet to operate this future service, the annual revenue expected is approximately \$200,000 which is added as services are phased in.

- **Sales Tax (Proposition K)**—The City of San Francisco has enacted a ½-cent sales tax for purposes of funding transportation projects, 36.8 percent of which is allocated to transit system maintenance and renovation. Based on the project's Fiscal Analysis Report the project is expected to generate approximately \$2.5 million annually at buildout, of which approximately \$900,000 would be dedicated to transit system maintenance and renovation.
- **On-Street Parking**—Based on MTA's FY10 amended budget, MTA expects to collect \$41.6 million annually from approximately 24,000 metered parking spaces; in FY08 the amount was \$28.3 million. This equates to an average intake of \$1,200 per parking space after adjusting the FY08 amounts for inflation. Since the project proposes 2,218 new on-street controlled parking spaces (either via meters or other revenue-generating mechanism), the increased revenue for MTA is estimated to be \$2.7 million.
- **Parking Tax**—According to the project's Fiscal Analysis Report, at buildout, the project is expected to generate approximately \$8.1 million in revenue from off-street parking taxes. Of this, \$1.6 million is dedicated to the City's General Fund and \$6.5 million is dedicated to MTA.
- **Parking Fees and Fines**—the amount to MTA is estimated based on the FY10 MTA amended budget of \$101.4 million, allocated per resident and employee. In FY08, this amount was \$92.9 million before adjusting for inflation.
- **TDA Sales Tax**—MTA receives an amount equal to ¼ cent sales tax. The analysis estimates sales tax revenues based on new commercial space at the Project and resident expenditures.

The transportation services provided by the SFMTA are an integral component of the success of the new neighborhood, and, therefore, its ability to generate the additional General Fund revenues. Section 8A.105 of the City's Charter directs the Controller to adjust the Base Amount of annual General Fund appropriations to the SFMTA for any increases in service not provided in the Base Year. This mechanism will allow Muni to direct additional surplus General Fund revenue generated by the Project to Muni for operations and maintenance expenses, as well as financing for capital and facilities expenses through mechanisms such as certificates of participation, revenue bonds, or leases.

Over the life of the project, the fiscal analysis indicates that there will be adequate net new revenues to the General Fund to pay for operations, maintenance, facilities and capital costs associated with the Project's enhanced transit plan plus additional investment required to implement transportation mitigation measures identified in the Draft EIR. The fiscal analysis also includes potential additional costs associated with other MTA programs, including Accessibility Services, Parking and Traffic, Workers Comp and Benefit Programs, Security and Customer Service.

Schools

The San Francisco Unified School District (SFUSD) oversees the public school system in San Francisco (K-12). As described in the Project EIR¹⁵, enrollment has been declining in the District, and SFUSD has been closing schools. The SFUSD's capital facilities program has focused on replacing older schools and modernizing other facilities. During the 2008/09 school year, schools in the Project vicinity had a combined enrollment of 2,980 students and an existing total capacity of 5,900 spaces, or 2,920 vacant seats.

Although development of the Project is projected to generate 2,131 additional students, the number of additional high school students would exceed the existing capacity of the high school in the Project vicinity. By 2030, or Project buildout, the District is projected to experience a Districtwide shortfall in capacity to accommodate 7,738 students as a result of cumulative growth within the District.

Funding of School Facilities

As noted in the EIR, the SFUSD could choose to address its potential future shortfalls in capacity through a wide range of options, including shifting students to other facilities, beginning year-round schools, and/or increasing the use of portable classrooms. While schools in the Project vicinity have approximately 49 percent capacity remaining in 2008/09, it is likely that a 12 percent Citywide overcapacity of SFUSD as a result of citywide population growth in 2030 would occur. The school impact fees paid pursuant to SB 50 would go toward maintaining or improving school facilities to accommodate growth in school attendance.

Based on current fee schedules, it is estimated that the Project will generate approximately \$26 million in total school impact fees during buildout. These fees may be combined with other District resources, including State funds, for school expansion and construction. The Project has set-aside a school site, so land will not need to be purchased, and will contribute \$10 million for an education improvement fund to improve or construct new educational facilities in the area.

The Project is estimated to generate approximately \$300,000 annually in school special taxes, assuming the tax, which is due to expire, is extended by the voters in June 2010. The tax is required to be used for capital improvements.

SFUSD General Fund

The State of California is responsible for funding public schools up to a certain amount for all students. The State "backfills" funding not otherwise provided by local District property tax, up to a "revenue limit." The costs and revenues associated with an increase in District students have no direct impact on costs and revenues of the City and County of San Francisco.

The State adopted "revenue limits" as a means of funding K-12 school districts in response to the State Supreme Court ruling in the *Serrano* case. This case held that students were entitled to equal protection under the law and that the quality of their education should not be

¹⁵ Draft EIR (II.0-23 et. seq.)

determined by the property wealth of the district. In turn the state guaranteed districts a certain amount of funding per pupil, regardless of the contribution from the local property tax. For districts whose property tax exceeded this guarantee, (i.e., the revenue limit), the state provided no additional state aid. Those districts that exceed the revenue limit are known as "basic aid" districts.

Two-thirds of the General Fund revenues in an average school district, including the SFUSD, are provided for general purposes through the "revenue limit" allocation. Typically, both local property taxes and state revenues contribute to a district's revenue limit allocation, but the proportion varies tremendously. The state calculates a per-pupil revenue limit amount for each district based on its unique historical formula. The total funding is the per-pupil revenue limit times the district's total average daily attendance (ADA). For the SFUSD, the revenue limit was \$5,673 per pupil in FY09.¹⁶ After a district's total revenue limit amount is calculated, the State determines how much of that amount will come from local property taxes; for SFUSD, local property taxes comprised about 86 percent.¹⁷ The balance of the revenue limit amount comes from the State's budget.

The additional students generated by the Project will increase the District's "ADA" and therefore increase the amount of total revenue limit funding to the District. The Project will also increase property taxes available to the District by about \$2 million annually at buildout; however, this revenue will reduce the amount of State funding otherwise required to meet the revenue limit, and therefore does not represent a net benefit to the District.

¹⁶ California Department of Education, School Fiscal Services Division

¹⁷ California Department of Education, School Fiscal Services Division

5. ECONOMIC IMPACTS

The transfer of Hunters Point Shipyards to the City of San Francisco and subsequent redevelopment of the CP-HPS II sites have been the focus of several years of planning. As a response to the base closure and transfer, the community has faced challenging circumstances replacing the employment that the military site provided. The City of San Francisco has taken the closure as an opportunity to pursue a grander vision, integrating increases to the local housing stock, employment space, public spaces/parks, and other uses that the community has desired. The retention of the San Francisco 49ers and the construction of a performance venue represent additional benefits to the City of San Francisco from the CP-HPS II sites.

The CP-HPS II sites are anticipated to undergo extensive redevelopment, incorporating 10,500 new residential units and 3.5 million square feet of commercial space, as well as a new 69,000-seat stadium for the San Francisco 49ers and a 10,000-seat performance venue. In addition to the housing, economic and employment benefits of the Project, additional tax revenues will be generated to the City and County of San Francisco (CCSF).

The economic and fiscal impact estimates provided in this analysis will vary over time, depending on future market conditions. The timing and magnitude of the projected benefits rely on timely implementation of the redevelopment plans. The analysis contained in this report is based on current assessments of project development and employment based on similar development within San Francisco and the Bay Area. An "Input/Output" analysis is used to estimate economic activity and the resulting indirect and induced multiplier effects on the regional economy. A summary of findings is included in **Table 3**; key assumptions and methodologies are described in greater detail below and in **Appendix B** of this report.

The impacts described herein represent the total potential benefits associated with the Project. This report recognizes that some of the growth projected at CP-HPS II may occur elsewhere in the City even if CP-HPS II is not developed; nonetheless, the increased development capacity, buildings and retail outlets, and business activity provided by the Project improve the City's competitiveness position in the region, and enhance the City's ability to attract and capture regional growth.

Business Activity

Direct Effects

At buildout, direct output is estimated to increase by approximately \$2 billion annually from CP-HPS II businesses and employment. "Output" is an economic measure which estimates the total increase in gross sales (or revenues) as a result of increased economic activity. "Direct" output represents the economic activity by businesses at CP-HPS II.

Indirect Effects

The "indirect" effects of the proposed redevelopment project will be substantial, contributing an additional \$1 billion annually to the overall economic sustainability of the region. "Indirect output" result from purchases of additional "inputs," or raw materials, vendor services, supplies

and inventory, needed for the operations of new retail and commercial enterprises. These purchases by businesses located at the CP-HPS II, and in turn, the related purchases by businesses serving the companies located at CP-HPS II create indirect effects within San Francisco; additional indirect effects will occur throughout the region and the State.

Induced Effects

Over \$700 million annually in "induced output" will result from increases in household income and spending on housing and local goods and services. These effects are the result of the expenditures of new household income from the direct and indirect effects described above.

Construction Activity

The Project will produce about \$8 billion of development value (before inflation), including affordable housing and the stadium. It is likely that over half of this total value, or \$4 billion, will represent direct construction activity (the balance will comprise land value, finance costs and development returns, and other "soft costs"). This activity will generate an estimated total of 5,582 on-site construction jobs¹⁸ over a 20-year development period, or as many as 617 maximum construction jobs on-site at one time during peak construction.

This direct construction activity would produce indirect and induced effects in San Francisco totaling \$1.5 billion over the development period.¹⁹

Employment

In addition to the construction jobs described above, at buildout the Project will create over 10,700 jobs and a total annual payroll of approximately \$800 million.²⁰ Indirect and induced business activity is estimated to add an additional 9,100 jobs.

¹⁸ Combined average on-site jobs, per MACTECH, 3/22/10.

¹⁹ Based on an IMPLAN multiplier of .28 indirect and .33 induced for residential and commercial construction.

²⁰ Assumes an annual average wage of approximately \$75,000; wages are likely to range from \$24,000 to more than \$150,000 in professional and financial services industries.

APPENDIX A:
FISCAL IMPACTS



Table of Contents
CP-HPS II Development Project

Table # Name

Table A-1	Property Tax, Property Tax in Lieu of VLF, and Transfer Tax Calculation
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Table A-1
Property Tax, Property Tax in Lieu of VLF, and Transfer Tax Calculation
CP-HPS II Development Project

Item	Fiscal Year											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value (constant \$) (1)												
Residential	\$0	\$0	\$0	\$0	\$5,030,989	\$8,800,499	\$196,653,050	\$343,099,176	\$474,281,953	\$645,483,946	\$1,268,965,524	\$1,645,096,192
Commercial	\$0	\$0	\$0	\$0	\$0	\$38,050,653	\$38,050,653	\$36,768,630	\$1,015,009,714	\$1,015,009,714	\$1,156,636,835	\$1,331,954,539
Total	\$0	\$0	\$0	\$0	\$5,030,989	\$8,800,499	\$234,703,703	\$379,867,806	\$1,489,291,667	\$1,660,493,660	\$2,425,602,359	\$2,977,050,731
Assessed Value (nominal \$) (2)												
Residential	\$0	\$0	\$0	\$0	\$5,692,103	\$10,205,881	\$233,758,679	\$418,033,030	\$592,298,191	\$826,248,421	\$1,651,871,867	\$2,212,471,484
Commercial	\$0	\$0	\$0	\$0	\$0	\$0	\$27,864,737	\$44,739,029	\$1,267,608,046	\$1,277,265,884	\$1,517,870,177	\$1,589,531,669
Total	\$0	\$0	\$0	\$0	\$5,692,103	\$10,205,881	\$276,623,416	\$462,772,059	\$1,869,906,237	\$2,103,514,305	\$3,169,742,044	\$3,802,003,153
Net New Assessed / Possessory Interest Value	\$0	\$0	\$0	\$0	\$5,692,103	\$10,205,881	\$276,623,416	\$462,772,059	\$1,869,906,237	\$2,103,514,305	\$3,169,742,044	\$3,802,003,153
Gross Tax Increment (constant \$)	\$0	\$0	\$0	\$0	\$50,310	\$88,005	\$2,327,137	\$3,796,679	\$14,892,717	\$16,604,737	\$24,158,024	\$28,790,507
(minus) County Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax Increment to Agency	\$0	\$0	\$0	\$0	\$50,310	\$88,005	\$2,327,137	\$3,796,679	\$14,892,717	\$16,604,737	\$24,158,024	\$28,790,507
(minus) Housing Set-Aside	\$0	\$0	\$0	\$0	(\$10,662)	(\$17,601)	(\$465,427)	(\$759,736)	(\$2,978,543)	(\$3,320,947)	(\$4,831,605)	(\$5,798,101)
(minus) Pass Through Obligations	\$0	\$0	\$0	\$0	(\$10,662)	(\$17,601)	(\$465,427)	(\$759,736)	(\$2,978,543)	(\$3,320,947)	(\$4,831,605)	(\$5,798,101)
Tax Increment Available	\$0	\$0	\$0	\$0	\$39,186	\$68,803	\$1,396,282	\$2,279,207	\$9,936,630	\$9,962,842	\$14,494,814	\$17,274,304
Agency Administration	\$0	\$0	\$0	\$0	(\$3,019)	(\$5,290)	(\$139,628)	(\$227,921)	(\$893,563)	(\$966,284)	(\$1,449,481)	(\$1,727,430)
Net Tax Increment	\$0	\$0	\$0	\$0	\$27,167	\$47,523	\$1,256,654	\$2,051,286	\$8,042,067	\$8,996,558	\$13,045,333	\$15,546,874
Net New Property Tax Share (nominal \$) (2)	\$0	\$0	\$0	\$0	\$9,056	\$15,841	\$348,885	\$695,782	\$2,680,889	\$2,998,853	\$4,342,444	\$5,162,291
Net New Property Tax Share after ERAF (constant \$) (3)	\$0	\$0	\$0	\$0	\$7,636	\$13,361	\$333,306	\$675,715	\$2,281,012	\$2,520,931	\$3,687,871	\$4,370,975
Supplemental Property Tax (4)	\$0	\$0	\$0	\$0	\$2,051	\$3,679	\$111,705	\$192,148	\$729,959	\$773,370	\$1,157,652	\$1,484,872
SF Unified School District	\$0	\$0	\$0	\$0	\$1,037	\$1,815	\$47,866	\$79,329	\$307,068	\$342,390	\$498,138	\$593,880
Assessed Value (millions, constant \$) (5)	\$140,382	\$140,382	\$140,382	\$140,382	\$140,382	\$140,381	\$140,615	\$140,871	\$141,871	\$142,043	\$142,798	\$143,261
Growth in Citywide AV due to Project	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.16%	100.10%	100.79%	100.12%	100.53%	100.32%
Citywide Property Tax in Lieu of VLF (5)	\$159,128,000	\$159,128,000	\$159,128,000	\$159,128,000	\$159,132,703	\$159,137,976	\$159,391,789	\$159,558,593	\$160,816,140	\$161,010,204	\$161,866,395	\$162,391,803
Net New Property Tax in Lieu of VLF (constant \$)	\$0	\$0	\$0	\$0	\$5,703	\$9,976	\$253,813	\$423,804	\$1,257,547	\$194,063	\$556,191	\$525,108
Cumulative (constant \$) due to project	\$0	\$0	\$0	\$0	\$5,703	\$9,976	\$263,789	\$430,593	\$1,698,140	\$1,892,204	\$2,738,395	\$3,263,503
Transfer Tax From Land Sales (2)	\$0	\$0	\$0	\$0	\$163,078	\$395,865	\$342,326	\$429,332	\$323,888	\$267,503	\$925,197	\$0
Transfer Tax From Market-Rate Residential (>\$5 mill.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer Tax From Market-Rate Residential (<\$5 mill.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer Tax From Commercial Land Sales (>\$5 mill.)	\$0	\$0	\$0	\$0	\$0	\$271,281	\$0	\$331,713	\$0	\$1,712,945	\$1,073,460	\$439,795
Transfer Tax From Commercial Land Sales (<\$5 mill.)	\$0	\$0	\$0	\$0	\$0	\$0	\$14,760	\$0	\$36,900	\$0	\$0	\$0
Transfer Tax From Land Sales	\$0	\$0	\$0	\$0	\$163,078	\$395,865	\$357,086	\$761,045	\$360,789	\$1,980,448	\$1,598,657	\$457,767
Transfer Tax From Building Sales (2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average Market-Rate For-Sale Residential Unit Value	\$675,267	\$675,267	\$675,267	\$675,267	\$675,267	\$675,267	\$675,267	\$675,267	\$675,267	\$675,267	\$675,267	\$675,267
Transfer Tax From New Residential Market-Rate Sales	\$0	\$0	\$0	\$0	\$0	\$1,110,477	\$1,208,972	\$1,125,927	\$1,330,841	\$1,723,654	\$1,626,159	\$1,639,161
Transfer Tax From Residential Re-sales (6)	\$0	\$0	\$0	\$0	\$0	\$0	\$55,524	\$115,972	\$172,269	\$238,801	\$324,084	\$406,342
Average Commercial Value (7)	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Transfer Tax From New Commercial Re-sales (6)	\$0	\$0	\$0	\$0	\$0	\$194,953	\$0	\$176,092	\$7,498	\$118,472	\$18,746	\$981,103
Transfer Tax From Commercial Re-sales (6)	\$0	\$0	\$0	\$0	\$0	\$48,738	\$0	\$48,738	\$93,259	\$35,193	\$124,751	\$279,438
Transfer Tax From Building Sales	\$0	\$0	\$0	\$0	\$0	\$1,305,430	\$1,313,234	\$1,468,720	\$1,603,697	\$2,176,080	\$2,083,640	\$2,755,943
New Residential Sales	\$0	\$0	\$0	\$0	\$94,211	\$25,633	\$1,277,397	\$959,894	\$991,907	\$1,164,174	\$4,171,811	\$2,625,689
For-Sale Residential Re-sales (6)	\$0	\$0	\$0	\$0	\$0	\$1,711	\$2,992	\$66,862	\$116,654	\$161,249	\$219,453	\$428,048
New Commercial Sales (7)	\$0	\$0	\$0	\$0	\$0	\$0	\$49,043	\$963	\$1,330,408	\$0	\$92,895	\$104,890
Commercial Re-sales (6)	\$0	\$0	\$0	\$0	\$0	\$0	\$12,261	\$0	\$12,501	\$345,103	\$393,323	
New Transfer Tax (constant \$)	\$0	\$0	\$0	\$0	\$130,863	\$1,933,576	\$1,670,930	\$2,229,795	\$1,964,436	\$4,156,507	\$3,692,296	\$3,213,710

(1) Assumes future constant value keeps pace with general inflation (2.5% assumed).
 (2) Source: Lerner (v.25). Residential building sales assume a mix of units under \$1 million and over \$1 million (rates range from \$6.80 to \$7.50/\$1,000).
 (3) City General Fund share of 20% AB1290 pass-through for Tier 1, post-ERAF adjustments (per CCSF Controller's Office).
 (4) Supplemental role includes 50% of subsequent year's new tax proceeds; in year in which units are occupied.
 (5) Based on the CCSF FY10 assessed value of \$140.4 billion, includes growth in AV due to the Project only.
 (6) EPS assumption.
 (7) Includes the weighted average value for office/R&D, retail, hotel, and biotech uses; excludes arena and stadium.
 (8) It is assumed that 20 percent of new commercial space turns over upon completion while the remainder is built-out space that will not change ownership.
 Sources: Lerner, Economic & Planning Systems, Inc.

Table A-1
Property Tax, Property Tax in Lieu of VLF, and Transfer Tax Calculation
CP-HPS II Development Project

Item	Assumptions	Fiscal Year												Buildout
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	23	
Assessed Value (Constant \$) (1)		\$1,857,156,957	\$2,322,147,339	\$2,345,400,934	\$2,778,118,733	\$3,336,485,577	\$3,437,460,160	\$3,728,265,004	\$4,471,795,610	\$4,471,795,610	\$5,006,175,439	\$5,006,175,439	\$5,006,175,439	
Residential		\$1,650,372,738	\$1,922,148,341	\$2,122,854,699	\$2,190,428,112	\$2,376,748,572	\$2,433,058,078	\$2,433,058,078	\$2,433,058,078	\$2,433,058,078	\$2,433,058,078	\$2,433,058,078	\$2,433,058,078	
Commercial		\$196,784,219	\$400,000,000	\$222,546,235	\$586,690,621	\$959,736,995	\$1,004,402,082	\$1,295,206,926	\$1,038,737,532	\$1,038,737,532	\$572,117,361	\$572,117,361	\$572,117,361	
Assessed Value (nominal \$) (2)		\$2,590,113,377	\$3,281,133,369	\$3,368,838,559	\$4,124,132,874	\$5,076,857,392	\$5,361,111,495	\$5,960,191,542	\$7,207,557,804	\$7,207,557,804	\$8,018,488,446	\$8,018,488,446	\$8,018,488,446	
Residential		\$2,288,846,291	\$2,715,945,299	\$3,074,541,088	\$3,251,702,874	\$3,616,504,034	\$3,794,737,122	\$3,794,737,122	\$3,794,737,122	\$3,794,737,122	\$3,794,737,122	\$3,794,737,122	\$3,794,737,122	
Commercial		\$301,267,086	\$565,188,070	\$294,297,471	\$872,430,000	\$1,460,353,360	\$1,566,374,373	\$2,164,447,508	\$1,412,820,682	\$1,412,820,682	\$1,223,751,324	\$1,223,751,324	\$1,223,751,324	
Net New Assessed / Possessor's Interest Value		\$4,848,957,688	\$5,997,078,684	\$6,471,381,445	\$7,375,835,718	\$8,693,381,417	\$9,156,948,617	\$9,754,928,664	\$11,122,294,326	\$11,122,294,326	\$12,413,225,569	\$12,413,225,569	\$12,413,225,569	
Gross Tax Increment (Constant \$)	1.0% of new AV	\$35,175,327	\$42,442,957	\$44,682,660	\$49,685,468	\$57,132,342	\$58,705,462	\$61,613,211	\$69,048,517	\$69,048,517	\$74,392,315	\$74,392,315	\$74,392,315	
(minus) County Administration	0.0% of property TI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Tax Increment to Agency		\$35,175,327	\$42,442,957	\$44,682,660	\$49,685,468	\$57,132,342	\$58,705,462	\$61,613,211	\$69,048,517	\$69,048,517	\$74,392,315	\$74,392,315	\$74,392,315	
(minus) Housing Set-Aside	20% of property TI	(\$7,033,065)	(\$9,488,581)	(\$9,896,532)	(\$9,937,094)	(\$11,426,468)	(\$11,741,082)	(\$12,322,642)	(\$13,809,703)	(\$13,809,703)	(\$14,876,463)	(\$14,876,463)	(\$14,876,463)	
(minus) Pass Through Obligations	20% of property TI	(\$7,033,065)	(\$9,488,581)	(\$9,896,532)	(\$9,937,094)	(\$11,426,468)	(\$11,741,082)	(\$12,322,642)	(\$13,809,703)	(\$13,809,703)	(\$14,876,463)	(\$14,876,463)	(\$14,876,463)	
Tax Increment Available		\$21,109,197	\$22,916,295	\$24,890,128	\$29,751,374	\$35,285,412	\$36,964,380	\$49,290,569	\$45,238,814	\$45,238,814	\$59,515,852	\$59,515,852	\$59,515,852	
Agency Administration	10% max	(\$2,110,919)	(\$2,291,629)	(\$2,489,012)	(\$2,975,137)	(\$3,528,541)	(\$3,696,438)	(\$4,929,056)	(\$4,523,881)	(\$4,523,881)	(\$5,951,585)	(\$5,951,585)	(\$5,951,585)	
Net Tax Increment		\$18,998,278	\$20,624,666	\$22,401,116	\$26,776,237	\$31,756,871	\$33,267,942	\$44,361,513	\$40,714,933	\$40,714,933	\$53,564,267	\$53,564,267	\$53,564,267	
Net New Property Tax Share (nominal \$) (2)	90% of pass-throughs	\$6,339,569	\$6,637,332	\$6,642,379	\$6,943,384	\$8,028,821	\$8,028,821	\$10,366,963	\$12,428,733	\$12,428,733	\$13,990,617	\$13,990,617	\$13,990,617	
Net New Property Tax Share after EOPAF (constant \$) (3)	75.91% of pass-throughs	\$4,848,957	\$5,000,000	\$4,848,957	\$5,000,000	\$5,821,366	\$5,821,366	\$7,525,222	\$6,821,366	\$6,821,366	\$9,000,000	\$9,000,000	\$9,000,000	
Supplemental Property Tax (4)		\$351,688	\$170,916	\$379,763	\$365,292	\$179,816	\$220,727	\$364,414	\$405,646	\$405,646	\$0	\$0	\$0	
SF Unified School District		\$725,315	\$876,174	\$921,356	\$1,024,514	\$1,178,069	\$1,210,507	\$1,270,464	\$1,423,760	\$1,423,760	\$1,533,970	\$1,533,970	\$1,533,970	
Assessed Value (millions, constant \$) (5)		\$143,900	\$144,626	\$144,850	\$146,351	\$146,055	\$146,253	\$146,543	\$147,287	\$147,287	\$147,821	\$147,821	\$147,821	
Growth in Citywide AV due to Project	100.45%	100.45%	100.45%	100.45%	100.45%	100.45%	100.45%	100.45%	100.45%	100.45%	100.45%	100.45%	100.45%	
Citywide Property Tax in Lieu of VLF (5)		\$163,115,244	\$163,893,065	\$164,192,933	\$164,760,018	\$165,604,147	\$165,782,465	\$166,112,059	\$166,954,886	\$166,954,886	\$167,560,624	\$167,560,624	\$167,560,624	
Net New Property Tax in Lieu of VLF (constant \$)		\$725,315	\$876,174	\$921,356	\$1,024,514	\$1,178,069	\$1,210,507	\$1,270,464	\$1,423,760	\$1,423,760	\$1,533,970	\$1,533,970	\$1,533,970	
Cumulative (constant \$) due to project		\$3,987,244	\$4,811,855	\$5,064,933	\$5,632,018	\$6,476,147	\$6,654,465	\$6,984,069	\$7,826,886	\$7,826,886	\$8,432,624	\$8,432,624	\$8,432,624	
Transfer Tax From Land Sales (2)		\$454,478	\$490,928	\$0	\$343,691	\$901,419	\$148,163	\$1,052,492	\$0	\$0	\$0	\$0	\$0	
Transfer Tax From Market-Rate Residential (>\$5 mil.)	\$15.00 per \$1,000 value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfer Tax From Market-Rate Residential (<\$5 mil.)	\$7.50 per \$1,000 value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfer Tax From Commercial Land Sales (>\$5 mil.)	\$15.00 per \$1,000 value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfer Tax From Commercial Land Sales (<\$5 mil.)	\$7.50 per \$1,000 value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfer Tax From Land Sales		\$799,180	\$1,057,710	\$0	\$343,691	\$901,419	\$148,163	\$1,052,492	\$0	\$0	\$0	\$0	\$0	
Transfer Tax From Building Sales (2)		\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	
Average Market-Rate For-Sale Residential Unit Value	\$875,267 per unit	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	\$875,267	
Transfer Tax From Residential Market-Rate Sales	5% annual turnover	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	
Transfer Tax From Residential Re-sales (6)		\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	\$437,633	
Average Commercial Value (7)		\$500,172	\$322,048	\$137,582	\$492,134	\$82,287	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfer Tax From New Commercial Spaces Sales (6)	\$7.50 per \$1,000 value	\$37,513	\$24,154	\$10,319	\$369,166	\$61,715	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfer Tax From Commercial Re-sales (6)	5% annual turnover	\$37,513	\$37,513	\$37,513	\$37,513	\$37,513	\$37,513	\$37,513	\$37,513	\$37,513	\$37,513	\$37,513	\$37,513	
Transfer Tax From Building Sales		\$812,846	\$812,846	\$812,846	\$812,846	\$812,846	\$812,846	\$812,846	\$812,846	\$812,846	\$812,846	\$812,846	\$812,846	
New Residential Sales		\$1,442,013	\$1,461,935	\$1,588,125	\$2,942,481	\$3,796,895	\$686,831	\$1,977,269	\$5,096,008	\$5,096,008	\$3,633,783	\$3,633,783	\$3,633,783	
For-Sale Residential Re-sales (6)	5% annual turnover	\$595,333	\$631,433	\$789,530	\$1,974,436	\$2,466,960	\$1,134,405	\$1,166,747	\$1,267,610	\$1,267,610	\$1,520,411	\$1,520,411	\$1,520,411	
New Commercial Sales (7)		\$579,933	\$579,933	\$272,975	\$91,886	\$253,396	\$76,578	\$0	\$0	\$0	\$0	\$0	\$0	
Commercial Re-sales (6)	5% annual turnover	\$579,933	\$579,933	\$272,975	\$91,886	\$253,396	\$76,578	\$0	\$0	\$0	\$0	\$0	\$0	
New Transfer Tax (constant \$)		\$3,754,638	\$4,042,118	\$3,587,829	\$3,760,590	\$4,123,784	\$3,768,059	\$4,545,215	\$3,956,709	\$3,956,709	\$3,768,158	\$3,768,158	\$3,768,158	

(1) Assumes future constant value keeps pace with general inflation (2.5% assumed).
 (2) Source: Lennar (v.25). Residential building sales assume a mix of units under \$1 million (rates range from \$6.80 to \$7,505/1,000).
 (3) City-County Fund share of 20% AB/290 pass-through for Tier 1, post-ERAF adjustments (per CCSF Controller's Office).
 (4) Supplemental fund share includes 50% of subsequent year's new tax proceeds in year in which units are occupied.
 (5) Based on the CCSF FY10 assessed value of \$140.4 billion; indicates growth in AV due to the Project only.
 (6) EPS assumption.
 (7) Includes the weighted average value for off-road, retail, hotel, and biotech uses; excludes arena and stadium.
 (8) It is assumed that 20 percent of new commercial space turns over upon completion with the remainder in built-out space that will not change ownership.
 Sources: Lennar, Economic & Planning Systems, Inc.

Table A-2
Sales Tax Estimates
CP-PHS II Development Project

Item	Assumptions	Fiscal Year										Buildout
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
SALES TAX GENERATED FROM NEW FOR-SALE UNIT HOUSEHOLDS												
Income & Expenditure Assumptions												
Average for-sale unit selling price (1)		\$647,993										
Average HH Taxable Retail Exp. (2),(3),(4)		\$36,086										
Expenditures per New Household Captured by San Francisco	30%	\$28,871	\$28,871	\$28,871	\$28,871	\$28,871	\$28,871	\$28,871	\$28,871	\$28,871	\$28,871	\$28,871
For-Sale Units		2,788	3,295	3,795	4,274	4,776	5,395	6,275	6,824	7,027	7,951	7,951
New Retail Sales Captured by San Francisco	80% of taxable expenditures	\$80,479,131	\$93,962,264	\$109,570,365	\$123,333,898	\$137,877,030	\$155,767,954	\$167,262,576	\$181,152,308	\$191,233,985	\$202,861,403	\$213,104,467
New Sales Tax from For-Sale Units	1.0% of taxable sales	\$804,791	\$939,623	\$1,095,704	\$1,233,339	\$1,378,770	\$1,557,680	\$1,672,626	\$1,811,523	\$1,912,340	\$2,028,614	\$2,131,045
SALES TAX GENERATED FROM NEW RENTAL UNIT HOUSEHOLDS												
Income & Expenditure Assumptions												
Average annual rental payment (5)		\$32,466										
Average HH Taxable Retail Exp. (4)		\$29,514										
Expenditures per New Household Captured by San Francisco (6)	30%	\$23,612										
Rental Units	80%	670	670	670	670	670	670	670	670	670	670	670
New Retail Sales Captured by San Francisco		\$15,819,747	\$15,819,747	\$20,447,613	\$24,910,198	\$24,910,198	\$24,910,198	\$24,910,198	\$24,910,198	\$24,910,198	\$24,910,198	\$24,910,198
New Sales Tax from Rental Units	1.0% of taxable sales	\$158,197	\$158,197	\$204,476	\$249,102	\$249,102	\$249,102	\$249,102	\$249,102	\$249,102	\$249,102	\$249,102
OTHER HOUSEHOLDS (Agency Affordable)												
Average Income (7)		\$43,550										
Average HH Taxable Retail Exp. (8)		\$15,243										
Expenditures Captured by San Francisco	80%	\$12,194										
New Households		827	827	868	1,161	1,258	1,356	1,644	1,644	1,644	1,644	1,644
Total New Retail Sales Captured by San Francisco		\$10,084,436	\$10,084,436	\$11,803,792	\$14,157,234	\$15,340,052	\$16,559,452	\$20,046,936	\$20,046,936	\$20,046,936	\$20,046,936	\$20,046,936
New Sales Tax from Other Units	1.0% of taxable sales	\$100,844	\$100,844	\$118,038	\$141,572	\$153,401	\$165,595	\$200,469	\$200,469	\$200,469	\$200,469	\$200,469
SALES TAX GENERATED FROM NEW RETAIL												
New Retail Space (Sq. Ft.)		795,000	824,500	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000
Total Taxable Sales (9)	\$260 per sq. ft.	\$206,550,350	\$214,369,950	\$230,099,950	\$230,099,950	\$230,099,950	\$230,099,950	\$230,099,950	\$230,099,950	\$230,099,950	\$230,099,950	\$230,099,950
Net New Taxable Sales (9)	80% of total taxable sales	\$165,240,282	\$171,495,960	\$184,079,960	\$184,079,960	\$184,079,960	\$184,079,960	\$184,079,960	\$184,079,960	\$184,079,960	\$184,079,960	\$184,079,960
Total GF Sales Tax Generated from New Retail	1.0% of taxable sales	\$1,652,403	\$1,714,959	\$1,840,799	\$1,840,799	\$1,840,799	\$1,840,799	\$1,840,799	\$1,840,799	\$1,840,799	\$1,840,799	\$1,840,799
SALES TAX GENERATED FROM NEW STADIUM AND ARENA												
New Stadium Concession Sales (10)	\$10.00 per attendee	\$15,780,000	\$15,780,000	\$15,780,000	\$15,780,000	\$15,780,000	\$15,780,000	\$15,780,000	\$15,780,000	\$15,780,000	\$15,780,000	\$15,780,000
(minus) Existing Stadium Concession Sales (11)	\$5.50 per attendee	(\$4,253,700)	(\$4,253,700)	(\$4,253,700)	(\$4,253,700)	(\$4,253,700)	(\$4,253,700)	(\$4,253,700)	(\$4,253,700)	(\$4,253,700)	(\$4,253,700)	(\$4,253,700)
Net New Stadium Concession Sales		\$11,526,300	\$11,526,300	\$11,526,300	\$11,526,300	\$11,526,300	\$11,526,300	\$11,526,300	\$11,526,300	\$11,526,300	\$11,526,300	\$11,526,300
New Arena Concession Sales (12)	\$7.00 per attendee	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000
Sales Tax Generated from New Stadium and Arena	1.0% of concession sales	\$167,763	\$167,763	\$167,763	\$167,763	\$167,763	\$167,763	\$167,763	\$167,763	\$167,763	\$167,763	\$167,763
Construction-related Sales Tax (14)	50.0%	\$857,723	\$1,090,144	\$335,955	\$750,421	\$1,117,031	\$235,968	\$436,162	\$1,115,296	\$0	\$801,570	\$0
Total GF Sales Tax (1%)		\$4,049,619	\$4,385,902	\$3,992,836	\$4,613,597	\$5,136,966	\$4,447,007	\$4,899,191	\$5,714,222	\$4,899,742	\$5,617,586	\$4,918,447
Public Safety Sales Tax (13)	50.0%	\$2,024,809	\$2,192,951	\$1,996,418	\$2,306,799	\$2,568,483	\$2,223,503	\$2,448,095	\$2,857,111	\$2,448,871	\$2,808,793	\$2,459,224

(1) Based on the weighted average of market-rate and affordable units.
(2) Assumes a 20 percent down payment.
(3) Assumes 6.5 percent interest rate and 30 year mortgage period.
(4) Based on Draft EIR, Appendix U, CBRE (October 2009) comparison of average household taxable sales to average income.
(5) Based on the weighted average rent of market-rate and inclusionary apartments, excludes public housing and agency units.
(6) Taxable sales per CBRE. Reduction due to co-ops sales already attributed to new CPHPs residents (Draft EIR, Appendix U, CBRE, October 2009).
(7) Assumes average 50% of 3-person household median income.
(8) Based on Bureau of Labor Statistics Consumer Expenditure Survey.
(9) Balance of commercial sales estimated by CBRE to come from market area household growth.
(10) Assumes full occupancy during 12 NFL events and 6% occupancy during the remaining 20 events per year.
(11) Based on the existing level of expenditure and the current seating capacity of 64,450 at full occupancy applied to 12 NFL games.
(12) Assumes 50% occupancy and 150 events per year.
(13) Applies to the new City sales taxes from the household units and new commercial space.
(14) Assumes 30% of value represents construction materials; 50% capture in San Francisco.
Sources: Lerner, CBRE, and Economic & Planning Systems, Inc.

Table A-3
Hotel Tax Revenue Projections
CP-HPS II Development Project

Item	Estimating Factor	Fiscal Year											Buildout			
		2021 12	2022 13	2023 14	2024 15	2025 16	2026 17	2027 18	2028 19	2029 20	2030 21	2031 22	2032 23			
Hotel rooms		0	220	220	220	220	220	220	220	220	220	220	220	220	220	220
Gross Daily Hotel Room Revenue	\$150 per room- night	\$0	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000
Gross Annual Hotel Room Revenue (minus) Vacancy	30%	\$0	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000	\$12,045,000
Total Hotel Room Proceeds		\$0	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)	(\$3,613,500)
Total Hotel/Motel Tax Revenue	14% of room rent	\$0	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410	\$1,180,410
Hotel/Motel Tax to General Fund (1)	53.5% of total tax	\$0	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519	\$631,519
Hotel/Motel Tax Allocation to Cultural Amenities (2)	46.5% of total tax	\$0	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891	\$548,891

Note: prior years not shown due to absence of direct hotel revenues.

(1) Based on budget allocation (discretionary portion) between the General Funds and other funds FY09-10 Budget Letter, Controller's Office, Td. 1-5, pg. 10).

(2) Include cultural equity endowment fund, culture centers, publicity/advertising events, and War Memorial.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-4
Parking Tax Revenue Projections
CP-HPS II Development Project**

Item	Estimating Factor	Fiscal Year											
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
		2	3	4	5	6	7	8	9	10	11	12	
Cumulative Off-Street Parking at Buildout													
Commercial Uses (1)	6,374 spaces												
Football Stadium (2)	12,590 spaces												
(less) Existing Football Stadium	(7,000) spaces												
Total	11,964 spaces												
Percent of Completed Commercial Space (3)		0%	0%	0%	0%	7%	7%	14%	14%	18%	19%	40%	
Annual Revenues													
Commercial Uses (4)	\$20 per space per day	\$0	\$0	\$0	\$0	\$2,626,399	\$2,626,399	\$5,025,514	\$5,126,530	\$6,722,572	\$6,975,111	\$14,803,695	
Football Stadium (5)	\$20 per space per day	\$0	\$0	\$0	\$0	\$0	\$0	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	
Total		\$0	\$0	\$0	\$0	\$2,626,399	\$2,626,399	\$8,424,234	\$8,525,250	\$10,121,292	\$10,373,831	\$18,202,415	
San Francisco Parking Tax	20% of annual revenue	\$0	\$0	\$0	\$0	\$525,280	\$525,280	\$1,684,847	\$1,705,050	\$2,024,258	\$2,074,766	\$3,640,483	
Parking Tax Allocation to General Fund	20% of tax proceeds	\$0	\$0	\$0	\$0	\$105,056	\$105,056	\$336,969	\$341,010	\$404,852	\$414,953	\$728,097	
Parking Tax Allocation to Municipal Transp. Fu	80% of tax proceeds	\$0	\$0	\$0	\$0	\$420,224	\$420,224	\$1,347,877	\$1,364,040	\$1,619,407	\$1,659,813	\$2,912,386	
Cumulative On-Street Parking at Buildout													
Commercial Uses	2,143 spaces												
Football Stadium	75 spaces												
Total	2,218 spaces												
Percent of Completed Space (3)		0%	0%	0%	0%	7%	7%	14%	14%	18%	19%	40%	
On-Street Parking Revenue (MTA)													
Commercial Uses	\$3.33 per space per day (6)	\$0	\$0	\$0	\$0	\$183,943	\$183,943	\$351,969	\$359,043	\$470,824	\$488,511	\$1,036,796	
Football Stadium	\$3.33 per space per day (6)	\$0	\$0	\$0	\$0	\$0	\$0	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	
Total		\$0	\$0	\$0	\$0	\$183,943	\$183,943	\$443,209	\$450,284	\$562,065	\$579,752	\$1,128,037	

(1) Based on Lemar estimate, excludes residential parking, on-street parking, and parking for recreational uses not assumed to be subject to the City's parking tax.
(2) Includes a combination of structured and surface parking.
(3) Reflects completion of retail, office, biotech, R&D, and hotel uses; will vary with occupancy.
(4) Assumes 80% occupancy.
(5) Assumes 95% occupancy with 32 annual events, applied to net increase in spaces.
(6) Revenue per space is based on \$28.3 million (FY08 actual audited, adjusted by 3% total CPI change to 2010), divided by 24,000 Citywide spaces (Fear and Peers, 3/25/09).

**Table A-4
Parking Tax Revenue Projections
CP-HPS II Development Project**

Item	Estimating Factor	Fiscal Year											Buildout				
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		2033			
Cumulative Off-Street Parking at Buildout																	
Commercial Uses (1)	6,374 spaces																
Football Stadium (2)	12,590 spaces																
(less) Existing Football Stadium	(7,000) spaces																
Total	11,964 spaces																
Percent of Completed Commercial Space (3)	63%	74%	74%	79%	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Annual Revenues																	
Commercial Uses (4)	\$20 per space per day	\$23,293,344	\$27,631,954	\$29,485,566	\$35,980,874	\$37,224,160	\$37,224,160	\$37,224,160	\$37,224,160	\$37,224,160	\$37,224,160	\$37,224,160	\$37,224,160	\$37,224,160	\$37,224,160	\$37,224,160	\$37,224,160
Football Stadium (5)	\$20 per space per day	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720	\$3,398,720
Total		\$26,692,064	\$31,030,674	\$32,884,306	\$39,379,594	\$40,622,880	\$40,622,880	\$40,622,880	\$40,622,880	\$40,622,880	\$40,622,880	\$40,622,880	\$40,622,880	\$40,622,880	\$40,622,880	\$40,622,880	\$40,622,880
San Francisco Parking Tax	20% of annual revenue	\$5,338,413	\$6,206,135	\$6,576,861	\$7,875,919	\$8,124,576	\$8,124,576	\$8,124,576	\$8,124,576	\$8,124,576	\$8,124,576	\$8,124,576	\$8,124,576	\$8,124,576	\$8,124,576	\$8,124,576	\$8,124,576
Parking Tax Allocation to General Fund	20% of tax proceeds	\$1,067,683	\$1,241,227	\$1,315,372	\$1,575,184	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915	\$1,624,915
Parking Tax Allocation to Municipal Transp. Fu	80% of tax proceeds	\$4,270,730	\$4,964,908	\$5,261,489	\$6,300,735	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661	\$6,499,661
Cumulative On-Street Parking at Buildout																	
Commercial Uses	2,143 spaces																
Football Stadium	75 spaces																
Total	2,218 spaces																
Percent of Completed Space (3)	63%	74%	74%	79%	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
On-Street Parking Revenue (MTA)																	
Commercial Uses	\$3.33 per space per day (6)	\$1,631,380	\$1,935,241	\$2,065,062	\$2,519,968	\$2,607,044	\$2,607,044	\$2,607,044	\$2,607,044	\$2,607,044	\$2,607,044	\$2,607,044	\$2,607,044	\$2,607,044	\$2,607,044	\$2,607,044	\$2,607,044
Football Stadium	\$3.33 per space per day (6)	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240	\$91,240
Total		\$1,722,621	\$2,026,481	\$2,156,303	\$2,611,209	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284	\$2,698,284

(1) Based on Lennar estimator, excludes residential parking, on-street parking, and parking for recreational uses not assumed to be subject to the City's parking tax.
(2) Includes a combination of structured and surface parking.
(3) Reflects completion of retail, office, biotech, R&D, and hotel uses; will vary with occupancy.
(4) Assumes 80% occupancy.
(5) Assumes 95% occupancy with 32 annual events, applied to net increase in spaces.
(6) Revenue per space is based on \$28.3 million (FY08 actual audited, adjusted by 3% total CPI change to 2010), divided by 24,000 Citywide spaces (Fehr and Peers, 3/25/09).

**Table A-5
Police Service Costs
CP-HPS II Development Project**

Category	Fiscal Year											
	2010 1	2011 2	2012 3	2013 4	2014 5	2015 6	2016 7	2017 8	2018 9	2019 10	2020 11	2021 12
Project Occupancy (1)	0.0%	0.0%	0.0%	0.0%	0.0%	5.4%	7.1%	12.2%	14.3%	23.1%	26.4%	36.7%
Annual New Residents	0	0	0	0	0	1,170	620	741	683	2,591	1,072	1,334
Cumulative New Residents	0	0	0	0	0	1,170	1,790	2,531	3,214	5,805	6,878	8,212
Officers Required (2)	0	0	0	0	0	3	4	6	8	12	14	19
Cost Per Officer (3)	\$0	\$0	\$0	\$0	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256
Facilities (4)												
Total Police Cost	\$0	\$0	\$0	\$0	\$1,573	\$530,212	\$705,035	\$1,207,958	\$1,411,296	\$2,279,729	\$2,606,680	\$3,620,171

(1) Based on residents and employees relative to buildout.

(2) Officers added proportionate to buildout, to a total of 53 at buildout.

Estimate of officers per EIR (pg. III.0-12) based on city levels relative to total population and employment.

(3) Cost per officer is based on FY10 Adopted Budget, total police budget (including GF and Dept'l revenue-funded costs) per 2,374 sworn officers per EIR. Total costs include vehicles.

(4) Assumes 6,000 sq. ft. of facilities by tenth year of occupancy. Cost estimate assumes \$500/sq.ft., 6,000 sq.ft., amortized over 30 years at 5%. Actual cost may be less if police facilities occupy space within new commercial development.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-5
Police Service Costs
CP-HPS II Development Pro**

Category	Fiscal Year											Buildout	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2031	2032
	13	14	15	16	17	18	19	20	21	22	23	22	23
Project Occupancy (1)													
Annual New Residents	47.8%	54.3%	61.8%	72.5%	77.4%	82.2%	89.5%	92.7%	95.0%	97.6%	100.0%		
Cumulative New Residents	1,771	1,088	2,045	2,005	1,398	1,677	2,573	1,121	814	938	827		
	9,983	11,071	13,116	15,121	16,517	18,193	20,766	21,887	22,701	23,639	24,466		
Officers Required (2)	25	29	33	38	41	44	47	49	50	52	53		
Cost Per Officer (3)	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256	\$186,256		
Facilities (4)			\$195,154	\$195,154	\$195,154	\$195,154	\$195,154	\$195,154	\$195,154	\$195,154	\$195,154		
Total Police Cost	\$4,722,873	\$5,364,273	\$6,296,466	\$7,349,962	\$7,835,401	\$8,305,672	\$8,027,763	\$9,342,131	\$9,570,989	\$9,834,154	\$10,066,737		

(1) Based on residents and employees relative to buildout.
(2) Officers added proportionate to buildout, to a total of 53 at buildout.
Estimate of officers per EIR (pg. III.0-12) based on city levels relative to total population and employment.
(3) Cost per officer is based on FY10 Adopted Budget, total police budget (including GF and Dept1 revenue-funded costs) per 2,374 sworn officers per EIR.
Total costs include vehicles.
(4) Assumes 6,000 sq. ft. of facilities by tenth year of occupancy. Cost estimate assumes \$500/sq. ft., 6,000 sq. ft., amortized over 30 years at 5%.
Actual cost may be less if police facilities occupy space within new commercial development.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-6
Fire Service Costs
CP-HPS II Development Project**

Category	Fiscal Year											
	2010 1	2011 2	2012 3	2013 4	2014 5	2015 6	2016 7	2017 8	2018 9	2019 10	2020 11	2021 12
Residential Units												
New Residential Units	-	-	-	-	-	502	266	318	293	1,112	460	573
Cumulative Residential Units	-	-	-	-	-	502	768	1,086	1,380	2,492	2,952	3,524
Project Occupancy												
Annual New Residents	0	0	0	0	0	1,170	620	741	683	2,591	1,072	1,334
Cumulative New Residents	0	0	0	0	0	1,170	1,790	2,531	3,214	5,805	6,878	8,212
Additional Service Requirements (1)												
Engine	-	-	-	-	-	-	-	-	-	-	-	-
Truck	-	-	-	-	-	-	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-	-	-	-
Operations (2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities and Equipment (3)												
Annual Fire Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1) Additional requirements per EIR (III.0-20). Full staffing assumed following buildout of Parcel D2. Staffing assumes 4 staff per engine company, 5 per truck, and 2 per ambulance per EIR (EIR did not specify ambulance staffing).

(2) Cost per station is based on FY10 Adopted Budget, total fire budget (including GF and Dept's revenue-funded costs) per 42 stations (2009 CAFR statistical data).

(3) Assumes \$12 million facility cost amortized over 30 years at 5%. Equipment and vehicles assumed at \$2 million.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-6
Fire Service Costs
CP-HPS II Development F**

Category	Fiscal Year											Buildout
	2022 13	2023 14	2024 15	2025 16	2026 17	2027 18	2028 19	2029 20	2030 21	2031 22	2032 23	
Residential Units												
New Residential Units												
Cumulative Residential Units	1,771	1,088	2,045	2,005	1,396	1,677	2,573	1,121	814	938	827	
Project Occupancy												
Annual New Residents	9,983	11,071	13,116	15,121	16,517	18,193	20,766	21,887	22,701	23,639	24,466	
Cumulative New Residents												
Additional Service Requirement												
Engine	-	-	1	1	1	1	1	1	1	1	1	
Truck	-	-	1	1	1	1	1	1	1	1	1	
Ambulance	-	-	1	1	1	1	1	1	1	1	1	
Operations (2)	\$0	\$0	\$6,726,000	\$6,726,000	\$6,726,000	\$6,726,000	\$6,726,000	\$6,726,000	\$6,726,000	\$6,726,000	\$6,726,000	
Facilities and Equipment (3)												
Annual Fire Cost	\$0	\$0	\$9,506,617	\$7,506,617	\$7,506,617	\$7,506,617	\$7,506,617	\$7,506,617	\$7,506,617	\$7,506,617	\$7,506,617	

(1) Additional requirements per EIR (III.0-20).
Full staffing assumed following buildout of Parcel D2.

Staffing assumes 4 staff per engine company, 5 per truck, and 2 per ambulance per EIR. (EIR did not specify ambulance staffing).

(2) Cost per station is based on FY10 Adopted Budget, total fire budget (including GF and Dept'l revenue-funded costs) per 42 stations (2009 CAFR statistical data).

(3) Assumes \$12 million facility cost amortized over 30 years at 5%. Equipment and vehicles assumed at \$2 million.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-7
Road Maintenance Costs
CP-HPS II Development Project**

Item	Assumption	Fiscal Year											Buildout				
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033				
Mileage																	
CP	7.9 miles																
HPS	6.7 miles																
Subtotal	14.7 miles																
% of Total Road Construction (1)		90.0%	90.8%	92.1%	92.9%	93.0%	94.9%	96.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
City Road Maintenance Responsibility (2)		11.9	12.9	13.0	13.2	13.3	13.5	13.6	13.6	13.6	13.9	14.2	14.7				
Maintenance/ Reconstruction (3)	\$95,070 per mile	\$1,129,224	\$1,222,202	\$1,235,029	\$1,253,827	\$1,264,813	\$1,282,632	\$1,293,510	\$1,295,784	\$1,321,593	\$1,321,593	\$1,349,311	\$1,392,776				
Cost Factor		80%	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%				
Annual Cost		\$903,379	\$1,099,982	\$1,235,029	\$1,253,827	\$1,264,813	\$1,282,632	\$1,293,510	\$1,295,784	\$1,321,593	\$1,321,593	\$1,349,311	\$1,392,776				
Street Sweeping (4)	\$16,800 per mile	\$199,547	\$215,978	\$218,244	\$221,566	\$223,508	\$226,656	\$228,579	\$228,980	\$233,541	\$233,541	\$238,439	\$246,120				
Subtotal		\$1,102,927	\$1,315,960	\$1,453,274	\$1,475,393	\$1,488,321	\$1,509,289	\$1,522,088	\$1,524,764	\$1,555,134	\$1,555,134	\$1,587,750	\$1,638,896				
(less) Revenues																	
Prop. K Sales Tax (5)		(\$202,481)	(\$219,295)	(\$199,642)	(\$230,680)	(\$256,848)	(\$222,350)	(\$244,810)	(\$285,711)	(\$234,987)	(\$280,879)	(\$245,922)	(\$245,922)				
Gas Taxes (6)		(\$156,174)	(\$173,197)	(\$205,187)	(\$236,551)	(\$258,385)	(\$284,618)	(\$324,865)	(\$342,401)	(\$355,130)	(\$369,810)	(\$382,742)	(\$382,742)				
Total Roads Service Costs		\$744,271	\$923,467	\$1,048,445	\$1,008,162	\$973,087	\$1,002,320	\$952,414	\$895,652	\$965,018	\$937,061	\$1,010,231					

(1) Proposed phasing of street construction per Lenmar.
(2) City responsibility assumed 3 years following start of road construction, by year.
(3) Includes periodic partial and full reconstruction, and pothole repair/patching during interim years.
It is assumed that developer will maintain the roads within the Project during the initial land development period.
(4) Street sweeping costs per DPW.
(5) Prop. K sales tax one-half of one cent allocation of 10% to system maintenance and renovation, per SF Prop. K Expenditure Plan.
Revenues not included prior to requirement for road maintenance expenditures.
(6) Gas taxes based on budget \$15.64 per capita
Sources: City of San Francisco; Lenmar; and Economic & Planning Systems.

**Table A-8
Parks and Recreation
CP-HPS II Development Project**

Function/ Service	Assumptions	Fiscal Year											
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
		1	2	3	4	5	6	7	8	9	10	11	12
New Bay Trail (miles)	4.5												
Renovated Bay Trail (miles)	1.4												
Subtotal	5.9												
New City Parkland (acres)	152.6	0.0	0.0	0.0	0.0	20.0	12.8	11.5	0.0	0.0	4.8	0.0	2.5
Cumulative		0.0	0.0	0.0	0.0	20.0	32.8	44.3	44.3	44.3	49.1	49.1	51.6
Sports Fields and Urban Recreation (acres)	107.2								107.2				
Cumulative	259.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	107.2	107.2	107.2	107.2	107.2
Recreational Programs (1)	\$14.38 per capita	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$83,452	\$86,868	\$118,045
<u>Maintenance Cost (2)</u>													
Bay Trail	\$5,000 per mile												
Park Maintenance	\$25,000 per acre	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$820,000	\$1,107,500	\$1,107,500	\$1,107,500	\$1,227,500
Sports Fields and Urban Recreation Maint.	\$25,000 per acre	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,680,000	\$2,680,000	\$2,680,000
Trails and Park Total (3) - shown for information purposes		\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$820,000	\$1,107,500	\$3,870,952	\$3,886,368	\$4,025,545

(1) Include children's programs from the Recreation & Park budget; assumed approximately 2 years after parkland delivery.

(2) Maintenance costs assumed 1.5 to 2 years following park land delivery.

(3) The maintenance cost for new parks & sports fields is assumed to be covered by annual special taxes paid by new development. The Developer will be making a \$10 million payment to State Parks for ongoing operations and maintenance of State facilities.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-3
Parks and Recreation
CP-HPS II Development Project**

Function/ Service	Assumptions	Fiscal Year											Buildout									
		2022 13	2023 14	2024 15	2025 16	2026 17	2027 18	2028 19	2029 20	2030 21	2031 22	2032 23										
New Bay Trail (miles)	4.5																					
Renovated Bay Trail (miles)	1.4																					
Subtotal	5.9																					
New City Parkland (acres)	152.6	0.0	0.0	92.7	0.0	0.0	0.0	8.3	0.0	0.0	152.6	161.9	161.9	161.9	161.9	161.9	161.9	161.9	161.9	161.9	172.2	
Cumulative		51.6	51.6	144.3	144.3	144.3	144.3	152.6	152.6	152.6	152.6	161.9	161.9	161.9	161.9	161.9	161.9	161.9	161.9	161.9	161.9	172.2
Sports Fields and Urban Recreation (acres)	107.2																					
Cumulative	259.8	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2	107.2
Recreational Programs (1)	\$14.38 per capita	\$143,509	\$159,152	\$188,547	\$217,368	\$237,431	\$261,537	\$288,520	\$314,634	\$326,330	\$339,820	\$351,703	\$351,703	\$351,703	\$351,703	\$351,703	\$351,703	\$351,703	\$351,703	\$351,703	\$351,703	\$351,703
Maintenance Cost (2)																						
Bay Trail	\$5,000 per mile																					
Park Maintenance	\$25,000 per acre	\$1,227,500	\$1,290,000	\$1,290,000	\$1,290,000	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$3,607,500	\$4,047,500
Sports Fields and Urban Recreation Maint.	\$25,000 per acre	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000	\$2,680,000
Trails and Park Total (3) - shown for information purposes		\$4,051,009	\$4,129,152	\$4,158,547	\$4,187,368	\$6,524,931	\$6,549,037	\$6,586,020	\$6,602,134	\$6,621,330	\$6,634,820	\$6,648,520	\$6,662,220	\$6,675,920	\$6,689,620	\$6,703,320	\$6,717,020	\$6,730,720	\$6,744,420	\$6,758,120	\$6,771,820	\$6,785,520

(1) Include children's programs from the Recreation & Park budget; assumed approximately 2 years after parkland delivery.
(2) Maintenance costs assumed 1.5 to 2 years following park land delivery.
(3) The maintenance cost for new parks & sports fields is assumed to be covered by annual special taxes paid by new development. The Developer will be making a \$10 million payment to State Parks for ongoing operations and maintenance of State facilities.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-9
Library Costs
CP-HPS II Development Project**

Item	Total
Annual Operating Costs	
Personnel	\$177,461
Telephone Costs	\$206
Internet Costs	\$707
Utilities (1)	<u>\$8,350</u>
Total Annual Costs	\$186,724
Capital Costs	
Programming Space (2)	\$85,499
Collections	\$82,494
Technology (3)	\$135,388
FF&E Contingency	<u>\$21,762</u>
Total Capital Costs	\$325,142

(1) Include light, heat, power, water, sewer, and trash.

(2) Include tables, chairs, white board, curtains, book trucks, and miscellaneous supplies and tax.

(3) Include Phone, WiFi, copier, data projector, retractable screen, audio visual, laptops, printer, and a keycard system.

Sources: City of San Francisco; Economic & Planning Systems.

Table A-10
311 Costs
CP-HPS II Development Project

City Population		810,000				
Annual Calls to 311		3,720,000				
Calls per resident		4.59				
New Residents at CP/HPS		24,466				
Annual Call Increase		112,361				
Current Staffed CSR		77.5				
Annual Calls per CSR		48,000				
Increase in CSR		2.34				
Increase in CSR Sup		0.39				
		Step 5	Fringe*	Total		Increase
1324 Customer Service Agent	\$	65,182	\$ 21,836	\$ 87,018	\$	203,697
1326 Customer Service Agent Supervisor	\$	73,866	\$ 24,745	\$ 98,611	\$	38,472
Total					\$	242,169
*Fringe Rate (% of Total Salaries)		33.50%				

Sources: City of San Francisco; Economic & Planning Systems.

Table A-11
911 Costs
CP-HPS II Development Project

City Population	810,000				
Annual Calls to 911	953,553				
Calls per resident	1.18				
New Residents at CP/HPS	24,466				
Annual Call Increase	28,802				
Current Staffed PSD	135.0				
Annual Calls per PSD	7,063				
Increase in PSD	4.08				
Increase in PSD Supervisor	0.68				
		Step 5	Fringe*	Total	Increase
8238 Public Safety Dispatcher	\$76,778		\$25,721	\$102,499	\$417,951
8239 Public Safety Supervising Dispatcher	\$86,320		\$28,917	\$115,237	\$78,316
Total				\$ 496,267	
*Fringe Rate (% of Total Salaries)	33.50%				

Sources: City of San Francisco; Economic & Planning Systems.

Table A-12
Department of Public Health Costs
CP-HPS II Development Project

Item	Total
Total number of units	10,500
Affordable units (1)	2,006
Person per unit	2.33
Population seeking DPH services (2)	4,674
Child Population at Buildout:	
Grades K-5	983
Grades 6-8	492
Grades 9-12	<u>656</u>
	2,131
DPH	
Analysis of ER and Inpatient Admissions	
Expected # ER visits annual (3)	1,402
% increase in people to ER (4)	2.3%
Inpatient cost per visit (3)	\$565
Annual cost of ER visits	\$792,240
# of patients admitted annually (6)	196
Cost per day of inpatient (5)	\$3,000
Average length of stay (days) (7)	5.8
Annual admission cost	\$3,415,745
Total cost ER+Inpatient Admissions	\$4,207,984
Non-GF Reimbursements (8)	\$3,366,387
Remaining General Fund Cost	\$841,597

(1) Units sold or rented to individuals with less than the area median income (AMI).

(2) Conservative assumption that residents with less than AMI are more likely to be uninsured.

(3) 0.3 visits per person, according to the California Health Care Foundation (CHF).

(4) 60,000 current annual visits, according to DPH.

(5) According to Gregg Sass, DPH.

(6) 14% of ED visits result in admissions, according to the CHF.

(7) According to OSHPD (state regulatory agency for acute care hospitals).

(8) On average, SFGH generates \$4 in reimbursements for every \$5 spent per patient visit.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-13
Elections Costs
CP-HPS II Development Project**

Item	Total
New Residents	25,418
Residents eligible to register	
Percentage	72%
Number	18,301
Registered Voters	
Percentage	80%
Number	14,641
One polling place per 800 residents	
Number of new polling places:	18
Cost per polling place (1)	\$20,000
Total Annual Cost	\$360,000

(1) Includes cost for polling place and increased materials associated with those new voters, such as ballots, books, signage, etc.

Sources: City of San Francisco; Economic & Planning Systems.

Table A-14
San Francisco FY2009-10 General Fund Estimating Factors
CP-HPS II Development Project

Item	Table Ref.	FY2009-10 General Fund	% Variable	Allocation Assumptions
Revenues				
Taxes				
Property Tax		\$852,925,891		
Property Tax AB1290 Redev. Pass Through		\$7,845,000		Table A-1
Property Tax In Lieu of Vehicle License Fee		\$159,128,000		Table A-1
Property Transfer Tax		\$45,265,000		Table A-1
Sales and Use Tax		\$98,233,000		Table A-2
Telephone Users Tax		\$45,376,000		\$32.91 per resident and employee
Access Line Tax		\$42,900,000		\$31.12 per resident and employee
Water Users Tax		\$2,400,000		\$4.22 per employee
Parking Tax		\$64,123,000		Table A-4
Stadium Admission Tax (1)		\$2,202,000		\$48 per seat per year
Payroll Tax (2)		\$363,213,000		\$639 per employee
Business Tax		\$9,155,000		\$16 per employee
Hotel Room Tax		\$117,545,960		Table A-3
Property Tax In Lieu of Sales and Use Tax		\$38,161,000		- inc. in sales tax estimate
Gas Electric Steam Users Tax		\$39,180,000		\$69 per employee
Other Revenues				
Licenses, Permits, and Franchise Fees		\$24,618,168		\$30 per capita
Fines, Forfeitures and Penalties		\$3,761,036		\$4.64 per capita
Charges for Services		\$147,014,815		- not estimated
Interest and Investment Income		\$11,581,815		- not estimated
Other Financing Sources		\$1,725,000		- not estimated
Rents and Concessions		\$19,433,646		- not estimated
Intergovernmental (Federal and State)		\$675,991,691		- not estimated
Other Revenues (3)		\$368,479,913		- not estimated
San Francisco General Fund Expenditures				
General Administration and Finance				
Elections (4)		\$8,960,602	at buildout:	\$360,000 Table A-13
Assessor/Recorder (4)		\$13,119,882		\$105,530 per year
Administrative Services / Other (5)				\$242,169 at buildout
Other (5)		\$104,368,732		- not estimated
Public Safety				
Police		\$345,158,182		Table A-5
Fire		\$188,455,742		Table A-6
911 (6)			at buildout:	\$496,267 Table A-11
Other Public Protection (6)		\$312,578,310		- not estimated
Public Health (7)		\$343,741,633	per capita:	\$34.40 Table A-12
Public Works		\$24,385,565		Table A-7
Human Welfare and Neighborhood Development (8)		\$246,016,072	25%	\$75.93 per capita
Culture and Recreation				
Recreation and Park		\$33,419,416		Table A-8
Libraries (9)		\$42,945,954		Table A-9
Other Culture and Recreation (10)		\$16,784,186		- not estimated
Transportation and Economic Development (11)		\$185,339,005		Transportation is estimated separately per Table 2
General City Responsibility (12)		<u>\$333,520,461</u>		- not estimated

- (1) An average tax of \$1.50 per seat per event is assumed based on San Francisco Controller's Office tax per ticket revenue and is applied to the seat increment for the new stadium above the existing capacity of 64,450 seats.
- (2) It is assumed that the 49ers' payroll will be subject to the payroll tax as they move their headquarters from Santa Clara to San Francisco; based on the \$108 million payroll in 2009 with additional 25% assumed for overhead.
- (3) Includes access line tax, work order recoveries for budget system, and other revenue.
- (4) The Project cost is based on the City's estimates; Wells Lawson and Erin McGrath 12.04.2008 memo.
- (5) Administrative Services/Other includes "311"; costs based on call volume/req'd staff (Andy Maiming, 12/16/10) from Jon Yolles. Other includes board of supervisors, city attorney, city planning, civil service commission, controller, ethics, GSA, human resources, mayor, and treasurer/tax collector.
- (6) 911 costs based on estimate of call demand and required staff (J.Yolles, 12/23/2009)
- "Other" includes adult probation, department of emergency management, district attorney, juvenile probation, public defender, sheriff, & superior court.
- (7) Dept. of Public Health costs based on estimates of hospital admissions and emergency room visits not reimbursed from other sources (W.Lawson, 8/2008).
- (8) Includes children & families commission, children, youth & their families, county education office, department of the status of women, human rights commission, and human services.
- (9) Includes Public Library and the Law Library.
- (10) Includes Asian Art and Fine Arts Museums, Arts Commission, Academy of Science, and War Memorial.
- (11) Includes economic & workforce development and municipal transportation agency; transportation impacts are addressed separately.
- (12) Includes debt services and Intrafund transfers.

Sources: San Francisco Adopted Budget FY2009-10; Economic & Planning Systems.

Table A-15
Population and Employment Estimates
CP-HPS II Development Project

Category	Amount
<u>HPS/CP (Buildout)</u>	
Population	24,466
Households	10,500
Employment	10,734
<u>San Francisco (2010)</u>	
Population	810,000
Households	346,680
Employment	568,730

Sources: ABAG Projections 2009; Economic & Planning Systems.

Table A-16
School Impact Fees and Special Taxes
CP-HPS II Development Project

Item	Units/Sq. Ft.	School Impact Fee		School Special Tax (2)	
		Per Sq.Ft. (1)	Total	Per Unit (3)	Total
Residential	10,500	\$2.24	\$25,872,788		
Single-family	7,381			\$32.20	\$237,679
Multi-family	3,119			\$16.10	\$50,216
Office/R&D/Biotech	2,650,000	\$0.25	\$662,500		
Hotel	150,000	\$0.09	\$13,500		
Retail	885,000	\$0.18	<u>\$159,300</u>		
Total			\$26,708,088		\$287,894

- (1) Based on the San Francisco Unified School District fee schedule; residential units are assumed to average 1,100 square feet; R&D and office fees range between \$0.24 and \$0.27 per square foot respectively. Fee is "one-time", for capital facilities only.
- (2) Extension of current tax subject to election in June 2010. Tax is annual, to be used for capital facilities.
- (3) Senior citizens qualify for an exemption from the tax (not estimated).

Source: City of San Francisco, Economic & Planning Systems, Inc.

Table A-17
Non-School Development Impact Fees
CP-HPS II Development Project

Item	Total Sq. Ft.	Childcare Fee (1)		Art Requirement (2)	
		Per Sq.Ft. (3)	Total	Per Sq.Ft. (4)	Total
Office/R&D/Biotech	2,650,000				
Office Portion (5)	1,455,000	\$1.00	\$1,455,000	\$0.83	\$1,200,375
Hotel	150,000	\$1.00	\$150,000	na	na
Total			\$1,605,000		\$1,200,375

Note: shown for information purposes; actual fees will depend on provision of services on site and actual building space.

- (1) Applies to office and hotel space above 50,000 square feet; it is assumed that all commercial space will exceed 50,000 square feet per building.
- (2) Applies to office space above 25,000 square feet; it is assumed that all office space will exceed 25,000 square feet per building.
- (3) Per Planning Code Section 314, \$1.00 per square foot is assumed for office and hotel uses.
- (4) Based on an average direct construction cost of \$165 per square foot. Fee is 0.5% of direct construction cost.
- (5) Based on 50% office space of office/R&D/Biotech total net of Building 813 plus the full square footage of Building 813 (260,000 sf).

Source: City of San Francisco, Economic & Planning Systems, Inc.

**APPENDIX B:
ECONOMIC IMPACTS**



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CP-HPS II Development Project

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Table B-1
Summary of Ongoing Economic Impacts
CP-HPS II Development Project

Land Use Category	Employment Impacts			Industry Output Impacts			Total
	Direct	Indirect	Induced	Direct	Indirect	Induced	
Neighborhood Retail	930	180	170	\$105,000,000	\$37,000,000	\$31,000,000	\$173,000,000
Regional Retail	1,800	300	390	\$209,000,000	\$71,000,000	\$69,000,000	\$349,000,000
Office/ R&D	6,800	4,000	3,630	\$1,764,000,000	\$852,000,000	\$649,000,000	\$3,265,000,000
Stadium/ Performance Venue	440	80	70	\$28,000,000	\$11,000,000	\$12,000,000	\$51,000,000
Hotel	210	70	50	\$34,000,000	\$13,000,000	\$9,000,000	\$56,000,000
Public Uses	90	30	20	\$14,000,000	\$7,000,000	\$4,000,000	\$25,000,000
Residential Uses	420	50	60	\$34,000,000	\$11,000,000	\$11,000,000	\$56,000,000
Total All Land Uses	10,700	4,710	4,390	\$2,188,000,000	\$1,002,000,000	\$785,000,000	\$3,975,000,000

"ongo_sum"

Note: employment numbers have been rounded.
Source: Minnesota Implan Group, Inc.

Neighborhood Retail Employment

**Table B-2
Ongoing Economic Impacts - Neighborhood Retail Development (2010\$)
CP-HPS II Development Project**

Impact Category	Multiplier Impacts			Total
	Direct	Indirect	Induced	
<i>Activity/ Input [1]</i>	926 Employees			
San Francisco County Impacts (Rounded)				
Employment [2]	930	180	170	1,280
<i>Multiplier</i>	1.00	0.19	0.18	1.38
Industry Output [3]	\$105,000,000	\$37,000,000	\$31,000,000	\$173,000,000
<i>Multiplier</i>	1.00	0.35	0.30	1.65

^{"Inhood"}

Source: Minnesota Implan Group, Inc.

Regional Retail Employment

**Table B-3
Ongoing Economic Impacts - Regional Retail Development (2010\$)
CP-HPS II Development Project**

Impact Category	Multiplier Impacts			Total
	Direct	Indirect	Induced	
<i>Activity/ Input [1]</i>	1,814 Employees			
San Francisco County Impacts (Rounded)				
Employment [2] <i>Multiplier</i>	1,800 1.00	300 0.17	390 0.22	2,490 1.38
Industry Output [3] <i>Multiplier</i>	\$209,000,000 1.00	\$71,000,000 0.34	\$69,000,000 0.33	\$349,000,000 1.67

Source: Minnesota Implan Group, Inc. "req"

Table B-4
Ongoing Economic Impacts - Office/ R&D Development (2010\$)
CP-HPS II Development Project

Office/ R&D Employment

Impact Category	Multiplier Impacts			Total
	Direct	Indirect	Induced	
<i>Activity/ Input [1]</i>	6,793 Employees			
San Francisco County Impacts (Rounded)				
Employment [2]	6,800	4,000	3,630	14,430
<i>Multiplier</i>	1.00	0.59	0.53	2.12
Industry Output [3]	\$1,764,000,000	\$852,000,000	\$649,000,000	\$3,265,000,000
<i>Multiplier</i>	1.00	0.48	0.37	1.85

^aofc"

Source: Minnesota Implan Group, Inc.

**Stadium/ Performance
Venue Employment**

**Table B-5
Ongoing Economic Impacts - Stadium/ Performance Venue Development (2010\$)
CP-HPS II Development Project**

Impact Category	Multiplier Impacts			Total
	Direct	Indirect	Induced	
<i>Activity/ Input [1]</i>	443 Employees			
San Francisco County Impacts (Rounded)				
Employment [2]	440	80	70	590
<i>Multiplier</i>	1.00	0.18	0.16	1.34
Industry Output [3]	\$28,000,000	\$11,000,000	\$12,000,000	\$51,000,000
<i>Multiplier</i>	1.00	0.39	0.43	1.82

^astadium^a

Source: Minnesota Implan Group, Inc.

**Table B-6
Ongoing Economic Impacts - Hotel Development (2010\$)
CP-HPS II Development Project**

Hotel Employment

Impact Category	Multiplier Impacts			Total
	Direct	Indirect	Induced	
<i>Activity/ Input [1]</i>	<i>214 Employees</i>			
San Francisco County Impacts (Rounded)				
Employment [2] <i>Multiplier</i>	210 1.00	70 0.33	50 0.24	330 1.57
Industry Output [3] <i>Multiplier</i>	\$34,000,000 1.00	\$13,000,000 0.38	\$9,000,000 0.26	\$56,000,000 1.65

"hotel"

Source: Minnesota Implan Group, Inc.

**Table B-7
Ongoing Economic Impacts - Public Uses (2010\$)
CP-HPS II Development Project**

Public Uses Employment

Impact Category	Multiplier Impacts			Total
	Direct	Indirect	Induced	
<i>Activity/ Input [1]</i>	<i>92 Employees</i>			
San Francisco County Impacts (Rounded)				
Employment [2]	90	30	20	140
Multiplier	1.00	0.33	0.22	1.56
Industry Output [3]	\$14,000,000	\$7,000,000	\$4,000,000	\$25,000,000
Multiplier	1.00	0.50	0.29	1.79

Source: Minnesota Implan Group, Inc. ^{"public"}

Residential Uses Employment

**Table B-8
Ongoing Economic Impacts - Residential Uses (2010\$)
CP-HPS II Development Project**

Impact Category	Multiplier Impacts			Total
	Direct	Indirect	Induced	
<i>Activity/ Input [1]</i>	420 Employees			
San Francisco County Impacts (Rounded)				
Employment [2] <i>Multiplier</i>	420 1.00	50 0.12	60 0.14	530 1.26
Industry Output [3] <i>Multiplier</i>	\$34,000,000 1.00	\$11,000,000 0.32	\$11,000,000 0.32	\$56,000,000 1.65

"res"

Source: Minnesota Implan Group, Inc.

Table B-9
Estimated Permanent Employment Distribution by IMPLAN Sector
CP-HPS II Development Project

Implan Sector / Description	Permanent Employees
Neighborhood Retail Employment	
320 Retail Stores - Motor vehicle and parts	28
324 Retail Stores - Food and beverage	108
325 Retail Stores - Health and personal care	54
326 Retail Stores - Gasoline stations	28
327 Retail Stores - Clothing and clothing accessories	54
329 Retail Stores - General merchandise	108
330 Retail Stores - Miscellaneous	108
354 Monetary authorities and depository credit intermediation activities	27
363 General and consumer goods rental except video tapes and discs	28
364 Video tape and disc rental	28
378 Photographic services	28
399 Child day care services	54
413 Food services and drinking places	108
415 Car washes	55
419 Personal care services	54
421 Dry-cleaning and laundry services	28
422 Other personal services	28
Subtotal Neighborhood Retail Employment	926
Regional Retail Employment	
321 Retail Stores - Furniture and home furnishings	454
322 Retail Stores - Electronics and appliances	454
323 Retail Stores - Building material and garden supply	454
328 Retail Stores - Sporting goods, hobby, book and music	454
Subtotal Regional Retail Employment	1,814
Office/ R&D Employment	
355 Nondepository credit intermediation and related activities	309
356 Securities, commodity contracts, investments, and related activities	309
357 Insurance carriers	309
358 Insurance agencies, brokerages, and related activities	309
359 Funds, trusts, and other financial vehicles	309
360 Real estate establishments	309
362 Automotive equipment rental and leasing	309
367 Legal services	309
368 Accounting, tax preparation, bookkeeping, and payroll services	309
369 Architectural, engineering, and related services	309
370 Specialized design services	309
371 Custom computer programming services	309
372 Computer systems design services	309
373 Other computer related services, including facilities management	309
374 Management, scientific, and technical consulting services	309
375 Environmental and other technical consulting services	309
376 Scientific research and development services	309
377 Advertising and related services	309
380 All other miscellaneous professional, scientific, and technical services	309
381 Management of companies and enterprises	309
384 Office administrative services	309
396 Medical and diagnostic labs and outpatient and other ambulatory care services	309
Subtotal Office/ R&D Employment	6,793
Stadium/ Performance Venue Employment	
402 Performing arts companies	221
403 Spectator sports companies	222
404 Promoters of performing arts and sports and agents for public figures	0
405 Independent artists, writers, and performers	0
Subtotal Stadium/ Performance Venue Employment	443
Hotel Employment	
411 Hotels and motels, including casino hotels	214
412 Other accommodations	0
Subtotal Hotel Employment	214
Public Uses Employment	
406 Museums, historical sites, zoos and parks	60
422 Other Personal Services	32
Subtotal Public Uses Employment	92
Residential Uses Employment	
390 Waste management and remediation services	50
395 Home Health Care Services	50
399 Child Day Care Services	160
426 Private Households	160
Subtotal Residential Employment	420
Total All Permanent Employees	10,703

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