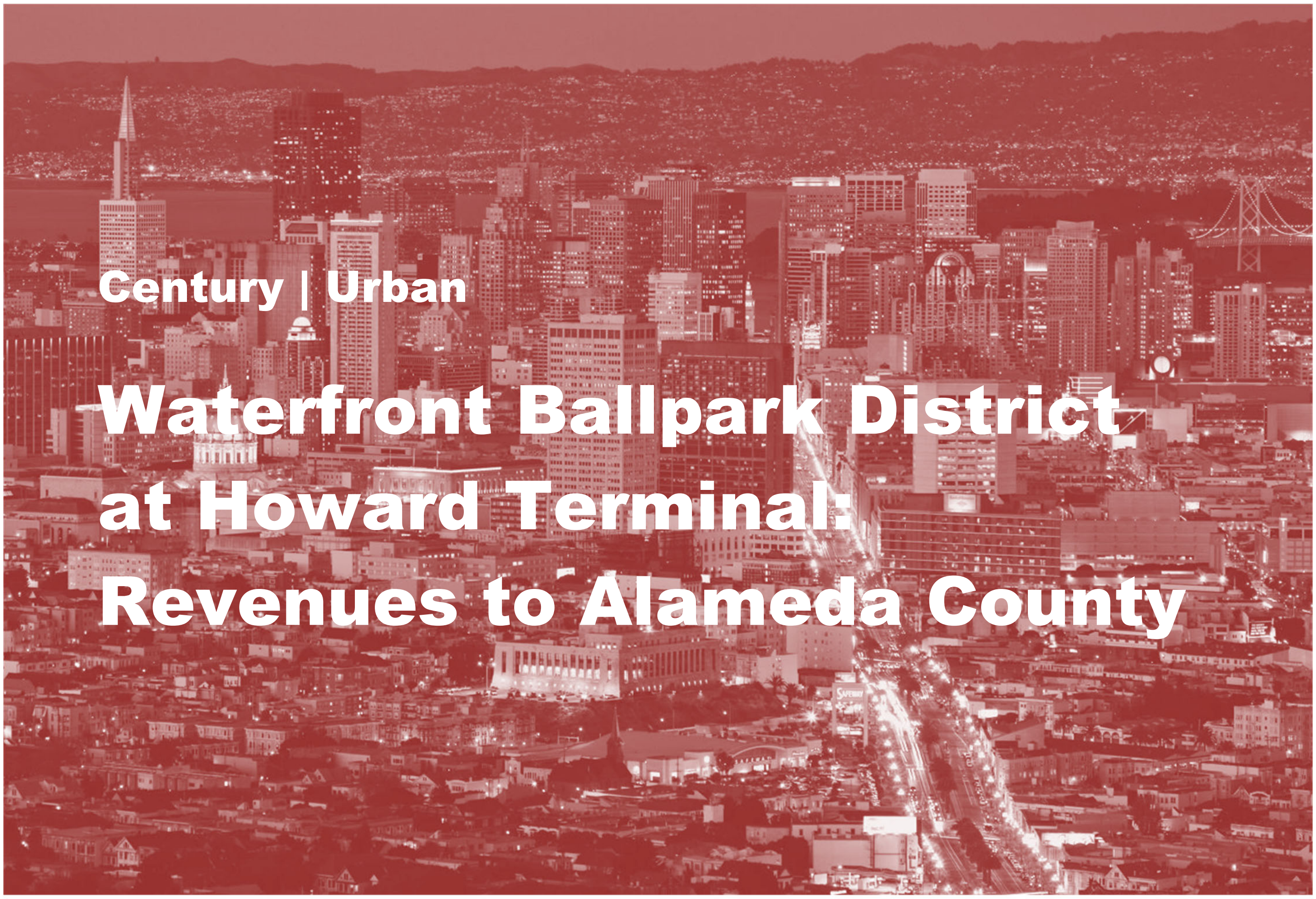

Century | Urban

Waterfront Ballpark District at Howard Terminal: Revenues to Alameda County

Presented to:

Alameda County

August 31, 2021

235 Montgomery Street, Suite 1042 | San Francisco, CA 94104 | 415.358.1218 | www.centuryurban.com

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INTRODUCTION

The City of Oakland (the "City"), Economic & Workforce Development has engaged Century Urban, LLC ("Century | Urban") to prepare a fiscal impact analysis related to the proposed Waterfront Ballpark District project located on an approximately 55-acre site commonly known as Howard Terminal in Oakland, California. The fiscal impact analysis evaluates the net fiscal revenue to the City of the proposed Major League Baseball Park ("Ballpark") and ancillary development (described in the Project Description section below). The site is owned by the Port of Oakland and is planned to be conveyed to the Oakland Athletics ("the Oakland A's" or "A's") and/or other third-party vertical developers through a combination of ground lease and fee-simple sale. In addition to preparing a fiscal impact analysis for the City, the City has requested that Century | Urban prepare a separate analysis to evaluate the fiscal revenue of the proposed project, including both the proposed Ballpark and ancillary development, to Alameda County (the "County"). Provided below is a summary of the County's projected fiscal revenues based on Century | Urban's understanding of the revenue that would be collected by the County.

Century | Urban is a privately held full-service, real estate economic consulting, investment, advisory firm headquartered in San Francisco and founded in 2010. The firm's Principals have over 40 years of experience in development, acquisition, disposition, financing and public-private partnership negotiations for all major property types including residential, office, hotel, industrial and retail. The firm has significant and meaningful experience preparing fiscal impact analyses, economic feasibility studies, and development pro forma evaluations, along with an extensive database of pro forma underwriting criteria. Century | Urban has longstanding and seasoned relationships within the land use, development, and broader investment community. This affords access to "real time" market information.

PROJECT DESCRIPTION

The Oakland A's have proposed to construct an approximately 35,000-person capacity Ballpark for its use. In addition to the Ballpark, the project would include other residential and commercial uses adjacent to the proposed new Ballpark ("Ancillary Development"). Combined, the Ballpark and Ancillary Development are referred to as "the Project". In addition to the Ballpark, when completed, the Project will include:

- Up to 1.77 million square feet of commercial development,
- Up to 3,000 residential dwelling units,
- Two new hotels with approximately 400 rooms, and
- A new performance venue with a capacity of approximately 3,500 individuals.

The project site consists of approximately 55 acres that comprise the Charles P. Howard Terminal and adjacent parcels, located at the Port of Oakland along the Inner Harbor of the Oakland-Alameda Estuary. The site is bound generally by the Oakland Estuary Middle Harbor on the south; Jack London Square on the east; Union Pacific railroad tracks and Embarcadero West on the north; and the heavy metal recycling center, Schnitzer Steel, on the west. Please refer to Exhibit A for a boundary map.

The Oakland A's have applied to the City for a Development Agreement, General Plan Amendment, Rezoning, Planned Unit Development, Tentative Map and associated environmental review. On July 20, 2021, the City Council approved a term sheet and financial plan for the Development Agreement.

Site Plan

Table 1 below presents the A's proposed program for the Project.

Table 1. Project Program

Use	GSF/ Units /Hotel Rooms
Apartments - Market Rate	1,416 Units
Apartments - Below Market Rate	450 Units
Condominium - Market Rate	1,134 Units
Office	1,497,000 GSF
Retail	252,600 GSF
Hotel	400 Rooms
Performance Center	39,000 GSF
Ballpark	1,200,000 GSF

Project Phasing

Per the A's development program, the Project will be constructed in multiple phases over an approximately 10-year period. Provided below is a summary of the anticipated building construction phases.

Table 2. Project Construction Phasing

Phase	Uses	Start of Construction	End of Construction
Phase 1	Ballpark	2025	2026
Phase 2	Apartments, Retail, Hotel	2026	2028
Phase 3	Apartments, Condominiums, Retail	2028	2030
Phase 4	Apartments, Condominiums, Retail	2030	2032
Phase 5	Condominiums, Office, Retail	2032	2034
Phase 6	Condominiums, Office, Retail, Hotel, Performance Center	2034	2036

METHODOLOGY AND APPROACH

This analysis is intended to serve as a tool to understand the additional tax revenues generated by the Project to the County and is provided as a point-in-time analysis based on the most current available information, the A's proposed program and the City's approved term sheet. The program or timing of development may change over the course of the Project's build-out and may result in fiscal revenues that are significantly different than projected. In addition, while this analysis estimates fiscal revenue to the County, it does not quantify additional community or economic benefits that the project may provide such as indirect economic impact, affordable housing, parks and recreational space, cultural spaces and public art. This analysis also does not reflect the estimated cost of one-time capital improvements such as traffic improvements, which may be funded in whole or in part by the A's.

As noted previously, this fiscal revenue analysis relies on information provided by various sources, which are noted throughout this analysis. Most notably, this analysis relies on the development program provided by the A's, which establishes the number of residential units and commercial gross square footage on which the projected fiscal revenue is based. In addition, Century | Urban relied on information contained in the County's Comprehensive Annual Financial Report for the year ending June 30, 2020, limited discussions with County staff and other publicly available information. This report is preliminary and may change following further discussions with County staff to confirm the applicable taxes. Finally, the analysis utilizes Century | Urban's economic analysis experience in estimating appropriate underwriting assumptions.

The Project will be constructed in multiple phases. For clarity and ease of comparison, this analysis estimates fiscal revenues as if the Project were built as of 2020. That is, all estimates are provided in 2020 constant dollars as if the project were fully built and stabilized in 2020.

The City and A's contemplate that an Enhanced Infrastructure Financing District ("EIFD") will be formed over the Project site and certain project-generated revenues will be contributed to the Project. Should the County elect to contribute all or a portion of its share of project-generated property tax revenues to the EIFD, these amounts would be deducted from the total amounts projected in this analysis for the duration of the IFD term, which is typically 45 years. Furthermore, a majority of the Howard Terminal site is part of a former Redevelopment Agency area ("RDA") and, as a result, property tax increment is currently and will continue to be captured by the RDA through 2039 to fulfill certain redevelopment obligations before any remaining tax increment is passed through to taxing entities or the EIFD. Based on the projections provided by the A's property tax consultant and reviewed by Century | Urban, an average of 37% of annual property taxes generated by the new proposed development would be captured by the RDA to fulfill existing obligations. The remaining 63% would be passed through to taxing entities including the County. The RDA's obligations are projected to be fully satisfied in 2039. Thereafter, all tax increment would flow to the taxing entities, and if an EIFD has been formed and the County has contributed all or a portion of its share of project-generated property tax revenue, this share would be captured for the benefit of the Project for the remaining duration of the EIFD term.

Finally, while this report has been prepared as the Bay Area recovers from a 17-month long pandemic and resulting recession, the analysis reflected herein assumes normal market conditions where occupancy, rents and construction costs are at pre-pandemic levels. This approach is appropriate given the long-term nature of this project, which is anticipated to be constructed over an approximately 10-year period.

This fiscal revenue study incorporates two components:

- An examination of one-time fiscal revenues such as sales and property taxes during construction, associated with seven distinct uses: multifamily residential apartments, multi-family residential condominiums, office, retail, hotel, performance center and the Ballpark.

- An analysis of recurring annual County fiscal revenues associated with the seven distinct uses noted in Table 1 above.

Limitations of the Analysis

The results presented in this report are intended to estimate fiscal revenues on a relative, order-of-magnitude basis. The actual fiscal benefits will vary depending on numerous factors including, but not limited to: (i) the final development program, which would affect the amount of fiscal revenue generated by the Project; (ii) economic factors such as rents, vacancy, construction costs and interest rates; and (iii) property valuation assessment by the Alameda County Assessor's office.

SUMMARY OF FINDINGS

Following is a summary of the fiscal revenues to the County and other benefits of the project.

Fiscal Revenues

- The Project is anticipated to generate approximately $67.8 million in one-time revenues to the County during the construction period of which $64.9 million would be net of amounts captured by the RDA. This includes:
    - $0.3 million in transfer fees
    - $7.8 million in property taxes during construction (before allocation of amounts captured by the RDA)
    - $59.7 million of sales tax revenue from construction spending from which $19.9 million would be allocated to each of Measure AA (ACHC), Measure W (Homelessness) and Measure C (Childhood Healthcare)

- The Project is anticipated to generate approximately $16.1 million in recurring annual fiscal revenues to the County of which $13.3 million would be net of amounts captured by the RDA. This includes:
    - $7.5 million of new property taxes (before allocation of amounts captured by the RDA)
    - $3.2 million of property tax in-lieu of VLF (before allocation of amounts captured by the RDA)
    - $4.9 million in sales taxes from which $1.6 million would be allocated to each of Measure AA (ACHC), Measure W (Homelessness) and Measure C (Childhood Healthcare)
    - $0.5 million of annualized transfer taxes from resales of completed buildings and condominiums

Other Community and Employment Benefits

While not the focus of this fiscal revenue analysis, the Project is anticipated to produce the following additional community benefits, the estimated value of which has not been quantified in this analysis.

- Retention of the County's last remaining professional sports franchise;
- 15% (450 units) on-site affordable housing;
- $50 million for displacement prevention strategies off-site, targeting an additional 20% (600) units of new, renovated or preserved affordable housing, including down payment and senior assistance in the four impacted neighborhoods (West Oakland, Chinatown, Old Oakland, and the Jack London District);
- 18.3 acres of new, publicly accessible parks and open space;
- An approximately 1.5-mile extension of the San Francisco Bay Trail;
- New public art valued at over $15 million;
- Projected new revenues to schools and community colleges of $13.0 million per year at full buildout;

- No net new greenhouse gas emissions;
- Leadership in Energy and Environmental Design (LEED) Gold (or equivalent) standards for new construction;
- Protection against sea-level rise;
- Remediation of existing toxic contaminants in soil and groundwater;
- 7,100 annual full-time equivalent jobs at full buildout; and
- 25,000 full-time equivalent jobs during construction.

Table 3. Fiscal Impact Summary

ONE-TIME REVENUE	Office	Apartments	Condominiums	Retail/Civic	Hotel	Performance Center	Ballpark	Total Project
1.) Transfer Tax	30,000	120,000	100,000	-	-	-	40,000	290,000
2.) Property Taxes During Construction	1,700,000	1,780,000	2,010,000	270,000	440,000	60,000	1,530,000	7,790,000
3.) Sales Taxes During Construction - Measure AA -- ACHC	4,390,000	5,530,000	4,950,000	690,000	1,080,000	150,000	3,100,000	19,890,000
4.) Sales Taxes During Construction - Measure W -- Homelessness	4,390,000	5,530,000	4,950,000	690,000	1,080,000	150,000	3,100,000	19,890,000
5.) Sales Taxes During Construction - Measure C -- Childhood Health	4,390,000	5,530,000	4,950,000	690,000	1,080,000	150,000	3,100,000	19,890,000
6.) **Total One-Time Revenue Gross**	**14,900,000**	**18,490,000**	**16,960,000**	**2,340,000**	**3,680,000**	**510,000**	**10,870,000**	**67,750,000**
7.) Less: Allocation to RDA	(630,000)	(660,000)	(740,000)	(100,000)	(160,000)	(20,000)	(570,000)	(2,880,000)
8.) **Total One-Time Revenue Net**	**$ 14,270,000**	**$ 17,830,000**	**$ 16,220,000**	**$ 2,240,000**	**$ 3,520,000**	**$ 490,000**	**$ 10,300,000**	**$ 64,870,000**
9.) Sales Taxes During Construction - ACTC[1]	4,390,000	5,530,000	4,950,000	690,000	1,080,000	150,000	3,100,000	19,890,000
10.) Sales Taxes During Construction - ACTI[1]	4,390,000	5,530,000	4,950,000	690,000	1,080,000	150,000	3,100,000	19,890,000
11.) Sales Taxes During Construction - BART[1]	4,390,000	5,530,000	4,950,000	690,000	1,080,000	150,000	3,100,000	19,890,000
12.) Property Taxes During Construction - Peralta Community College	260,000	280,000	300,000	40,000	70,000	10,000	240,000	1,200,000
RECURRING REVENUE PER YEAR								
13.) Property Taxes New Development	$ 1,810,000	$ 1,500,000	$ 2,580,000	$ 230,000	$ 230,000	$ -	$ 1,110,000	$ 7,460,000
14.) Property Tax In-Lieu of Vehicle License Fees (VLF)	790,000	660,000	1,130,000	99,000	101,000	-	410,000	3,190,000
15.) Sales Taxes - Measure AA -- ACHC	170,000	220,000	290,000	580,000	120,000	5,700	250,000	1,635,700
16.) Sales Taxes - Measure W -- Homelessness	170,000	220,000	290,000	580,000	120,000	5,700	250,000	1,635,700
17.) Sales Taxes - Measure C -- Childhood Healthcare	170,000	220,000	290,000	580,000	120,000	5,700	250,000	1,635,700
18.) Transfer Tax Upon Resale	140,000	110,000	240,000	17,000	20,000	-	-	527,000
19.) **Total Recurring Revenue Gross**	**$ 3,250,000**	**$ 2,930,000**	**$ 4,820,000**	**$ 2,086,000**	**$ 711,000**	**$ 17,100**	**$ 2,270,000**	**$ 16,084,100**
20.) Less: Allocation to RDA	(670,000)	(560,000)	(950,000)	(90,000)	(90,000)	-	(410,000)	**(2,770,000)**
21.) **Total Recurring Revenue Net**	**$ 2,580,000**	**$ 2,370,000**	**$ 3,870,000**	**$ 1,996,000**	**$ 621,000**	**$ 17,100**	**$ 1,860,000**	**$ 13,314,100**
22.) Sales Taxes - ACTC[1]	170,000	220,000	290,000	580,000	120,000	5,700	250,000	1,635,700
23.) Sales Taxes - ACTI[1]	170,000	220,000	290,000	580,000	120,000	5,700	250,000	1,635,700
24.) Sales Taxes - BART[1]	170,000	220,000	290,000	580,000	120,000	5,700	250,000	1,635,700
25.) Property Taxes New Development - Peralta Community College[1]	280,000	230,000	400,000	40,000	40,000	-	170,000	1,160,000

1 ACTC, ACTI, BART and Peralta Community College are separate entities and are not part of Alameda County; however, these entities provide services to Alameda County residents and businesses.

Assumptions and Methodology

One-Time Revenue

One-time revenue reflects fees or revenues that are paid once or are due to construction activity, which has a limited duration. As these revenues are temporary, their impacts are distinguished from the ongoing revenues associated with the operations of commercial or residential buildings or tenants inhabiting those businesses and units. The one-time estimated fiscal revenues are summarized in Table 3 above and described in greater detail in the following section.

Transfer Tax

Transfer tax is assessed on the sale of land or transfer of a leasehold interest. Certain parcels will be transferred on a fee-simple basis to a vertical developer who will construct the building improvements while other parcels will be transferred to a vertical developer through a ground lease. Table 4 below summarizes the blocks which are anticipated to be transacted through a ground lease versus a fee simple transaction. The applicable County transfer tax rate is $0.55 per $500 of assessed value or 0.11% of the sale price or leasehold value. Affordable apartment units, hotel and performance center uses are not assumed to support land value. The retail land value is included in the land value of the office and residential uses as it is anticipated that retail will be integrated with other uses. Land values were estimated by preparing residual land value analysis and examining historical land sale comparables.

Table 4. Transaction Structure

Transaction Structure	Blocks
Ground Lease	1,7,8,12,13,14,15,16,17
Fee Simple	2,3,4,5,6,9,10,11

Property Taxes During Construction

Property taxes during construction are estimated based on construction cost estimates for new development. As noted above, some of the parcels are anticipated to be transferred through a fee-simple transaction while other parcels will be transferred under a ground lease, which will be subject to possessory interest taxes. The County currently receives approximately 17% of the 1% ad valorem rate or 0.17% of assessed value on all taxable property. Property taxes are assumed to be payable over a two-year construction period as each building is constructed and assessed based on incurred cost. A 90% factor is applied to cost to account for development costs that would not be considered part of a building's taxable basis.

Estimated construction costs were provided by the A's and reviewed by Century | Urban for reasonableness. Century | Urban prepared estimated development budgets by use, which included typical development costs to form the basis for total development costs.

Sales Taxes During Construction

The County collects sales taxes under various measures approved by voters. Below is a summary of the voter approved sales tax measures.

- Per the County's Comprehensive Annual Financial Report, "in 2004, the voters of Alameda County approved Measure A, which provides funding, beginning in fiscal year 2005, for emergency medical, hospital inpatient, outpatient, public health, mental health, and substance abuse services to indigent, low-income and uninsured adults, children, families, seniors and other residents of Alameda County through an increase in Alameda County's sales tax revenue of 0.5 percent. Seventy-five percent of the funds are to be used by AHS." On June 3, 2014, the voters of Alameda County approved Measure AA, which extends the expiration date of Measure A from June 30, 2019 to June 30, 2034.
- On November 3, 2020, County voters approved Measure W, which established a half percent sales tax for 10 years to provide essential County services, including housing and services for those experiencing homelessness, mental health services, job training, social safety net and other general fund services. However, the validation of Measure W that would place this tax into effect is currently in litigation and is pending in the Alameda County Superior Court. This analysis assumes Measure W will take effect.
- On March 3, 2020, Measure C, an early childhood healthcare and education ordinance was approved by voters. The passage of this measure supported authorizing the County to levy an additional sales tax of a half percent for 20 years with revenue dedicated to the Children's Health and Child Care for Alameda County Fund. However, the validation of Measure C that would place this tax into effect is currently in litigation and is pending in the Alameda County Superior Court. This analysis assumes Measure C will take effect.

Sales taxes during construction are estimated based on the applicable sales tax measure described above and applied to construction costs by use.

Table 5. One-Time Fiscal Revenue Gross

Use	Transfer Tax	Property Taxes	Sales Taxes	Total
Office	$30,000	$1,700,000	$13,170,000	$14,900,000
Apartments[1]	$120,000	$1,780,000	$16,590,000	$18,490,000
Condominiums	$100,000	$2,010,000	$14,850,000	$16,960,000
Retail/Civic	$0	$270,000	$2,070,000	$2,340,000
Hotel	$0	$440,000	$3,240,000	$3,680,000
Performance Center	$0	$60,000	$450,000	$510,000
Ballpark	$40,000	$1,530,000	$9,300,000	$10,870,000
Total Project	**$290,000**	**$7,790,000**	**$59,670,000**	**$67,750,000**

1. Below market rate units are assumed to be affordable to households earning an average of 60% of area median income and would be exempt from property taxes under the State's Welfare Tax Exemption.

Contributions of One-Time Revenue to RDA

As noted previously, a majority of the Howard Terminal site is part of a former RDA and, as a result, an average of 37% of annual property tax revenue is estimated to be captured by the RDA through 2039 to fulfill certain existing redevelopment obligations. Until the RDA obligations are fulfilled, the County will receive a portion of the remaining 63% that is passed through to taxing entities. After 2039, the County is projected to receive its full 17% share of property tax revenue. All parcels within the Project are anticipated to be developed prior to 2039, so one-time property tax projections in the fiscal revenue analysis reflect only the 63% pass through portion. The total one-time property tax revenue allocated to the RDA is estimated at $2.9 million.

Net One-Time Revenue

Net one-time revenue includes all fiscal revenues shown in Table 5 above less the RDA allocation for estimated net one-time fiscal revenue of approximately $64.9 million.

Table 6. One-Time Fiscal Revenue Net of Contributions

Use	Gross One-Time Fiscal Revenue
Office	$14,900,000
Apartments	$18,490,000
Condominiums	$16,960,000
Retail/Civic	$2,340,000
Hotel	$3,680,000
Performance Center	$510,000
Ballpark	$10,870,000
Total Project	**$67,750,000**
Less: Property Taxes During Construction Contributed to RDA	($2,880,000)
Total One-Time Revenue to General Fund	**$64,870,000**

Recurring Revenue

Recurring fiscal revenue are revenues that are collected on an annual or ongoing basis. These revenues are collected as transactional taxes such as sales taxes and transfer taxes or as property taxes and property tax in lieu of VLF based on assessed values. As such, recurring revenues vary year-to-year based on projected assessed building values and economic activity such as retail sales. Century | Urban performed research to determine appropriate assumptions for estimating each recurring revenue source as described in greater detail below.

Property Taxes

Property taxes are estimated based on the projected assessed value for each property use. Per a conversation in April 2020 with Jeff Nygaard, Principal Appraiser in the County Assessor's Office, the most common valuation method for income-producing properties is the income approach. Therefore, the income approach is utilized for all income-producing uses to estimate assessed values. The sales price assumption is utilized for residential condominiums, as it is the customary approach for this property type.

As noted above, some of the parcels are anticipated to be transferred through a fee-simple transaction while other parcels will be transferred under a ground lease and subject to possessory interest taxes. In all cases, for purposes of this analysis, the assessed valuation is assumed to be the same for fee simple and possessory interest parcels. The County currently receives approximately 0.17% of assessed value on taxable property. Table 7 below summarizes the assessed value approach for each use and the resulting estimated assessed value per gross square foot.

Table 7. Assessed Value Assumptions

Use	Assessed Value Approach	Assessed Value per GSF
Office	Income Approach	$710
Apartments[1]	Income Approach	$577
Condominiums	Sale Price	$976
Retail/Civic	Income Approach	$527
Hotel	Income Approach	$438
Performance Center[2]	Tax Exempt	$0
Ballpark	Income Approach	$440

1. Excludes affordable units that are exempt from property taxes.
2. The Performance Center is anticipated to be operated by a non-profit with a property tax exempt status.

Table 8 below summarizes the projected annual property taxes by use per the assessed valuation assumptions shown in Table 7.

Table 8. Annual Property Taxes

Use	Revenue per Year
Office	$1,810,000
Apartments	$1,500,000
Condominiums	$2,580,000
Retail/Civic	$230,000
Hotel	$230,000
Performance Center	$0
Ballpark	$1,110,000
Total Project	**$7,460,000**

Property Tax In-Lieu of Vehicle License Fees (VLF)

Property tax in-lieu of VLF is a portion of ad valorem taxes that are reimbursed to the County by the State. This is estimated by applying the proportional increase in County-wide assessed value resulting from development of the Project to the amount of property tax in lieu of VLF reimbursed to the County.

The County-wide assessed value per the 2019-2020 Fiscal Year is approximately $335 billion, and the County's property tax in-lieu of VLF was approximately $250 million for the same period. At full buildout, the Project is anticipated to increase the County-wide assessed value by approximately 1.3%. Therefore, the property tax in-lieu of VLF would increase by the equivalent percentage as shown in Table 9 below.

Table 9. Property Tax In-Lieu of VLF

Total County-wide Assessed Value (FY 2019-2020)	$335 billion
County-wide Increase to Assessed Value from Project	1.3%
Total Property Tax In Lieu of VLF Revenue (FY 2019-2020)	$250 million
Increase to Property Tax In Lieu of VLF Revenue	$3.2 million

Sales Taxes

The County receives sales tax per the approved voter measures described on pages 10-11 above. Sales taxes are estimated based on two components: (a) the amount of annual taxable spending per Project resident, employee or guest; and (b) tax from new, on-site retail sales. Century | Urban estimated that 75% of all taxable spending from residents and tenants within the Project would be captured by the County. The underlying assumptions for sales taxes are provided below.

- Employee Spending - Assumes approximately $7,600 of annual taxable spending per employee.[1]

- Residential Occupants - Estimated household income based on apartment rental rate or condominium sales price and of the estimated household income, approximately 23% is allocated to taxable spending.

- Retail/Hotel - Retail taxable sales assumed to be $450 per GSF. Hotel assumes $185 average taxable guest spending per night[2].

- Ballpark - Includes in-park concessions, merchandise and other taxable sales and restaurant sales. Taxable sales projections provided by Crossroads Consulting Group.

[1] Based on a study prepared by the International Council of Shopping Centers titled "Office-Worker Retail Spending in a Digital Age".
[2] Source: Visit Oakland Annual Report 2018.

Table 10. Sales Tax Revenue

Use	Measure AA ACHC	Measure W Homelessness	Measure C Childhood Healthcare	Total Sales Tax Revenue
Office	$170,000	$170,000	$170,000	$510,000
Apartments	$220,000	$220,000	$220,000	$660,000
Condominium	$290,000	$290,000	$290,000	$870,000
Retail	$580,000	$580,000	$580,000	$1,740,000
Hotel	$120,000	$120,000	$120,000	$360,000
Performance Center	$5,700	$5,700	$5,700	$17,100
Ballpark	$250,000	$250,000	$250,000	$750,000
Total	**$1,635,700**	**$1,635,700**	**$1,635,700**	**$4,907,100**

Transfer Tax Upon Resale

The County imposes a transfer tax upon the conveyance of any real property within the County. Transfer taxes are estimated based on assumed average hold periods for large income-generating assets of 10 years and for individual residential condominium units of 7 years.

The market value at which income-producing real estate assets would transact in the future is based on an income capitalization approach. For purposes of this analysis and to reflect *annual* recurring revenue, average transfer tax revenue that would be collected in a single year is estimated by dividing the total payable transfer tax for an income-producing asset by 10 and for a residential condominium unit by 7. The Ballpark shows no transfer tax revenue as it is assumed that the Ballpark is unlikely to transact in the future given the highly specific use of the facility.

Table 11. Transfer Tax Revenue

Use	Transfer Tax Rate	Hold Period	Revenue
Office	0.11%	10 Years	$140,000
Apartments	0.11%	10 Years	$110,000
Condominiums	0.11%	7 Years	$240,000
Retail/Civic	0.11%	10 Years	$17,000
Hotel	0.11%	10 Years	$20,000
Performance Center	0.11%	10 Years	$0
Ballpark	0.11%	10 Years	$0
Total Project			**$527,000**

Contributions of Recurring Revenue to RDA

As noted previously, an average of 37% of annual property tax revenue is captured by the RDA to fulfill certain existing redevelopment obligations, which are projected to be fully satisfied in 2039. Until the RDA obligations are fulfilled, the County will receive a portion of the remaining 63% that is passed through to taxing entities. After 2039, the County is projected to receive its full share of property tax revenue. The average annual recurring property tax revenue allocated to the RDA through 2039 is estimated at $2.8 million.

Summary of Recurring Revenues

Provided in Table 10 below is a summary of the recurring revenues by use to the County. The totals include all revenue categories described above and deduct for the amount allocated to the RDA.

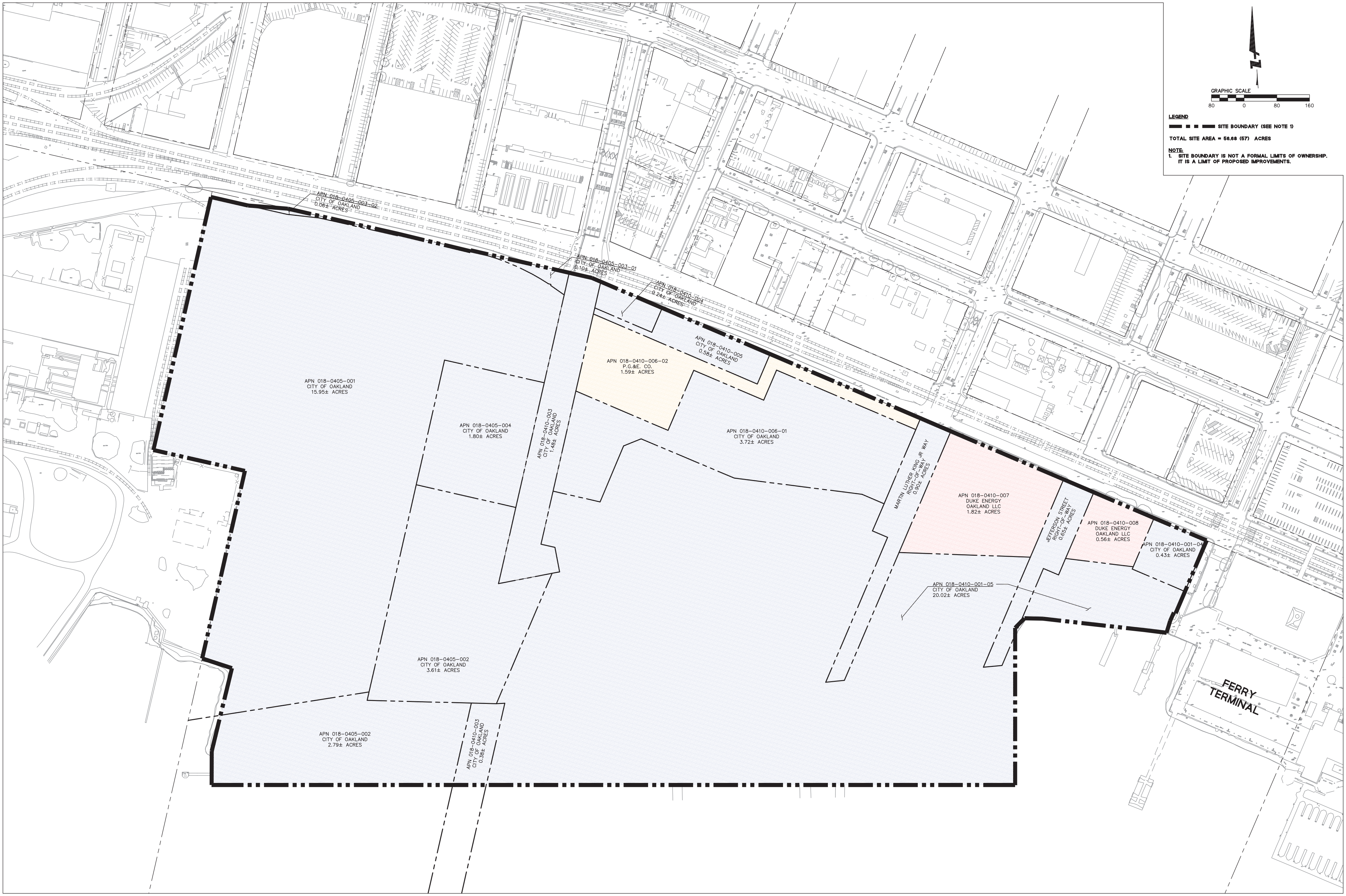
Table 12. Recurring Revenue by Use to General Fund

Use	Revenue
Office	$3,250,000
Apartments	$2,930,000
Condominiums	$4,820,000
Retail/Civic	$2,086,000
Hotel	$711,000
Performance Center	$17,100
Ballpark	$2,270,000
Subtotal	**$16,084,100**
Less: Property Taxes Contributed to RDA	($2,770,000)
Total Recurring Revenues	**$13,314,100**

Summary

The Project at completion will encompass up to 1.77 million square feet of commercial development, up to 3,000 residential dwelling units, approximately 400 new hotel rooms, a new performance venue with a capacity of approximately 3,500 attendees and a 35,000-seat ballpark. The project is also estimated to generate over 7,100 full-time equivalent jobs after full buildout and nearly 25,000 full-time equivalent jobs during construction. The Project is anticipated to generate significant revenues to the County in the form of both one-time revenues as well as recurring annual revenues. Property taxes and property taxes in lieu of VLF are eligible sources to be contributed to an EIFD, estimated at $4.7 million (net of RDA contribution) and $3.2 million per year, respectively. If the County elects to contribute these revenues to an EIFD, the County's net recurring revenue would be reduced by an amount equal to the amount of the County's EIFD contribution for a period of up to 45 years. Other tax revenues, including sales and transfer taxes, would continue to flow to the County, regardless of the County's participation in the EIFD. After 45 years, all of the County's share of Project-generated incremental taxes, including sales, transfer, property and property taxes in lieu of VLF, would be collected by the County.

EXHIBIT A: BOUNDARY MAP



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11/12/2020