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2013 JAN 24 AM 11:27

# AGENDA REPORT

TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Army Base Leasing Program

DATE: January 22, 2013

City Administrator  
Approval

Date

1/22/13

COUNCIL DISTRICT: 3

## RECOMMENDATION

A supplemental staff report recommending that the City Council accept:

**A Report and Possible Action on the Oakland Army Base Interim Leasing Program**

## ANALYSIS

At the January 15, 2013 Community & Economic Development Committee meeting, staff was asked to return on January 29 and to provide information about economic impacts of current tenants at the Oakland Army Base. A copy of a report from Keyser Marston Associates on Oakland Army Base Property Tax and Economic Impacts, dated September 13, 2012, is included as *Attachment A* to this supplemental report. Staff will also provide an oral update to the Committee on January 29 with the most current status of discussions with tenants at the former Oakland Army Base.

For questions regarding this report, please contact John Monetta, Real Estate Agent, at (510) 238-7125.

Respectfully submitted,

Fred Blackwell  
Assistant City Administrator

Prepared by:  
John Monetta, Real Estate Agent  
Real Estate Service Division

Item: \_\_\_\_\_  
CED Committee  
January 29, 2013



KEYSER MARSTON ASSOCIATES  
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN  
REAL ESTATE  
REDEVELOPMENT  
AFFORDABLE HOUSING  
ECONOMIC DEVELOPMENT

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EMILY C. KIDD  
KATHLEEN H. HUBB  
JAMES A. KANE  
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KEVIN E. ENGBROM  
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GREGORY D. SOW-HOO  
KEVIN E. ENGBROM  
JULIE L. ROMNEY

SAN DIEGO  
GERALD M. TRIMBLE  
PAUL C. MARRA

To: Pat Cashman  
City of Oakland

From: Keyser Marston Associates, Inc.

Date: September 13, 2012

Subject: Property Tax and Economic Impacts - Oakland Global Trade and Industry Center Master Plan

In accordance with your request, Keyser Marston Associates, Inc. (KMA) has evaluated the annual property tax revenues and economic impacts to be generated by alternative development scenarios for the Oakland Global Trade and Industry Center (Oakland Global) project. The purpose of the analysis is to provide information to the Oversight Board of the Successor Agency to the Oakland Redevelopment Agency regarding the tax revenues and economic benefits that will be generated by the Oakland Global project.

I. Approach and Key Assumptions

*Development Scenarios* – KMA has analyzed the property tax and economic benefits that would be generated by the following alternative development scenarios:

Scenario 1 – Completion of the City Gateway development and the Port Railyard;

Scenario 2 – Completion of the entire Oakland Global program, including the City Gateway, the Port Railyard, the Port Logistic area and the Seventh Street grade separation improvements.

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

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

To: Pat Cashman

September 13, 2012

Subject: Property Tax and Economic Impacts – Oakland Global

Page 2

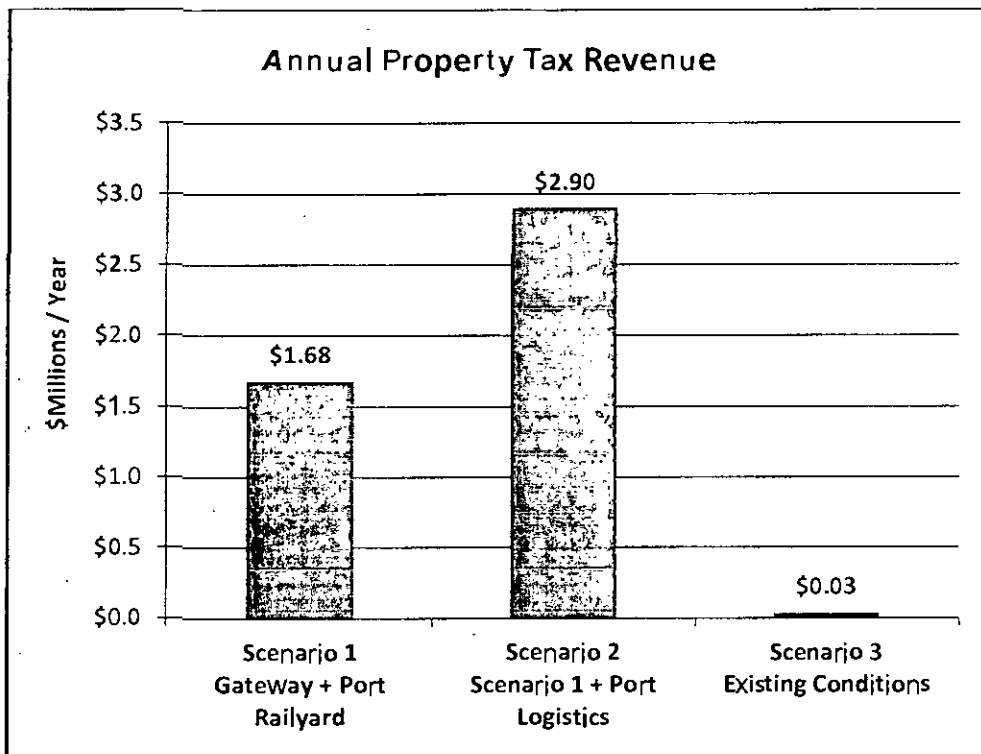
*Distribution of Property Taxes* – For purposes of this analysis, it has been assumed that property tax revenues resulting from the 1% base property tax levy are distributed to affected taxing agencies in accordance with the “normal” process for allocation of property tax and not subject to the flow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

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

ii. Preliminary Findings and Conclusions

A. Annual Property Tax Revenues to Taxing Agencies

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



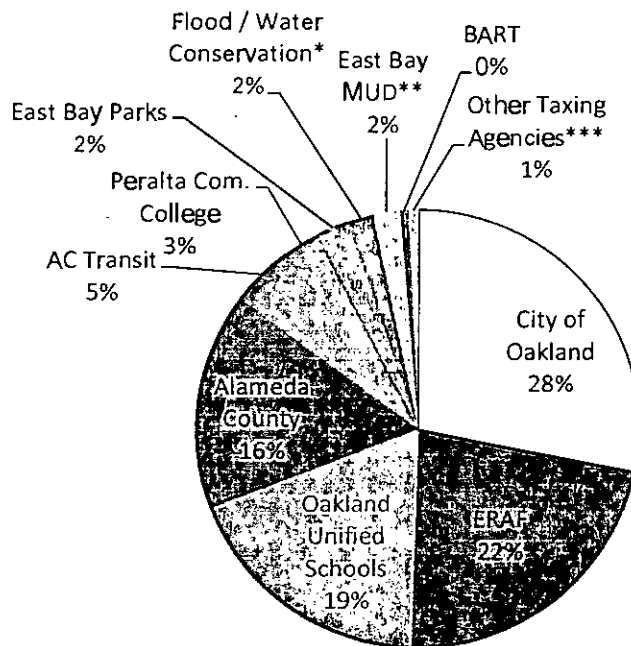
As illustrated below and on Table 2, the taxing agencies that receive the largest portion of property taxes are: 1) the City of Oakland (28%); 2) the Oakland Unified School District (19%), 3) Alameda County (16%) and 4) AC Transit (5%). Under the full build-out program (Scenario 2), annual property taxes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

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

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

**Annual Projected Property Tax Revenue by Taxing Agency**

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



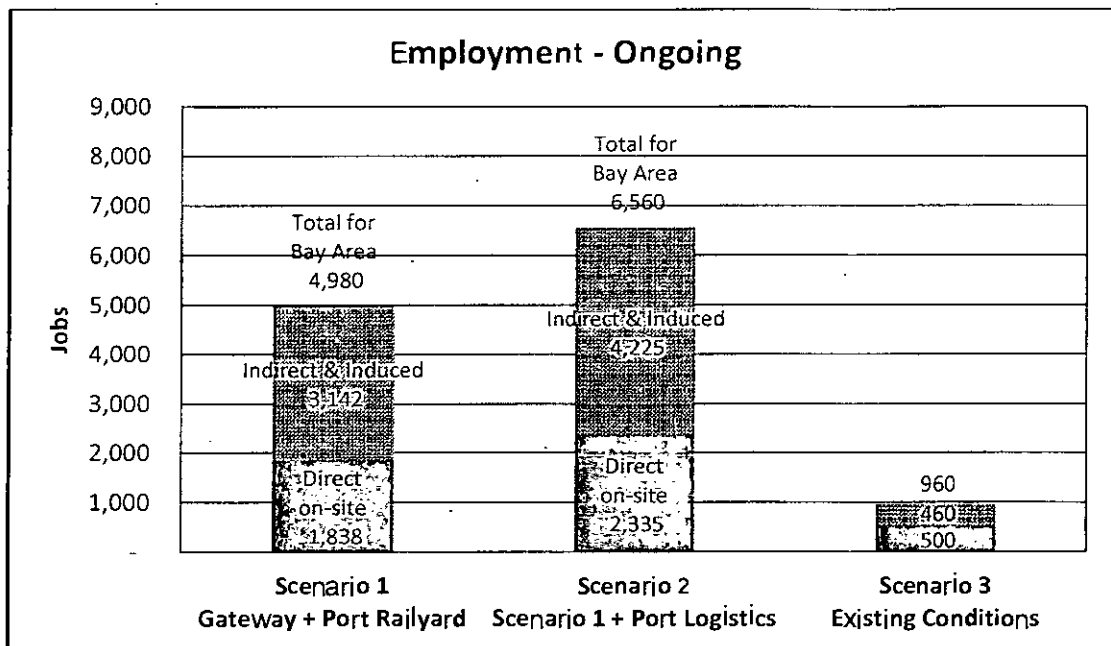
\* Includes Flood Control Zone 12.

\*\* Includes Special District #1

\*\*\* Includes BAAQMD, County Superintendent of Schools, Mosquito Abatement, and Oakland Zoo.

**B. Ongoing Jobs to be Created by Oakland Global**

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

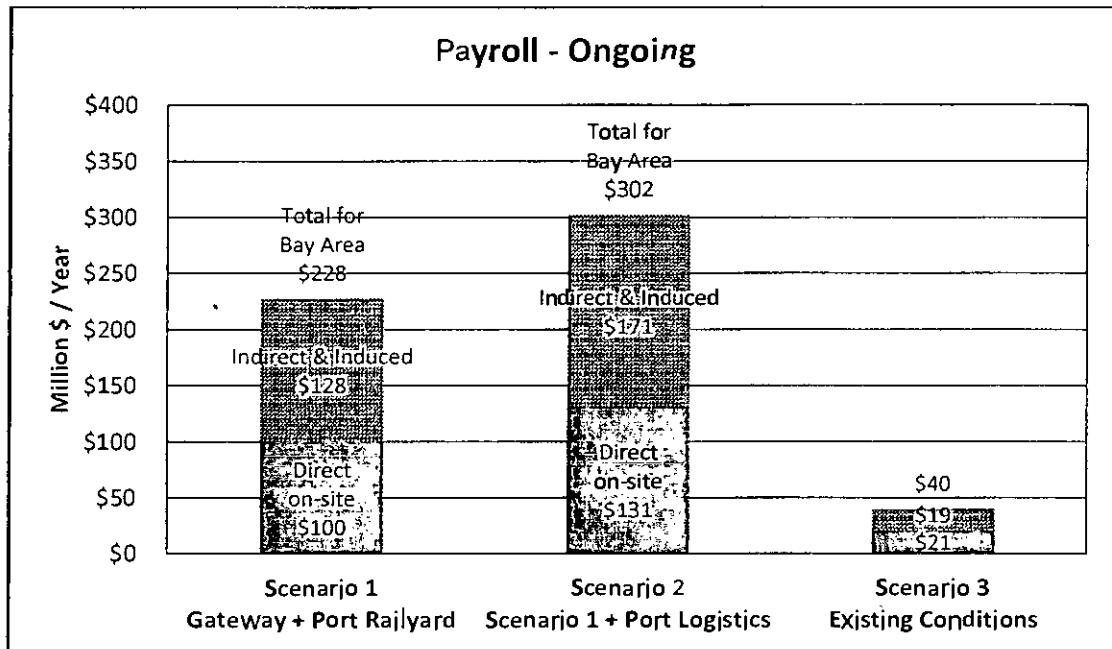


Employment created by Oakland Global (Scenarios 1 and 2) significantly exceeds the approximately 500 permanent jobs associated with existing uses<sup>1</sup> which are estimated to indirectly support an additional 460 jobs throughout the Bay Area for a total of 960 jobs (Scenario 3).

<sup>1</sup> Does not include temporary jobs associated with construction staging for the Bay Bridge replacement project.

**C. Ongoing Employee Income to be Created by Oakland Global**

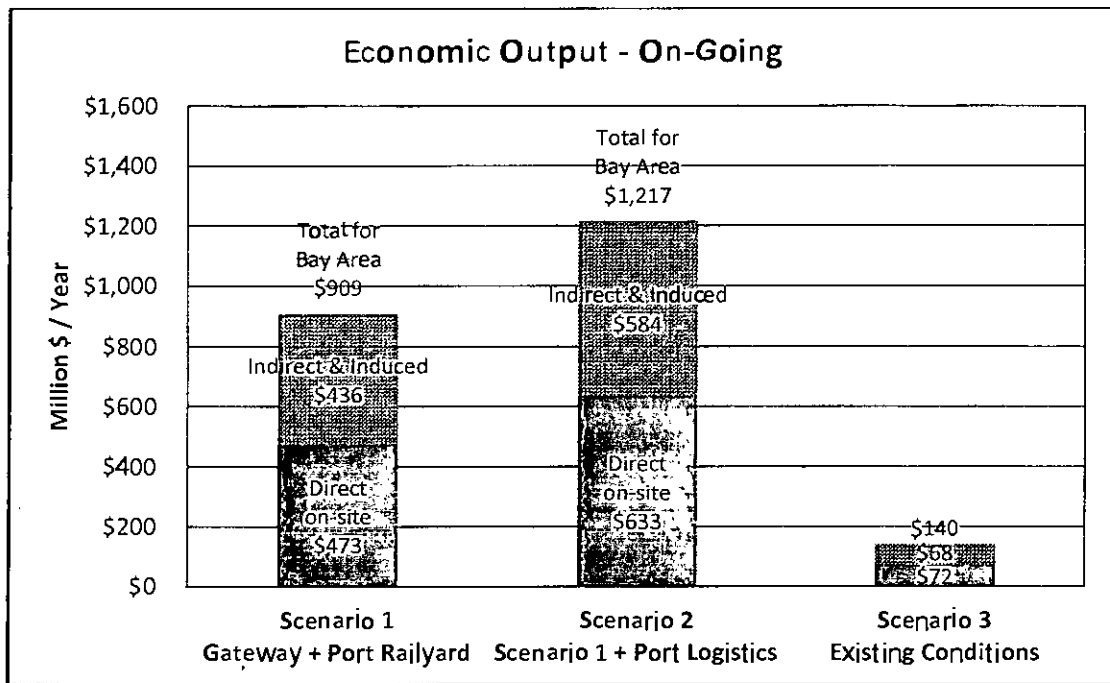
Annual direct payroll from on-site jobs in Oakland will total approximately \$100 million to \$130 million. Including indirect and induced employment throughout the region, Oakland Global will generate a total of approximately \$230 million to \$300 million of employee income.



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

**D. Ongoing Output/Gross Receipts of Oakland Global Businesses**

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

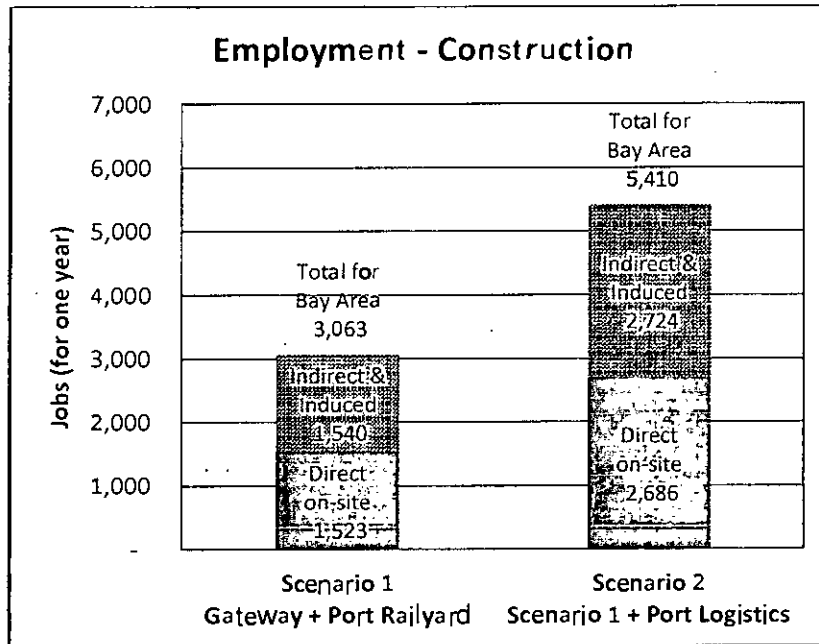


Estimated gross receipts for Oakland Global businesses (Scenarios 1 and 2) significantly exceed the existing \$72 million in direct on-site gross receipts and \$140 million inclusive of indirect and induced economic activity throughout the region (Scenario 3).



**E. Construction Jobs Created by Oakland Global**

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



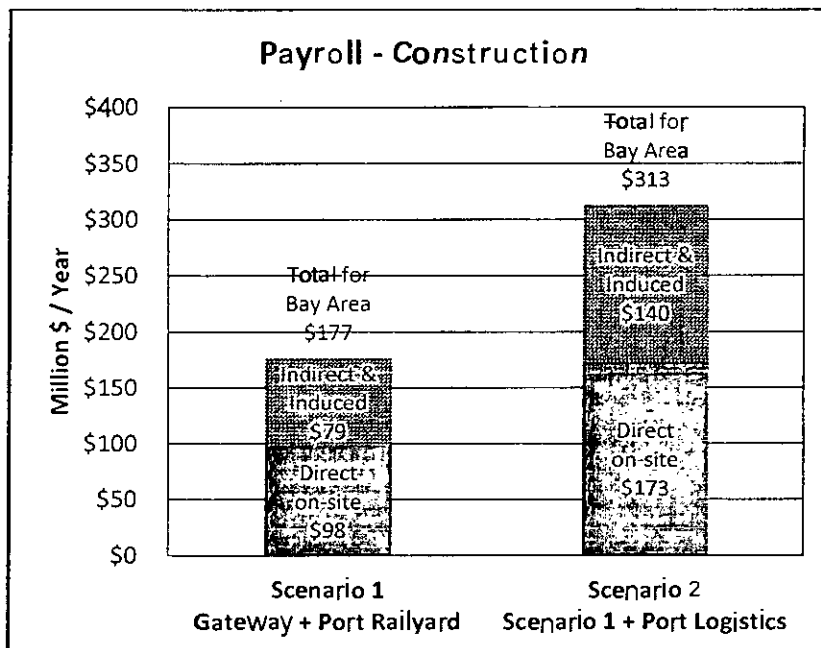
No construction jobs are created under Scenario 3, which would retain existing uses and does not involve new construction.

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

<sup>3</sup> Ibid.

**F. Income Created by Construction of Oakland Global**

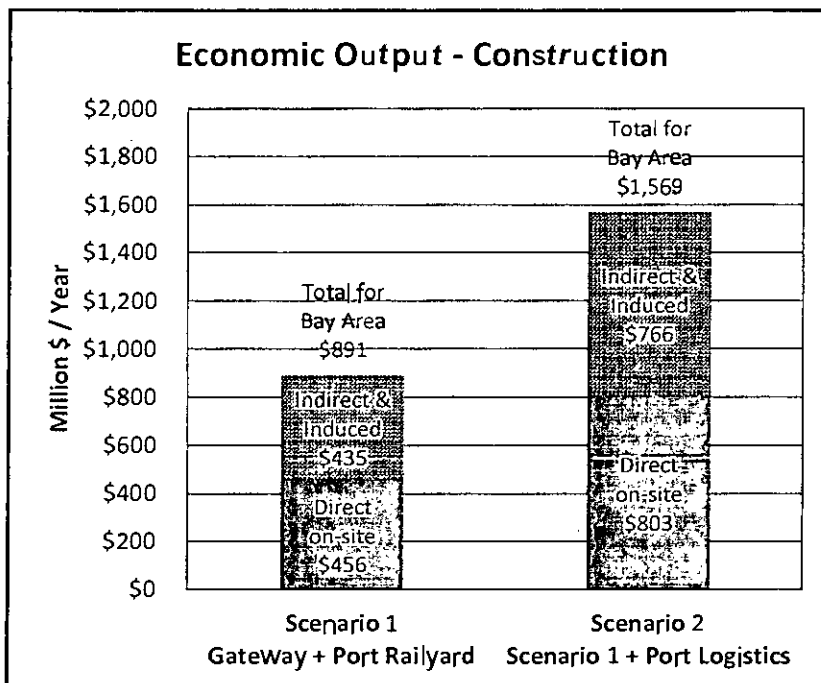
Direct employee payroll for the 1,520 to 2,690 on-site construction jobs in Oakland is estimated to range from \$98 million to \$173 million. The weighted average annual wage of construction and professional services workers who would be employed in developing Oakland Global currently approximates \$64,000.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



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

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

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



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

To: Pat Cashman

September 13, 2012

Subject: Property Tax and Economic Impacts – Oakland Global

Page 11

### III. List of Tables

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

Table 1: Summary of Proposed Vertical Development Scenarios

Table 2: Distribution of Annual Property Tax Revenue by Taxing Agency

Table 3: Summary of Ongoing and Construction Impacts

Table 4: Economic Benefits from On-Going Operations

Table 5: Economic Benefits from Construction

Table 6: Assessed Property Value

Table 7: Development Costs

Table 8: Ongoing Full Time Employment from Operations

Table 1

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

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

<sup>1</sup> Source of building areas is the "Oakland Global Trade and Industry Center Master Plan."

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

	City Gateway Property + Port Railyard - Scenario 1						Port Logistics	Scenario 2	Scenario 3
	West Gateway	Central Gateway	North Gateway	East Gateway	Scenario 1	Scenario 1 + Port Logistics		Existing Conditions	
					Gateway + Port Railyard				
Assessed Value Est. (\$Millions) <sup>1</sup>	\$22.3	\$57.0	\$46.9	\$41.4	\$167.5	\$122.1	\$289.7	\$3.2	
Base Annual Property Tax	1.00%	\$222,700	\$569,700	\$469,000	\$414,200	\$1,675,500	\$1,221,300	\$2,896,700	\$32,400
Distribution by Taxing Agency - TRA 17041									
City of Oakland	28.12%	\$62,600	\$160,200	\$131,900	\$116,500	\$471,200	\$343,400	\$814,600	\$9,100
ERAF	22.35%	\$49,800	\$127,300	\$104,800	\$92,600	\$374,500	\$273,000	\$647,500	\$7,200
Oakland Unified School District	18.67%	\$41,600	\$106,400	\$87,600	\$77,300	\$312,800	\$228,000	\$540,800	\$6,000
Alameda County	16.01%	\$35,700	\$91,200	\$75,100	\$66,300	\$268,200	\$195,500	\$463,700	\$5,200
AC Transit	4.63%	\$10,300	\$26,400	\$21,700	\$19,200	\$77,600	\$56,500	\$134,100	\$1,500
Peralta Community College District	2.64%	\$5,900	\$15,000	\$12,400	\$10,900	\$44,200	\$32,200	\$76,400	\$900
East Bay Parks	2.42%	\$5,400	\$13,800	\$11,300	\$10,000	\$40,500	\$29,600	\$70,100	\$800
Flood Control Zone 12	1.75%	\$3,900	\$10,000	\$8,200	\$7,200	\$29,300	\$21,400	\$50,700	\$600
County Flood Control and Water Conservation	0.11%	\$200	\$600	\$500	\$500	\$1,800	\$1,300	\$3,100	\$0
East Bay MUD	1.45%	\$3,200	\$8,300	\$6,800	\$6,000	\$24,300	\$17,700	\$42,000	\$500
EBMUD Special District #1	0.52%	\$1,200	\$3,000	\$2,400	\$2,200	\$8,700	\$6,400	\$15,100	\$200
BART	0.54%	\$1,200	\$3,100	\$2,500	\$2,200	\$9,000	\$6,600	\$15,600	\$200
Air Quality Management District	0.19%	\$400	\$1,100	\$900	\$800	\$3,200	\$2,300	\$5,500	\$100
County Institution Pupils	0.15%	\$300	\$900	\$700	\$600	\$2,500	\$1,800	\$4,300	\$0
County Superintendent Service	0.09%	\$200	\$500	\$400	\$400	\$1,500	\$1,100	\$2,600	\$0
County Superintendent Capital	0.07%	\$200	\$400	\$300	\$300	\$1,200	\$900	\$2,100	\$0
County Juvenile Hall Education	0.03%	\$100	\$200	\$100	\$100	\$500	\$400	\$900	\$0
Mosquito Abatement	0.08%	\$200	\$500	\$400	\$300	\$1,300	\$1,000	\$2,300	\$0
Oakland Zoo	0.18%	\$400	\$1,000	\$800	\$700	\$3,000	\$2,200	\$5,200	\$100
Total	100.00%	\$222,800	\$569,900	\$458,800	\$414,100	\$1,675,300	\$1,221,300	\$2,896,600	\$32,400

<sup>1</sup> Estimates are presented on Table 6. Existing conditions represents actual FY 12-13 AV per Alameda County Assessor.

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

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

<sup>1</sup> Estimates are presented on Table 6. Distribution among taxing agencies is presented on Table 2.

<sup>2</sup> Estimates are presented on Table 4.

<sup>3</sup> Estimates are presented on Table 5.

<sup>4</sup> Estimates are presented on Table 5. Employment impacts represent equivalent full-time jobs over a 1-year construction period.

**Table 4**  
**Summary of Economic Benefits from On-Going Operations - Gateway, Railyard, and Port Logistics**  
**Property Tax and Economic Benefits Analysis**  
**Oakland Army Base**

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

Notes:

<sup>1</sup> Bureau of Economic Analysis RIMS II multipliers for the Bay Area (11-County Combined Statistical Area) applicable to rail transportation and warehousing/storage industries.

Multiplier for existing uses are for warehousing/storage and truck transportation industries.

Output, indirect/induced employment, and total payroll figures have been estimated by applying the RIMS II multipliers to the direct job counts.

<sup>2</sup> Please see Table 8 for calculation of jobs.

<sup>3</sup> Estimate derived using RIMS II multipliers based upon estimated direct employment.

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



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

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

**Notes:**

<sup>1</sup> Reflects development cost estimates contained in the "Oakland Global Trade Industry center Master Plan."

<sup>2</sup> Bureau of Economic Analysis RIMS II multipliers for the San Francisco/Oakland/Fremont MSA.

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

<sup>4</sup> Per California Employment Development Department data on average pay for construction and professional service workers in Alameda County.

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

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

Est. Assessed Value <sup>1</sup>	City Gateway Property + Port Railyard - Scenario 1				Scenario 1 Gateway + Port Railyard	Port Logistics	Scenario 2 Scenario 1 + Port Logistics	Scenario 3 Existing Conditions
	West Gateway	Central Gateway	North Gateway	East Gateway				
Base Bldg.	\$15,000,000	\$25,499,436	\$36,000,000	\$20,144,640	\$96,644,000	\$40,476,000	\$137,120,000	actual 12-13 AV Per Assessor \$3,236,000
Site Work	\$0	\$6,444,000	\$0	\$6,048,000	\$12,492,000	\$14,652,000	\$27,154,000	
Tenant Improvement Allowance	\$839,561	\$2,501,015	\$0	\$2,212,800	\$5,553,000	\$4,414,000	\$9,967,000	
Acquisition	\$0	\$552,690	\$0	\$0	\$553,000	\$0	\$553,000	
Land Value (@\$8/sf of land)	\$5,694,504	\$19,285,464	\$8,854,704	\$10,797,520	\$44,632,000	\$58,159,000	\$102,791,000	
Personal Property (@\$6/sf gba)	\$732,300	\$2,685,245	\$2,039,935	\$2,212,800	\$7,670,000	\$4,414,000	\$12,084,000	
Estimated Assessed Value	\$22,266,365	\$56,967,850	\$46,894,639	\$41,415,760	\$167,544,614	\$122,125,000	\$289,669,000	
Per SF of GBA								
Base Bldg.	\$102.42	\$47.48	\$88.24	\$45.52	\$63.00	\$45.85	\$56.73	
Site Work	\$0.00	\$12.00	\$0.00	\$13.67	\$8.14	\$16.61	\$11.23	
TIs	\$5.73	\$4.66	\$0.00	\$5.00	\$3.62	\$5.00	\$4.12	
Acquisition	\$0.00	\$1.03	\$0.00	\$0.00	\$0.36	\$0.00	\$0.23	
Land Value (@\$8/sf of land)	\$38.88	\$35.91	\$21.70	\$24.40	\$29.09	\$65.87	\$42.53	
Personal Property (@\$5/sf gba)	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	
Total Assessed Value / sf gba	\$152.03	\$106.08	\$114.94	\$93.58	\$109.22	\$138.33	\$119.85	
Land Area	711,813	2,410,683	1,106,838	1,349,690	5,579,024	7,269,918	12,848,942	
Bldg. Area	146,460	537,049	407,987	442,560	1,534,056	882,881	2,416,937	

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

Oakland Global<sup>1</sup>  
Benefits Analysis

City Gateway Planning Areas						Port Planning Areas				Scenario 1	Scenario 2
1	2	3	4	5	6	7	8	9	10	11	12
CW1	CE1 &2, CE3, CC2, CC3	CC1,4,5	CC6 - 9	CN1, CN2	Gateway Subtotal	Port Railyard	PL 1 - 9 Transload	PL 1 - 9 warehouse	Port Subtotal (inc. 7th st)	Columns 6, and 7	Columns 6 + 10
146,460	347,000	595,763	36,846	407,987	5,579,024 1,534,056	2,900,201			7,269,918 882,881	8,479,225 1,534,056	12,848,942 2,416,937
					\$5,700,000	\$3,425,464	\$2,274,536		\$5,700,000	\$9,125,464	\$11,400,000
					\$150,843,068	\$125,523,137			\$362,371,625	\$276,366,205	\$513,214,693
					\$15,838,522	\$13,179,929			\$38,049,021	\$29,018,451	\$53,887,543
					\$37,673,705	\$31,224,000			\$90,019,832	\$68,897,705	\$127,693,537
					\$12,067,445	\$10,041,851			\$26,989,730	\$22,109,296	\$41,057,175
					\$12,488,047	\$9,752,545			\$27,543,087	\$22,240,592	\$40,031,134
					\$228,910,787	\$189,721,462			\$546,973,295	\$418,632,249	\$775,884,082
	\$1,127,750	\$1,280,890			\$2,408,640	\$0	\$1,323,660	\$1,022,542	\$2,346,202	\$2,408,640	\$4,754,842
	\$520,500	\$744,704			\$1,265,204	\$0	\$610,920	\$594,501	\$1,205,421	\$1,265,204	\$2,470,625
	\$225,550	\$268,093			\$493,643	\$0	\$264,732	\$214,020	\$478,752	\$493,643	\$972,395
	\$926,490	\$875,772			\$1,802,262	\$0	\$1,087,438	\$699,133	\$1,786,571	\$1,802,262	\$3,588,633
	\$347,000	\$297,882			\$544,882	\$0	\$407,280	\$237,801	\$645,081	\$644,862	\$1,289,963
	\$1,265,856	\$2,445,011			\$3,710,867	\$0	\$1,485,757	\$1,951,867	\$3,437,624	\$3,710,867	\$7,148,491
	\$13,880	\$11,915			\$25,795	\$0	\$16,291	\$9,512	\$25,803	\$25,795	\$61,598
	\$1,080,905	\$1,021,734			\$2,102,639	\$0	\$1,268,677	\$815,656	\$2,084,333	\$2,102,639	\$4,186,972
	\$164,825	\$162,048			\$326,873	\$0	\$193,458	\$129,363	\$322,821	\$326,873	\$649,694
	\$15,268	\$16,383			\$31,651	\$0	\$17,920	\$13,079	\$30,999	\$31,651	\$62,650
	\$138,800	\$119,153			\$257,953	\$0	\$162,912	\$95,120	\$258,032	\$257,953	\$515,985
	\$329,650	\$324,095			\$653,745	\$0	\$386,916	\$258,727	\$645,643	\$653,745	\$1,299,388
	\$723,820	\$735,023			\$1,458,843	\$0	\$849,561	\$586,773	\$1,436,334	\$1,458,843	\$2,895,177
	\$166,560	\$214,475			\$381,035	\$0	\$195,494	\$171,216	\$366,710	\$381,035	\$747,745
	\$2,491,460	\$2,073,255			\$4,564,715	\$0	\$2,924,270	\$1,655,091	\$4,579,361	\$4,564,715	\$9,144,076
\$15,000,000	\$16,656,000	\$26,213,572	\$2,774,504	\$36,000,000	\$96,644,076	\$0	\$19,549,440	\$20,926,444	\$40,475,884	\$96,644,076	\$137,119,960
	\$12,492,000				\$12,492,000	\$0	\$14,652,080		\$14,662,080	\$12,492,000	\$27,164,060
\$839,561	\$1,735,000	\$2,978,815			\$5,553,376	\$0	\$2,036,400	\$2,378,005	\$4,414,405	\$5,553,376	\$9,967,781
			\$552,690		\$552,690	\$0	\$0	\$0	\$0	\$552,690	\$552,690
\$15,839,561	\$40,421,314	\$39,782,820	\$3,327,194	\$36,000,000	\$135,370,889	\$0	\$47,443,206	\$31,758,850	\$79,202,056	\$135,370,889	\$214,572,945
					\$359,981,676	\$193,146,926			\$631,875,351	\$563,128,602	\$1,001,857,027
					\$303,563,927	\$152,170,381			\$498,951,152	\$455,734,308	\$802,515,079

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

Table 8

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

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

<sup>1</sup> Represent number of on-going full time equivalent jobs per 1,000 square feet of gross building area.

These job generation factors reflect the factors and the rail employment estimates in the "2012 Oakland Army Base Project Initial Study/Addendum" prepared by LSA in May 2012.

<sup>2</sup> Weighted average of RIMS II multipliers for San Francisco- Oakland-Fremont MSA, weighted 50% rail transportation and 50% warehouse and storage.

For existing uses, multipliers are based on a weighted average of 70% warehousing and storage and 30% truck transportation which represent the largest share of overall existing employment although other uses exist such as the Oakland Film Center.

<sup>3</sup> Jobs for Scenario 3 (existing conditions) Per "2012 Oakland Army Base Project Initial Study/Addendum" prepared by LSA in May 2012."

Excludes temporary jobs associated with Bay Bridge construction staging / lay down area.