

Exhibit 9



Economic & Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

MEMORANDUM

To: City of Seaside; Russ McGlothlin, Brownstein Hyatt Farber Schreck, LLP
From: David Zehnder, Amy Lapin, and Tapa Banda
Subject: City of Seaside Cease and Desist Order Economic Impact Analysis; EPS #18470
Date: July 9, 2008

INTRODUCTION

The City of Seaside (City) retained Economic & Planning Systems, Inc., (EPS) to prepare an Economic and Fiscal Impact Analysis (Impact Analysis) detailing the potential implications of a Cease and Desist Order (CDO) issued by the California State Water Resources Control Board (State Water Board) in January 2008.

The Impact Analysis evaluates the following potential impacts of the draft CDO, as currently drafted, on anticipated development and redevelopment within the City:

- Land Use
City Finances
General Fund revenues
Redevelopment and other taxing entity funds
City Economy
Jobs
Employee wages
Direct Output
Redevelopment Agency Implications

1 Based on information provided by Brownstein Hyatt Farber Schreck, LLP, this analysis assumes that the Coastal Water Project, a solution to the CDO, will be fully operational by 2015.



The draft CDO may have additional impacts on the City's infrastructure (e.g., roadways), public facilities (e.g., schools), and public services (e.g., public safety). These potential impacts are difficult to describe or estimate, and thus not included as part of this analysis, but will likely be directly or indirectly experienced by local residents, local businesses, and other users of municipal services.

BACKGROUND

The State Water Board issued a draft CDO on January 15, 2008 that requires Cal Am to terminate its unauthorized diversions from the Carmel River in Monterey County (County), California. Cal-Am is the largest water purveyor in the County and serves approximately 90 percent of development in the City. The CDO is based on the assumption that Cal-Am has not complied with Condition 2 of Order WR 95-10 (Order 95-10), adopted by the State Water Board in 1995. Since the adoption of Order 95-10, Cal-Am has diverted annually approximately 7,150 acre-feet from the Carmel River in excess of its legitimate water rights, which is a trespass under Water Code section 1052 and is causing harm to public resources of the Carmel River.²

The draft CDO requires Cal-Am to reduce its unauthorized diversions from the Carmel River in accordance with a gradual reduction schedule that ultimately requires a 50 percent reduction from current diversion levels over seven years. Based on evidence presented during Phase II of the State Water Board hearings commencing on July 23, 2008, the State Water Board may consider a range of remedies for the unauthorized diversions including: a ban on new service connections; a ban on increased water deliveries to existing service addresses; a ban or limit on landscape irrigation; additional water conservation measures; alternative water supplies; or other measures to protect public trust resources during any period of continued unauthorized diversions, in addition to or instead of those included in the draft CDO.³

IMPACT ANALYSIS FINDINGS

The draft CDO has the potential to have significant impacts on the City. If the identified development projects were delayed because of the imposition of a moratorium on new water service connections by Cal-Am:

² Notice of Draft Cease and Desist Order Regarding the Continued Unauthorized Diversion of Water from the Carmel River in Monterey County. State Water Resources Control Board, Division of Water Rights, January 15, 2008.

³ See Rulings on Procedural Issues Involving the Consideration of a Cease and Desist Order Against California American Water (Cal-Am) for Unauthorized Diversions of Water from the Carmel River in Monterey County. State Water Resources Control Board, Division of Water Rights, May 13, 2008.

- The City could forgo approximately \$2.7 million in anticipated annual General Fund revenues;
- Approximately 1,620 new one-time anticipated jobs associated with construction and approximately 900 new annual ongoing jobs would not be created; and
- A delay in the subject infill development would also result in other land use impacts to the City, including failure to satisfy the state-imposed housing element, failure to achieve targeted new affordable housing units, and failure to achieve redevelopment goals set forth in the City's General Plan to revitalize the economic, social, cultural, and recreational attributes of the City's downtown corridor.

The Impact Analysis findings presented in this Memorandum are based on three categories of development and an analytical framework discussed in the subsequent section of this memorandum. All development projects evaluated in this Impact Analysis are located within the City's authorized redevelopment areas.⁴

- **Approved Projects.** Because these projects have received development approval, the projects in this category fall within the City's remaining water allocation offset forth within the Monterey Peninsula Water Management District's water allocation program.⁵ Approved projects have the highest likelihood of being constructed. However, the impacts related to development of these projects have been included in this Impact Analysis in the event a CDO is issued during the July 23rd, 2008 hearing that would result in a moratorium on new service connections.
- **Pending and Future Reuse Projects.** The projects in this category are in various stages of development approval and are may be impacted by the CDO, depending on specific action taken by the State Water Board during the July 23rd hearing.
- **The West Broadway Specific Plan (WBSP).** The WBSP is the sole pending specific plan going through the development entitlement process. The Environmental Impact Report (EIR) is projected to be completed in October 2008. The WBSP may be impacted by the CDO.

⁴ There are two residential projects included in Table A-2 (project reference number 11 and 12) that are not contained within the City's authorized redevelopment areas. These two projects have been excluded from the Impact Analysis because they represent a negligible net change in development and thus, and insignificant net fiscal and economic impact on the City.

⁵ Exhibit 26-A: Monthly Allocation Report, May 31, 2008. Monterey Peninsula Water Management District. www.mpwmd.dst.ca.us. June 24, 2008.

The Impact Analysis evaluates the potential fiscal and economic impacts of all development categories assuming **full buildout** of potential projects identified by the City to be constructed within the 7-year study period (2009-2016). It is important to note the following considerations in evaluating the findings of this analysis:

- The fiscal and economic impacts shown in this analysis may not be fully realized until the end of the 7-year study period.
- It is possible that some or all of the projects identified in this analysis may not develop because of other constraints including market, financial, infrastructure, environmental, and community opposition.

As shown in **Table 1**, the City has identified approximately 330 residential units and 477,000 square feet of nonresidential development that may be affected by the CDO.⁶ **Appendix A** details the projects assumed to be potentially delayed or not constructed as a result of the CDO. Other scenarios regarding development potential under the CDO are possible but not evaluated as part of this Impact Analysis because this analysis is based on projects that have already been proposed and considered. This analysis does not evaluate the potential impacts of the CDO to development projects that have not yet been proposed.

The **Location Map** included in this memorandum shows the location of the identified projects that could be subject to the CDO, as identified by the City. Refer to Table A-2 for specific details regarding these projects.

⁶ Reflects total residential and nonresidential development, net of development proposed to be demolished.

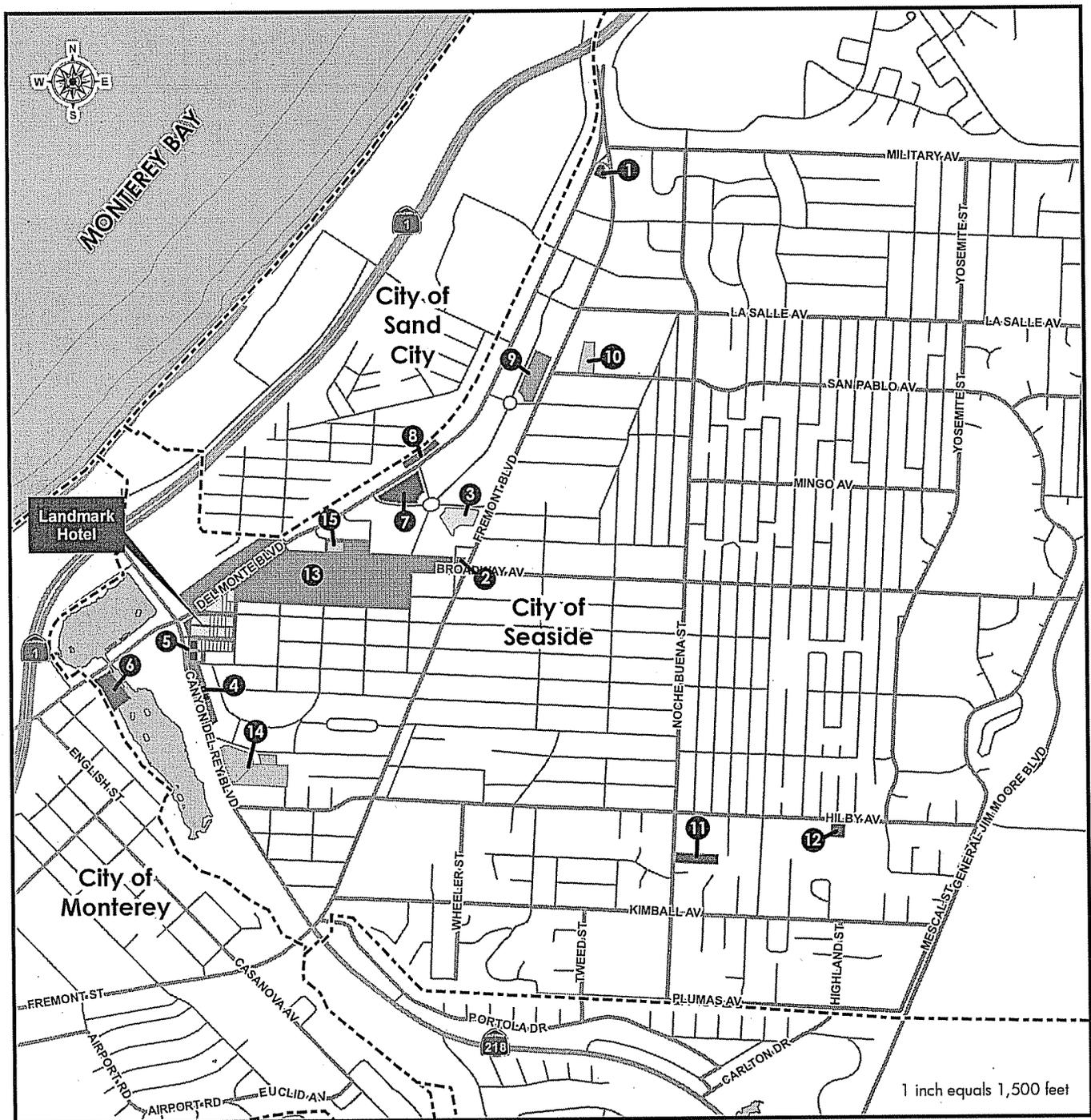
Table 1
Proposed Development Potentially Subject
to the Cease and Desist Order [1]

Land Uses	Net Housing Units	Net Bldg. Sq. Ft.
Residential		
Mixed Use (Multifamily)	169	-
Multifamily	165	-
Subtotal Residential	334	-
Nonresidential		
Retail	-	50,799
Office	-	87,932
Hotel	-	235,194
Industrial	-	1,200
Auto Dealership	-	80,814
City Hall Expansion	-	20,000
Library	-	20,000
Subtotal Nonresidential	-	495,938
TOTAL	334	495,938

"table_1"

Source: Appendix Tables A-1 and A-2.

[1] Represents net new development potentially subject to the draft Cease and Desist Order over a 7-year study period (2009-2016).



Source: City of Seaside; GIS 2008
06/19/08 cdl

List of Potential and Future Projects

- | | | |
|-----------------------|------------------------------------|-----------------------------|
| ① The Pointe | ⑦ Toyota Car Dealership | ⑬ W. Broadway Urban Village |
| ② 1st National Bank | ⑧ Lexus Car Dealership | ⑭ City Hall Expansion |
| ③ Audi Car Dealership | ⑨ BMW Car Dealership | ⑮ Library & Parking Garage |
| ④ Plaza de Espirito | ⑩ 1117 San Pablo Ave | |
| ⑤ Laguna Grande Plaza | ⑪ 1150 Noche Buena St. Subdivision | |
| ⑥ Del Monte Hotel | ⑫ 1528 Hilby Ave. Subdivision | |

LAND USE IMPACTS

The CDO may influence the timely revitalization and redevelopment of older residential, commercial, and industrial areas over the 7-year study period. Some of these land use impacts are relatively easy to predict; these short-term impacts are the focus of the Impact Analysis. Longer term impacts, particularly related to the delay or absence of desired revitalization and redevelopment are harder to quantify but are no less real.

1. **The draft CDO may delay or prevent development expected to occur for approximately 477,000 square feet of retail, office, and industrial development.**⁷ The City is currently a housing-rich community with a jobs-housing ratio of 0.68:1, the lowest ratio of any city in the County and significantly below the State of California Department of Housing and Community Development (HCD)-recommended ratio of 1.5:1. Through the implementation of the City's primary land use documents (General Plan, Specific Plans, and Zoning Ordinance), the City is encouraging the location of employment-generating land uses to strengthen city-wide fiscal stability and to allow residents to live and work in the same community, thereby improving traffic conditions and improving residents' quality of life.⁸ A reduction or delay in the development of these employment-generating, nonresidential land uses will preclude the City from achieving the goals outlined in the General Plan.
2. **An estimated 330 residential units, a portion of which will be affordable units, may not be constructed.**⁹ The Draft Regional Housing Needs Allocation (RHNA) Plan 2007-2014 for Monterey and Santa Cruz Counties identifies regional housing requirements, including the need for low and moderate housing by jurisdiction.¹⁰ The RHNA indicates that the City should provide 598 of the region's 15,130 affordable housing units by 2014. A reduction or delay in the construction of the proposed units will likely prevent the City from meeting its affordable housing requirement.¹¹
3. **HCD could view the draft CDO as a constraint on the production of housing.**¹² A reduction or delay in the planned residential construction may also negatively

⁷ Reflects total nonresidential development, net of development proposed to be demolished.

⁸ City of Seaside General Plan, August 2004.

⁹ Reflects total residential units, net of proposed demolished units. The precise number of units that will be designated affordable is unknown at the time of this analysis.

¹⁰ Draft Regional Housing Needs Allocation (RHNA) Plan, dated January 17, 2008, prepared by the Association of Monterey Bay Area Governments (AMBAG).

¹¹ This analysis assumes that areas inside the City but outside Cal-Am's service boundary (e.g., Fort Ord) could not accommodate sufficient development needed to meet the City's future residential requirements.

¹² Ibid.

impact the State's review of the City's Housing Element, a mandatory element of the City's General Plan.¹³ The City's Housing Element, which will designate sufficient land to allow for the development of 1,000 housing units to serve all economic segments of the local population according to the City's current RHNA allocation, is currently being updated and is scheduled to be adopted by the City Council in late 2008 or early 2009.

4. **The City may be unable to meet its General Plan goal for revitalizing its downtown given a delay or absence of new development.** The City's goal for the WBSP is to create an urban village, containing a mix of residential (both market rate and affordable for-sale and rental products) with ground-floor retail and commercial uses that will revitalize and enhance the economic, social, cultural, and recreational fabric of downtown Seaside.¹⁴ A reduction or delay in development of the WBSP would stall these redevelopment goals.
5. **As a result of the draft CDO, some proposed automobile dealerships, or expansion of an existing dealership, may not be constructed. Consequentially, some existing dealerships may relocate to other cities/communities resulting in reduced municipal revenues (e.g., sales tax revenue) to fund municipal services (e.g., public safety) for City residents.** The City may lose a couple of significant automobile dealerships if the CDO prevents these dealerships from expanding their current operations. Preliminary estimates from the City indicate that the loss of two significant dealerships would result in an annual reduction of \$700,000 to \$800,000 in sales tax revenue otherwise available to fund municipal services (e.g., public safety).¹⁵

DETAILED REVENUE FISCAL IMPACTS

The City's Fiscal Year (FY) 2007-08 Budget estimates revenues at approximately \$20.9 million. Major sources of revenue to the City include:

- Sales Tax, the largest current source of revenue, which accounts for \$6.4 million or 31 percent of FY 2007-08 City revenues;
- Property Tax in-lieu of Vehicle License Fee (PTVLF) revenues at \$3.0 million (15 percent of City revenues); and
- Transient occupancy taxes (TOT) at \$2.2 million (10 percent of City revenues).

¹³ Government Code Section 65302 (c).

¹⁴ City of Seaside, West Broadway Urban Village Specific Plan. www.broadwayurbanvillage.org. June 24, 2008.

¹⁵ Hodgson, Daphne, City of Seaside, Deputy City Manager – Administrative Services, June 17, 2008.

All remaining revenues, including property tax, utility users tax, franchise fees, and other miscellaneous revenues account for \$9.2 million or 44 percent of the FY 2007-08 City revenues.

Assuming all development identified as potentially subject to the CDO is delayed or not developed, the City might not capture new revenues of approximately \$2.5 million annually as detailed on Table 2, which is approximately 12 percent of the City's current FY 2007-08 annual revenues.¹⁶ Refer to Appendix B for detailed fiscal impact assumptions and methodology.

Table 2
Potential Foregone Recurring City General Fund Revenues (2008\$)

General Fund Revenues	FY 2007-08 Budget	Potential Annual Revenues Foregone	% of FY 2007-08 Budget
Property Tax [1]	\$1,360,000	-	-
Property Tax In-Lieu of VLF	\$3,040,000	\$395,000	13%
Sales Tax [2] [3]	\$6,400,000	\$648,000	10%
Transient Occupancy Tax (TOT)	\$2,200,000	\$1,322,000	60%
Other Revenues [4]	\$7,870,000	\$309,000	4%
Total Revenues	\$20,870,000	\$2,674,000	13%

"table_2"

Source: Appendix Tables B-1 through B-7.

- [1] This analysis assumes the City's General Fund will not receive any allocation from increasing property taxes. Since proposed new development will occur within currently authorized redevelopment areas, property tax increases generated by new development will accrue to the Redevelopment Agency and Other Taxing Entities.
- [2] Includes Property Tax in-Lieu of Sales Tax (SB 1092/AB 2115).
- [3] Preliminary estimates from the City indicate that the loss of two significant dealerships would result in an annual reduction of \$700,000 to \$800,00 in sales tax revenue. The potential loss in sales tax revenue is not included in total potential annual sales tax revenues.
- [4] Other Revenues includes Utility Users Tax, Franchise Fees, and other miscellaneous revenues.

¹⁶ It is important to note this analysis does not include the increase in municipal service expenditures associated with these projects. While this analysis recognizes there would be additional municipal service expenditures, it is assumed these expenditures would be nominal given the infill location of the projects and economies of scale that could be achieved within City departments.

Property Tax in-lieu of Vehicle License Fees (PTVLF)

PTVLF increases proportionally based on the annual increase in the City's total assessed value (AV). As calculated in **Table B-7** the proposed new development, after netting out the anticipated decrease in AV from the anticipated demolition of some existing development, would increase the City's total AV by approximately \$278 million, a 13.0 percent increase from the City's current AV of \$2.1 billion. As a result, the City's budgeted allocation of PTVLF of \$3.0 million would increase by a similar 13.0 percent. Based upon this increase in AV, the CDO could result in foregone PTVLF revenues of approximately \$395,000 annually if all development identified as potentially subject to the CDO is delayed or not developed.

Sales Tax

Table B-2 presents the calculations used to estimate new sales tax revenue that will accrue to the City as a result of increased taxable sales from the new development identified as potentially subject to the CDO. Assuming all development identified as subject to the draft CDO is delayed or not developed, the City might not capture new sales tax revenues of approximately \$650,000 annually. Sales tax revenues are based on the Bradley Burns Sales Tax rate of 1 percent, and the Measure R Sales/Transaction Tax rate of 1 percent, which went into effect on July 1, 2008.¹⁷¹⁸

Estimated sales tax revenue is based entirely on the proposed increase in retail land uses by type (retail, office, industrial and auto dealerships). The proposed new residential development will increase the number of City residents, and thereby, it can be assumed there will be an increase in the volume of taxable sales occurring within the City. However, without a full market analysis it is not possible to separate the portion of taxable sales from new retail development that is attributable to new City residents from new taxable sales attributed to non-City residents. For the purpose of this Impact Analysis, the sales tax calculation only estimates taxable sales attributable to increased retail development within the City assuming that this proposed increase in retail space is adequate to service the City's growing population.¹⁹

The Impact Analysis assumes that 100 percent of taxable sales generated by new development will represent new taxable sales within the City. It is possible that some

¹⁷ In February 2008, City residents approved Measure R, effective July 1, 2008, which increased the City's sales tax rate by one cent (1 percent) to protect/maintain essential City services including public safety, street maintenance, code enforcement, graffiti abatement, and other general services. Sales tax revenue from non-automobile retail transactions are collected according to the retail site's location. With respect to automobile transactions, sales tax revenue is collected according to the address of the registered owner of the vehicle.

¹⁸ Annual sales tax revenue estimate includes property tax in-lieu of sales tax revenue.

¹⁹ This methodology avoids double counting new taxable sales attributable to new residents that are also included in the net City increase in taxable sales from new retail development.

percentage of the taxable sales from existing development will be displaced by new retail development. A detailed market analysis would be required to estimate the impact of new retail development on existing retail sales.

Transient Occupancy Tax (TOT)

There are two hotel projects included in the development potentially subject to the CDO. These new hotels are expected to add 345 new hotel rooms to the City's inventory. As detailed on **Table B-3**, assuming an average nightly room rate of \$125 and an average occupancy rate of 70 percent, the City's 12 percent transient occupancy tax would result in \$1.3 million per year in potential foregone annual TOT revenue.^{20 21} Generating this annual revenue would represent a 60 percent increase in the City's currently budgeted annual TOT revenue and would account for 65 percent of total estimated foregone annual revenues.

Property Tax

New development from projects identified in this analysis will increase the overall AV of the City by approximately \$278 million, a 13.0 percent increase from the City's current AV of \$2.1 billion. This will result in increased property tax revenue. However, as noted previously, the proposed development assumed in this analysis will occur within currently authorized redevelopment areas. As a result, property tax increases generated by new development will accrue to the Redevelopment Agency of the City and other taxing entities, such as the County General Fund and County Library.

The City's General Fund property tax revenues will not increase from development in redevelopment areas. However, this analysis estimates that property tax revenues, net of administrative fees and the 20 percent housing set-aside (Redevelopment Housing Fund), represents approximately \$2.2 million in potential foregone revenues to the City's Redevelopment Agency and other taxing entities. Assuming all projects are not developed as a result of the CDO, this analysis estimates foregone revenues of \$557,000 annually for the Redevelopment Housing Fund, which finances the acquisition, rehabilitation, and construction of affordable housing, as governed by State law. Refer to **Table B-4** for additional information regarding estimated foregone property tax revenue by development category for the 7-year study period.

²⁰ Hotel occupancy and average daily room rates obtained from BAE Draft Memorandum Fiscal and Economic Benefits, West Broadway Avenue Specific Plan, dated May 14, 2008.

²¹ The Preliminary Findings for the Proposed Seaside Landmark Hotel, completed in January 2007 by PKF Consulting, indicated a hotel occupancy rate of 75 percent and an average daily room rate of \$197. Under these assumptions, potential foregone annual TOT revenue is estimated to be \$2.2 million. Despite these assumptions, the PKF study concluded the hotel project may be financially infeasible without additional improvements (e.g., retail, conference center) and a significant public subsidy.

DETAILED ECONOMIC IMPACTS

This Impact Analysis provides the estimated quantifiable impacts of development potentially subject to the CDO on the local economy with respect to jobs, income, and total output (i.e., the amount of expenditures on goods and services retained in the local economy) based on:

- One-time direct construction impacts (impacts shown are County-wide); and
- Ongoing direct annual impacts (impacts shown are City-wide).

This Analysis focused only on the **direct** one-time construction and ongoing direct annual economic impacts of development potentially subject to the CDO. Typically, economic activity comprises direct, indirect, and induced effects. Economic activity is initially stimulated by direct expenditures of businesses and households. Construction spending and purchases of goods and services by future businesses in the proposed projects will stimulate output and employment at other businesses that supply goods and services. The other businesses, in turn, spend their income, and stimulate additional impacts (indirect effect). Furthermore, when employees spend their income on household needs, such as groceries, retail purchases, health care, or mortgage or rent payments, their spending induces additional economic activity (induced effect) in each of these industries. These various indirect and induced effects multiply and when added to the direct impact businesses yield the total economic impact of the proposed land uses.²²

Economic impacts are typically estimated on a regional or countywide level to capture the ripple-effects of initial direct expenditures through various inter-related sectors in a regional (county-wide) economy, the smallest geographic level of data available. Indirect and induced impacts that are typically measured on a regional level have been excluded in this Analysis to provide a more conservative estimate of the potential economic impacts.²³

Although one-time construction and ongoing annual direct impacts are generated in the City, not all impacts will be retained in the City. Certain value-added components of total output such as labor income, indirect business taxes (Federal and State), and corporate profits are likely to leak out of the local economy. In addition, not all employees will be City residents; therefore, new employment created may not necessarily reduce the City's unemployment rate.

²² Indirect and induced effects are collectively referred to as multiplier effects.

²³ Available economic impact models estimate multipliers based on counties or other larger economic areas; as such, it is not possible to estimate indirect and induced impacts at the City level.

Table 3 shows the potential unrealized economic activity stemming from the development potentially subject to the CDO. Refer to Appendix C for detailed economic impact assumptions and methodology.

Table 3
Potential Unrealized Economic Activity (2008\$) [1]

Impact Type	One-Time Direct Construction Impacts	Ongoing Annual Operations Impacts
Potential Unrealized Employment [2] [3]	1,620 job years	900 annual jobs
Employee Compensation [4]	\$62,000,000	\$41,500,000
Direct Output (excl. Income)	\$137,600,000	\$73,300,000
Total Unrealized Output [5]	\$199,600,000	\$114,900,000

"table 3"

Source: Appendix Tables C-1 through C-6.

- [1] Impacts include only direct impacts. Note that not all direct impacts are likely to be retained in the City. Certain value added components of total output such as labor income, indirect business taxes (federal & state) and corporate profits are likely to leak out of the local economy and not all employees will be City residents.
- [2] Job years is a measure of cumulative annual employment over the course of the construction period.
- [3] Annual average employment represents the average number of jobs that would be supported annually by ongoing annual business operations at buildout.
- [4] Employee compensation includes employee wages and benefits and is part of total output.
- [5] Output is a measure of the level of economic activity generated by the project as a result of project construction activities and business operations at buildout.

One-Time Direct Construction Impacts

Construction of the proposed projects would generate a one-time impact of \$200 million to the City's economy. The estimated unrealized potential employment is 1,620 job years, the cumulative annual employment over the course of the construction period. Since impacts are limited to the construction period, they are referred to as one-time impacts.

Table C-1 shows the total one-time impacts that would be generated by the construction of all proposed projects by development category. Actual impacts generated in any given year will be proportional to the percentage of total construction that occurs. The

economic impacts shown in **Table 3** are assumed to be distributed countywide.²⁴ It is difficult to quantify the precise total of one-time direct construction impacts likely to be retained in the City, although the city-wide impacts would be some portion of the county-wide impacts shown. One-time direct construction costs are estimated to be approximately \$8.0 million based on the City's percentage of total county-wide employment.²⁵

Ongoing Annual Direct Impacts

Ongoing impacts would be generated by the operations of business enterprises that are expected to locate in the projects at buildout. Assuming all development is delayed or does not occur, potential ongoing annual direct impacts would equal \$115 million. The estimated unrealized potential employment is 900 jobs, including both full- and part-time workers.

Table C-2 summarizes the annual direct economic impacts that would be generated by the operations of business enterprises at buildout of all projects by development category. It is likely that most ongoing annual direct impacts would be retained within the City; however, not all direct output would be captured and not all employees are expected to be City residents.²⁶

REDEVELOPMENT AGENCY IMPLICATIONS

The City is the largest city and the geographical center of the Monterey Peninsula and home to a majority of the Peninsula's working population. Seaside is the Peninsula's only minority community (50.8 percent non-white). Median household income is 16 percent and 29 percent lower than the median household income of the cities of Monterey and Carmel-by-the-Sea, respectively. Households living below poverty in Seaside are 12.1 percent; households living below poverty are 7.8 percent and 6.6 percent, respectively for Monterey and Carmel-by-the-Sea. Consequently, the fiscal impacts of State Water Board sanctions against the community's primary water provider

²⁴ Because the City is small relative to the Monterey County region, most of the value-added components of total direct output (including employee compensation, proprietors' income, corporate profits, state and federal taxes) are not likely to be retained in the City's economy.

²⁵ According to the Monterey Bay Area 2008 Regional Forecast, prepared by AMBAG and adopted on June 11, 2008, Seaside employment (estimated 7,600 in 2008) represents approximately 4 percent of total Monterey County employment (estimated 195,100 in 2008).

²⁶ Because the City is small relative to the Monterey County region, most of the value-added components of total direct output (including employee compensation, proprietors' income, corporate profits, state and federal taxes) are not likely to be retained in the City's economy.

would have disproportionate impacts on the City compared to its neighboring communities.²⁷

Approximately 85 percent of the community is within its two major redevelopment project areas. These redevelopment areas, characterized by extensive blight and economic distress, have been difficult to revitalize because of recent water shortages and the closure of the former Fort Ord military base. The CDO, as currently drafted, would greatly impede the City's efforts in revitalizing its redevelopment areas and alleviating current aesthetic, social, and economic issues.

ANALYTICAL FRAMEWORK

The analytical framework of the Impact Analysis comprises four main steps:

1. Determine the potential type and amount of development in the City subject to the draft CDO over a 7-year period (2009-2016).
2. Categorize net land use development over the 7-year study period based on planning approval or entitlement stage, spanning from those projects that have been approved and are likely to develop to those projects that are pending entitlements that may develop within the 7-year study period.
3. Based on the net land use development by category, evaluate the potential fiscal and economic impacts on the City.

Quantitative calculations are based on a **largest-impact** scenario; this Impact Analysis assumes that none of the projects potentially subject to the Draft CDO are developed and the sites remain vacant or are not redeveloped during the 7-year study period. The impacts identified represent the differences that would occur if potential development projects are deferred or displaced, rather than built as anticipated, because of a moratorium on new or expanded water service connections as a result of the issuance of the CDO.

EPS used information from the City's FY 2007-08 Budget to develop forecasting methodologies for City revenues. Although the FY 2007-08 Budget was prepared in calendar year 2007; all figures in this Impact Analysis are assumed to be reflective of current 2008 dollars.

²⁷ Statistics provided by the Redevelopment Agency of the City based on data from the 2000 U.S. Census and 2006 population estimates from the U.S. Census.

FISCAL REVENUE IMPACT METHODOLOGY

EPS applied a case study approach or an average-revenue approach to estimate the impact of the draft CDO on City revenues. A listing of the City's revenue sources and the estimating procedure used to forecast future revenues are shown on **Table B-1**.

The case-study approach simulates actual revenue generation based on proposed development throughout the City and was used to estimate the following revenue sources:

- Property Tax;²⁸
- Property Tax in lieu of Vehicle License Fee (PTVLF);
- Sales Tax; and
- Transient Occupancy Tax (TOT).

The remaining City revenues were consolidated into a single category, Other Revenue.²⁹ EPS applied an average-revenue approach to estimate future revenues that would result from additional residents and employees. The average-revenue approach uses the City's FY 2007-08 budgeted revenue amounts on a citywide persons served basis to forecast revenues derived from estimated residents and employees of the anticipated development projects.³⁰

ECONOMIC IMPACT METHODOLOGY

EPS conservatively analyzed only the direct economic impacts on industry output, employment, and employee income. Although indirect and induced effects can be estimated on a countywide basis (or a combination of counties) using available regional economic models, these impacts have been excluded from the analysis.

Impacts were estimated and presented separately for the construction phase (one-time impacts) of the proposed projects and the operations phase (ongoing annual impacts) after buildout. For each phase, the following impacts were estimated.

²⁸ Since proposed new development will occur within currently authorized redevelopment areas, property tax increases generated by new development will accrue to the City's Redevelopment Agency and Other Taxing Entities, such as County General Fund, County Library, etc. This analysis assumes the City's General Fund will not receive any allocation from increasing property taxes in redevelopment areas.

²⁹ Other Revenues includes Utility Users Tax (\$2,395,000), Franchise Fees (\$1,124,000) and various miscellaneous revenues (including Motor Vehicle In-Lieu, Business License Fees, Fines, Forfeitures and Penalties, etc.).

³⁰ "Persons served" population is defined as 100 percent of residents plus 50 percent of employees.

Industry Output

Output is a measure of the level of economic activity generated by the project and is based on the value of goods (including real property) and services produced in the City as a result of the proposed projects' construction activities and business operations at buildout. Construction output was measured by the cost of new construction (See **Table C-5** and **Table C-6**).

Annual output generated by business operations was estimated by applying the County average output per worker in each sector (IMPLAN 2006) to total estimated employees as shown in **Table C-4**.³¹

Employment

Employment estimates the total number of jobs, full-time and part-time, generated by the proposed projects.

Total employment generated by construction was estimated by dividing total output by the average output per worker in each construction sector (IMPLAN 2006).³²

Annual employment generated by business operations was estimated by dividing total building square feet by the average square feet per employee in each sector as shown in **Table C-4**.³³

Employee Compensation (Income)

Employee compensation (income) measures total wages and benefits received by new employees. Income represents a portion of the proposed projects' value-added and is one component of the proposed projects' total output described above.

Total employee compensation from construction was estimated by applying the County average compensation per worker in each construction sector (IMPLAN 2006) to total employees as shown in **Table C-3**.³⁴

³¹ The 2006 output per worker estimates from IMPLAN were inflated to 2008 dollars based on the change in the Consumer Price Index (All Items for all Urban Consumers) for the San Francisco-Oakland-San Jose metropolitan area.

³² The 2006 construction output per worker estimates from IMPLAN was inflated to 2008 dollars based on the change in the ENR Building Cost Index for the San Francisco metropolitan area.

³³ Square feet per employee assumptions for are based on data from various sources, including the Business Park & Industrial Development Handbook (ULI, 2001), 1999 Commercial Buildings Energy Consumption Survey, West Broadway Specific Plan Fiscal and Economic Benefits Analysis (BAE, May 2008), and prior EPS studies.

³⁴ The 2006 compensation per worker estimates from IMPLAN were inflated to 2008 dollars based on the change in the Employment Cost Index (Private Industry) for the Western USA.

Annual employee compensation received by employees in the proposed projects' businesses was estimated by applying the County average compensation per worker in each sector (IMPLAN 2006) to total employees as shown in **Table C-4**.

APPENDICES

The technical calculations used in this Impact Analysis are shown in **Appendices A** through **C** (**Tables A-1** to **C-6**) of this memorandum and are summarized below:

- **Appendix A** provides a summary of the land uses by category used in this Impact Analysis;
- **Appendix B** details the estimated potential **fiscal revenue impacts** resulting from the delay or absence of land use development identified by the City that is potentially subject to the CDO; and
- **Appendix C** details the estimated potential **economic impacts** resulting from the delay or absence of land use development identified by the City that is potentially subject to the CDO.



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APPENDICES

APPENDIX A: LAND USE ASSUMPTIONS

APPENDIX B: DETAILED FISCAL REVENUE IMPACTS

APPENDIX C: DETAILED ECONOMIC IMPACTS



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APPENDIX A

LAND USE ASSUMPTIONS

Table A-1	Summary of Potentially Impacted Land Uses.....	A-1
Table A-2	List of Potentially Impacted Residential, Commercial, and Industrial Projects (2 pages)	A-2
Table A-3	New Residential Population and Employment at Buildout.....	A-4

Table A-1
City of Seaside
Cease and Desist Order Economic Impact Analysis
Summary of Potentially Impacted Land Uses [1]

Land Uses	Category 1: Approved Projects			Category 2: Pending & Future Reuse Projects			Category 3: West Broadway Specific Plan		
	Acres	Units	Bldg. Sq. Ft.	Acres	Units [2]	Bldg. Sq. Ft.	Acres	Units	Bldg. Sq. Ft.
Residential									
Mixed Use (Multifamily)	-	-	-	1.50	-	-	-	169	-
Multifamily	0.15	6	-	-	-	-	-	159	-
Subtotal Residential	0.15	6	-	1.50	-	-	-	328	-
Nonresidential									
Retail [3]	0.04	-	1,395	0.37	-	4,262	-	-	45,142
Office	0.43	-	6,315	0.37	-	4,039	-	-	77,578
Hotel [4]	-	-	-	2.20	-	60,194	5.70	-	175,000
Industrial	-	-	-	1.00	-	1,200	-	-	-
Auto Dealership [4]	1.50	-	17,800	7.57	-	63,014	-	-	-
City Hall Expansion	-	-	-	1.87	-	20,000	-	-	-
Library	-	-	-	-	-	-	-	-	20,000
Subtotal Nonresidential	1.97	-	25,509	13.38	-	152,709	-	-	317,720
TOTAL	2.12	6	25,509	14.88	-	152,709	45.70	328	317,720

"land_use_2"

Source: City of Seaside; BAE; PKF Consulting; and EPS.

- [1] Units and building square feet that will be demolished have been subtracted out of new units and building square feet in the proposed projects. See Table A-2 for details.
- [2] Proposed units have been excluded from this analysis because they represent a negligible net change in development and thus, an insignificant net fiscal and economic impact on the City.
- [3] Total retail space in the West Broadway Specific Plan (WBSP) includes 20,000 sq. ft. of retail which is part of the hotel project.
- [4] Excludes square feet for structured parking facilities.

Table A-2
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 List of Potentially Impacted Residential, Commercial and Industrial Projects.

Project Ref. No.	Category [1]	Project Description	Existing Property to be Demolished [2]			Proposed Uses			Net New Land Uses [3]				
			Units	Bldg. Sq. Ft.	Assessed Value	Acres	Units	Bldg. Sq. Ft. [4]	Hotel Rms	Acres	Units	Bldg. Sq. Ft. [4]	Hotel Rms
Approved Projects													
1	Mixed Use [5]	The Pointe; approved on Nov. 15, 2006	-	-	-	0.23	6	2,789	-	0.23	6	2,789	-
	Retail		-	-	-	0.04	-	1,395	-	0.04	-	1,395	-
	Office		-	-	-	0.04	-	1,395	-	0.04	-	1,395	-
	Residential		-	-	-	0.15	6	-	-	0.15	6	-	-
2	Financial Services	1st National Bank; approved on Jan. 9, 2008	-	-	-	0.39	-	4,920	-	0.39	-	4,920	-
3	Automotive Dealership	Audi Car Dealership (new); approved on Aug. 15, 2007	-	-	-	1.50	-	17,800	-	1.50	-	17,800	-
Subtotal Approved Projects			-	-	-	2.12	6	25,509	-	2.12	6	25,509	-
Pending Projects													
4	Retail	Plaza de Espirito - 68 seat restaurant	-	-	-	0.37	-	4,262	-	0.37	-	4,262	-
5	Office	Laguna Grande Plaza - 2 two-story office buildings	-	-	-	0.37	-	4,039	-	0.37	-	4,039	-
6	Hotel	Del Monte Hotel - 95 room Marriot Spring	-	-	-	2.20	-	60,194	95	2.20	-	60,194	95
7	Automotive Dealership	Toyota Car Dealership (redevelopment)	-	(15,486)	(\$918,865)	5.90	-	38,500	-	5.90	-	23,014	-
	Parking Deck	Toyota Parking Deck	-	-	-	-	-	108,900	-	-	-	108,900	-
8	Automotive Dealership	Lexus Car Dealership (expansion)	-	-	-	-	-	25,000	-	0.88	-	25,000	-
	Parking Deck	Lexus Parking Deck	-	-	-	-	-	108,900	-	-	-	108,900	-
9	Automotive Dealership	BMW Car Dealership (expansion)	-	-	-	0.79	-	15,000	-	0.79	-	15,000	-
10	Industrial	Warehouse structure for a retail plant nursery	-	-	-	1.00	-	1,200	-	1.00	-	1,200	-
Subtotal Pending Projects			-	(15,486)	(\$918,865)	11.51	-	365,895	-	11.51	-	350,509	95
Future Reuse of Improved Land													
11	Residential	Demolition of existing 8-unit apt. complex & construction of an 8-lot SFR subdivision	(8)	-	-	1.00	8	-	-	1.00	-	-	-
12	Residential	Removal of 12 mobile home trailers and construction of a 4-lot SFR subdivision	(12)	-	-	0.50	4	-	-	0.50	-	-	-
Subtotal Future Reuse of Improved Land			(20)	-	-	1.50	12	-	-	1.50	-	-	-

A-2

Table A-2
City of Seaside
Cease and Desist Order Economic Impact Analysis
List of Potentially Impacted Residential, Commercial and Industrial Projects

Project Ref. No.	Category [1]	Project Description	Existing Property to be Demolished [2]				Proposed Uses			Net New Land Uses [3]				
			Units	Bldg. Sq. Ft.	Assessed Value	Acres	Units	Bldg. Sq. Ft. [4]	Hotel Rms	Acres	Units	Bldg. Sq. Ft. [4]	Hotel Rms	
13	West Broadway Specific Plan (WBSP)	395 residential units, 317,700 sq. ft. of commercial mixed-use												
	Mixed Use (Multifamily)		(67)	-	(\$20,100,000)	-	236	-	-	-	169	-	-	-
	Multifamily		-	-	-	-	159	-	-	-	159	-	-	-
	Retail		-	(175,560)	(\$34,707,000)	-	-	200,702	-	-	-	25,142	-	-
	Office		-	(58,520)	(\$11,569,000)	-	-	136,098	-	-	-	77,578	-	-
	Subtotal Res/Retail/Office		(67)	(234,080)	(\$66,376,000)	40.00	395	336,800	-	40.00	328	102,720	-	-
	Hotel	Landmark Hotel - 250 rooms	-	-	-	5.70	-	160,000	250	5.70	-	160,000	250	-
	- Conference Center		-	-	-	-	-	15,000	-	-	-	15,000	-	-
	- Retail		-	-	-	-	-	20,000	-	-	-	20,000	-	-
	- 3-4 story parking structure		-	-	-	-	-	56,700	-	-	-	56,700	-	-
	Subtotal West Broadway Specific Plan		(67)	(234,080)	(\$66,376,000)	45.70	395	598,500	250	45.70	328	354,420	250	-
	Future Institutional Uses													
14	Government	City Hall Expansion	-	-	-	1.87	-	20,000	-	1.87	-	20,000	-	-
15	Library	New City Library (part of the WBSP)	-	-	-	-	-	20,000	-	-	-	20,000	-	-
	Subtotal Future Institutional Uses		-	-	-	1.87	-	40,000	-	1.87	-	40,000	-	-

"land_usos"

Source: City of Seaside; Bay Area Economics; PKF Consulting; and EPS.

[1] Definitions of project categories are as follows:

Approved Projects: Projects approved by City of Seaside since [insert date].Pending Projects: Projects for which development applications have been submitted and are currently pending final decision by the City.Future Reuse of Improved Land: Projects for which there is legislative authority (e.g. Specific Plan) or development permit in place.Future Institutional Uses: Includes development for municipal services, including an expansion of City Hall and a new City library.[2] From City of Seaside and Draft Memorandum, *Fiscal and Economic Benefits - West Broadway Specific Plan* (BAE, May 2008).

[3] Building square feet and units to be demolished have been subtracted from proposed development.

[4] Building square feet includes square feet for parking garages.

[5] Total acres and square feet allocated to residential, retail and office uses by EPS. Total nonresidential floor space was evenly split between retail and office.

Table A-3
City of Seaside
Cease and Desist Order Economic Impact Analysis
New Residential Population and Employment at Buildout

	<u>Category 1:</u> Approved Projects	<u>Category 2:</u> Pending & Future Reuse Projects	<u>Category 3:</u> West Broadway Specific Plan	TOTAL
<u>Residents</u>				
Residential [1]				
Mixed Use (Multifamily)	-	-	537	537
Multifamily	19	-	505	524
Subtotal Residential	19	-	1,042	1,061
<u>Employees</u>				
Nonresidential [2]				
Retail	3	9	100	112
Office	18	12	222	252
Hotel	-	100	292	392
Industrial	-	2	-	2
Auto Dealerships	15	55	-	70
City Hall Expansion	-	57	-	57
Library	-	-	10	10
Subtotal Nonresidential	36	235	624	895
Total Service Population [3]	37	118	1,354	1,508

"pop_emp"

Source: California Department of Finance; and EPS.

- [1] Estimated residential population assumes an average of 3.176 persons per household based on California Department of Finance, January 1, 2008 population and housing estimates for the City of Seaside.
 [2] See Table C-4 for employee estimates.
 [3] Service population (persons served) is the total resident population plus 50% of total employees.



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APPENDIX B

DETAILED FISCAL REVENUE IMPACTS

Table B-1	Potential Foregone Recurring City General Fund Revenues	B-1
Table B-2	Estimated Annual Property Tax In-Lieu of VLF at Buildout	B-2
Table B-3	Estimated Annual Sales and Use Tax Revenues	B-3
Table B-4	Estimated Annual Transient Occupancy Tax(TOT) Revenue at Buildout.....	B-4
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Table B-6	Annual Retail Taxable Sales from Onsite Development at Buildout	B-6
Table B-7	Estimated Assessed Valuation (AV) at Buildout	B-7

Table B-1
City of Seaside
Cease and Desist Order Economic Impact Analysis
Potential Foregone Recurring City General Fund Revenues (2008\$)

General Fund Revenues	FY 2007-08 Budget	Estimating Procedure	Potential Annual Revenues Foregone				% of FY 2007-08 Budget
			Category 1:	Category 2:	Category 3:	Total	
			Approved Projects	Approved & Pending Projects	West Broadway Specific Plan		
Property Tax	\$1,360,421	[1]	-	-	-	-	-
Property Tax In-Lieu of VLF	\$3,039,579	Table B-2	\$10,038	\$45,533	\$339,513	\$395,085	13%
Sales Tax	\$6,400,000	Table B-3	\$101,295	\$376,687	\$170,269	\$648,251	10%
Transient Occupancy Tax (TOT)	\$2,200,000	Table B-4	\$0	\$364,000	\$958,000	\$1,322,000	60%
Other Revenues [2]	\$7,872,050	Person Served [3]	\$7,585	\$24,190	\$277,570	\$309,345	4%
Total Revenues	\$20,872,050		\$118,918	\$810,410	\$1,745,352	\$2,674,681	13%

"sum"

Source: City of Seaside; and EPS.

- [1] Since proposed new development will occur within currently authorized redevelopment areas, property tax increases generated by new development will accrue to the City's Redevelopment Agency and Other Taxing Entities, such as County General Fund, County Library, etc. This analysis assumes the City's General Fund will not receive any allocation from increasing property taxes in redevelopment areas.
- [2] Other Revenues includes Utility Users Tax (\$2,395,000), Franchise Fees (\$1,124,000) and other miscellaneous revenues.
- [3] Persons Served is the total resident population plus 50% of total employees. This analysis estimates the City's 2008 population at 34,620 and number of employees at 7,570 (7,570 * 50% = 3,785 persons served). This equates to a total citywide persons served of 38,405. The table below shows the calculation of the Per Person Served amount and the persons served by category (from Table A-3) used to estimate Other Revenues above.

	Other Revenues \$7,872,050	Persons Served by Category			Total Persons Served 1,509
		Category 1	Category 2	Category 3	
City Persons Served	38,405				
Revenue Per Person Served	\$205	37	118	1,354	

Table B-2
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Estimated Annual Property Tax In-Lieu of VLF at Buildout (2008\$)

Property Tax In-Lieu of VLF

Item	Formula	Source/ Assumption	Property Tax In-Lieu of VLF Revenue by Category			Total Annual Tax Revenue
			Category 1: Approved Projects	Category 2: Approved & Pending Projects	Category 3: West Broadway Specific Plan	
Estimated Citywide Assessed Value FY 2007-08 [1]	a	\$2,141,667,650				
Net New AV from Impacted Projects	b	Table B-7	\$7,073,000	\$32,082,135	\$239,219,000	\$278,374,135
Adjusted Citywide Assessed Value	c = a + b		\$2,148,740,650	\$2,173,749,785	\$2,380,886,650	\$2,420,041,785
Percentage Change in Citywide Assessed Value	d = (c - a) / a		0.33%	1.50%	11.17%	13.00%
Citywide Property Tax In-Lieu of VLF (FY 2007-08) [1]	e	\$3,039,579				
Annual Property Tax In-Lieu of VLF [1]	f = d * e		\$10,038	\$45,533	\$339,513	\$395,085

"p_L_VLF"

Source: City of Seaside; and EPS.

[1] Data provided by the City of Seaside's Finance Department.

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Table B-3
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Estimated Annual Sales and Use Tax Revenues (2008\$)

Sales Tax Revenue

Item	Formula	Source/ Assumption	Sales Tax Revenue by Category			Total Annual Sales Tax Revenue
			Category 1: Approved Projects	Category 2: Approved & Pending Projects	Category 3: West Broadway Specific Plan	
Annual Taxable Sales from Retail Development (Non-Auto)	a	Table B-6	\$254,414	\$1,805,275	\$8,513,450	\$10,573,139
Annual Taxable Sales from Automobile Dealerships	b	Table B-6	\$8,900,000	\$31,507,000	\$0	\$40,407,000
Total Annual Taxable Sales	c = a + b	Table B-6	\$9,154,414	\$33,312,275	\$8,513,450	\$50,980,139
Annual Sales Tax Revenue						
Bradley Burns Sales Tax	$d = c * 1.00\%$	1.000%	\$91,544	\$333,123	\$85,135	\$509,801
Measure R Sales/Transaction Tax [1]		1.000%	-	-	-	-
Measure R Sales/Transaction Tax (Non-Auto Retail) [2]	$e = a * 1.00\%$	-	\$2,544	\$18,053	\$85,135	\$105,731
Measure R Sales/Transaction Tax (Auto Dealerships) [3]	$f = b * 1.00\% * 8\%$	-	\$7,206	\$25,512	\$0	\$32,718
Subtotal Measure R Sales/Transaction Tax	$g = e + f$	-	\$9,751	\$43,564	\$85,135	\$138,449
Less Property Tax In Lieu of Sales Tax (SB 1092/AB 2115)	$h = c * (0.25\%)$	(0.250%)	(\$22,886)	(\$83,281)	(\$21,284)	(\$127,450)
Subtotal Annual Sales Tax Revenue	$i = d + g + h$	1.750%	\$78,409	\$293,406	\$148,985	\$520,800
Annual Property Tax In-Lieu of Sales Tax Revenue	$j = c * 0.25\%$	0.250%	\$22,886	\$83,281	\$21,284	\$127,450
Total Annual Sales Tax and Property Tax In-Lieu of Sales Tax Revenue	$k = i + j$	2.000%	\$101,295	\$376,687	\$170,269	\$648,251

"sales_tax"

Source: EPS.

- [1] In February 2008, City of Seaside residents approved Measure R, effective July 1, 2008, which increased the City's sales tax rate by one cent (1%) to protect/maintain essential City services including public safety, street maintenance, code enforcement, graffiti abatement, and other general services.
- [2] Sales tax revenue from non-automobile retail transactions are collected according to the retail site's location.
- [3] With respect to automobile transactions, sales tax revenue is collected according to the address of the registered owner of the vehicle. As a general approximation, this analysis assumes that the percentage of annual taxable sales from residents of the City corresponds with the City's population as a percentage of Monterey County's population, as shown below (taken from AMBAG's Monterey Bay Area 2008 Regional Forecast).

2005 Population	
City of Seaside	34,221
Monterey County	422,632
Seaside as % of County	8%

Table B-4
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Estimated Annual Transient Occupancy Tax (TOT) Revenue at Buildout (2008\$)

TOT Revenue Analysis

Item	Formula	Assumption	TOT Revenue by Category			Total Annual TOT Revenue
			Category 1: Approved Projects	Category 2: Approved & Pending Projects	Category 3: West Broadway Specific Plan	
Hotel Rooms	a		-	95	250	345
Total Rooms Available Per Year	$b = a * 365$	365	-	34,675	91,250	125,925
Occupancy Rate [1]	c	70.0%				
Average Daily Room Rate [1]	d	\$125				
City of Seaside Transient Occupancy Tax Rate	e	12.0%				
Annual Transient Occupancy Tax (rounded)	$f = b * c * d * e$		-	\$364,000	\$958,000	\$1,322,000

"TOT_revenue"

Source: City of Seaside; BAE; and EPS.

[1] Occupancy and Average Daily Room Rates from BAE *Draft Memorandum Fiscal and Economic Benefits, West Broadway Avenue Specific Plan*, dated May 14, 2008.

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Table B-5
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Estimated Annual Property Tax Revenue at Buildout (2008\$)

Property Tax Revenue Analysis

Item	Source/ Assumption	Formula	Property Tax Revenue by Category			Total
			Category 1: Approved Projects	Category 2: Approved & Pending Projects	Category 3: West Broadway Specific Plan	
Total Net New Assessed Valuation	Table B-7	a	\$7,073,000	\$32,082,135	\$239,219,000	\$278,374,135
Gross Property Tax Revenue	1.0000%	b = a * 1.0%	\$70,730	\$320,821	\$2,392,190	\$2,783,741
Less Administration and Housing Set Aside						
SB 2557 Admin Fees [1]		c = b * 0.64%	\$453	\$2,053	\$15,310	\$17,816
Housing Set Aside [2]		d = b * 20%	\$14,146	\$64,164	\$478,438	\$556,748
Net Property Tax Revenue to RDA and Other Taxing Entities [3]		e = b - c - d	\$56,131	\$254,604	\$1,898,442	\$2,209,177

"prop_tax"

Source: BAE; and EPS.

- [1] Based on BAE's Draft Memorandum *Fiscal and Economic Benefits, West Broadway Avenue Specific Plan*, dated May 14, 2008 the County Administrative Fee is estimated at 0.64% of Gross Revenue.
- [2] Per California Redevelopment Regulations, 20% of the gross Property Tax Increment must be allocated to support low and moderate income housing.
- [3] The City has multiple authorized redevelopment areas. Based on limited information from BAE and the City of Seaside, the allocation of property tax revenue (net of Administration and Housing Set Asides) to the RDA varies is approximately 65% on average. The remaining 35% is allocated to other taxing entities. These other taxing entities include:
 - Monterey County General Fund
 - Monterey County Library
 - Monterey Peninsula Unified School District
 - Monterey County Office of Education
 - Seaside County Sanitation District
 - No. Salinas Valley Mosquito Abatement District

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Table B-6
City of Seaside
Cease and Desist Order Economic Impact Analysis
Annual Retail Taxable Sales from Onsite Development at Buildout (2008\$)

Land Uses	Category 1: Approved Projects			Category 2: Pending & Future Reuse Projects			Category 3: West Broadway Specific Plan			Total Annual Taxable Sales
	Net Building Sq. Ft.	Annual Sales Per Sq. Ft. [1]	Annual Taxable Sales	Net Building Sq. Ft.	Annual Sales Per Sq. Ft. [1]	Annual Taxable Sales	Net Building Sq. Ft.	Annual Sales Per Sq. Ft. [1]	Annual Taxable Sales	
Formula	a	b	c = a * b	d	e	f = d * e	g	h	i = g * h	j = c + f + i
Retail [2]	1,395	\$160	\$222,841	4,262	\$340	\$1,449,080	45,142	\$180	\$8,125,560	\$9,797,481
Office	6,315	\$5	\$31,573	4,039	\$5	\$20,195	77,578	\$5	\$387,890	\$439,658
Hotel	-	-	-	60,194	-	-	175,000	-	-	-
Industrial [3]	-	\$280	-	1,200	\$280	\$336,000	-	\$280	-	\$336,000
City Hall Expansion	-	-	-	20,000	-	-	-	-	-	-
Library	-	-	-	-	-	-	20,000	-	-	-
Subtotal	7,709		\$254,414	89,695		\$1,805,275	317,720		\$8,513,450	\$10,573,139
Auto Dealership [4]	17,800	\$500	\$8,900,000	63,014	\$500	\$31,507,000	-	\$500	-	\$40,407,000
Total	25,509		\$9,154,414	152,709		\$33,312,275	317,720		\$8,513,450	\$50,980,139

sales_assumps

Source: ULI & ICSC, *Dollars and Cents of Shopping Centers*; Bay Area Economics; City of Seaside; and EPS.

[1] Annual Sales per Sq. Ft. and Taxable Retail Sales Factor assumptions are based on an analysis of data from ULI's *Dollars & Cents of Shopping Centers: 2004* and detailed on the chart below:

Assumptions	Annual Sales per Sq. Ft.	Taxable Retail Sales Factor	Taxable Sales per Sq. Ft. [1]
Restaurant Retail	\$340	100%	\$340
Neighborhood Commercial	\$340	47%	\$160
Community Commercial	\$275	65%	\$180
Retail Plant Nursery	\$275	100%	\$280
Office	\$5	100%	\$5

[1] Rounded.

[2] For the purpose of this analysis, retail in categories 1, 2, and 3 are considered neighborhood, restaurant, and community retail, respectively.

[3] Industrial structure proposed for a retail plant nursery. Taxable sales per square foot based on community retail and 100% taxable sales factor.

[4] Sales per square foot estimate of \$500 based on the City's anticipated average sales tax receipts from the proposed Audi dealership. All proposed new and expanded dealerships are high-end dealerships anticipated to generate similar average sales tax receipts.

Table B-7
City of Seaside
Cease and Desist Order Economic Impact Analysis
Estimated Assessed Valuation (AV) at Buildout (2008\$)

Land Uses by Category	Proposed Land Uses				Estimated Assessed Valuation			
	Acres	Units	Building Sq. Ft.	Hotel Rooms	Average New AV [2]	Gross New AV [3]	Less Property for Demolition	Net New AV
Formula	c	a	b	d	e	f = a, b, c or d * e	g	h = f - g
Category 1 - Approved Projects								
Residential					<i>per unit</i>			
Multifamily	-	6	-	-	\$372,000	\$2,232,000	-	\$2,232,000
Subtotal Residential						\$2,232,000		\$2,232,000
Nonresidential					<i>per sq. ft./acre</i>			
Retail	-	-	1,395	-	\$375	\$523,000	-	\$523,000
Office	-	-	6,315	-	\$375	\$2,368,000	-	\$2,368,000
Auto Dealership	1.50	-	-	-	\$1,300,000	\$1,950,000	-	\$1,950,000
Subtotal Nonresidential						\$4,841,000		\$4,841,000
Subtotal Category 1						\$7,073,000		\$7,073,000
Category 2 - Pending Projects								
Nonresidential					<i>per sq. ft./room/acre</i>			
Retail	-	-	4,262	-	\$375	\$1,598,000	-	\$1,598,000
Office	-	-	4,039	-	\$375	\$1,515,000	-	\$1,515,000
Hotel	-	-	-	95	\$97,820	\$9,293,000	-	\$9,293,000
Industrial	-	-	1,200	-	\$250	\$300,000	-	\$300,000
Auto Dealership	7.57	-	-	-	\$1,300,000	\$9,841,000	(\$918,865)	\$8,922,135
Auto Dealer Parking Deck [4]	-	-	217,800	-	\$48	\$10,454,000	-	\$10,454,000
City Hall Expansion [5]	-	-	-	-	-	-	-	-
Subtotal Nonresidential						\$33,001,000	(\$918,865)	\$32,082,135
Subtotal Category 2						\$33,001,000	(\$918,865)	\$32,082,135
Category 3 - West Broadway Specific Plan								
Residential					<i>per unit</i>			
Mixed Use (Multifamily)	-	236	-	-	\$372,000	\$87,792,000	(\$20,100,000)	\$67,692,000
Multifamily	-	159	-	-	\$372,000	\$59,148,000	-	\$59,148,000
Subtotal Residential						\$146,940,000	(\$20,100,000)	\$126,840,000
Nonresidential					<i>per sq. ft./room</i>			
Retail	-	-	200,702	-	\$375	\$75,263,250	(\$34,707,000)	\$40,556,250
Office	-	-	136,098	-	\$375	\$51,036,750	(\$11,569,000)	\$39,467,750
Hotel	-	-	-	250	\$97,820	\$24,455,000	-	\$24,455,000
Hotel Parking Garage [4]	-	-	-	-	-	\$7,900,000	-	\$7,900,000
Library [5]	-	-	-	-	-	-	-	-
Subtotal Nonresidential						\$158,655,000	(\$46,276,000)	\$112,379,000
Subtotal Category 3						\$305,595,000	(\$66,376,000)	\$239,219,000
TOTAL IMPACTED PROJECTS						\$345,669,000	(\$67,294,865)	\$278,374,135

"assessed_value"

Source: City of Seaside; Bay Area Economics; and EPS.

- [1] For the purpose of this analysis, retail in categories 1, 2, and 3 are considered neighborhood, restaurant, and community retail, respectively.
- [2] Values for all land uses except industrial and auto dealership are based on Bay Area Economics' 5/14/07 draft memorandum on the West Broadway Specific Plan. Auto dealership and industrial values taken from Loopnet's database of recent sales in the greater Central California region.
- [3] Gross New AV rounded to nearest 1,000.
- [4] Assessed value estimate based on construction cost estimate. See Table C-5.
- [5] Assessed value not estimated because facilities are tax exempt (public).



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

APPENDIX C

DETAILED ECONOMIC IMPACTS

Table C-1	Summary of Potential Construction Impacts Foregone.....	C-1
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Table C-1
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Summary of Potential Construction Impacts Foregone (2008\$)

One-Time
Direct
Construction
Impacts

Impact Category	One-Time Direct Construction Impacts			Total Impacts [1]
	Category 1: Approved Projects	Category 2: Pending & Future Reuse Projects	Category 3: West Broadway Specific Plan	
<u>Impact Estimates for Monterey County [1]</u>				
Direct Cumulative Employment (Job Years) [2]	29	316	1,271	1,615
Direct Industry Output				
Industry Output (excl. Compensation)	\$2,428,804	\$25,534,976	\$109,611,938	\$137,575,718
Employee Compensation [3]	\$1,096,083	\$12,178,939	\$48,700,532	\$61,975,555
Total Direct Output	\$3,524,888	\$37,713,915	\$158,312,470	\$199,551,273

"sum_constr"

Source: Minnesota IMPLAN Group; and EPS.

[1] Note that direct impacts generated by project construction are expected to be distributed countywide. It is not possible to estimate the share of impacts retained in the City. Certain value-added components of total output such as labor income, indirect business taxes (federal & state), and corporate profits are likely to leak out of the local economy and not all employees will be City residents.

[2] Job years is a measure of cumulative annual employment over the course of the construction period. Annual employment created by construction is determined by dividing job years by the number of years of project construction.

[3] Total employee compensation includes wages and benefits paid to employees.

C-1

Table C-2
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Summary of Potential Annual Impacts Foregone (2008\$)

Ongoing Annual
 Operations Impacts

Impact Category	Ongoing Annual Operations Impacts			Total Impacts [1]
	Category 1: Approved Projects	Category 2: Pending & Future Reuse Projects	Category 3: West Broadway Specific Plan	
<u>Impact Estimates for City of Seaside [1]</u>				
Direct Annual Average Employment [2]	36	235	624	895
Direct Industry Output				
Industry Output (excl. Compensation)	\$3,707,100	\$13,420,400	\$56,209,800	\$73,337,300
Employee Compensation [3]	\$1,870,200	\$12,219,600	\$27,456,000	\$41,545,800
Total Direct Output	\$5,577,300	\$25,640,000	\$83,665,800	\$114,883,100

"sum_ops"

Source: Minnesota IMPLAN Group; and EPS.

[1] Note that not all direct impacts are likely to be retained in the City. Certain value-added components of total output such as labor income, indirect business taxes (federal & state), and corporate profits are likely to leak out of the local economy and not all employees will be City residents.
 [2] Annual employment represents annual average jobs supported by the operations of businesses at buildout.
 [3] Total employee compensation includes wages and benefits paid to employees.

C2

Table C-3
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Estimated Direct Economic Impact of New Construction (2008\$)

One-Time Direct Construction Impacts

Category 1: Approved Projects					
Land Use	Industry Output	Output per Employee [1]	Employees (Job Years) [1]	Compensation Per Employee [2]	Total Employee Compensation [3]
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c = a / b</i>	<i>d</i>	<i>e = c * d</i>
Residential					
Mixed Use (Multifamily)	-	\$138,840	-	\$37,680	-
Multifamily	\$648,000	\$138,840	5	\$37,680	\$175,862
Subtotal Residential	\$648,000		5		\$175,862
Nonresidential					
Retail	\$181,285	\$120,300	2	\$38,480	\$57,987
Office	\$915,603	\$120,300	8	\$38,480	\$292,871
Hotel (incl. Conf. Center)	-	\$120,300	-	\$38,480	-
Hotel Parking Garage	-	\$115,890	-	\$38,970	-
Auto Dealership	\$1,780,000	\$120,300	15	\$38,480	\$569,363
Auto Dealer Parking Deck	-	\$115,890	-	\$38,970	-
Industrial	-	\$109,720	-	\$39,230	-
City Hall Expansion	-	\$120,300	-	\$38,480	-
Library	-	\$120,300	-	\$38,480	-
Subtotal Nonresidential	\$2,876,888		24		\$920,221
TOTAL IMPACTS	\$3,524,888		29		\$1,096,083

Source: MIG Inc.; and EPS.

[1] Job years is a measure of cumulative annual employment over the course of the construction period. Annual employment created by construction is determined by dividing job years by the number of years of project construction.

[2] Average output and compensation per employee based on 2006 IMPLAN data for Monterey County.

[3] Total employee compensation includes wages and benefits paid to employees.

Table C-3
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Estimated Direct Economic Impact of New Construction (2008\$)

One-Time Direct Construction Impacts

Category 2: Pending & Future Reuse Projects					
Land Use	Industry Output	Output per Employee [1]	Employees (Job Years) [1]	Compensation Per Employee [2]	Total Employee Compensation [3]
Formula	a	b	c = a / b	d	e = c * d
Residential					
Mixed Use (Multifamily)	\$1,296,000	\$138,840	9	\$37,680	\$351,723
Multifamily	-	\$138,840	-	\$37,680	-
Subtotal Residential	\$1,296,000		9		\$351,723
Nonresidential					
Retail	\$554,060	\$120,300	5	\$38,480	\$177,226
Office	\$585,655	\$120,300	5	\$38,480	\$187,332
Hotel (incl. Conf. Center)	\$15,960,000	\$120,300	133	\$38,480	\$5,105,077
Hotel Parking Garage	-	\$115,890	-	\$38,970	-
Auto Dealership	\$6,301,400	\$120,300	52	\$38,480	\$2,015,610
Auto Dealer Parking Deck	\$10,454,400	\$115,890	90	\$38,970	\$3,515,471
Industrial	\$182,400	\$109,720	2	\$39,230	\$65,216
City Hall Expansion	\$2,380,000	\$120,300	20	\$38,480	\$761,283
Library	-	\$120,300	-	\$38,480	-
Subtotal Nonresidential	\$36,417,915		306		\$11,827,216
TOTAL IMPACTS	\$37,713,915		316		\$12,178,939

Source: MIG Inc.; and EPS.

[1] Job years is a measure of cumulative annual employment over the course of the construction period. Annual employment created by construction is determined by dividing job years by the number of years of project construction.

[2] Average output and compensation per employee based on 2006 IMPLAN data for Monterey County.

[3] Total employee compensation includes wages and benefits paid to employees.

Table C-3
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Estimated Direct Economic Impact of New Construction (2008\$)

One-Time Direct Construction Impacts

Category 3: West Broadway Specific Plan					
Land Use	Industry Output	Output per Employee [1]	Employees (Job Years) [1]	Compensation Per Employee [2]	Total Employee Compensation [3]
Formula	a	b	c = a / b	d	e = c * d
Residential					
Mixed Use (Multifamily)	\$25,488,000	\$138,840	184	\$37,680	\$6,917,227
Multifamily	\$17,172,000	\$138,840	124	\$37,680	\$4,660,335
Subtotal Residential	\$42,660,000		307		\$11,577,563
Nonresidential					
Retail	\$28,691,260	\$120,300	238	\$38,480	\$9,177,387
Office	\$19,734,210	\$120,300	164	\$38,480	\$6,312,323
Hotel (incl. Conf. Center)	\$56,227,000	\$120,300	467	\$38,480	\$17,985,162
Hotel Parking Garage	\$7,900,000	\$115,890	68	\$38,970	\$2,656,510
Auto Dealership	-	\$120,300	-	\$38,480	-
Auto Dealer Parking Deck	-	\$115,890	-	\$38,970	-
Industrial	-	\$109,720	-	\$39,230	-
City Hall Expansion	-	\$120,300	-	\$38,480	-
Library	\$3,100,000	\$120,300	26	\$38,480	\$991,588
Subtotal Nonresidential	\$115,652,470		964		\$37,122,970
TOTAL IMPACTS	\$158,312,470		1,271		\$48,700,532

"constr_impacts"

Source: MIG Inc.; and EPS.

[1] Job years is a measure of cumulative annual employment over the course of the construction period. Annual employment created by construction is determined by dividing job years by the number of years of project construction.

[2] Average output and compensation per employee based on 2006 IMPLAN data for Monterey County.

[3] Total employee compensation includes wages and benefits paid to employees.

Table C-4
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Estimated Direct Annual Economic Impacts of Ongoing Business Operations (2008\$)

Ongoing Annual Operations Impacts

Category 1: Approved Projects							
Land Use	Building Sq. Ft.	Sq. Ft. Per Employee [1]	Estimated Employees [2]	Compensation		Output Per Employee [3]	Total Output [5]
				Per Employee [3]	Total Employee Compensation [4]		
Formula	a	b	c = a/b	d	e = c * d	f	g = c * f
Nonresidential							
Retail	1,395	450	3	\$24,400	\$73,200	\$66,700	\$200,100
Office [6]	6,315	350	18	\$59,000	\$1,062,000	\$201,400	\$3,625,200
Hotel [7]	-	600	-	\$38,000	-	\$107,500	-
Industrial	-	750	-	\$55,800	-	\$173,700	-
Auto Dealership [7]	17,800	1,150	15	\$49,000	\$735,000	\$116,800	\$1,752,000
City Hall Expansion	-	350	-	\$82,200	-	\$89,500	-
Library	-	2,000	-	\$82,200	-	\$89,500	-
Subtotal Nonresidential	25,509		36		\$1,870,200		\$5,577,300
TOTAL IMPACTS	25,509		36		\$1,870,200		\$5,577,300

Source: MIG Inc.; and EPS.

- [1] EPS assumptions based on data from the ULI Business & Industrial Handbook, 1999 Commercial Buildings Energy Consumption Survey, BAE (May 2008), and prior EPS studies.
- [2] Annual average employees.
- [3] Average output and compensation per employee based on 2006 IMPLAN data for Monterey County.
- [4] Total employee compensation includes wages and benefits paid to employees and is part of total industry output.
- [5] Total output includes total employee compensation.
- [6] Output and compensation per employee averages were based on industry sectors with mainly office-based employment with the exception of a few outliers.
- [7] Excludes square feet for structured parking facilities.

Table C-4
City of Seaside
Cease and Desist Order Economic Impact Analysis
Estimated Direct Annual Economic Impacts of Ongoing Business Operations (2008\$)

Ongoing Annual Operations Impacts

Category 2: Pending & Future Reuse Projects							
Land Use	Building Sq. Ft.	Sq. Ft. Per Employee [1]	Estimated Employees [2]	Compensation		Output Per Employee [3]	Total Output [5]
				Per Employee [3]	Total Employee Compensation [4]		
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c = a / b</i>	<i>d</i>	<i>e = c * d</i>	<i>f</i>	<i>g = c * f</i>
Nonresidential							
Retail	4,262	450	9	\$24,400	\$219,600	\$66,700	\$600,300
Office [6]	4,039	350	12	\$59,000	\$708,000	\$201,400	\$2,416,800
Hotel [7]	60,194	600	100	\$38,000	\$3,800,000	\$107,500	\$10,750,000
Industrial	1,200	750	2	\$55,800	\$111,600	\$173,700	\$347,400
Auto Dealership [7]	63,014	1,150	55	\$49,000	\$2,695,000	\$116,800	\$6,424,000
City Hall Expansion	20,000	350	57	\$82,200	\$4,685,400	\$89,500	\$5,101,500
Library	-	2,000	-	\$82,200	-	\$89,500	-
Subtotal Nonresidential	152,709		235		\$12,219,600		\$25,640,000
TOTAL IMPACTS	152,709		235		\$12,219,600		\$25,640,000

Source: MIG Inc.; and EPS.

- [1] EPS assumptions based on data from the ULI Business & Industrial Handbook, 1999 Commercial Buildings Energy Consumption Survey, BAE (May 2008), and prior EPS studies.
- [2] Annual average employees.
- [3] Average output and compensation per employee based on 2006 IMPLAN data for Monterey County.
- [4] Total employee compensation includes wages and benefits paid to employees and is part of total industry output.
- [5] Total output includes total employee compensation.
- [6] Output and compensation per employee averages were based on industry sectors with mainly office-based employment with the exception of a few outliers.
- [7] Excludes square feet for structured parking facilities.

Table C-4
City of Seaside
Cease and Desist Order Economic Impact Analysis
Estimated Direct Annual Economic Impacts of Ongoing Business Operations (2008\$)

Ongoing Annual Operations Impacts

Category 3: West Broadway Specific Plan							
Land Use	Building Sq. Ft.	Sq. Ft. Per Employee [1]	Estimated Employees [2]	Compensation		Output Per Employee [3]	Total Output [5]
				Per Employee [3]	Total Employee Compensation [4]		
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c = a / b</i>	<i>d</i>	<i>e = c * d</i>	<i>f</i>	<i>g = c * f</i>
Nonresidential							
Retail	45,142	450	100	\$24,400	\$2,440,000	\$66,700	\$6,670,000
Office [6]	77,578	350	222	\$59,000	\$13,098,000	\$201,400	\$44,710,800
Hotel [7]	175,000	600	292	\$38,000	\$11,096,000	\$107,500	\$31,390,000
Industrial	-	750	-	\$55,800	-	\$173,700	-
Auto Dealership [7]	-	1,150	-	\$49,000	-	\$116,800	-
City Hall Expansion	-	350	-	\$82,200	-	\$89,500	-
Library	20,000	2,000	10	\$82,200	\$822,000	\$89,500	\$895,000
Subtotal Nonresidential	317,720		624		\$27,456,000		\$83,665,800
TOTAL IMPACTS	317,720		624		\$27,456,000		\$83,665,800

ops_impacts

Source: MIG Inc.; and EPS.

- [1] EPS assumptions based on data from the ULI Business & Industrial Handbook, 1999 Commercial Buildings Energy Consumption Survey, BAE (May 2008), and prior EPS studies.
- [2] Annual average employees.
- [3] Average output and compensation per employee based on 2006 IMPLAN data for Monterey County.
- [4] Total employee compensation includes wages and benefits paid to employees and is part of total industry output.
- [5] Total output includes total employee compensation.
- [6] Output and compensation per employee averages were based on industry sectors with mainly office-based employment with the exception of a few outliers.
- [7] Excludes square feet for structured parking facilities.

Table C-5
City of Seaside
Cease and Desist Order Economic Impact Analysis
Estimated Construction Cost of Proposed Development Projects (2008\$)

Land Uses	Assumed IMPLAN Sector		Average Cost per Unit/Sq. Ft.	Category 1: Approved Projects		Category 2: Pending & Future Reuse Projects		Category 3: West Broadway Specific Plan	
	Code	Sector Description		Units/ Sq. Ft.	Construction Cost	Units/ Sq. Ft.	Construction Cost	Units/ Sq. Ft.	Construction Cost
[1]									
Residential									
Mixed Use (Multifamily) [2]	34	New multifamily hsg structures	\$108,000	-	-	12	\$1,296,000	236	\$25,488,000
Multifamily [2]	34	New multifamily hsg structures	\$108,000	6	\$648,000	-	-	159	\$17,172,000
Subtotal Residential				6	\$648,000	12	\$1,296,000	395	\$42,660,000
Nonresidential									
Retail	38	Commercial & institutional bldgs	\$130	1,395	\$181,285	4,262	\$554,060	220,702	\$28,691,260
Office	38	Commercial & institutional bldgs	\$145	6,315	\$915,603	4,039	\$585,655	136,098	\$19,734,210
Hotel (incl. Conf. Center)	38	Commercial & institutional bldgs	[3]	-	-	60,194	\$15,960,000	175,000	\$56,227,000
Hotel Parking Garage	41	Other New Construction	[3]	-	-	-	-	56,700	\$7,900,000
Auto Dealership	38	Commercial & institutional bldgs	\$100	17,800	\$1,780,000	63,014	\$6,301,400	-	-
Auto Dealer Parking Deck	41	Other New Construction	\$48	-	-	217,800	\$10,454,400	-	-
Industrial	37	Manufacturing & industrial bldgs	\$152	-	-	1,200	\$182,400	-	-
City Hall Expansion	38	Commercial & institutional bldgs	\$119	-	-	20,000	\$2,380,000	-	-
Library	39	Commercial & institutional bldgs	\$155	-	-	-	-	20,000	\$3,100,000
Subtotal Nonresidential				25,509	\$2,876,888	370,509	\$36,417,915	608,500	\$115,652,470
TOTAL CONSTRUCTION COSTS					\$3,524,888		\$37,713,915	-	\$158,312,470

"constr_costs"

Source: Reed Construction Data; PKF Consulting; MIG; and EPS.

[1] All average costs per square foot based on 2008 RSMeans Square Foot Costs, 29th Ed. (Reed Construction Data, 2007).

[2] Assumes \$135 per sq. ft. and average unit size of 800 sq. ft.

[3] Hotel construction cost estimates from economic feasibility studies prepared by PKF Consulting.

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Table C-6
 City of Seaside
 Cease and Desist Order Economic Impact Analysis
 Residential and Commercial Building Construction Cost Factors (2008\$)

Assumption	Residential Units		Commercial [2]		Industrial	Office	Bank	Auto Dealership	Parking Garage	Library	City Hall
	MDR	HDR [1]	Retail	Restaurant	Warehouse						
Building Type Assumed	Average 1 Story	M. 010 Apt, 1-3 Story	M.630 Store, Retail 1 Story	M.530 Restaurant	M.700 Warehouse, Mini, 1 Story	M.460 Office, 2-4 Story	M.050 Bank, 1 Story	M.260 Garage, Auto Sales, 1 Story	M.270 Garage, Parking, 3-Story	M.390 Library, 2 Story	M.670 Town Hall, 1 Story
Reference Building Size	1,800 sq. ft.	32,000 sq. ft.	20,000 sq. ft.	5,000 sq. ft.	2,000 sq. ft.	50,000 sq. ft.	4,100 sq. ft.	26,000 sq. ft.	115,000 sq. ft.	22,000 sq. ft.	21,000 sq. ft.
Exterior Wall	Brick Veneer - Wood Frame	Brick Veneer - Wood Frame	Face Brick w/ Concrete Block	Face Brick w/ Concrete Block Back-up	Concrete Block - R/Conc. Frame	Face Brick w/ Concrete Block Back-up					
Base Cost per Sq. Ft.	\$105.70	\$119.70	\$92.95	\$172.80	\$139.45	\$131.65	\$210.40	\$91.35	\$42.75	\$142.20	\$109.00
Common Additives	\$26,596	\$89,520	-	\$28,155	-	-	\$106,050	\$0	\$127,300	-	-
Total Cost	\$216,856	\$3,919,920	\$1,980,703	\$892,155	\$278,900	\$6,644,252	\$968,690	\$2,375,100	\$5,043,550	\$3,128,400	\$2,289,000
Cost per Sq. Ft.	\$120.48	\$122.50	\$99.04	\$178.43	\$139.45	\$132.89	\$236.27	\$91.35	\$43.86	\$142.20	\$109.00
Location Factor (Zip code 939-)	1.10	1.10	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09
Adjusted Cost per Sq. Ft.	\$132.52	\$134.75	\$107.95	\$194.49	\$152.00	\$144.84	\$257.53	\$99.57	\$47.80	\$155.00	\$118.81
Inflation Adjustment	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Estimated Construction Cost											
Per Sq. Ft.	\$132.52	\$134.75	\$107.95	\$194.49	\$152.00	\$144.84	\$257.53	\$99.57	\$47.80	\$155.00	\$118.81
Per Unit	\$239,000	\$108,000	Weighted Avg Cost - \$129.58			N/A	N/A	N/A	N/A		

rsmeans

Source: Reed Construction Data, 2008 RSMeans Square Foot Costs, 29th Annual Ed.; and EPS.

- [1] Assumes 40-unit apartment building with average floor area of 800 sq. ft. per unit.
- [2] Average cost weighted 75% retail store space and 25% restaurant space.

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