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ECONOMIC IMPACT STUDY

EPD SOLUTIONS, INC.

PROPOSED SOUTH COAST TECHNOLOGY
CENTER PROJECT

CITY OF SANTA ANA, CA

May 13, 2024

Public Finance
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EPD SOLUTIONS, INC. ECONOMIC IMPACT STUDY



PROPOSED SOUTH COAST TECHNOLOGY CENTER PROJECT

CITY OF SANTA ANA, CA

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I EXECUTIVE SUMMARY

The objective of this Economic Impact Study (the "Study") is to analyze the economic impacts of the proposed industrial use development known as South Coast Technology Center (the "Project") within the City of Santa Ana (the "City") in the County of Orange ("County"), California.

This Executive Summary provides a general overview of the Study's conclusions regarding the economic impact of the Project on the City and the County. Overall, the Project is anticipated to add 687 permanent new jobs (425 on-site and 262 off-site) within the City. The Project would also provide 555 one-time jobs associated with its construction. Notably, the Project would deliver a substantial boost to the City's economy, with the production of goods and services increasing by \$256.1 million annually. This growth in jobs and economic output would have a positive impact on the City as it would expand its economic base, thereby providing a strong foundation for the City's continued economic growth and fiscal health.

A Description of the Project

The Project location, as depicted in Figure 1 below, is generally comprised of two separate sites located on both sides of Susan Street in the City, with the one on the east side currently developed with three existing office buildings located at 3100, 3110, and 3120 West Lake Center Drive, and the one on the west side encompassing approximately 5.58 acres of vacant land. The entire Project site is located within the City Specific Development No. 58 ("SD-58") zoning district, with the permissible land uses of the commercial/retail uses and professional and business offices.

Figure 1: Aerial Map for the Project Site

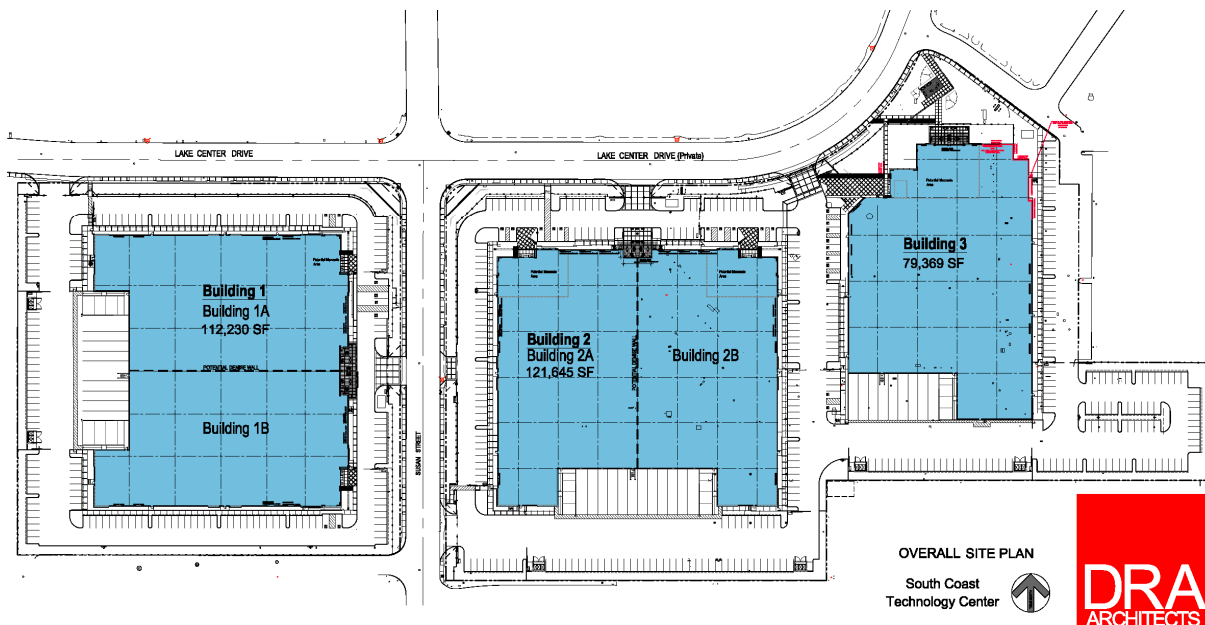


The Project Proponent is proposing to demolish the existing office buildings and appurtenant infrastructure on the Project site, and amend the permissible uses of SD-58 for the Project site to include limited light industrial uses ("LLIUs"), including but not limited to product assembly, the manufacture of biological, biomedical, and pharmaceutical products, the manufacture of scientific, engineering, and medical

instruments, wholesale, warehousing, machine and other metal working shops, and research laboratories.

As illustrated in Figure 2 and presented in Table 1 on the following page, the Project site is proposed to be redeveloped with three buildings encompassing approximately 313,244 building square feet ("BSF") of LLIU space.

Figure 2: Proposed Project Site Plan



B Overview of Economic Impact Analysis

This Study identifies the general economic impacts of the Project on the County and City. Economic impact studies operate under the basic assumption that any increase in spending resulting from a development project has direct, indirect, and induced economic effects. First, there is a **direct impact** caused by the additional output of goods or services on-site. Second, there are a ripple of **indirect impacts** on all the industries whose outputs are used by firms located within the Project and various firms' supply chains. Third, there are **induced impacts** that arise when employment increases in the region and stimulates greater household spending.

In evaluating these economic impacts, the Study incorporates two stages of the development process: (i) construction and (ii) recurring operations. First, there is a **one-time impact** from the construction of the various types of land uses within the Project. Then, after the construction and tenant improvement phases are complete, the Study determines the magnitude of the permanent **annual recurring impact** on the economy through the ongoing operations of the development that has occurred on the Project site.

DTA used the web application of the Impact Analysis for Planning (“IMPLAN”) economic modeling system for its analysis. IMPLAN is a nationally recognized input-output model that can be used to estimate the impacts of new development on the economy through the use of an economic multiplier analysis that is applied to individual counties (e.g., Orange County). The economic multipliers are based on a proprietary model that inputs a series of extensive databases, local economic factors, and demographic statistics. **A more detailed discussion regarding the IMPLAN model, as well as the conclusions described in this Executive Summary and assumptions and methodology utilized to reach these conclusions, may be found in Sections II-IV of the Study.**

C Recurring Economic Impacts of the Project

As shown in Table 1, the annual recurring economic impacts of the Project on the City will be substantial. First, the Project is anticipated to create 425 permanent Full-Time Equivalent (“FTE”) jobs on-site. In addition, the Project is expected to generate 262 permanent recurring indirect and induced full-time/part-time jobs off-site within the City, for a total of 687 jobs. As the City’s total current workforce consists of 141,545 employees, FTE and part-time employees holding these additional jobs will constitute a 0.49% increase in the size of the City’s current workforce. The total Labor Income associated with these new jobs will equal \$63.1 million generated annually directly on-site, plus \$22.4 million off-site Citywide, for a total increase in Labor Income of \$85.5 million annually within the City. Finally, adding in \$54.0 million in Other Value-Added revenues and \$116.5 million in Intermediate Inputs yields a total recurring Citywide economic output of \$256.1 million per year from the Project, which represents a considerable boost to the City’s economy.

Table 1: Project’s Total Recurring Annual Impacts on the City

Recurring Annual Impacts	Direct	Indirect/Induced	Total
Employment	425	262	687
Overall Economic Output	\$195,213,681	\$60,921,643	\$256,135,324
Labor Income	\$63,120,866	\$22,420,892	\$85,541,758
Other Value Added	\$38,616,322	\$15,432,424	\$54,048,746
Intermediate Inputs	\$93,476,494	\$23,068,326	\$116,544,820

Note: All numbers are subject to rounding.

D One-Time Economic Impacts of the Project

Similarly, as reflected in Table 2 below, the one-time economic impacts from the construction of the Project on the City will also be significant. First, the Project is anticipated to create 457 FTE construction jobs on-site. In addition, the Project is expected to generate 98 indirect and induced full-time/part-time jobs off-site within the City, for a total of 555 one-time jobs within the City. The total Labor Income associated with these added employees will equal \$38.0 million directly on-site, plus \$7.3 million off-site but within the City, for a total increase in Labor Income of \$45.3 million Citywide

on a one-time basis. Finally, adding in \$6.9 million in Other Value-Added revenues and \$32.4 million in Intermediate Inputs yields a total one-time Citywide economic output for the Project of \$84.66 million, which represents a considerable boost for construction within the City. Notably, the one-time construction output represents the aggregate outputs generated during the overall Project construction period, which could span over more than one year.

Table 2: Project's One-Time/Construction Impacts on the City

One-Time/Construction Impacts	Direct	Indirect/Induced	Total
Employment	457	98	555
Overall Economic Output	\$63,500,000	\$21,159,774	\$84,659,774
Labor Income	\$38,002,669	\$7,346,977	\$45,349,646
Other Value Added	\$1,126,141	\$5,802,880	\$6,929,022
Intermediate Inputs	\$24,371,189	\$8,009,916	\$32,381,106

Note: All numbers are subject to rounding.

E Jobs-Housing Balance

The jobs-housing balance is an indicator of the relative equilibrium between employment and housing opportunities in a given area. A positive balance between jobs and housing has a beneficial impact on a municipality by decreasing costs associated with commuting and traffic congestion. It also reduces commute times, improves local social, cultural and family involvement, provides a more attractive work/life balance to residents, and generates savings to local public agencies in terms of the need to construct and maintain new road improvements and other facilities.

As reflected below in Table 3, the City's current ratio of jobs within the City as compared with the number of housing units Citywide is 1.725, exceeding the Statewide average of 1.260. The addition of 687 new jobs through the construction of the Project would increase this ratio to 1.733. A more detailed explanation of this metric is included in Section IV of this Study.

Table 3: Pre-Project and Post-Project Jobs-Housing Balance

Description	Citywide Average		Statewide Average
	Pre-Project	Post-Project	
Number of Jobs	141,545 ¹	142,232	18,537,400
Number of Housing Units	82,058	82,058	14,707,698
Existing ²	82,058	82,058	14,707,698
New	N/A	0	0
Jobs-Housing Balance	1.725	1.733	1.260

¹ Spotlight by Environics Analytics, Employment Profiles by NAICS Code 2023.

² Labor Market Information Division, State of California Employment Development Department.

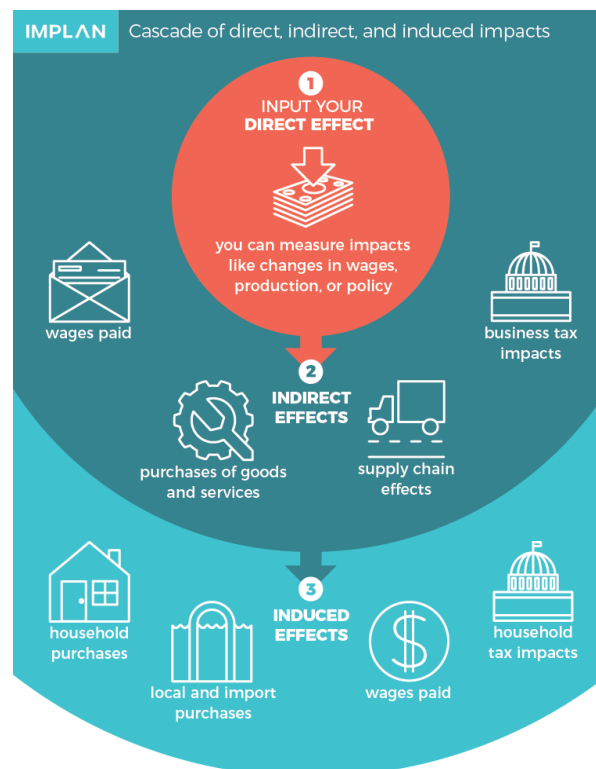
II INTRODUCTION

A Purpose of the Study

The objective of this Economic Impact Study (the "Study") is to analyze the economic impacts of the proposed industrial use development known as South Coast Technology Center (the "Project") within the City of Santa Ana (the "City") in the County of Orange (the "County"), California.

This Study identifies the general economic impacts of the Project on the County and City. General economic impacts include additions to the County's and City's employment (number of average annual full-time and part-time jobs), economic output (e.g., gross receipts), and earnings (the sum of wages, salaries and benefits, and other labor income). Economic impact studies also operate under the basic assumption that any increase in impacts has direct, indirect, and induced effects as illustrated in Figure 3 below. First, there is a direct effect caused by the additional output of goods or services on-site. Second, there is a ripple of indirect effects on all the industries whose outputs are used by firms located within the Project and various firms' supply chains. Third, there are induced effects that arise when employment increases in the region and stimulates greater household spending.

Figure 3: Direct, Indirect, and Induced Impacts



The Study also distinguishes between one-time economic impacts and permanent economic impacts. One-time impacts include benefits to the community that occur on a non-recurring basis as a result of construction and development activity, while permanent recurring impacts refer to benefits that occur on a continuous basis year after year once the Project has been build-out. Generally, first, there is a one-time impact from the construction of the facility. Then, after the construction phases are complete, firms have a recurring impact on the economy through their ongoing operations. Additionally, for the purposes of the Study, all economic impacts are stated in constant 2024 (uninflated) dollars based on the assumption that the relative impacts of inflation in future years may be difficult to gauge.

B Description of the Project

The Project location delineated in Figure 1, which may be found in the Executive Summary of this Study, is generally comprised of two separate sites located on both sides of Susan Street in the City, with the one on the east side currently developed with three existing office buildings located at 3100, 3110, and 3120 West Lake Center Drive, and the one on the west side encompassing approximately 5.58 acres of vacant land. The entire Project site is located within the City Specific Development No. 58 ("SD-58") zoning district, with the permissible land uses of commercial/retail uses and professional and business offices.

The Project Proponent is proposing to demolish the existing office buildings and appurtenant infrastructure on the Project site, and amend the permissible uses of SD-58 for the Project site to include limited light industrial uses ("LLIUs"), including but not limited to product assembly, the manufacture of biological, biomedical, and pharmaceutical products, the manufacture of scientific, engineering, and medical instruments, wholesale, warehousing, machine and other metal working shops, and research laboratories. A summary of the proposed land uses and their respective associated BSF in the Project is listed below in Table 4 and depicted in Figure 2 in the Executive Summary of this Study.

Table 4: Proposed Land Uses for the Project

Land Uses	Building Square Feet
Industrial Building 1	112,230
Industrial Building 2	121,645
Industrial Building 3	79,369
Grand Total	313,244

For purposes of this Study, Industrial Buildings 1 and 2 are assumed to be occupied by tenants in the Surgical and Medical Instrument Manufacturing sector, while Building 3 is assumed to house a tenant in the Electromedical and Electrotherapeutic Apparatus Manufacturing sector. Both manufacturing sectors have prominent employment bases in the County and are permissible LLIUs. The City and Project proponent have deemed

those uses to be feasible on the Project site. However, since the Project proponent is constructing all three buildings on a speculative basis, the building uses presented in this Study are preliminary and cannot be guaranteed by the Project proponent or the City.

C Approach to the Study

The Study distinguishes between one-time impacts and permanent impacts. In evaluating these impacts, the Study quantifies both direct and indirect/induced economic impacts on the County and City. Direct economic impacts reflect the initial or first-round increases in jobs, earnings, and output, all of which occur directly on-site. Indirect/induced economic impacts are the secondary and other additional rounds of economic activity that occur as a result of the direct impacts and generally take place elsewhere within the County and City. The indirect impacts represent the economic activity, specifically the buying and selling of goods and services, of suppliers to the Project land use types analyzed. In this Study, suppliers to the Project consist primarily of wholesalers, maintenance and repair professionals, utilities' providers, real estate services, and employment and business support services.

One-time impacts include benefits to the County and City that occur on a non-recurring basis as a result of construction and development activity, while permanent impacts refer to benefits that occur on a continuous basis year after year. The suppliers representing the indirect one-time impacts are mainly heavy industrial and construction suppliers for the actual development of buildings and facilities. The induced impacts represent the economic activity that results from household spending by employees of all companies directly and indirectly affected by the construction and operation of the land uses analyzed in this Study.

For the purposes of determining impacts, the Study employs two standards that are frequently utilized in economic impact studies, as detailed below.

C.1 North American Industry Classifications

Indirect and induced impacts can occur throughout all industries of the economy and have been categorized using the North American Industry Classification System ("NAICS"). Adopted by the Office of Management and Budget ("OMB") in 1997 to replace the Standard Industrial Classification ("SIC") System, NAICS is a widely used system that classifies business establishments for the collection, analysis, and publication of statistical data in Canada, Mexico, and the United States. NAICS industries are identified using a 6-digit coding system to classify all economic activity into 20 broad sectors, five of which are mainly goods-producing sectors and 15 of which are services-producing sectors. This 6-digit hierarchical structure allows for the identification of nearly 1,170 industries.

IMPLAN employs a sectoring scheme representing rollups of NAICS descriptions, with each sector having its own spending pattern derived from the U.S. Bureau of

Economic Analysis' expenditures patterns. The Electromedical and Electrotherapeutic Apparatus Manufacturing Sector and Surgical and Medical Instrument Manufacturing Sector are the focal IMPLAN sectors analyzed within this Study to determine the indirect and induced economic impacts generated by the Project.

C.2 IMPLAN Multipliers

Although most economists agree that indirect and induced effects, or "multiplier" effects, exist, most economists also concur that such effects are difficult to measure. Patterns of spending and employment among suppliers and employee households often vary over time and from one region to another. Nevertheless, there are certain input-output models that can be used to estimate indirect and induced effects.

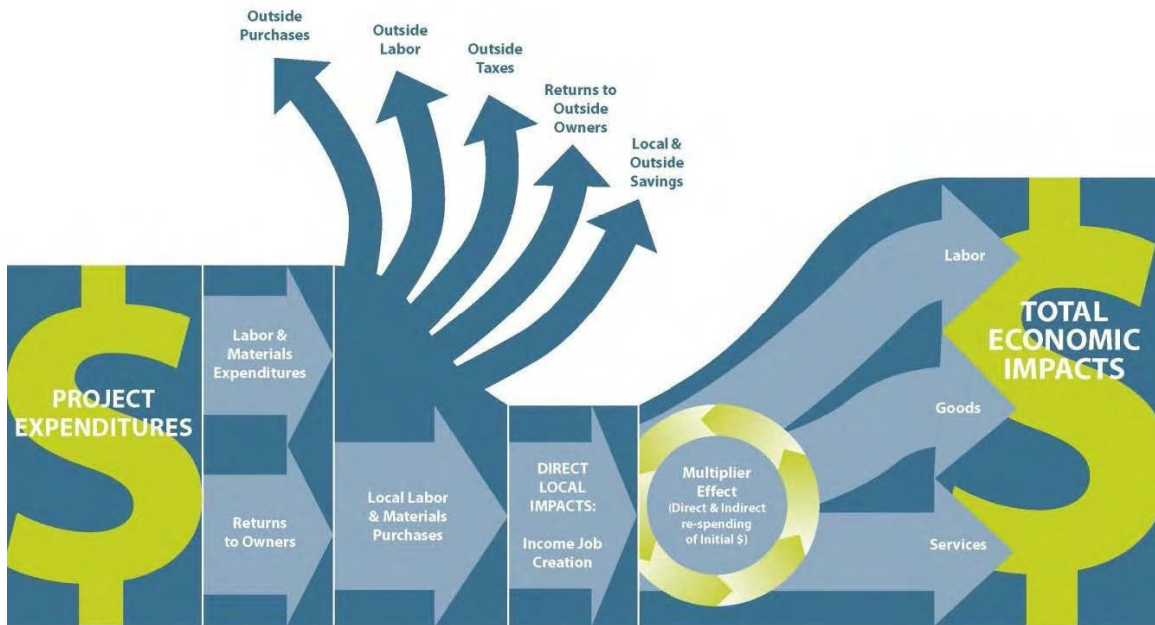
In quantifying the indirect and induced economic impacts for the Study, DTA utilized the IMPLAN input-output modeling system, a type of quantitative economic model that provides an approximate measure of the "multiplier effect" of a firm's spending on payroll and the purchasing of goods and services. DTA used the web application of the IMPLAN economic modeling system with economic data from 2022 for the County ("IMPLAN Study Model").

Like similar econometric models, IMPLAN helps calculate the flow of payments for goods and services across different industry sectors and between households and industries. Unlike similar econometric models, e.g., the Regional Input-Output Modeling System ("RIMS II"), IMPLAN is the industry standard. RIMS II and IMPLAN both include induced effects, but RIMS II differs from IMPLAN in two ways. Specifically, RIMS II uses a single household type for induced personal consumption and employs the traditional single row/column Type II formulation, whereas IMPLAN uses nine (9) household types and applies a more robust mapping of factor income to household consumption using several submatrices. RIMS II also uses location quotients to regionalize the national technical coefficients, a method that underestimates inter-regional trade and overestimates regional multipliers when cross-hauling is present.

The IMPLAN model can be envisioned simply as a large spreadsheet with hundreds of industries (plus the household sector) arrayed across the top as producers and the same industries and households listed down the side as consumers. Each million dollars (output) in spending by any one consumer (i.e., the Project) is allocated across the producing industries from which it buys goods and services. These producing industries, in turn, spend money buying goods and services from their own distinct sets of suppliers. Thus, the IMPLAN multiplier model allows one to gauge the effect on each dollar expended by an industry as it diffuses through a regional economy. Furthermore, it allows one to translate the overall regional impact of spending into jobs and employee

compensation. Please refer to Figure 4 for a graphical representation of the multiplier effect. The multiplier factors available to determine indirect/induced impacts are intended to reflect impacts for entire areas within the County.

Figure 4: Multiplier Effect of Project Expenditures



Source: Northern Economics, Inc. 2011.

D Study Limitations

The economic models in the Study contain an analysis of revenues and impacts to the County and City resulting from the Project. These models are based on information provided to DTA by the Project proponent, certain assumptions taken from DTA's proprietary databases as compiled from previous studies prepared by the firm, Spotlight by Environics Analytics, and Internet research performed by DTA regarding various industries. The sources of information and basis of the estimates calculated in the Study are stated herein. While DTA is confident that the sources of information are reliable, DTA does not express an opinion or any other form of assurance on the accuracy of such information. The analysis of economic impacts contained in this report is not considered to be a "financial forecast" or "financial projection" as technically defined by the American Institute of Certified Public Accountants. The word "projection" used within this report relates to broad expectations of future events or market conditions. Since the analyses contained herein are based on estimates and assumptions that are inherently subject to uncertainty and variation depending on evolving events, DTA cannot represent that such estimates will be achieved. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary from the projections stated throughout the Study.

III RECURRING ANNUAL AND ONE-TIME ECONOMIC IMPACTS

As noted previously, the Study identifies the general impacts on the County and City economy that would result from the construction of the Project and quantifies these impacts wherever possible. General economic impacts include additions to the County's and City's employment (number of average annual full-time and part-time jobs), economic output (e.g., gross receipts), and earnings (the sum of wages, salaries and benefits, and other labor income). The Study also distinguishes between one-time economic impacts and permanent economic impacts. One-time impacts include benefits to the community that occur on a non-recurring basis as a result of construction and development activity, while permanent recurring impacts refer to benefits that occur on a continuous basis year after year.

A Description of the Annual Recurring Impacts of the Project

A.1 Employment

"**Employment**" follows the same definition as the U.S. Bureau of Economic Analysis' regional economic accounts and U.S. Bureau of Labor Statistics' Census of Employment and Wages data, which is the full-time/part-time annual average. Thus, one (1) job lasting 12 months is equivalent to two (2) jobs lasting 6 months each or four (4) jobs lasting 3 months each. In terms of a typical IMPLAN analysis, a job that lasts 6 months would be considered $\frac{1}{2}$ (0.50) of a job, while one that lasts 3 months would be considered $\frac{1}{4}$ (0.25) of a job. Notably, IMPLAN's analysis normally includes both FTE jobs and part-time jobs, which overstates the number of FTE jobs generated by a development project. In order to compensate for that factor, DTA applies a discounting factor provided by IMPLAN that varies by industry and can be used to reduce the number of direct jobs generated by IMPLAN in our Study so that it represents the equivalent of the number of FTE direct jobs.

The indirect and induced full-time/part-time job estimates for the Project were derived utilizing the IMPLAN Study Model. While the specific location of the additional indirect jobs created within the County cannot be definitively determined, experience and modeling indicate that a large percentage of these jobs will be support service jobs. These jobs are also likely to be located close to the Project and, therefore, within the County itself, with an estimated 50% of those jobs to be located within the City. Similarly, the Project's jobs will lead to more consumer spending by employees in existing retail establishments within the County and City, as well as new retail development that will be attracted to the County and City as a result of this spending. Job creation also results in increased tax revenues to the County and City through increased property taxes and sales taxes related to this new development.

However, because of potential differences in the timing of the build-out of the Project, the number of employees summarized above will likely not be realized at

the same time. Notably, it is possible that the build-out of the Project will occur over more than one year and the demand for some elements of the Project may fluctuate over time.

DTA estimated the number of direct employees at the Project's build-out based upon the 737 Square Feet per Employee ("SF/E") factor provided by the Project Proponent. Based on several data sources that provided this type of data for similar land uses, DTA deemed this metric to be appropriate for the Project.

Simply put, the Project will contribute to the creation of new jobs in the County and City. As reflected in Figure 5 and Table 5, the development of the Project is forecasted to generate approximately 425 estimated new recurring permanent on-site FTE jobs within the County and City annually. In addition to these on-site employment opportunities, DTA estimates that the Project will generate new off-site jobs in all industries of the County's and City's economy that constitute the indirect/induced employment impacts of the Project. A total of 240 permanent indirect jobs and 284 induced jobs are expected to be created in the County, with 120 of those indirect jobs and 142 of those induced jobs occurring within the City. As described previously, indirect jobs are those that are located off-site but are necessary to support the Project by providing goods and services to on-site businesses. Induced jobs are those that result from the expenditures made by the employees working directly or indirectly on-site within the Project.

Table 5: Project's Recurring Annual Employment Impact Conclusions

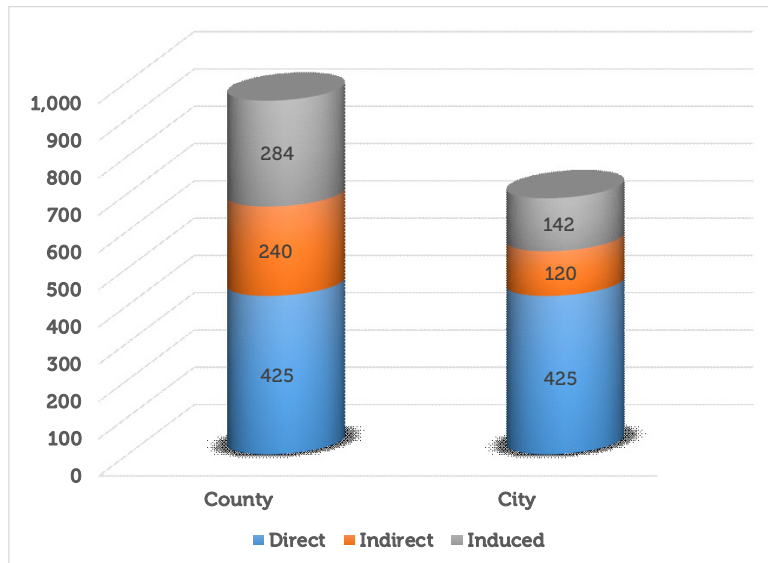
Land Use	BSF	SF/E	Recurring Annual Employment Impacts						
			Direct	Indirect ³		Induced ³		Total	
				County	City ⁴	County	City ⁴	County	City ⁴
Industrial Building One	112,230	737	152	72	36	89	45	313	233
Industrial Building Two	121,645	737	165	78	39	97	48	340	253
Industrial Building Three	79,369	737	108	89	45	98	49	295	202
Grand Total	313,244	N/A	425	240	120	284	142	949	687

Note: All numbers are subject to rounding.

³ The IMPLAN Study Model outputs are based on the number of direct employees.

⁴ Assumes 50% of the indirect/induced jobs generated in the County will be created within the City.

Figure 5: Annual Recurring Jobs Generated by the Project



The indirect and induced job estimates for the Project were derived utilizing the IMPLAN Study Model. While the specific location of the additional indirect jobs created within the County cannot be definitively determined, experience and modeling indicate that a large percentage of these jobs will be support service jobs. These jobs are also likely to be located close to the Project and therefore, within the City itself. Similarly, the Project's jobs will lead to more consumer spending by employees in existing retail establishments within the City and County, as well as new retail development that will be attracted to the City and County as a result of this spending. Job creation also results in increased tax revenues to the City and County through increased property taxes and sales taxes related to this new development.

However, as a result of potential differences in the timing of the build-out of the Project, the number of employees summarized above will likely not be realized at precisely the same time. Notably, it is estimated that the build-out of the Project will occur over several years, as the demand for some elements of the Project may fluctuate over time.

A.2 Total Economic Output

"Total Economic Output" represents the total value of all goods and/or services produced throughout a designated economy during a specified period of time, including Labor Income, Other Value Added, and the cost of Intermediate Inputs. Each of these components are defined below.

- **"Labor Income"** includes employee compensation (wages and benefits) and payments received by self-employed individuals and unincorporated

business owners. The Quarterly Census of Employment and Wages ("CEW") published by the Bureau of Labor Statistics is the primary source of employment and income data for IMPLAN.

- **"Other Value Added"** encompasses other property income, such as the consumption of capital investment, profits, royalties, dividends, interest impacts, and taxes on production and imports. The primary sources of Other Value Added are taxes on production and imports net of subsidy and Gross Operating Surplus ("GOS") data at the 3-digit NAICS level released by the Bureau of Economic Analysis.
- **"Intermediate Inputs"** include purchases of non-durable goods and services used for the production of other goods and services within a project, rather than for final consumption. Intermediate Inputs equal the Total Economic Output minus the sum of Labor Income and Other Value Added.

Total Economic Output within the City and County will increase substantially as a result of the development of the Project and can be estimated based on the different types of development projected to occur. As previously stated, this Study analyzes direct, indirect, and induced impacts. With regard to direct impacts, the economic output reflects the initial or first-round increases in the total value of all goods and/or services produced (total spending/gross receipts, plus the Labor Income listed in Table 6 and other incomes/taxes), all of which occur directly on the Project site. Indirect/induced economic impacts are the secondary and other additional rounds of economic activity that occur due to the direct output impacts and can take place outside of the boundaries of the Project site. The indirect impacts represent economic activity, specifically the buying and selling of goods and services, of suppliers and/or supporting businesses. The induced impacts represent economic activity that results from household spending by employees of all companies directly and indirectly affected by the Project. Please refer to Figure 3 for a graphical representation of the indirect and induced effects.

The generation of 949 new jobs in the County will increase the payrolls collected by County and City residents who are holding these jobs, which were estimated utilizing the IMPLAN Study Model. As summarized in Table 6 and listed in detail in Appendix A, the jobs to be generated by the Project will provide Labor Income ranging from an average of \$133,608 per year for Surgical and Medical Instrument Manufacturing Sector jobs in Buildings 1 and 2 to an average of \$192,289 per year for Electromedical and Electrotherapeutic Apparatus Manufacturing Sector jobs in Building 3. This would result in an average income of \$148,520 per direct FTE employee on-site and an average Labor Income of \$124,541 per job if we also include both indirect and induced jobs. Total aggregate Labor Income paid to all direct, indirect, and induced employees for the Project will equal \$108.0 million within the County, with \$85.5 million of the income generated within the City. The total direct

Labor Income generated by the Project on-site is anticipated to be \$63.1 million.

Table 6: Annual Recurring Labor Income Generated by the Project

Municipality	Direct	Indirect	Induced	Total
County	\$63,120,866	\$25,448,599	\$19,393,185	\$107,962,650
City ⁵	\$63,120,866	\$12,724,299	\$9,696,592	\$85,541,758

Note: All numbers are subject to rounding.

The IMPLAN Study Model also includes algorithms that forecast the Other Value Added and Intermediate Inputs to be generated by the Project. As reflected in Tables 7 and 8, DTA has estimated that the Project's direct and indirect/induced economic outputs total \$317.1 million for the County and \$256.1 million for the City. As summarized in Table 8 and Figure 6, and listed in detail in Appendix A, the total direct economic output generated by the Project on-site is anticipated to be \$195.2 million.

Table 7: Project's Total Annual Recurring Impacts (County)

Recurring Annual Impacts	Direct	Indirect/Induced	Total
Overall Economic Output	\$195,213,681	\$121,843,286	\$317,056,967
Labor Income	\$63,120,866	\$44,841,784	\$107,962,650
Other Value Added	\$38,616,322	\$30,864,849	\$69,481,171
Intermediate Inputs	\$93,476,494	\$46,136,653	\$139,613,146

Note: All numbers are subject to rounding.

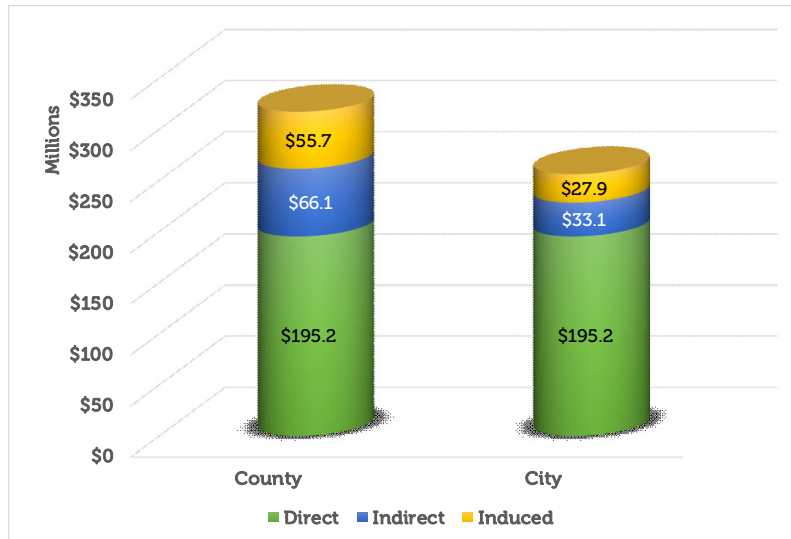
Table 8: Project's Total Annual Recurring Impacts (City)

Recurring Annual Impacts	Direct	Indirect/Induced	Total
Overall Economic Output	\$195,213,681	\$60,921,643	\$256,135,324
Labor Income	\$63,120,866	\$22,420,892	\$85,541,758
Other Value Added	\$38,616,322	\$15,432,424	\$54,048,746
Intermediate Inputs	\$93,476,494	\$23,068,326	\$116,544,820

Note: All numbers are subject to rounding.

⁵ Assumes 50% of the indirect/induced Labor Income generated in the County will be created within the City.

Figure 6: Annual Recurring Economic Output Generated by the Project



B Description of the One-Time Construction Impacts of the Project

As was the case for annual recurring economic impacts, one-time impacts generate one-time non-recurring increases in the County's and City's employment rates (number of full-time and part-time jobs), economic output (e.g., gross receipts), and earnings (the sum of wages, salaries and benefits, and other labor income). **The difference is that one-time impacts include economic benefits to the community that occur on a non-recurring basis as a result of construction and development activity.**

B.1 One-Time Employment

According to the IMPLAN Study Model, development of the Project is also projected to create 457 estimated one-time FTE construction-related jobs on-site and 196 one-time indirect and induced full-time/part-time jobs off-site in the County, with 98 of those jobs within the City, for a total of 653 and 555 one-time jobs within the County and City, respectively. Table 9 and Figure 7 below, as well as Appendix B, summarize the projected increases in one-time employment that are generated from the construction of the Project land uses.

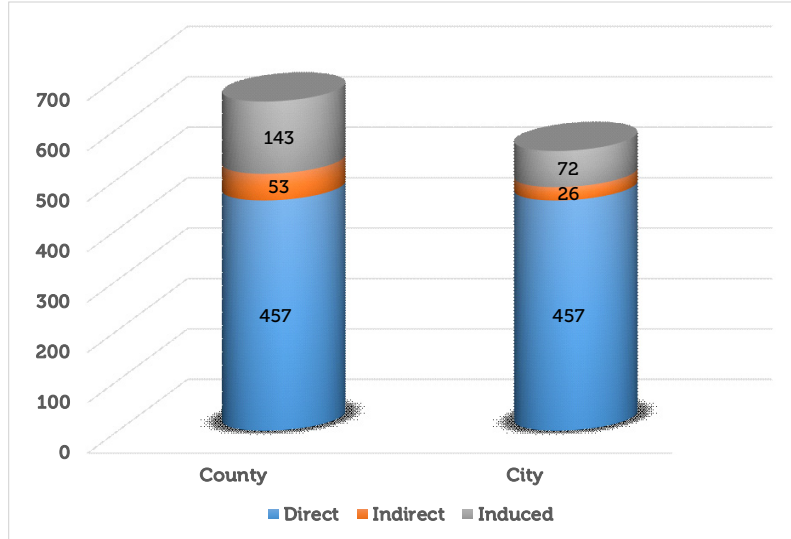
Table 9: Project's One-Time Construction and Development Employment

Municipality	Direct	Indirect	Induced	Total
County	457	53	143	653
City ⁶	457	26	72	555

Note: All numbers are subject to rounding.

⁶ Assumes 50% of the indirect/induced jobs generated in the County will be created within the City.

Figure 7: Project's One-Time Construction and Development Employment



B.2 One-Time Labor Income

One-time construction and development costs will also have multiplier effects on the economy, thereby generating one-time increases in Labor Income from the construction of the site infrastructure improvements and non-residential buildings. The average Labor Income is \$83,157 per direct FTE job on-site, with an average Labor Income of \$81,699 per job including both indirect and induced jobs. Table 10 and Figure 8 below, as well as Appendix B, summarize the projected increases in Labor Income generated from the construction of the Project land uses.

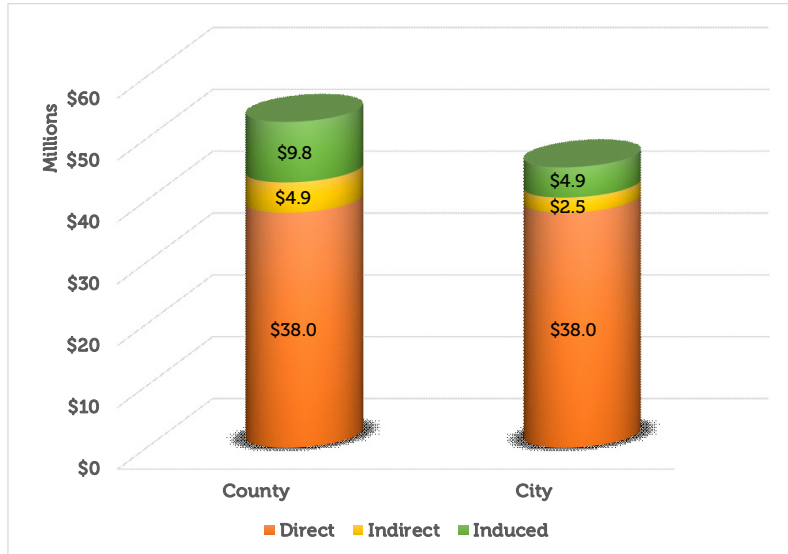
Table 10: Project's One-Time Construction and Development Labor Income

Municipality	Direct	Indirect	Induced	Total
County	\$38,002,669	\$4,912,090	\$9,781,864	\$52,696,624
City ⁷	\$38,002,669	\$2,456,045	\$4,890,932	\$45,349,646

Note: All numbers are subject to rounding.

⁷ Assumes 50% of the indirect/induced Labor Income generated in the County will be created within the City.

Figure 8: Project's One-Time Construction and Development Labor Income



B.3 One-Time Total Economic Output

According to the IMPLAN Study Model, the development of the Project is also projected to generate one-time increases of \$105.82 million in Total Economic Output from the construction and development of the site infrastructure improvements and non-residential buildings within the County, with increases of \$84.66 million in Total Economic Output within the City. Table 11 and Figure 9 below, as well as Appendix B, summarize the projected increases in total one-time economic output generated from the construction and development of the Project land uses.

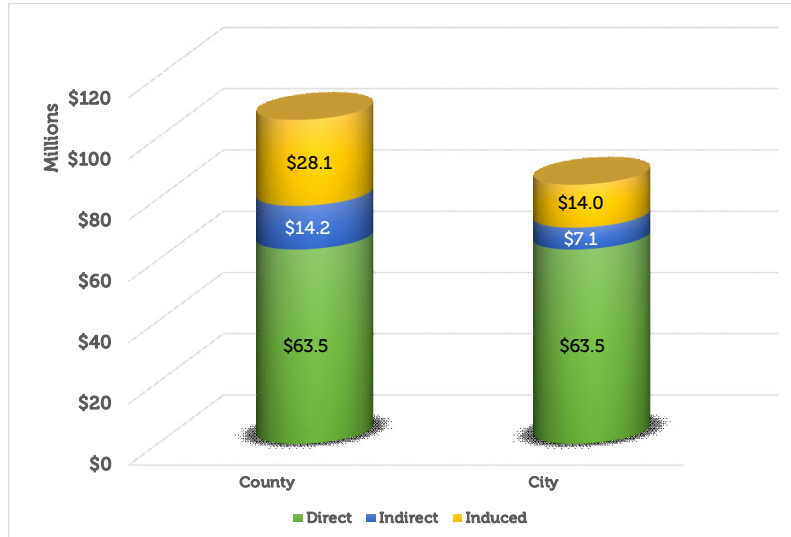
Table 11: Project's One-Time Construction and Development Total Economic Output

Municipality	Direct	Indirect	Induced	Total
County	\$63,500,000	\$14,235,907	\$28,083,641	\$105,819,548
City ⁸	\$63,500,000	\$7,117,954	\$14,041,820	\$84,659,774

Note: All numbers are subject to rounding.

⁸ Assumes 50% of the indirect/induced economic outputs generated in the County will be created within the City.

Figure 9: Project's One-Time Construction and Development Total Economic Output



IV PROJECT IMPACTS ON THE CITY'S JOBS-HOUSING BALANCE

As stated previously, the Project is estimated to create approximately 425 new on-site permanent recurring FTE jobs and DTA approximates that an additional 262 new off-site indirect and induced permanent recurring full-time/part-time jobs will be created Citywide. This results in a jobs-housing balance calculation wherein the numerator (i.e., number of jobs) increases, while the denominator (i.e., number of housing units located in the City) remains the same.

The jobs-housing balance is an indicator of the balance between employment and housing opportunities in a given area. To a large degree, the jobs available in a community should adequately represent the skills of the community's labor force. Housing prices/locations should also be suited to the budgets of the workers within that community. However, defining what constitutes a "balance" is not an easy task due to variations in local and regional economies and housing patterns, e.g., what indicates "balance" in the City might not be similarly appropriate in other parts of the State.

A positive balance between jobs and housing has a beneficial impact on the City by decreasing costs associated with commuting and traffic congestion. A balanced jobs-housing ratio also provides, inter alia, reduced commute times, improved social and cultural involvement, a more attractive work/life balance to residents, and savings to local public agencies in terms of the need to construct and maintain new road improvements and other facilities. For example, any decrease in transportation facility costs experienced by local public agencies will enable these agencies to invest their tax proceeds in other facilities that can improve the quality of life within the City, such as libraries, recreational projects, and other community amenities.

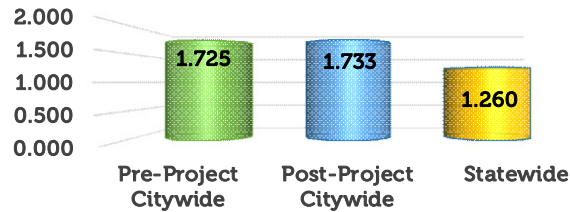
All these factors enhance the City's economic well-being and that of the residents of the City, a portion of whom will find work within the Project. Notably, the change in the City's jobs-housing balance will be mitigated by an influx of residents to the City who currently live elsewhere but might move to the City in order to live closer to the new jobs generated directly or indirectly by the Project. However, this in turn would increase the City's labor force and provide new consumers who will support existing and new businesses in the City that will provide them with the necessary goods and services. The positive impact of an increase in the City's jobs-housing balance can't be overstated.

At build-out, the Project will have a positive effect on the City's jobs-housing balance. Table 12 and Figure 10 below summarize the pre-Project and post-Project jobs-housing balance, as well as California Statewide average development figures.

Table 12: Pre-Project and Post-Project Jobs-Housing Balance

Description	Citywide Average		Statewide Average
	Pre-Project	Post-Project	
Number of Jobs	141,545⁹	142,232	18,537,400
Number of Housing Units	82,058	82,058	14,707,698
Existing ¹⁰	82,058	82,058	14,707,698
New	N/A	0	0
Jobs-Housing Balance	1.725	1.733	1.260

Figure 10: Pre-Project and Post-Project Jobs-Housing Balance:



As reflected above in Table 12 and Figure 10, the City's current ratio of jobs within the City as compared with the number of housing units Citywide is 1.725, exceeding the Statewide average of 1.260. Clearly, the City is an employment-rich community with a large number of local jobs that are likely to provide employment to both City residents and persons residing outside of the City. The addition of 687 new jobs through the construction of the Project would increase this ratio to 1.733.

As the City's total current workforce consists of 141,545 employees, FTE and part-time employees holding these additional jobs will constitute a 0.49% increase in the size of the City's current workforce.

⁹ Spotlight by Environics Analytics, Employment Profiles by NAICS Code 2023.

¹⁰ Labor Market Information Division, State of California Employment Development Department.

APPENDIX A

EPD Solutions, Inc.
South Coast Technology Center Project
Economic Impact Study



ANNUAL RECURRING ECONOMIC IMPACTS OF THE PROJECT

Appendix A
 South Coast Technology Center Project
 City of Santa Ana
 Recurring Economic Impact (2024\$)

Land Use/ Impact	Employment	Labor Income		Other Value Added	Intermediate Expenditures	Total Output
		Per Employee	Aggregate			
Industrial Building One						
County	313.37	\$107,862	\$33,800,653	\$18,983,991	\$41,219,898	\$94,004,542
Direct	152.00	\$133,608	\$20,308,390	\$9,333,289	\$27,182,408	\$56,824,086
Indirect	72.07	\$102,622	\$7,395,932	\$4,537,821	\$7,735,873	\$19,669,627
Induced	89.30	\$68,268	\$6,096,330	\$5,112,882	\$6,301,617	\$17,510,829
City	232.69	\$116,271	\$27,054,521	\$14,158,640	\$34,201,153	\$75,414,314
Direct	152.00	\$133,608	\$20,308,390	\$9,333,289	\$27,182,408	\$56,824,086
Indirect ¹	36.04	\$102,622	\$3,697,966	\$2,268,911	\$3,867,937	\$9,834,814
Induced ¹	44.65	\$68,268	\$3,048,165	\$2,556,441	\$3,150,808	\$8,755,414
Industrial Building Two						
County	340.17	\$107,862	\$36,691,498	\$20,607,622	\$44,745,284	\$102,044,404
Direct	165.00	\$133,608	\$22,045,292	\$10,131,530	\$29,507,219	\$61,684,041
Indirect	78.23	\$102,627	\$8,028,479	\$4,925,925	\$8,397,494	\$21,351,898
Induced	96.94	\$68,266	\$6,617,727	\$5,550,167	\$6,840,571	\$19,008,465
City	252.59	\$116,271	\$29,368,395	\$15,369,576	\$37,126,252	\$81,864,223
Direct	165.00	\$133,608	\$22,045,292	\$10,131,530	\$29,507,219	\$61,684,041
Indirect ¹	39.12	\$102,627	\$4,014,240	\$2,462,962	\$4,198,747	\$10,675,949
Induced ¹	48.47	\$68,266	\$3,308,864	\$2,775,084	\$3,420,285	\$9,504,233
Industrial Building Three						
County	295.17	\$126,945	\$37,470,499	\$29,889,557	\$53,647,964	\$121,008,020
Direct	108.00	\$192,289	\$20,767,184	\$19,151,503	\$36,786,866	\$76,705,554
Indirect	89.34	\$112,203	\$10,024,188	\$5,135,268	\$9,956,867	\$25,116,322
Induced	97.83	\$68,273	\$6,679,127	\$5,602,786	\$6,904,231	\$19,186,145
City	201.59	\$144,449	\$29,118,842	\$24,520,530	\$45,217,415	\$98,856,787
Direct	108.00	\$192,289	\$20,767,184	\$19,151,503	\$36,786,866	\$76,705,554
Indirect ¹	44.67	\$112,203	\$5,012,094	\$2,567,634	\$4,978,433	\$12,558,161
Induced ¹	48.92	\$68,273	\$3,339,564	\$2,801,393	\$3,452,116	\$9,593,072
Grand Total - County	948.71	\$113,799	\$107,962,650	\$69,481,171	\$139,613,146	\$317,056,967
Grand Total - City	686.86	\$124,541	\$85,541,758	\$54,048,746	\$116,544,820	\$256,135,324

¹ Assumes 50% of County's indirect/induced impacts will be created within the City.

APPENDIX B

EPD Solutions, Inc.
South Coast Technology Center Project
Economic Impact Study



ONE-TIME ECONOMIC IMPACTS OF THE PROJECT

Appendix B
South Coast Technology Center Project
City of Santa Ana
One-time Economic Impact (2024\$)

Impact	Employment	Labor Income		Other Value Added	Intermedate Expenditures	Total Output
		Per Employee	Aggregate			
Vertical Construction						
County	653.17	\$80,678	\$52,696,624	\$12,731,902	\$40,391,022	\$105,819,548
Direct	457.00	\$83,157	\$38,002,669	\$1,126,141	\$24,371,189	\$63,500,000
Indirect	52.82	\$92,997	\$4,912,090	\$3,413,289	\$5,910,528	\$14,235,907
Induced	143.35	\$68,238	\$9,781,864	\$8,192,471	\$10,109,305	\$28,083,641
City	555.09	\$81,699	\$45,349,646	\$6,929,022	\$32,381,106	\$84,659,774
Direct	457.00	\$83,157	\$38,002,669	\$1,126,141	\$24,371,189	\$63,500,000
Indirect ¹	26.41	\$92,997	\$2,456,045	\$1,706,645	\$2,955,264	\$7,117,954
Induced ¹	71.68	\$68,238	\$4,890,932	\$4,096,236	\$5,054,652	\$14,041,820
Grand Total - County	653.17	\$80,678	\$52,696,624	\$12,731,902	\$40,391,022	\$105,819,548
Grand Total - City	555.09	\$81,699	\$45,349,646	\$6,929,022	\$32,381,106	\$84,659,774

¹ Assumes 50% of County's indirect/induced impacts will be created within the City.



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