



Executive Summary

To: FRH Realty LLC
From: The Concord Group
Date: April 13, 2023
Re: Market Assessment and Economic, Fiscal, and Retail Impact Analyses for a Mixed-Use Development in Santa Ana, California (Cabrillo Town Center)

Background:

We understand FRH Realty LLC ("FRH") is pursuing the development of a 507-unit community (449 rental, including 12 live/work units, and 58 for-sale) plus 6,000 square feet of retail located at Cabrillo Park and 4th Streets in Santa Ana, California. As you prepare submittals to the City of Santa Ana, The Concord Group ("TCG") prepared a third-party confirmation of the rent/revenue levels for the product offerings as well as calculated the primary fiscal and economic benefit to the City of Santa Ana from the development of the sites.

Response to Peer Review:

- The study was peer reviewed by Economic & Planning Systems, Inc. ("EPS") and their comments were taken into account.

Key Findings:

- Due to the mixed-use environment and strong access and visibility, TCG concludes the rental apartments, for-sale townhomes and ground floor retail are well positioned within the market.
- Given the proposed land-use mix and rent/pricing assumptions provided by FRH, TCG projects the overall assessed value upon stabilization to be \$286 million
- Over the course of the 28-year analyzed period, 3-year construction followed by a 25-year operating forecast, The Subject Site will have a positive fiscal and economic impact on the City of Santa Ana generating \$8.3 million in net new revenues.
- The project will generate 1,266 new direct jobs over the 3-year construction period and 21 direct jobs from on-going operations after completion of the development.
- A total of 1,913 total temporary jobs including direct, indirect, and induced jobs will be created during the 3-year construction period and 32 total direct, indirect, and induced permanent jobs from operations.
- The city of Santa Ana will also receive an additional \$15.5 million in revenue for permits and fees to develop on the Subject Site
- Currently, the Subject Site is generating approximately \$250K in recurring revenue, the proposed development will increase recurring revenue to \$368K per year on a net revenue basis

Key Findings (cont.):

- Redevelopment of the Site from commercial uses will not negatively affect the local neighborhood as the market performance suggest an oversupplied commercial zone, and given the vacant space surrounding the Site gives the opportunity to relocate within the local neighborhood

Site Overview and Market Areas:

- The Project is located in Santa Ana, California on the corner of Cabrillo Park Dr and 4th Street, adjacent to the I-5 freeway, a regional connector of Southern California. The Project is close in proximity to the I-55.
- The proposed land uses offered include residential apartments, for-sale townhomes, and ground floor retail.
- The Site is located on an 8.98-acre parcel planned over a 3-year construction period anticipated to be 2023 through 2026. The breakdown of the anticipated development program at buildout consists of the following:
 - 449 residential apartment units including 12 live/work units containing 9,000 SF of commercial space (898 parking stalls)
 - 58 for-sale townhome units (130 parking stalls)
 - 6,000 square feet of ground floor retail
- The Competitive Market Area ("CMA") represents the geographic source of competitive supply and is defined by the cities of Santa Ana, Costa Mesa, Irvine, Orange, and Tustin.

Pricing Confirmation:

TCG evaluated the sponsor development scenario provided by FRH to evaluate the market rent/price potential for each land use including: 449 rental apartment units, 6,000 square feet of ground floor retail, and 58 for-sale townhome units. The following tables and figures breakdown the sponsor program to confirm if the current sponsor rents/prices are feasible in the Market.

Rental Apartments

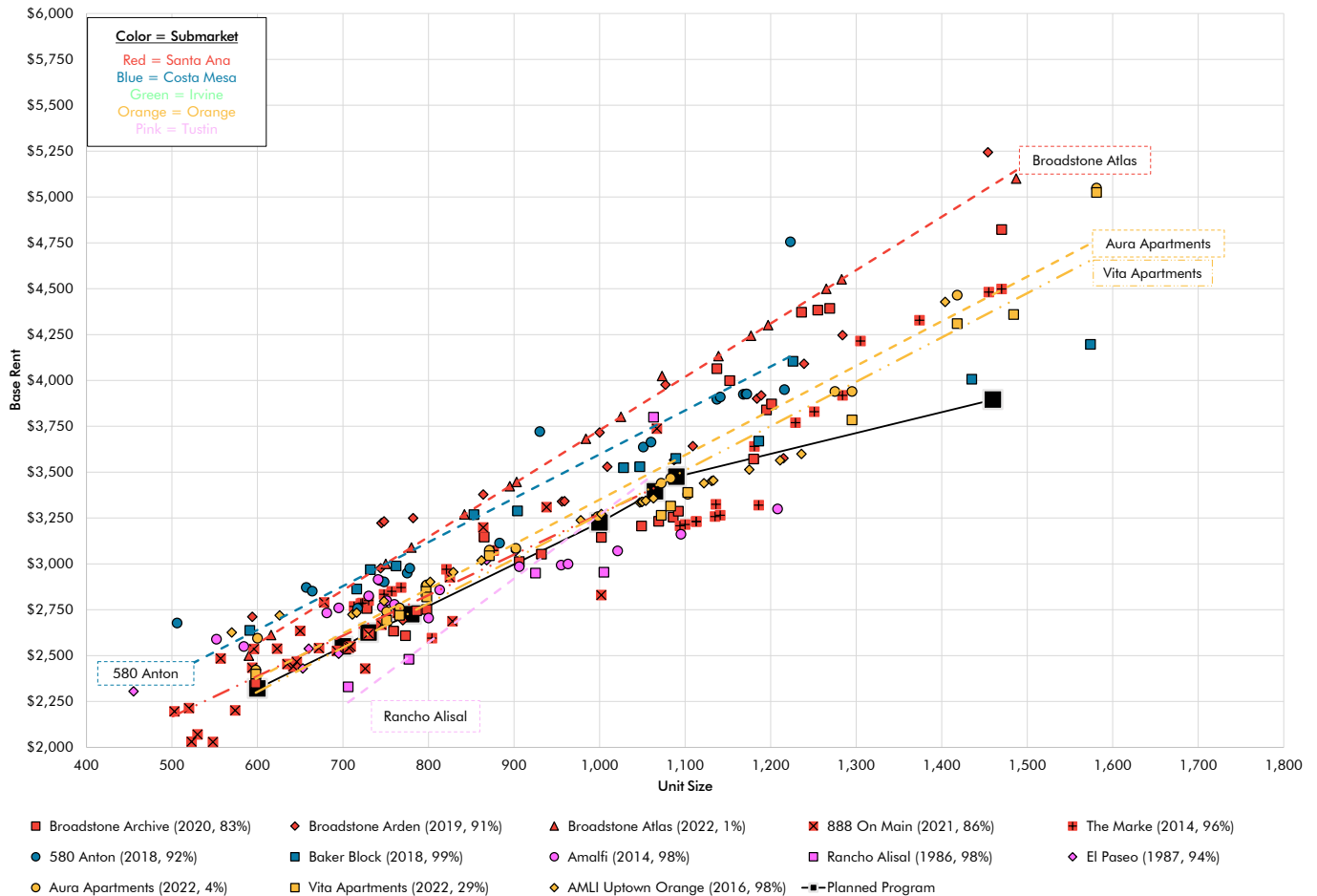
- The subject Site is positioned in-line with top-of -market comparables in Orange on a nominal basis including new comparables, Aura Apartments and Vita Apartments. The Site's mixed-use orientation merits the positioning, although the Site's location is slightly inferior. The subject site is positioned at a premium to older Santa Ana and Tustin product due to a newer vintage but positioned at a discount to new comparables located in downtown Santa Ana due to an inferior location. TCG confirms the planned rents for the Site are well positioned in the Market.

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| Planned Program | | | | | | |
|------------------|------------|----------|-------|-----------|-----------|--------|
| Floorplan | Bed / Bath | Unit Mix | | Unit Size | Base Rent | |
| | | Num. | Share | | \$ | S/SF |
| 1BR/1BA-STUDIO-5 | 0 / 1.0 | 32 | 7% | 600 | \$2,320 | \$3.87 |
| 1BR/1BA-A1 | 1 / 1.0 | 80 | 18% | 700 | \$2,550 | \$3.64 |
| 1BR/1BA-A2 | 1 / 1.0 | 99 | 22% | 730 | \$2,625 | \$3.60 |
| 1BR/1BA-A3 | 1 / 1.0 | 85 | 19% | 780 | \$2,725 | \$3.49 |
| 2BR/2BA-B1 | 2 / 2.0 | 36 | 8% | 1,000 | \$3,225 | \$3.23 |
| 2BR/2BA-B2 | 2 / 2.0 | 60 | 13% | 1,065 | \$3,395 | \$3.19 |
| 2BR/2BA-B3 | 2 / 2.0 | 45 | 10% | 1,090 | \$3,475 | \$3.19 |
| 2BR/2.5BA-B4-LW | 2 / 2.5 | 12 | 3% | 1,460 | \$3,895 | \$2.67 |
| Total / Average: | | 449 | 100% | 847 | \$2,879 | \$3.40 |

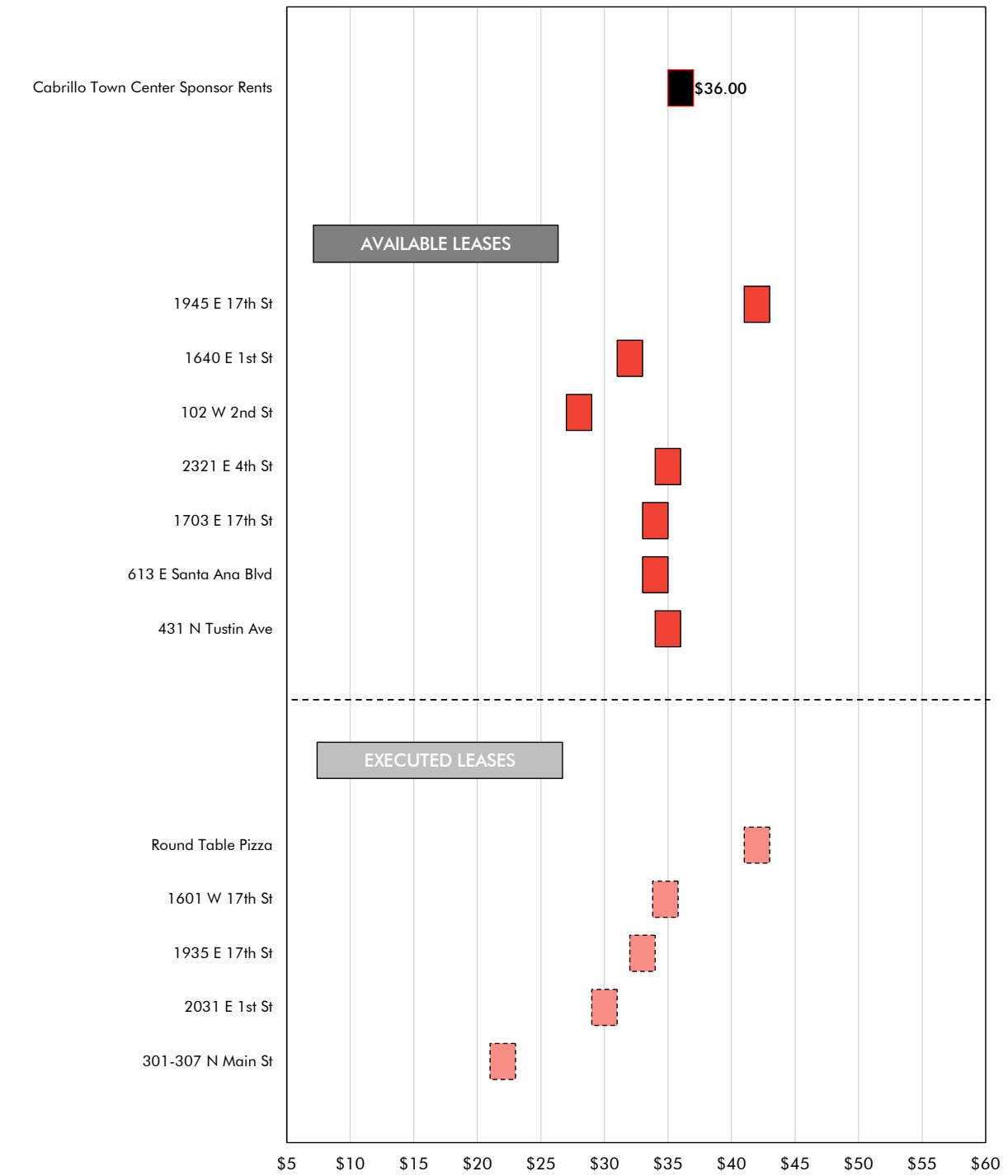
| Unit Mix | |
|----------|-----|
| Studios | 7% |
| 1-Beds | 59% |
| 2-Beds | 34% |
| 3-Beds | 0% |

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|----------|-----|
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Ground Floor Retail

- Subject Site rents are in-line with top of market rents in Santa Ana, with a slight discount to downtown Santa Ana lease rates. TCG confirms \$36/SF/Yr. is justified.

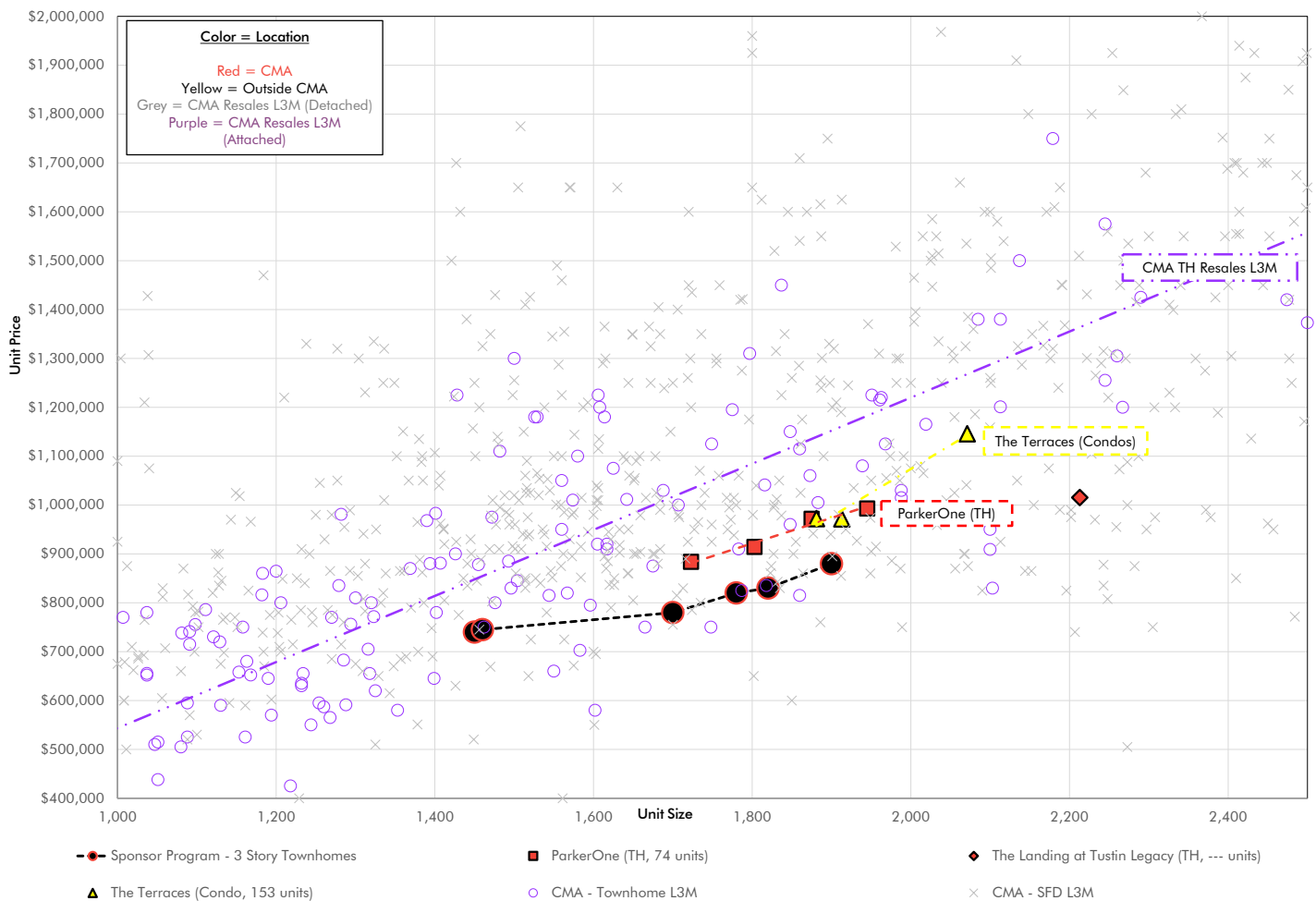


For-Sale Townhomes

- The Subject Site is positioned at a slight discount to the Parker One townhomes in Orange due to a slightly inferior location. TCG confirms the sponsor prices are well positioned in the Market.

| Sponsor Program - Townhomes | | | | | | |
|-----------------------------|---------|----------|------|-----------|------------|-------|
| | Bed / | Unit Mix | | Unit | Base Price | |
| Floorplan | Bath | # | % | Size (SF) | \$ | \$/SF |
| Plan 1 2/2.5 | 2 / 2.5 | 6 | 10% | 1,450 | \$739,900 | \$510 |
| Plan 2 2/2.5 | 2 / 2.5 | 6 | 10% | 1,460 | \$744,900 | \$510 |
| Plan 3 2+Den/3.5 | 2 / 3.5 | 14 | 24% | 1,700 | \$779,900 | \$459 |
| Plan 4 3/3.5 | 3 / 3.5 | 20 | 34% | 1,780 | \$819,900 | \$461 |
| Plan 4X 3/3.5 | 3 / 3.5 | 0 | 0% | 1,820 | \$829,900 | \$456 |
| Plan 5 4/3.5 | 4 / 3.5 | 12 | 21% | 1,900 | \$879,900 | \$463 |
| Total / Average: | | 58 | 100% | 1,718 | \$806,624 | \$471 |

| Unit Mix | |
|----------|-----|
| 1 Bed | 0% |
| 2 Bed | 45% |
| 3 Bed | 34% |
| 4 Bed | 21% |



Fiscal Impact Findings:**Table 1: Fiscal Impact Projection Summary: Construction Period + 25-Year Recurring Tax Forecast**

| Revenue Category | 25-Year Recurring | |
|-----------------------------|--------------------------|---------------------|
| | Total | NPV (4%) |
| Property Taxes | \$10,452,020 | \$5,517,384 |
| Prop Tax In- Lie of VLF (1) | \$4,574,958 | \$2,421,372 |
| Utility User | \$3,210,515 | \$1,724,753 |
| Resi Derived Sale Tax | \$3,838,764 | \$2,260,786 |
| Retail Sales Tax | \$717,990 | \$432,038 |
| Total City Revenues | \$22,794,248 | \$12,311,124 |
| Less City Expenses | \$14,543,691 | \$7,773,266 |
| Net New Revenues | \$8,250,556 | \$4,537,858 |

Based on a total construction budget of \$249 million, TCG projects the City of Santa Ana's recurring revenues to be approximately \$22.8 million over the next 25 years after build-out. The net present value of the cumulative tax revenue over the same period at a 4% annual discount rate is \$12.3 million. Total City expenditures over the next 25 years after build-out are expected to be \$14.5 million (\$7.8 million in 2022 dollars) resulting in net new revenues of \$8.3 million (\$4.5 in 2022 dollars).

Employment Impacts:

Based on an analysis utilizing Rims II multipliers for Orange County, TCG estimates the employment opportunities for this Project amount to approximately 21 permanent direct jobs. Additionally, 1,913 temporary direct construction jobs will be available during the construction term of the Project.

Fiscal Impact Analysis:

The Project will provide benefits to the City of Santa Ana in the form of site-specific tax revenues generated by the proposed development. In this study, we project “Net New Revenues.” Net new revenue is defined as recurring tax revenues to the City or County projected by the Project, less any expenditures generated from the site.

The following analysis of the Project-generated revenue is categorized by the following revenue and expenditure sources:

- Property Tax
- Motor Vehicle License Fee and Property Tax In-Lieu
- Utility User Tax
- Residential Derived Sales Tax
- Retail Sales Tax
- Residential Derived City Expenditures

FISCAL IMPACT SUMMARY:

This section presents a summary of our 28-year projections followed by a more detailed description of each component revenue analyzed. The net new tax revenue presented in all fiscal impact revenue projections begins with Construction Year One, "CY1" in 2023, lasting 3-years, ending in 2025. This is followed by a 25-year operating forecast from 2026 through 2050.

Total net new revenues to the City over the 3-year construction period plus the 25-year projection period amount to \$22.8 million (\$12.3 million in 2022 dollars).

Table 2 provides a summary by revenue source of the total net new revenues for the City and County over both the 3-year construction period and the 28-year projection period. The analysis utilizes current market conditions, as provided by FRH, and escalated at a 2% inflation rate. FRH may consider utilizing updated market analyses upon the future construction of the Project to have a more current assessment on the market-driven values.

Table 2: Fiscal Impact Projections

Construction Period + 25-Year Recurring Tax Forecast

| Phasing Year | Year | Property Tax | Property Tax In-Lieu of VLF | Utility User Tax | Resi-Derived Sales Tax | Retail Sales Tax | Gross City Revenue | City Expenditures | Net New Total |
|-----------------|------|--------------|--------------------------------|---------------------|---------------------------|---------------------|-----------------------|----------------------|------------------|
| Proforma | 2022 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CY1 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CY2 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CY3 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1 | 2026 | \$108,613 | \$47,541 | \$100,234 | \$198,938 | \$37,209 | \$492,534 | \$454,060 | \$38,474 |
| 2 | 2027 | \$339,999 | \$148,821 | \$102,238 | \$202,916 | \$37,953 | \$831,928 | \$463,142 | \$368,786 |
| 3 | 2028 | \$346,799 | \$151,798 | \$104,283 | \$206,975 | \$38,712 | \$848,566 | \$472,404 | \$376,162 |
| 4 | 2029 | \$353,735 | \$154,834 | \$106,369 | \$168,891 | \$31,589 | \$815,418 | \$481,853 | \$333,565 |
| 5 | 2030 | \$360,810 | \$157,930 | \$108,496 | \$172,269 | \$32,221 | \$831,726 | \$491,490 | \$340,236 |
| 6 | 2031 | \$368,026 | \$161,089 | \$110,666 | \$175,714 | \$32,865 | \$848,360 | \$501,319 | \$347,041 |
| 7 | 2032 | \$375,387 | \$164,311 | \$112,879 | \$179,229 | \$33,522 | \$865,328 | \$511,346 | \$353,982 |
| 8 | 2033 | \$382,894 | \$167,597 | \$115,137 | \$182,813 | \$34,193 | \$882,634 | \$521,573 | \$361,061 |
| 9 | 2034 | \$390,552 | \$170,949 | \$117,440 | \$186,470 | \$34,877 | \$900,287 | \$532,004 | \$368,283 |
| 10 | 2035 | \$398,363 | \$174,368 | \$119,789 | \$190,199 | \$35,574 | \$918,293 | \$542,644 | \$375,648 |
| 11 | 2036 | \$406,330 | \$177,855 | \$122,184 | \$194,003 | \$36,286 | \$936,658 | \$553,497 | \$383,161 |
| 12 | 2037 | \$414,457 | \$181,412 | \$124,628 | \$197,883 | \$37,011 | \$955,392 | \$564,567 | \$390,825 |
| 13 | 2038 | \$422,746 | \$185,040 | \$127,121 | \$201,841 | \$37,752 | \$974,499 | \$575,858 | \$398,641 |
| 14 | 2039 | \$431,201 | \$188,741 | \$129,663 | \$102,939 | \$19,253 | \$871,797 | \$587,376 | \$284,422 |
| 15 | 2040 | \$439,825 | \$192,516 | \$132,256 | \$104,998 | \$19,638 | \$889,233 | \$599,123 | \$290,110 |
| 16 | 2041 | \$448,622 | \$196,366 | \$134,901 | \$107,097 | \$20,031 | \$907,018 | \$611,106 | \$295,912 |
| 17 | 2042 | \$457,594 | \$200,294 | \$137,599 | \$109,239 | \$20,432 | \$925,158 | \$623,328 | \$301,831 |
| 18 | 2043 | \$466,746 | \$204,300 | \$140,351 | \$111,424 | \$20,840 | \$943,662 | \$635,794 | \$307,867 |
| 19 | 2044 | \$476,081 | \$208,386 | \$143,158 | \$113,653 | \$21,257 | \$962,535 | \$648,510 | \$314,025 |
| 20 | 2045 | \$485,603 | \$212,553 | \$146,022 | \$115,926 | \$21,682 | \$981,785 | \$661,480 | \$320,305 |
| 21 | 2046 | \$495,315 | \$216,804 | \$148,942 | \$118,244 | \$22,116 | \$1,001,421 | \$674,710 | \$326,711 |
| 22 | 2047 | \$505,221 | \$221,140 | \$151,921 | \$120,609 | \$22,558 | \$1,021,450 | \$688,204 | \$333,245 |
| 23 | 2048 | \$515,325 | \$225,563 | \$154,959 | \$123,021 | \$23,009 | \$1,041,879 | \$701,968 | \$339,910 |
| 24 | 2049 | \$525,632 | \$230,075 | \$158,058 | \$125,482 | \$23,470 | \$1,062,716 | \$716,008 | \$346,709 |
| 25 | 2050 | \$536,144 | \$234,676 | \$161,220 | \$127,991 | \$23,939 | \$1,083,970 | \$730,328 | \$353,643 |
| Grand Total: | | \$10,452,020 | \$4,574,958 | \$3,210,515 | \$3,838,764 | \$717,990 | \$22,794,248 | \$14,543,691 | \$8,250,556 |
| NPV: | 4.0% | \$5,517,384 | \$2,421,372 | \$1,724,753 | \$2,260,786 | \$432,038 | \$12,311,124 | \$7,773,266 | \$4,549,161 |
| Escalation: | | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |

Source: City of Santa Ana, TCG, FRH

PROPERTY TAX

The City receives a portion of the ad valorem property taxes to pay for municipal services. According to the City of Santa Ana property taxes within the Project is approximately 11 percent of the one percent property tax levy. The County receives 13.1 percent of the one percent property tax levy. The estimated property taxes were based on the FRH Proforma assumptions provided to TCG in March 2022. TCG, using FRH proforma assumptions, estimates that the total value of the development after full build out and stabilized occupancy would be approximately \$286 million by end of year 2.

Based on the total Project value at stabilization upon 2027, TCG estimates that the City is expected to receive approximately \$340K in property tax revenues annually. Assuming no resale and the existing maximum Proposition 13 inflation rate of two percent annually, we project that total property tax revenues to the City would total \$10.5 million over the construction period and 28-year projection period, or \$5.5 million in 2022 dollars. For a more detailed projection, see Appendix 1.

PROPERTY TAX IN-LIEU OF MOTOR VEHICLE LICENSES FEES

Established in 1935, the Motor Vehicle License Fee ("VLF") was essentially a tax on vehicle ownership. The State of California ("State") collects VLF annually when vehicles are registered and was historically allocated to cities and counties based on a statutory formula.

In 2004, during the State's budget crisis, about 90 percent of each city's VLF revenue was replaced with property tax revenue, and cities in particular began to receive an allocation of property tax from the Educational Revenue Augmentation Fund ("ERAF") in an amount equal to what they would have received in VLF under an older VLF allocation formula. Under current law, the property tax in-lieu of VLF revenue increases based on assessed value growth in a jurisdiction, thus estimated revenues are based on changes in assessed value created by the Project.

While the amount of property tax in lieu varies from city to city under the current apportionment methodology, for Santa Ana, the formula to calculate VLF revenue can be simplified to 5.2 percent of the one percent of the City's total assessed value. Based on projected assessed values, the Project would generate approximately \$149K in established property tax in-lieu of VLF revenues at build-out as depicted in Table 3.

Over the 28-year forecast, we project the cumulative property tax in-lieu of VLF from the Project to be \$4.6 million (or \$2.4 million in 2022 dollars) For a more detailed projection, see Appendix 2.

Table 3: Property Tax Revenue

| | <u>Dollars</u> |
|--|----------------|
| Proposed Project Total Assessed Value | \$286,194,565 |
| City Property Tax Rate | 11.0% |
| Proposed Tax Revenue (2027) | \$339,999 |
| 28-Year Revenue | \$10,452,020 |
| 28-Year Revenue (2022 Dollars) | \$5,506,139 |
| Property Tax In-Lieu of Motor Licenses Fees | |
| Proposed Project Total Assessed Value | \$286,194,565 |
| Proposed Property In-Lieu of VLF (2027) | \$148,821 |
| 28-Year Revenue | \$4,574,958 |
| 28-Year Revenue (2022 Dollars) | \$2,410,127 |
| Assessed Value from FRH, assuming 4.25% cap rate | |
| Property Tax rates from City of Santa Ana | |

UTILITY USER TAX

The City of Santa Ana assesses a utility user tax of 5.5 percent on electricity, gas, water, and telephone revenues generated in the City. Utility costs were estimated by TCG based on prior review of utility costs. Assumed annual utility expenditures consist of Gas at \$295, water at \$590, electric at \$1,476, and phone at \$959. Based on these assumptions, TCG estimates the utility use tax revenues generated by the development to be approximately \$3.2 million (\$1.7 in 2022 dollars) For a more detailed projection, see Appendix 3.

Table 4: Utility User Tax Revenue

| | |
|-------------------------------------|--------------------|
| Energy Expenditures per Household | \$3,321 |
| Number of Households | 507 |
| Total Residential Energy Expenses | \$1,683,644 |
| Santa Ana Tax Rate | 5.5% |
| Cumulative TOT | \$3,210,515 |
| Cumulative TOT, 2022 Dollars | \$1,713,508 |

ADR and Occupancy from Mountain View Proforma
TOT rate from City of Chula Vista

RESIDENT-DERIVED SALES TAX

The additional residential households produced by the Project are expected to result in increased sales for retailers and restaurants. Within a 5-mile radius of the site, ESRI estimates households' expenditures based on taxable and non-taxable sales. TCG estimates approximately \$29,000 per household. Due to proximity to other retail centers in neighboring cities, TCG projects 50% of shopping will be done within the Santa Ana city limits. In 2018, Santa Ana residents approved a local transaction and use tax in the City, increasing the sales tax from 7.75% to 9.25% until 2029 and then to 8.75% until 2039, when the additional tax will expire. The resident-Derived Sales Tax Revenues are projected to be \$3.8 million, or \$1.8 million in 2022 dollars. For a more detailed projection, see Appendix 4.

Table 5: Resi-Derived Sales Tax Revenue

| City Department | Resi-Derived Revenue |
|---|-----------------------------|
| Taxable Household Expenditures (50%) | \$14,500 |
| Number fo Households | 507 |
| Estimated Transactions within Santa Ana | \$262,232,611 |
| City share of Sales Tax | 1.00% |
| 2022-2028 Measure X Inc. Tax Rate | 1.50% |
| 2029-2039 Measure X Inc. Tax Rate | 1.00% |
| Cumulative TOT | \$3,838,764 |
| Cumulative TOT, 2022 Dollars | \$1,785,614 |

RETAIL SALES TAX

The development will include 6,000 square feet of ground floor retail space. Conservatively, TCG projects approximately \$250 of sales annually per square feet, resulting in \$1.38 million dollars in retail sales. Due to the local transaction and use tax described above, sales tax increases from 7.75% to 9.25% until 2029 and then to 8.75% until 2039, when the additional tax will expire. The Sales Tax Revenues from the development are projected to be \$718K, or \$328K in 2022 dollars. For a more detailed projection, see Appendix 5.

Table 6: Retail Sales Tax

| | Tax Rate | Dollars |
|---|-----------------|------------------|
| Sales Revenue (2022) | | \$1,375,000 |
| Cumulative Sales Generated | | \$47,672,111 |
| Cumulative Sales Generated (2022 Dollars) | | \$25,442,648 |
| City share of Sales Tax | 1.00% | |
| 2022-2028 Measure X Inc. Tax Rate | 1.50% | |
| 2029-2039 Measure X Inc. Tax Rate | 1.00% | |
| Cumulative TOT | | \$717,990 |
| Cumulative TOT, 2022 Dollars | | \$328,002 |
| Retail Sales assume \$250 per square feet | | |

CITY EXPENDITURES

Based on the assumptions: a studio would house 1.2 residents, one-bedroom unit would house 1.75 residents, two-bedroom unit would house 3 residents, three-bedroom would house 4.25 residents, and four-bedroom units would house 5 residents, TCG concluded the average household size of the property to be 2.35 persons.

Based on US Census data approximately 6.5% of Santa Ana residents work within the City, which results in the City of Santa Ana is servicing these residents 100% of the time. 35% of Santa Ana residents work outside the City, assuming a 9am to 5pm job, Santa Ana is servicing these residents 73% of the time. The remaining population can be assumed to be serviced by the City 100% of the time as well, Accounting for all residents and their estimated time spent in the City of Santa Ana, TCG estimated that the project will generate a daily population of 1,108 persons.

The Santa Ana budget consists of fixed costs and variable costs. The variable costs will increase or decrease based on the city's population, for example, the city will need additional fire department resources for additional city population. The table below highlights variable costs in the city budget and how the additional households will affect the variable categories. TCG estimates and additional \$419K of additional resources needed to satisfy the additional population projected from the project. The project will add an additional \$15.0 million in costs over the next 28 years, or \$7.9 million in 2022 dollars. For a more detailed projection, see Appendix 6.

Table 7: Expenditures

| City Department | Current City Expenditures | Project Derived City Expenditures | Total City Expenditures | Percent Increase |
|--|---------------------------|-----------------------------------|-------------------------|------------------|
| City Manager's Office | \$2,774,200 | | \$2,774,200 | 0.00% |
| City Council | \$569,280 | | \$569,280 | 0.00% |
| Clerk of the Councils Office | \$1,470,790 | \$490 | \$1,471,280 | 0.03% |
| City Attorney's Office | \$2,955,140 | | \$2,955,140 | 0.00% |
| Human Resources | \$3,455,190 | \$3,430 | \$3,458,620 | 0.10% |
| Finance Department | \$10,416,490 | \$4,165 | \$10,420,655 | 0.04% |
| Library | \$5,864,340 | | \$5,864,340 | 0.00% |
| Parks, Recreation and Community Services | \$23,289,740 | \$19,357 | \$23,309,097 | 0.08% |
| Police Department | \$141,082,500 | \$245,024 | \$141,327,524 | 0.17% |
| Fire Department | \$51,618,690 | \$122,512 | \$51,741,202 | 0.24% |
| Planning & Building Agency | \$15,535,280 | \$24,502 | \$15,559,782 | 0.16% |
| Public Works Agency | \$15,711,070 | | \$15,711,070 | 0.00% |
| Community Development Agency | \$3,898,130 | | \$3,898,130 | 0.00% |
| Museum Fund | \$1,474,030 | | \$1,474,030 | 0.00% |
| General Non-Dep | \$49,206,780 | | \$49,206,780 | 0.00% |
| Interfund Transfers | \$24,173,510 | | \$24,173,510 | 0.00% |
| Cumulative Expenditures | \$353,495,160 | \$419,482 | \$353,914,642 | 0.12% |

ECONOMIC IMPACT ANALYSIS:

METHODOLOGY:

The economic impact analysis utilized Rims II multipliers to estimate the employment and economic output impacts of the Project by using the corresponding industry multiplier to calculate the direct, indirect, and induced effects of developing the Project. To estimate the Project's economic impact during the construction phase (construction impacts), TCG multiplied the construction industry multiplier by the construction cost of each product type to segment the employment and economic output. During the construction period, the Project is expected to produce 1,266 direct jobs and a total of 1,913 jobs including indirect and induced jobs. The Project will also produce an economic output of \$444 million from the construction of the Project.

In order to measure the permanent employment and economic impacts of the Project we must estimate the impacts from ongoing business operations after construction is complete. Using the corresponding Rims II multipliers for industry sectors regarding hotel and apartment/condominium operations TCG was able to estimate 21 direct employees will be generated from ongoing operations and a total of 32 total employees including indirect and induced employees. An estimated \$8.7 million of economic output will be generated from ongoing operating expenses on a yearly basis (2022 dollars).

Table 8: Employment and Economic Outputs: Construction and Permanent

| Costs | Apartments/Retail | Townhomes | Total |
|--------------------|--------------------------|------------------|---------------|
| Construction Costs | \$220,759,544 | \$28,118,222 | \$248,877,766 |
| Operating Expenses | \$4,523,798 | | \$4,523,798 |

Note: Based on proforma assumptions, 2021 dollars

| Construction Impacts | Direct | Indirect | Induced | Total |
|-----------------------------|---------------|-----------------|----------------|---------------|
| Employment | 1,266 | 323 | 323 | 1,913 |
| Apartments | 1,123 | 287 | 287 | 1,696 |
| Townhomes | 143 | 37 | 37 | 216 |
| Economic Output | \$248,877,766 | \$97,734,299 | \$97,734,299 | \$444,346,363 |
| Apartments | \$220,759,544 | \$86,692,273 | \$86,692,273 | \$394,144,090 |
| Townhomes | \$28,118,222 | \$11,042,026 | \$11,042,026 | \$50,202,274 |

Permanent Impacts

| | | | | |
|-----------------|-------------|-------------|-------------|-------------|
| New Employment | 21 | 6 | 6 | 32 |
| Apartments | 21 | 6 | 6 | 32 |
| Townhomes | 0 | 0 | 0 | 0 |
| Economic Output | \$4,523,798 | \$2,064,661 | \$2,064,661 | \$8,653,121 |
| Apartments | \$4,523,798 | \$2,064,661 | \$2,064,661 | \$8,653,121 |
| Townhomes | \$0 | \$0 | \$0 | \$0 |

Source: Rims II Multipliers for Orange County

COMMUNITY SERVICE RETAIL ANALYSIS:

Background:

The city of Santa Ana requires a “Community Service Commercial Retail & Service Diversity Impact Analysis” to ensure availability and diversity of commercial retail and service uses in Santa Ana as part of the development proposal. To meet this objective TCG will analyze the current tenant typologies of the proposed Site to analyze any lost services to the community and look at alternative options for the local neighborhood.

Key Conclusions:

The redevelopment of the existing Site of 4 commercial buildings into a 507 residential community with 6,000 sf of retail will not negatively affect Santa Ana or the local community by underserving the population of essential services and retail for the following reasons:

- 1) The site is currently underutilized and is not fully optimizing its potential.

The development Site currently includes 4 buildings encompassing 48 suites available for lease. Of the 48 suites, 13 are currently vacant, or approximately 27% of the existing spaces. There is a significant portion of the existing space that is underutilized suggesting an imbalance the supply vs demand dynamics where either there is too much supply of suburban office space or a lack of demand for local neighborhood services. The table below illustrates the breakdown:



| Industry | Count | % |
|--------------------------------|-----------|-------------|
| Legal Services | 7 | 15% |
| Financial Services | 6 | 13% |
| Healthcare | 4 | 8% |
| Rehabilitation Center | 3 | 6% |
| Educational Services | 2 | 4% |
| Non-Profit | 2 | 4% |
| Business Services | 1 | 2% |
| Government | 1 | 2% |
| Alternative Healthcare | 1 | 2% |
| Mortgage Lender | 1 | 2% |
| Private Investigator | 1 | 2% |
| Professional Business Services | 1 | 2% |
| Real Estate | 1 | 2% |
| Real Estate Services | 1 | 2% |
| Recruiting Agency | 1 | 2% |
| SoCal Services | 1 | 2% |
| Technology | 1 | 2% |
| VACANT | 13 | 27% |
| Total | 48 | 100% |

Key Conclusions (continued):

- 2) Within a 0.25-mile radius there is a significant number of commercial tenants that offer the same services to the local community as the current Site's tenants.

The existing Site is primarily comprised of tenants that offer legal, financial, or healthcare services which total 17 of the 48 suites, or roughly 36%. In the 0.25-mile radius there are at least 71 commercial spaces offering financial, legal, or healthcare services, equaling approximately 64% of commercial space. **Please see the appendix 7** for a breakdown of all tenants.

There are local options for the more specialized commercial tenants within a reasonable distance/drive time from the Site. At the Site there are a small number of specialized tenants that may be of more importance to the local community: the rehabilitation center, "Phoenix House", and the healthcare facility "Planned Parenthood". While important to the local community, there are other locations nearby for both services within a reasonable distance. "Phoenix House" has a location 1.2 miles away (4-minute drive) located on Santa Ana Blvd right off the I-5 freeway and "Planned Parenthood" has a location 1.2 miles away (4-minute drive) off 17th Street and Linwood



| Industry | Count | % |
|-------------------------------|------------|-------------|
| Financial Services | 30 | 27% |
| Legal Services | 23 | 21% |
| Healthcare | 18 | 16% |
| Business Services | 10 | 9% |
| Nonclassifiable Estab | 4 | 4% |
| Real Estate Agent | 4 | 4% |
| Engineering | 3 | 3% |
| Educational Services | 2 | 2% |
| Membership Organizations | 2 | 2% |
| Services, NEC | 2 | 2% |
| Recruiting Agency | 1 | 1% |
| Alternative Healthcare | 1 | 1% |
| Construction | 1 | 1% |
| Business Consulting | 1 | 1% |
| Architectural Services | 1 | 1% |
| Government | 1 | 1% |
| Eating Places | 1 | 1% |
| Misc Retail Stores | 1 | 1% |
| Business Associations | 1 | 1% |
| Religious Organizations | 1 | 1% |
| Air Transportation, Scheduled | 1 | 1% |
| Elec Appliances/Tv/Radios | 1 | 1% |
| Total | 110 | 100% |

Key Conclusions (continued):

- 3) There is a broader supply vs demand imbalance of the local market in a 0.25-mile radius of the Site.

Within the 0.25-mile radius of the Site there is 1,464,600 square feet of commercial space that exists, of the existing space there is 235,000 square feet of space that is available for lease or vacant. The local market for commercial space is not performing strongly with a 17% vacancy rate, suggestive of a supply vs demand imbalance.

- 4) Given the vacant space in the local neighborhood, there are ample options for essential tenants to relocate to a nearby space.

Given the ample amount of vacant space in the 0.25-mile radius of the site, commercial tenants currently located at the Site have the opportunity to relocate within the local neighborhood without affecting their client base, or the local population having to change their services. The available spaces are similar in vintage and have similar lease rates to the existing Site.

- 5) Local neighborhood retail does not exist onsite, and is rare within the 0.25 radius of the Site

The Site and the 0.25-mile radius does not currently have any retail serving space. Delivering 6,000 square feet of retail space aimed at targeting coffee shops, restaurants, or small markets can enhance the local neighborhood and provide not only the new residents but the existing residents with much needed retail services.

APPENDIX:

Appendix 1 : Property Taxes

| Assess Value Forecast | | | | | | Property Tax Forecast | |
|---|------|----------------|--------------------|-----------------|----------------|--------------------------|----------------------|
| Phasing Year | Year | Condo Value | Apartment Value | Retail Value | Total Value | Total Prop. Tax 1.08% | City Share 11.00% |
| Proforma | 2022 | | | | | | |
| CY1 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CY2 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CY3 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1 | 2026 | \$24,129,096 | \$64,286,511 | \$3,009,600 | \$91,425,207 | \$987,392 | \$108,613 |
| 2 | 2027 | \$48,740,774 | \$234,383,999 | \$3,069,792 | \$286,194,565 | \$3,090,901 | \$339,999 |
| 3 | 2028 | \$49,715,589 | \$239,071,679 | \$3,131,188 | \$291,918,456 | \$3,152,719 | \$346,799 |
| 4 | 2029 | \$50,709,901 | \$243,853,113 | \$3,193,812 | \$297,756,825 | \$3,215,774 | \$353,735 |
| 5 | 2030 | \$51,724,099 | \$248,730,175 | \$3,257,688 | \$303,711,962 | \$3,280,089 | \$360,810 |
| 6 | 2031 | \$52,758,581 | \$253,704,778 | \$3,322,842 | \$309,786,201 | \$3,345,691 | \$368,026 |
| 7 | 2032 | \$53,813,753 | \$258,778,874 | \$3,389,298 | \$315,981,925 | \$3,412,605 | \$375,387 |
| 8 | 2033 | \$54,890,028 | \$263,954,451 | \$3,457,084 | \$322,301,564 | \$3,480,857 | \$382,894 |
| 9 | 2034 | \$55,987,828 | \$269,233,540 | \$3,526,226 | \$328,747,595 | \$3,550,474 | \$390,552 |
| 10 | 2035 | \$57,107,585 | \$274,618,211 | \$3,596,751 | \$335,322,547 | \$3,621,484 | \$398,363 |
| 11 | 2036 | \$58,249,737 | \$280,110,575 | \$3,668,686 | \$342,028,998 | \$3,693,913 | \$406,330 |
| 12 | 2037 | \$59,414,731 | \$285,712,787 | \$3,742,059 | \$348,869,578 | \$3,767,791 | \$414,457 |
| 13 | 2038 | \$60,603,026 | \$291,427,043 | \$3,816,901 | \$355,846,969 | \$3,843,147 | \$422,746 |
| 14 | 2039 | \$61,815,087 | \$297,255,584 | \$3,893,239 | \$362,963,909 | \$3,920,010 | \$431,201 |
| 15 | 2040 | \$63,051,388 | \$303,200,695 | \$3,971,103 | \$370,223,187 | \$3,998,410 | \$439,825 |
| 16 | 2041 | \$64,312,416 | \$309,264,709 | \$4,050,525 | \$377,627,651 | \$4,078,379 | \$448,622 |
| 17 | 2042 | \$65,598,664 | \$315,450,003 | \$4,131,536 | \$385,180,204 | \$4,159,946 | \$457,594 |
| 18 | 2043 | \$66,910,638 | \$321,759,003 | \$4,214,167 | \$392,883,808 | \$4,243,145 | \$466,746 |
| 19 | 2044 | \$68,248,850 | \$328,194,183 | \$4,298,450 | \$400,741,484 | \$4,328,008 | \$476,081 |
| 20 | 2045 | \$69,613,827 | \$334,758,067 | \$4,384,419 | \$408,756,314 | \$4,414,568 | \$485,603 |
| 21 | 2046 | \$71,006,104 | \$341,453,228 | \$4,472,107 | \$416,931,440 | \$4,502,860 | \$495,315 |
| 22 | 2047 | \$72,426,226 | \$348,282,293 | \$4,561,549 | \$425,270,069 | \$4,592,917 | \$505,221 |
| 23 | 2048 | \$73,874,751 | \$355,247,939 | \$4,652,780 | \$433,775,470 | \$4,684,775 | \$515,325 |
| 24 | 2049 | \$75,352,246 | \$362,352,898 | \$4,745,836 | \$442,450,979 | \$4,778,471 | \$525,632 |
| 25 | 2050 | \$76,859,291 | \$369,599,956 | \$4,840,753 | \$451,299,999 | \$4,874,040 | \$536,144 |
| Grand Total: | | | | | | \$95,018,367 | \$10,452,020 |
| NPV: 4% | | | | | | \$50,055,345 | \$5,506,139 |
| Escalation | | 2% | 2% | 2% | | | |
| Source: Assessed value from FRH, assumes 5% cap rate; Property Tax rates from City of Santa Ana | | | | | | | |
| Cap of 4% | | | | | | | |

Appendix 2 : Property Taxes In-Lieu of VLF

| Phasing Year | Year | Cumulative New Construction | New In- Lieu VLF 0.0520% |
|---------------------|------|--------------------------------|--------------------------------|
| Proforma | 2022 | 0 | |
| CY1 | 2023 | \$0 | \$0 |
| CY2 | 2024 | \$0 | \$0 |
| CY3 | 2025 | \$0 | \$0 |
| 1 | 2026 | \$91,425,207 | \$47,541 |
| 2 | 2027 | \$286,194,565 | \$148,821 |
| 3 | 2028 | \$291,918,456 | \$151,798 |
| 4 | 2029 | \$297,756,825 | \$154,834 |
| 5 | 2030 | \$303,711,962 | \$157,930 |
| 6 | 2031 | \$309,786,201 | \$161,089 |
| 7 | 2032 | \$315,981,925 | \$164,311 |
| 8 | 2033 | \$322,301,564 | \$167,597 |
| 9 | 2034 | \$328,747,595 | \$170,949 |
| 10 | 2035 | \$335,322,547 | \$174,368 |
| 11 | 2036 | \$342,028,998 | \$177,855 |
| 12 | 2037 | \$348,869,578 | \$181,412 |
| 13 | 2038 | \$355,846,969 | \$185,040 |
| 14 | 2039 | \$362,963,909 | \$188,741 |
| 15 | 2040 | \$370,223,187 | \$192,516 |
| 16 | 2041 | \$377,627,651 | \$196,366 |
| 17 | 2042 | \$385,180,204 | \$200,294 |
| 18 | 2043 | \$392,883,808 | \$204,300 |
| 19 | 2044 | \$400,741,484 | \$208,386 |
| 20 | 2045 | \$408,756,314 | \$212,553 |
| 21 | 2046 | \$416,931,440 | \$216,804 |
| 22 | 2047 | \$425,270,069 | \$221,140 |
| 23 | 2048 | \$433,775,470 | \$225,563 |
| 24 | 2049 | \$442,450,979 | \$230,075 |
| 25 | 2050 | \$451,299,999 | \$234,676 |
| Grand Total: | | | \$4,574,958 |
| NPV: 4% | | | \$2,410,127 |

Escalation: 2%

Source: Assessed value from FRH, assumes 4.25% cap rate; Property Tax rates from City of Santa Ana

Appendix 3: Utility Usage Appendix

| Phasing | | Energy Cost | Total Energy Cost | Utility Tax |
|--------------|------|---------------|-------------------|-------------|
| Year | Year | Per Household | 507 Households | Revenue |
| | | | | 5.5% |
| Proforma | 2022 | \$3,321 | \$1,683,644 | \$92,600 |
| CY1 | 2023 | \$0 | \$0 | \$0 |
| CY2 | 2024 | \$0 | \$0 | \$0 |
| CY3 | 2025 | \$0 | \$0 | \$0 |
| 1 | 2026 | \$3,595 | \$1,822,431 | \$100,234 |
| 2 | 2027 | \$3,666 | \$1,858,879 | \$102,238 |
| 3 | 2028 | \$3,740 | \$1,896,057 | \$104,283 |
| 4 | 2029 | \$3,815 | \$1,933,978 | \$106,369 |
| 5 | 2030 | \$3,891 | \$1,972,658 | \$108,496 |
| 6 | 2031 | \$3,969 | \$2,012,111 | \$110,666 |
| 7 | 2032 | \$4,048 | \$2,052,353 | \$112,879 |
| 8 | 2033 | \$4,129 | \$2,093,400 | \$115,137 |
| 9 | 2034 | \$4,212 | \$2,135,268 | \$117,440 |
| 10 | 2035 | \$4,296 | \$2,177,973 | \$119,789 |
| 11 | 2036 | \$4,382 | \$2,221,533 | \$122,184 |
| 12 | 2037 | \$4,469 | \$2,265,963 | \$124,628 |
| 13 | 2038 | \$4,559 | \$2,311,283 | \$127,121 |
| 14 | 2039 | \$4,650 | \$2,357,508 | \$129,663 |
| 15 | 2040 | \$4,743 | \$2,404,659 | \$132,256 |
| 16 | 2041 | \$4,838 | \$2,452,752 | \$134,901 |
| 17 | 2042 | \$4,935 | \$2,501,807 | \$137,599 |
| 18 | 2043 | \$5,033 | \$2,551,843 | \$140,351 |
| 19 | 2044 | \$5,134 | \$2,602,880 | \$143,158 |
| 20 | 2045 | \$5,237 | \$2,654,937 | \$146,022 |
| 21 | 2046 | \$5,341 | \$2,708,036 | \$148,942 |
| 22 | 2047 | \$5,448 | \$2,762,197 | \$151,921 |
| 23 | 2048 | \$5,557 | \$2,817,441 | \$154,959 |
| 24 | 2049 | \$5,668 | \$2,873,790 | \$158,058 |
| 25 | 2050 | \$5,782 | \$2,931,265 | \$161,220 |
| Grand Total: | | \$118,455 | \$60,056,646 | \$3,210,515 |
| NPV: | 4% | | | \$1,713,508 |

Escalation from 2021 2% 2%

Appendix 3: Utility Usage Appendix

| Phasing | | Energy Cost | Total Energy Cost | Utility Tax |
|--------------|------|---------------|-------------------|-------------|
| Year | Year | Per Household | 507 Households | Revenue |
| | | | | 5.5% |
| Proforma | 2022 | \$3,321 | \$1,683,644 | \$92,600 |
| CY1 | 2023 | \$0 | \$0 | \$0 |
| CY2 | 2024 | \$0 | \$0 | \$0 |
| CY3 | 2025 | \$0 | \$0 | \$0 |
| 1 | 2026 | \$3,595 | \$1,822,431 | \$100,234 |
| 2 | 2027 | \$3,666 | \$1,858,879 | \$102,238 |
| 3 | 2028 | \$3,740 | \$1,896,057 | \$104,283 |
| 4 | 2029 | \$3,815 | \$1,933,978 | \$106,369 |
| 5 | 2030 | \$3,891 | \$1,972,658 | \$108,496 |
| 6 | 2031 | \$3,969 | \$2,012,111 | \$110,666 |
| 7 | 2032 | \$4,048 | \$2,052,353 | \$112,879 |
| 8 | 2033 | \$4,129 | \$2,093,400 | \$115,137 |
| 9 | 2034 | \$4,212 | \$2,135,268 | \$117,440 |
| 10 | 2035 | \$4,296 | \$2,177,973 | \$119,789 |
| 11 | 2036 | \$4,382 | \$2,221,533 | \$122,184 |
| 12 | 2037 | \$4,469 | \$2,265,963 | \$124,628 |
| 13 | 2038 | \$4,559 | \$2,311,283 | \$127,121 |
| 14 | 2039 | \$4,650 | \$2,357,508 | \$129,663 |
| 15 | 2040 | \$4,743 | \$2,404,659 | \$132,256 |
| 16 | 2041 | \$4,838 | \$2,452,752 | \$134,901 |
| 17 | 2042 | \$4,935 | \$2,501,807 | \$137,599 |
| 18 | 2043 | \$5,033 | \$2,551,843 | \$140,351 |
| 19 | 2044 | \$5,134 | \$2,602,880 | \$143,158 |
| 20 | 2045 | \$5,237 | \$2,654,937 | \$146,022 |
| 21 | 2046 | \$5,341 | \$2,708,036 | \$148,942 |
| 22 | 2047 | \$5,448 | \$2,762,197 | \$151,921 |
| 23 | 2048 | \$5,557 | \$2,817,441 | \$154,959 |
| 24 | 2049 | \$5,668 | \$2,873,790 | \$158,058 |
| 25 | 2050 | \$5,782 | \$2,931,265 | \$161,220 |
| Grand Total: | | \$118,455 | \$60,056,646 | \$3,210,515 |
| NPV: | 4% | | | \$1,713,508 |

Escalation from 2022 2% 2%

(1) Gas at \$295, Water at \$590, electric at \$1,476, phone at \$959 annually

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Appendix 4: Residential-Derived Sales Tax

| Phasing Year | Year | Taxable Expenditures Per Household | Total Energy Cost 507 Households | Sales Tax Revenue 1.0% | Sales Tax Measure X Revenue 1.5% | Sales Tax Measure X Revenue 1.0% | Total Resident Derived Sales Tax Revenue |
|----------------------|-----------|------------------------------------|--|----------------------------------|--|--|--|
| Proforma | 2022 | \$14,500 | \$7,351,500 | \$73,515 | \$110,273 | \$1,103 | \$184,890 |
| CY1 | 2023 | \$0 | \$0 | \$0 | \$0 | | \$0 |
| CY2 | 2024 | \$0 | \$0 | \$0 | \$0 | | \$0 |
| CY3 | 2025 | \$0 | \$0 | \$0 | \$0 | | \$0 |
| 1 | 2026 | \$15,695 | \$7,957,500 | \$79,575 | \$119,363 | | \$198,938 |
| 2 | 2027 | \$16,009 | \$8,116,650 | \$81,167 | \$121,750 | | \$202,916 |
| 3 | 2028 | \$16,329 | \$8,278,983 | \$82,790 | \$124,185 | | \$206,975 |
| 4 | 2029 | \$16,656 | \$8,444,563 | \$84,446 | \$0 | \$84,446 | \$168,891 |
| 5 | 2030 | \$16,989 | \$8,613,454 | \$86,135 | \$0 | \$86,135 | \$172,269 |
| 6 | 2031 | \$17,329 | \$8,785,723 | \$87,857 | \$0 | \$87,857 | \$175,714 |
| 7 | 2032 | \$17,675 | \$8,961,437 | \$89,614 | \$0 | \$89,614 | \$179,229 |
| 8 | 2033 | \$18,029 | \$9,140,666 | \$91,407 | \$0 | \$91,407 | \$182,813 |
| 9 | 2034 | \$18,390 | \$9,323,480 | \$93,235 | \$0 | \$93,235 | \$186,470 |
| 10 | 2035 | \$18,757 | \$9,509,949 | \$95,099 | \$0 | \$95,099 | \$190,199 |
| 11 | 2036 | \$19,132 | \$9,700,148 | \$97,001 | \$0 | \$97,001 | \$194,003 |
| 12 | 2037 | \$19,515 | \$9,894,151 | \$98,942 | \$0 | \$98,942 | \$197,883 |
| 13 | 2038 | \$19,905 | \$10,092,034 | \$100,920 | \$0 | \$100,920 | \$201,841 |
| 14 | 2039 | \$20,304 | \$10,293,875 | \$102,939 | \$0 | | \$102,939 |
| 15 | 2040 | \$20,710 | \$10,499,752 | \$104,998 | \$0 | | \$104,998 |
| 16 | 2041 | \$21,124 | \$10,709,747 | \$107,097 | \$0 | | \$107,097 |
| 17 | 2042 | \$21,546 | \$10,923,942 | \$109,239 | \$0 | | \$109,239 |
| 18 | 2043 | \$21,977 | \$11,142,421 | \$111,424 | \$0 | | \$111,424 |
| 19 | 2044 | \$22,417 | \$11,365,270 | \$113,653 | \$0 | | \$113,653 |
| 20 | 2045 | \$22,865 | \$11,592,575 | \$115,926 | \$0 | | \$115,926 |
| 21 | 2046 | \$23,322 | \$11,824,426 | \$118,244 | \$0 | | \$118,244 |
| 22 | 2047 | \$23,789 | \$12,060,915 | \$120,609 | \$0 | | \$120,609 |
| 23 | 2048 | \$24,265 | \$12,302,133 | \$123,021 | \$0 | | \$123,021 |
| 24 | 2049 | \$24,750 | \$12,548,176 | \$125,482 | \$0 | | \$125,482 |
| 25 | 2050 | \$25,245 | \$12,799,139 | \$127,991 | \$0 | | \$127,991 |
| Grand Total: | | \$517,224 | \$262,232,611 | \$2,548,811 | \$365,297 | \$924,656 | \$3,838,764 |
| NPV: | 4% | | | \$1,063,705 | \$300,303 | \$780,962 | \$1,785,614 |
| Escalation from 2022 | | 2% | 2% | | | | |

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Appendix 5: Retail Sales Tax

| Phasing Year | Year | Estimated Sales (1) | Sales Tax Revenue 1.00% | Sales Tax Measure X Revenue 1.50% | Sales Tax Measure X Revenue 1.00% | Sales Tax Revenue |
|-----------------|------|------------------------|-------------------------------|---|---|----------------------|
| Proforma | 2022 | \$1,375,000 | \$13,750 | \$20,625 | \$13,750 | \$48,125 |
| CY1 | 2023 | \$0 | \$0 | \$0 | | \$0 |
| CY2 | 2024 | \$0 | \$0 | \$0 | | \$0 |
| CY3 | 2025 | \$0 | \$0 | \$0 | | \$0 |
| 1 | 2026 | \$1,488,344 | \$14,883 | \$22,325 | | \$37,209 |
| 2 | 2027 | \$1,518,111 | \$15,181 | \$22,772 | | \$37,953 |
| 3 | 2028 | \$1,548,473 | \$15,485 | \$23,227 | | \$38,712 |
| 4 | 2029 | \$1,579,443 | \$15,794 | \$0 | \$15,794 | \$31,589 |
| 5 | 2030 | \$1,611,032 | \$16,110 | \$0 | \$16,110 | \$32,221 |
| 6 | 2031 | \$1,643,252 | \$16,433 | \$0 | \$16,433 | \$32,865 |
| 7 | 2032 | \$1,676,117 | \$16,761 | \$0 | \$16,761 | \$33,522 |
| 8 | 2033 | \$1,709,640 | \$17,096 | \$0 | \$17,096 | \$34,193 |
| 9 | 2034 | \$1,743,832 | \$17,438 | \$0 | \$17,438 | \$34,877 |
| 10 | 2035 | \$1,778,709 | \$17,787 | \$0 | \$17,787 | \$35,574 |
| 11 | 2036 | \$1,814,283 | \$18,143 | \$0 | \$18,143 | \$36,286 |
| 12 | 2037 | \$1,850,569 | \$18,506 | \$0 | \$18,506 | \$37,011 |
| 13 | 2038 | \$1,887,580 | \$18,876 | \$0 | \$18,876 | \$37,752 |
| 14 | 2039 | \$1,925,332 | \$19,253 | \$0 | \$0 | \$19,253 |
| 15 | 2040 | \$1,963,839 | \$19,638 | \$0 | \$0 | \$19,638 |
| 16 | 2041 | \$2,003,115 | \$20,031 | \$0 | \$0 | \$20,031 |
| 17 | 2042 | \$2,043,178 | \$20,432 | \$0 | \$0 | \$20,432 |
| 18 | 2043 | \$2,084,041 | \$20,840 | \$0 | \$0 | \$20,840 |
| 19 | 2044 | \$2,125,722 | \$21,257 | \$0 | \$0 | \$21,257 |
| 20 | 2045 | \$2,168,236 | \$21,682 | \$0 | \$0 | \$21,682 |
| 21 | 2046 | \$2,211,601 | \$22,116 | \$0 | \$0 | \$22,116 |
| 22 | 2047 | \$2,255,833 | \$22,558 | \$0 | \$0 | \$22,558 |
| 23 | 2048 | \$2,300,950 | \$23,009 | \$0 | \$0 | \$23,009 |
| 24 | 2049 | \$2,346,969 | \$23,470 | \$0 | \$0 | \$23,470 |
| 25 | 2050 | \$2,393,908 | \$23,939 | \$0 | \$0 | \$23,939 |
| Grand Total: | | \$47,672,111 | \$490,471 | \$68,324 | \$172,945 | \$717,990 |
| NPV: | 4% | \$25,442,648 | \$257,917 | \$56,214 | \$146,085 | \$328,002 |

Escalation 2%

(1) \$250 revenue per square foot

Sales Tax information from City of Santa Ana

Appendix 6: City Expenitures

| Phasing Year | Year | Project Derived City Expenditures |
|----------------------|------|--------------------------------------|
| Proforma | 2022 | \$419,482 |
| CY1 | 2023 | \$0 |
| CY2 | 2024 | \$0 |
| CY3 | 2025 | \$0 |
| 1 | 2026 | \$454,060 |
| 2 | 2027 | \$463,142 |
| 3 | 2028 | \$472,404 |
| 4 | 2029 | \$481,853 |
| 5 | 2030 | \$491,490 |
| 6 | 2031 | \$501,319 |
| 7 | 2032 | \$511,346 |
| 8 | 2033 | \$521,573 |
| 9 | 2034 | \$532,004 |
| 10 | 2035 | \$542,644 |
| 11 | 2036 | \$553,497 |
| 12 | 2037 | \$564,567 |
| 13 | 2038 | \$575,858 |
| 14 | 2039 | \$587,376 |
| 15 | 2040 | \$599,123 |
| 16 | 2041 | \$611,106 |
| 17 | 2042 | \$623,328 |
| 18 | 2043 | \$635,794 |
| 19 | 2044 | \$648,510 |
| 20 | 2045 | \$661,480 |
| 21 | 2046 | \$674,710 |
| 22 | 2047 | \$688,204 |
| 23 | 2048 | \$701,968 |
| 24 | 2049 | \$716,008 |
| 25 | 2050 | \$730,328 |
| Grand Total: | | \$14,963,173 |
| NPV: 4% | | \$7,866,829 |
| Escalation from 2022 | | 2% |

Appendix 7:

Existing Site Tenants:

| Bldg | Tenant | Industry |
|------|--|--------------------------------|
| 515 | Regain, INC. | Business Management Services |
| 515 | Barnes Accountancy | Financial Services |
| 515 | Bancorp Familiar | Financial Services |
| 525 | Benefit Equity | Financial Services |
| 1901 | Colton Capital Corp | Financial Services |
| 1971 | Mortgage Service Providers Holdings | Financial Services |
| 1971 | Tom North and North Murray Associates | Financial Services |
| 525 | National Traffic Safety Institute | Government |
| 525 | Child Guidance Center | Healthcare |
| 525 | Child Guidance Center | Healthcare |
| 1901 | Michael H. Lowenstein, MD | Healthcare |
| 1971 | OC Association of Mental Health | Healthcare |
| 1971 | Planned Parenthood | Healthcare |
| 1971 | Gaston Alvarez | Healthcare |
| 1971 | Conrad Portillo - O.C. Hypnosis Center | Healthcare |
| 515 | Coleman Chavez & Associates | Legal Services |
| 515 | Varon St. Clair & Jelenksy | Legal Services |
| 515 | Complex Legal Services | Legal Services |
| 525 | Pagter and Perry Isaacson | Legal Services |
| 525 | Richard D. Pesota | Legal Services |
| 1901 | BWA Law Group | Legal Services |
| 1971 | Wall, McCormick Baroldi & Dugan | Legal Services |
| 1971 | Security Mortgage Lenders | Mortgage Lender |
| 1901 | OneOC | Non-Profit |
| 1971 | OC Community Associations Institute | Non-Profit |
| 525 | Knowles & Vacca | Private Investigator |
| 1971 | Joyce Altman Interpreters | Professional Business Services |
| 525 | OC Multi-Housing Service | Real Estate |
| 515 | New Century Realtors Corp, | Real Estate Services |
| 1901 | Professional Staffing & Marketing | Recruiting Agency |
| 515 | Mark S. Wagner, MD | Rehabilitation Center |
| 525 | Phoenix House Orange County | Rehabilitation Center |
| 1901 | Phoenix House OC | Rehabilitation Center |
| 515 | Children's Bureau of SoCal | SoCal Services |
| 525 | Berex | Technology |
| 515 | VACANT | VACANT |
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