

Economic, Financial, and Fiscal Technical Appendices Tweedy Boulevard and Hollydale Village Specific Plans October 25, 2016

The technical appendices present the detailed economic, financial and fiscal analyses that were prepared separately for the Tweedy Boulevard and the Hollydale Village Specific Plan areas. The recently adopted Enhanced Infrastructure Financing District (EIFD) legislation was analyzed for projected bonding capacity of each area and presented for Tweedy Boulevard in Appendix A and for Hollydale in Appendix B. Appendix C presents a hypothetical property-based business improved district (PBID) that was analyzed specifically for the Tweedy Mile section of Tweedy Boulevard, as either a replacement for, or as a supplement to the existing business-based BID.

Appendices D and E present the development assumptions and increased assessed valuation estimates for the Mid-Term and Buildout scenarios that were analyzed for Tweedy Boulevard and Hollydale, respectively. Under the EIFD legislation, there is a provision that the increase in property tax in-lieu of vehicle license fees (VLF) can be used as an additional funding mechanism. In appendices F and G, the projection of the property tax in-lieu of VLF revenues is presented for Tweedy Boulevard and Hollydale, respectively.

Appendices H and I present the socio-economic projections for Tweedy Boulevard and Hollydale, respectively. This includes projected increases in population, housing units, households, employment, taxable sales and sales tax for both the Mid-Term and the Buildout scenarios. Based on these increases, Appendices J and K present the projected General Fund revenues for the Mid-Term and Buildout scenarios for each of the Specific Plan areas.

Listing of Technical Appendices:

- Appendix A. Hypothetical Tweedy Boulevard EIFD Analysis**
- Appendix B. Hypothetical Hollydale EIFD Analysis**
- Appendix C. Tweedy Mile Property-Based BID Analysis**
- Appendix D. Tweedy Boulevard Development and Valuation Estimates**
- Appendix E. Hollydale Development and Valuation Assumptions**
- Appendix F. Tweedy Boulevard Property Tax In-Lieu of VLF Projection**
- Appendix G. Hollydale Property Tax In-Lieu of VLF Projection**
- Appendix H. Tweedy Boulevard Specific Plan Socio-Economic Analysis**
- Appendix I. Hollydale Village Specific Plan Socio-Economic Analysis**
- Appendix J. Tweedy Boulevard Specific Plan General Fund Revenue Analysis**
- Appendix K. Hollydale Village Specific Plan General Fund Revenue Analysis**

APPENDIX A HYPOTHETICAL TWEEDY BOULEVARD EIFD ANALYSIS

A.1 Enhanced Infrastructure Financing District (EIFD) Analysis

The “Enhanced Infrastructure Financing District (EIFD)” legislation was passed as a post-redevelopment method for a jurisdiction to use some or their entire share of the 1% basic property tax levy within the District for the purpose of financing specified public facilities or public infrastructure in an established EIFD district. This section presents a hypothetical bond financing analysis for the Tweedy Boulevard Specific Plan area in order to estimate its potential bonding capacity under certain growth and financing assumptions. While the set up procedures and criteria are different under the *Community Revitalization and Investment Authorities* legislation (AB 2), the estimate of bonding capacity from use of the City’s projected General Fund share of the 1% basic property tax levy is the same.

A.2 Development Valuation

Valuations of finished and occupied properties within the Specific Plan area are based on the value estimates of selected commercial, industrial and residential development prototypes. The hypothetical analysis uses 2020 as the anticipated year of commencement of development. The development is then phased over a 20-year period to 2040 assuming that the plan is being successfully implemented.

Total Taxable Valuation. As shown in Table A-1, the total net new valuation (in 2016 dollars) under the build-out scenario in 2040 is estimated around \$1.06 billion, including about \$483.7 million of residential valuation and about \$578.5 million of non-residential valuation. Under the Mid-Term Scenario, there is about \$314.5 million in net new valuation, including about \$103.5 million in residential valuation and about \$211.0 million in non-residential valuation.

As shown in Table A-2, the estimated average value per residential unit ranges from \$140,000 per unit for mixed use apartments to \$370,000 per unit for single-family units. Townhomes are estimated at \$250,000 per unit. The estimated average values per non-residential sq. ft. range from \$104 per sq. ft. for light industrial and light manufacturing to \$254 per sq. ft. for restaurant uses. Retail valuation is estimated at \$177 per sq. ft. and office uses at \$179 per sq. ft.

A.3 Distribution of Net New Valuation among Subareas

As shown in Figure A-1 under the Buildout Scenario, about 61% of the estimated net new valuation of about \$1.06 billion is concentrated within the Tweedy Mile subarea with about 23% concentrated within the Tweedy East subarea, and the remaining 16% is within the Tweedy West subarea. Also, the estimated split between residential and non-residential valuation is about 50/50 within the Tweedy Mile subarea, with about 71% of the net new valuation as non-residential within the Tweedy East subarea. The split is close to 50/50 for the Tweedy West subarea.

Also, as shown in Figure A-2 under the Mid-Term Scenario, about 56% of the estimated net new valuation of about \$314.5 billion is concentrated within the Tweedy Mile subarea with about 29% concentrated within the Tweedy East subarea; the remaining 14% is within the Tweedy West subarea. Also, the estimated split between residential and non-residential valuation is about 40/60 within the Tweedy Mile subarea, with about 85% of the net new valuation as non-residential within the Tweedy East subarea. The split for residential versus non-residential is about 45% to 55% for the Tweedy West subarea.

A.4 Estimated Bond Capacity for Tweedy Boulevard Specific Plan

As shown in Table A-3, the estimated total net taxable property valuation increment of \$1.06 billion, in 2016 dollars, translates to about \$10.6 million of total property tax increment at assumed Buildout in 2040, at the basic one percent property tax rate. For the Mid-Term scenario, the estimated net new valuation increase of \$314.5 million translates to about \$3.1 million of total property tax increment by 2040.

The weighted average of South Gate's share of the one percent property tax rate for the overall Tweedy Boulevard Specific Plan area is estimated at an average of 6.28 percent, as shown in Table A-4, and is based on the location of individual parcels within different Tax Rate Areas (TRAs) that fall in the Specific Plan area. Based on this factor, the city's share of the one percent property tax increment is estimated annually at about \$667,054 for the Buildout Scenario and \$197,485 for the Mid-Term Scenario by 2040 in constant 2016 dollars, as shown in Table A-3.

Also shown in Table A-3 is the estimated Bond Capacity from the above mentioned property tax increments generated, ranging from about \$5.8 million for the Buildout Scenario to \$1.7 million for the Mid-Term scenario. The Build-out Scenario represents the full redevelopment potential, while the Mid-Term Scenario is based on a less intensive estimate of development where the assumption is that market forces would not result in full redevelopment, but would focus on underdeveloped and older properties that are more likely to recycle to more productive uses. These bond capacity estimates are presented graphically in Figure A-3. The detailed bond pro formas for these bond capacity estimates are presented next.

Table A-1
 Estimated Net New Valuation
 Tweedy Boulevard Specific Plan
 (In 2016 Dollars)

	TWEEDY WEST	TWEEDY MILE	TWEEDY EAST	TWEEDY BOULEVARD TOTAL
NET NEW VALUATION ¹				
BUILDOUT SCENARIO ²				
Residential	\$81,263,240	\$330,519,973	\$71,889,757	\$483,672,970
Non-Residential	<u>\$89,097,100</u>	<u>\$312,908,944</u>	<u>\$176,508,776</u>	<u>\$578,514,820</u>
TOTAL	\$170,360,340	\$643,428,917	\$248,398,533	\$1,062,187,790
MID-TERM SCENARIO ³				
Residential	\$20,418,030	\$69,266,458	\$13,800,226	\$103,484,714
Non-Residential	<u>\$24,516,827</u>	<u>\$107,802,115</u>	<u>\$78,663,560</u>	<u>\$210,982,502</u>
TOTAL	\$44,934,857	\$177,068,573	\$92,463,786	\$314,467,216

1. Net new valuation of recycled parcels is the difference between the new development valuation and the exiting valuation of recycled parcels.
2. The Buildout Scenario is the hypothetical maximum development potential for the specific plan areas assuming that all parcels within these areas are redeveloped.
3. The Mid-term Scenario identifies parcels with a high likelihood for redevelopment, and determined as those parcels with improvement value to total value ratios of below 0.25.
 (ie. where the property structure constitutes less than one-quarter of the total property valuation).

Source: Stanley R. Hoffman Associates, Inc.

Table A-2
Valuation Assumptions
Tweedy Boulevard Specific Plan Area
(In 2016 Dollars)

Panel A. Residential

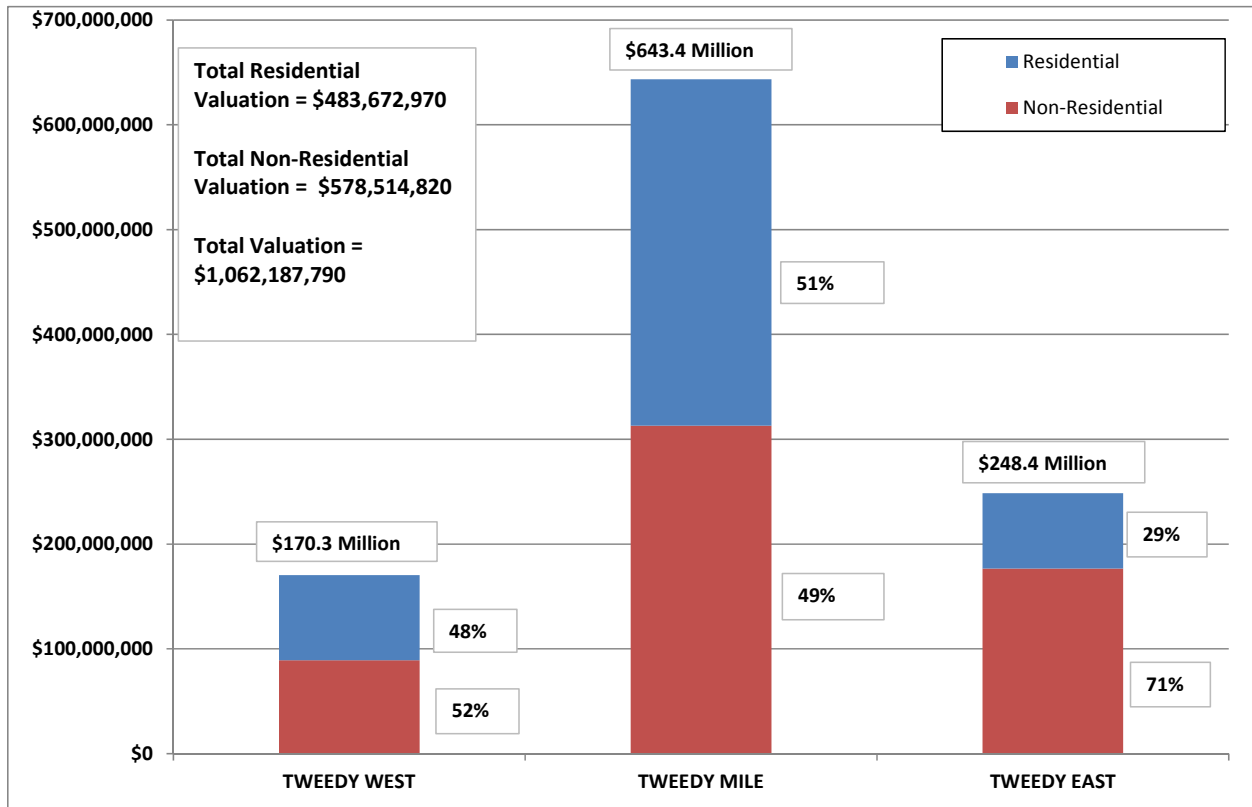
LAND USE DESIGNATION	Average Value per Unit
Neighborhood Low (Single Family)	\$ 370,000
Neighborhood Medium (Townhomes)	\$ 250,000
MIXED USE (Apartments)	
Tweedy Mixed Use - 1	\$ 140,000
Tweedy Mixed Use - 2	\$ 140,000

Panel B. Non - Residential

LAND USE DESIGNATION	Average Value per Bldg. Sq. Ft.
Light Industrial	\$104
Light Manufacturing	\$104
Retail	\$177
Restaurant	\$254
Office, including Medical	\$170

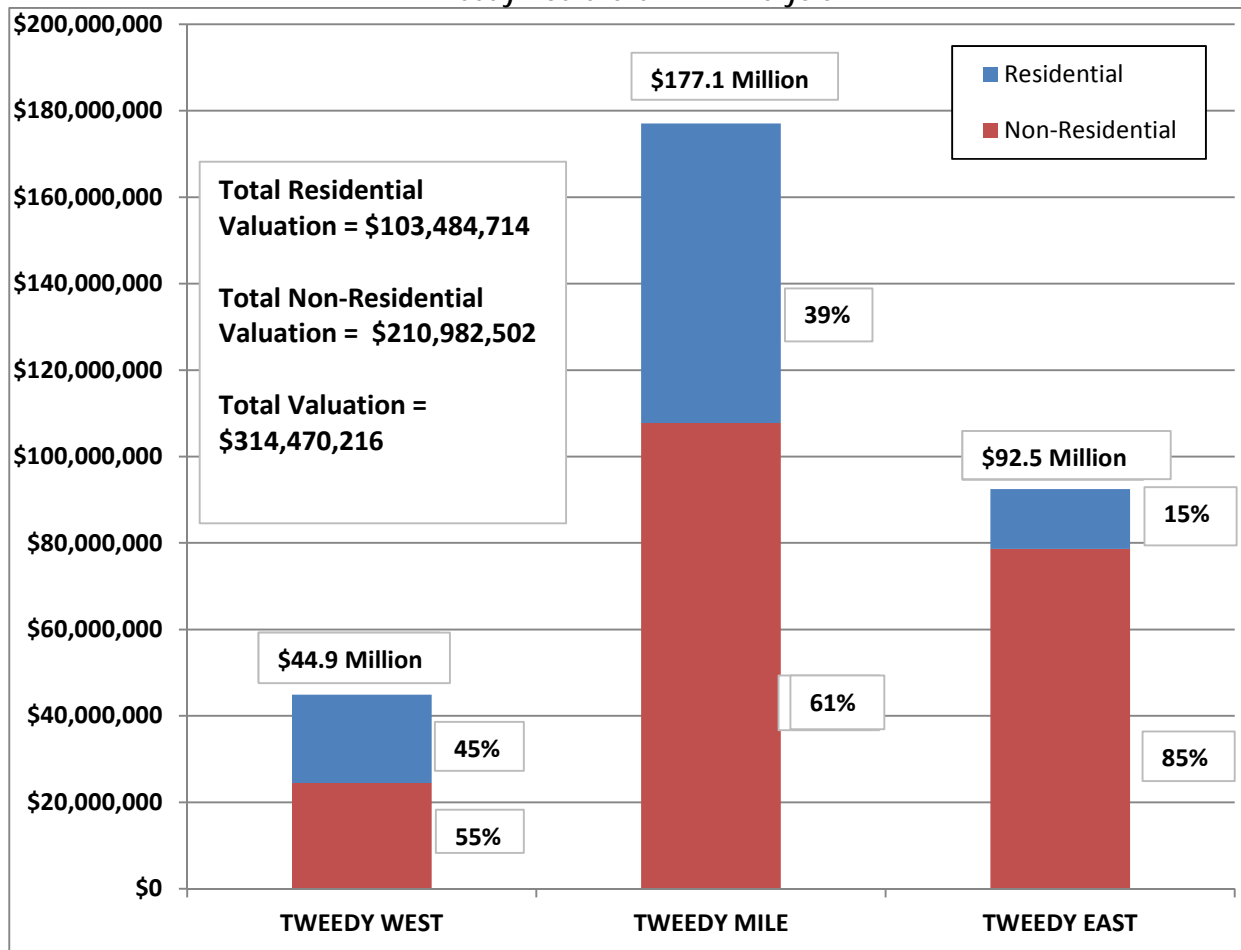
Source: Stanley R. Hoffman Associates, Inc.

Figure A-1
 Residential and Non Residential Valuation – Buildout Scenario
 Tweedy Boulevard EIFD Analysis



Source: Stanley R. Hoffman Associates, Inc.

Figure A-2
 Residential and Non-Residential Valuation – Mid-Term Scenario
 Tweedy Boulevard EIFD Analysis



Source: Stanley R. Hoffman Associates, Inc.

Table A-3
 Estimated Bond Capacity Analysis: Buildout and Mid-Term Scenarios
 Tweedy Boulevard Specific Plan Area
 (In 2020 Dollars)

	Buildout	Mid-Term
Panel A. Property Valuation		
New Development	\$1,660,625,935	\$382,744,354
Less Recycled Land	\$598,438,145	\$68,277,138
<i>Net New Valuation</i>	<i>\$1,062,187,790</i>	<i>\$314,467,216</i>
Panel B. Property Tax		
1 % of Net New Valuation	\$10,621,878	\$3,144,672
City General Fund Share @ 6.28% ¹	\$667,054	\$197,485
Panel C. Hypothetical Bond Capacity Estimate²		
Bond Capacity Estimate (Millions)	\$5.8	\$1.7

1. The estimated property share of the basic 1 percent property tax levy is 6.28 percent as shown in Table A-4.

2. Bond capacity calculations assume a bond interest rate of 6 percent, a 20 year term, a coverage factor of 1.25, and estimated bond costs at 5 percent.

Source: Stanley R. Hoffman Associates, Inc.

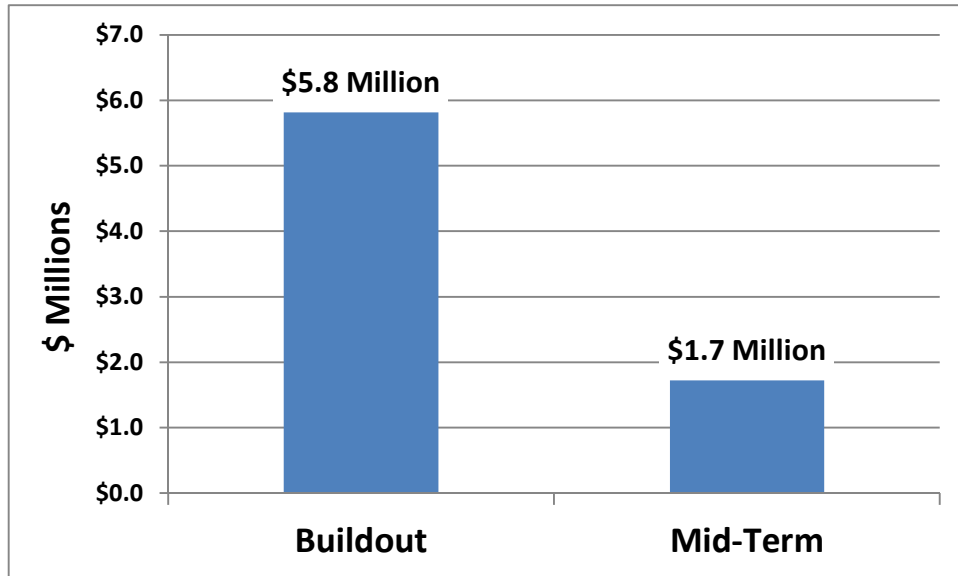
Table A-4
 South Gate Share of Property Tax Increment
 By Tax Rate Area
 Tweedy Boulevard Specific Plan Area

Taxing Entity	Tweedy Boulevard Tax Rate Area			Weighted Average
	00664	00668	00670	
CITY-SOUTH GATE TD #1	6.15%	6.40%	6.15%	6.28%
LOS ANGELES COUNTY GENERAL	26.58%	46.10%	26.58%	36.84%
L A COUNTY LIBRARY	2.12%	2.70%	2.12%	2.43%
CONSOL. FIRE PRO.DIST.OF L.A.CO.	16.24%	16.24%	16.24%	16.24%
EDUCATIONAL	45.79%	24.25%	38.16%	34.17%
OTHER	<u>3.12%</u>	<u>4.31%</u>	<u>10.76%</u>	<u>4.04%</u>
Total	100.00%	100.00%	100.00%	100.00%
Total Acreage	179	216	16	411
Weighting Factors ¹	43.55%	52.55%	3.89%	100.00%

1. The weighting factors are based on the TRA's acreage proportion of the Tweedy Boulevard Area

Source: Stanley R. Hoffman Associates, Inc.
 Los Angeles County Auditor-Controller

Figure A-3
Estimated Bond Financing Capacity at Buildout
Tweedy Boulevard Specific Plan Area



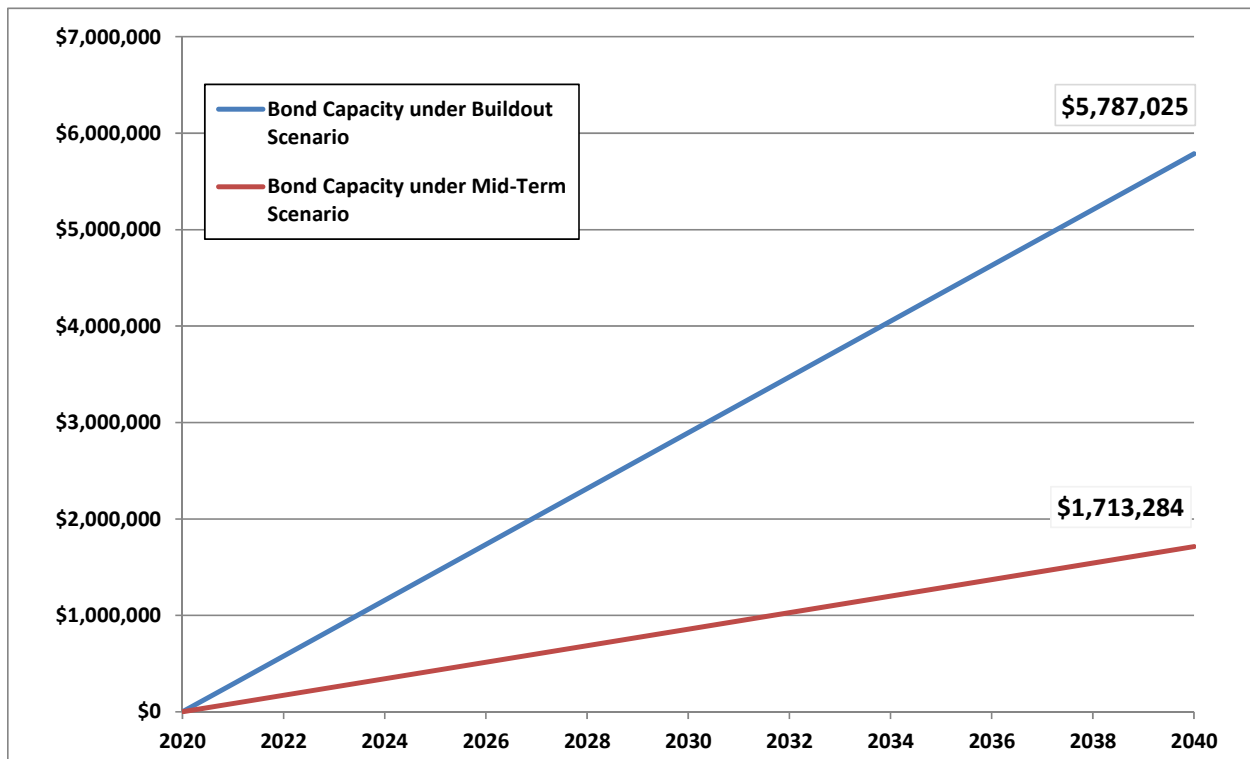
1. The Build-out Scenario represents the full redevelopment potential, while the Mid-Term Scenario is based on a less intensive estimate of development where the assumption is that market forces would not result in full redevelopment, but would focus on underdeveloped and older properties that are more likely to recycle to more productive uses.

Source: Stanley R. Hoffman Associates, Inc.

A.5 EIFD Bond Pro Forma Potential Analysis

This section presents a hypothetical bond financing analysis for the Buildout and Mid-term development conditions for Tweedy Boulevard to estimate its potential bonding capacity under certain assumptions. In summary, the range of bonding capacity over the 2020 to 2040 period is projected to range from about \$1.7 million to about \$5.8 million, as shown in Figure A-4.

Figure A-4
20 Year Phased Bond Growth
Tweedy Boulevard Specific Plan
(In 2016 Constant Dollars)



Source: Stanley R. Hoffman Associates, Inc.

A.5.1 Tweedy Boulevard Buildout EIFD Financing Scenario

Financing Assumptions. As shown in Table A-5, for this bond analysis it has been assumed that the new private sector growth potential of the Tweedy Boulevard Specific Plan area will occur over a 20 year period between 2020 and 2040. It is also assumed that only the city's share of the 1% basic property tax levy will be available for potential bond financing, but the levies from other taxing entities – that can be included on a voluntary basis, and school districts, which are excluded - are not available.

As shown in Table A-5, about \$664,000 of total property tax increment is projected to be generated by 2040, in 2020 constant dollars. It is assumed that 100 percent of the City's property tax increment will be allocated for bond financing. This is a budgetary policy choice depending upon the City's overall fiscal conditions.

Each bond is assumed to have a term of 20 years with an annual interest rate of 6 percent. It is further assumed that the bond will have a 125 percent coverage ratio for added security. This means that for every \$1.00 dollar of property tax increment potentially allocated for bond financing, only 80 percent, or \$0.80 will be available for infrastructure investment with the remainder retained for the District's ongoing administration and operations costs or to cover fluctuations in bond payment collections. It is also assumed that the bond issuance costs are estimated at 5 percent and that a reserve fund will be established with one year's estimated annual debt service. This reserve can be used for the final bond payment in 2040.

For the purposes of illustrating the bond capacity potential, the property tax increment is projected to increase on a linear basis between 2020 and 2040. As shown in Table A-5, the estimated average annual increment is about \$33,200.

Hypothetical Bond Capacity Projection. The projected bond capacity potential is presented in Table A-6 with the first property tax increment shown in year 2021 from development that is assumed to have occurred in year 2020. Although this is probably too small a property tax increment to bond against, the estimated bond capacity potential is shown at about \$290,000 in Table A-6 in the first year, 2021. The property tax increment for bond purposes is projected to reach about \$667,000 by year 2040, and the resultant bond capacity potential is projected to grow to about \$5.8 million by 2040, in 2016 constant dollars.

For this analysis, the bond capacity could be relatively larger, because no inflation assumptions are made for the development valuation increasing, or the underlying increase in property valuation for properties that are not sold and increase at the Proposition 13 maximum annual rate of 2 percent, or properties that are sold and increase to the market valuation as determined by their sale price. Of course, the phasing of growth in valuation may be different than the simplified linear growth assumption used for this hypothetical exercise.

A twenty (20) year time frame was shown for the purpose of illustrating property tax increment that would have more immediate impact. However, property tax increment will continue to grow beyond 2040, and according to the EIFD legislation, bonds can run for 45 years from the date that they are issued.

Table A-5
Buildout EIFD Bond Pro Forma Assumptions
Tweedy Boulevard Specific Plan

BOND FACTORS & ASSUMPTIONS	DESCRIPTION
	\$667,054 Tweedy Specific Plan Estimated Share of Property Tax Increment
	100.0% Share allocated to Bonds
	\$667,054 Total Property Tax Increment Allocated to Bonds
	2040 Assumed Buildout Year
	20 Years to Buildout Starting in 2020
	\$33,353 Estimated Annual Property Tax Increase through 2040
	125.0% Bond Coverage Factor
	20 Bond Years
	6.0% Bond Annual Percent
	5.0% Estimated Bond Costs

Source: Stanley R. Hoffman Associates, Inc.

Table A-6
 Buildout EIFD Bond Pro Forma Schedule
 Tweedy Boulevard Specific Plan
 (In 2016 Constant Dollars)

Year	Property Tax Increment From Projected Growth	Bondable PTI @ 125% Coverage	Projected Gross Bond Capacity	Projected Net Bond Capacity @ 5% Bond Costs
2020	\$0	\$0	\$0	\$0
2021	\$33,353	\$26,682	\$306,042	\$290,740
2022	\$66,705	\$53,364	\$612,084	\$581,480
2023	\$100,058	\$80,046	\$918,127	\$872,220
2024	\$133,411	\$106,729	\$1,224,169	\$1,162,961
2025	\$166,763	\$133,411	\$1,530,211	\$1,453,701
2026	\$200,116	\$160,093	\$1,836,253	\$1,744,441
2027	\$233,469	\$186,775	\$2,142,296	\$2,035,181
2028	\$266,822	\$213,457	\$2,448,338	\$2,325,921
2029	\$300,174	\$240,139	\$2,754,380	\$2,616,661
2030	\$333,527	\$266,822	\$3,060,422	\$2,907,401
2031	\$366,880	\$293,504	\$3,366,465	\$3,198,141
2032	\$400,232	\$320,186	\$3,672,507	\$3,488,882
2033	\$433,585	\$346,868	\$3,978,549	\$3,779,622
2034	\$466,938	\$373,550	\$4,284,591	\$4,070,362
2035	\$500,290	\$400,232	\$4,590,634	\$4,361,102
2036	\$533,643	\$426,915	\$4,896,676	\$4,651,842
2037	\$566,996	\$453,597	\$5,202,718	\$4,942,582
2038	\$600,349	\$480,279	\$5,508,760	\$5,233,322
2039	\$633,701	\$506,961	\$5,814,803	\$5,524,062
2040	\$667,054	\$533,643	\$6,120,845	\$5,814,803

Note. The estimated gross bond capacity is determined using the following Excel Formula:
 Gross Bond Amount = Present Value (Bond Annual Interest Rate, Bond Years, Annual Prop. Tax Increment)

Source: Stanley R. Hoffman Associates, Inc.

A.5.2 Tweedy Boulevard Mid-Term EIFD Financing Scenario

Financing Assumptions. As shown in Table A-7, for this bond analysis it has been assumed that the new private sector growth potential of the Tweedy Boulevard Specific Plan area will also occur over a 20 year period between 2020 and 2040. It is also assumed that only the city's share of the 1% basic property tax levy will be available for potential bond financing, but the levies from other taxing entities – that can be included on a voluntary basis, and school districts, which are excluded - are not available.

As shown in Table A-7, about \$197,000 of total property tax increment is projected to be generated by 2040, in 2016 constant dollars. It is assumed that 100 percent of the City's property tax increment will be allocated for bond financing. This is a budgetary policy choice depending upon the City's overall fiscal conditions.

Each bond is assumed to have a term of 20 years with an annual interest rate of 6 percent. It is further assumed that the bond will have a 125 percent coverage ratio for added security. This means that for every \$1.00 dollar of property tax increment potentially allocated for bond financing, only 80 percent, or \$0.80 will be available for infrastructure investment with the remainder retained for the District's ongoing administration and operations costs or to cover fluctuations in bond payment collections. It is also assumed that the bond issuance costs are estimated at 5 percent and that a reserve fund will be established with one year's estimated annual debt service. This reserve can be used for the final bond payment in 2040.

For the purposes of illustrating the bond capacity potential, the property tax increment is projected to increase on a linear basis between 2020 and 2040. As shown in Table A-7, the estimated average annual increment is only about \$10,000.

Hypothetical Bond Capacity Projection. The projected bond capacity potential is presented in Table A-8 with the first property tax increment shown in year 2021 from development that is assumed to have occurred in year 2020. Although this is probably too small a property tax increment to bond against, the estimated bond capacity potential is shown at about \$86,000 in Table A-8 in the first year, 2021. The property tax increment for bond purposes is projected to reach about \$197,000 by year 2040, and the resultant bond capacity potential is projected to grow to about \$1.7 million by 2040, in 2016 constant dollars.

For this analysis, the bond capacity could be relatively larger, because no inflation assumptions are made for the development valuation increasing, or the underlying increase in property valuation for properties that are not sold and increase at the Proposition 13 maximum annual rate of 2 percent, or properties that are sold and increase to the market valuation as determined by their sale price. Of course, the phasing of growth in valuation may be different than the simplified linear growth assumption used for this hypothetical exercise.

A twenty (20) year time frame was shown for the purpose of illustrating property tax increment that would have more immediate impact. However, property tax increment will continue to grow beyond 2040, and according to the EIFD legislation, bonds can run for 45 years from the date that they are issued.

Table A-7
 Mid- Term EIFD Bond Pro Forma Assumptions
 Tweedy Boulevard Specific Plan

BOND FACTORS & ASSUMPTIONS	DESCRIPTION
	\$197,485 Tweedy Specific Plan Estimated Share of Property Tax Increment
	100.0% Share allocated to Bonds
	\$197,485 Total Property Tax Increment Allocated to Bonds
	2040 Assumed Buildout Year
	20 Years to Buildout Starting in 2020
	\$9,874 Estimated Annual Property Tax Increase through 2040
	125.0% Bond Coverage Factor
	20 Bond Years
	6.0% Bond Annual Percent
	5.0% Estimated Bond Costs

Source: Stanley R. Hoffman Associates, Inc.

Table A-8
 Mid-Term EIFD Bond Pro Forma Schedule
 Tweedy Boulevard Specific Plan (In 2016 Dollars)

Year	Property Tax Increment From Projected Growth	Bondable PTI @ 125% Coverage	Projected Gross Bond Capacity	Projected Net Bond Capacity @ 5% Bond Costs
2020	\$0	\$0	\$0	\$0
2021	\$9,874	\$7,899	\$90,606	\$86,075
2022	\$19,749	\$15,799	\$181,211	\$172,151
2023	\$29,623	\$23,698	\$271,817	\$258,226
2024	\$39,497	\$31,598	\$362,423	\$344,302
2025	\$49,371	\$39,497	\$453,028	\$430,377
2026	\$59,246	\$47,396	\$543,634	\$516,452
2027	\$69,120	\$55,296	\$634,240	\$602,528
2028	\$78,994	\$63,195	\$724,845	\$688,603
2029	\$88,868	\$71,095	\$815,451	\$774,679
2030	\$98,743	\$78,994	\$906,057	\$860,754
2031	\$108,617	\$86,894	\$996,663	\$946,829
2032	\$118,491	\$94,793	\$1,087,268	\$1,032,905
2033	\$128,366	\$102,692	\$1,177,874	\$1,118,980
2034	\$138,240	\$110,592	\$1,268,480	\$1,205,056
2035	\$148,114	\$118,491	\$1,359,085	\$1,291,131
2036	\$157,988	\$126,391	\$1,449,691	\$1,377,206
2037	\$167,863	\$134,290	\$1,540,297	\$1,463,282
2038	\$177,737	\$142,189	\$1,630,902	\$1,549,357
2039	\$187,611	\$150,089	\$1,721,508	\$1,635,433
2040	\$197,485	\$157,988	\$1,812,114	\$1,721,508

Note: The estimated gross bond capacity is determined using the following Excel Formula:
 Gross Bond Amount = Present Value (Bond Annual Interest Rate, Bond Years, Annual Prop. Tax Increment)

Source: Stanley R. Hoffman Associates, Inc.

APPENDIX B HYPOTHETICAL HOLLYDALE VILLAGE EIFD ANALYSIS

B.1 Enhanced Infrastructure Financing District (EIFD) Analysis

The “Enhanced Infrastructure Financing District (EIFD)” legislation was passed as a post-redevelopment method for a jurisdiction to use some or their entire share of the 1% basic property tax levy within the District for the purpose of financing specified public facilities or public infrastructure in an established EIFD district. This section presents a hypothetical bond financing analysis for the Hollydale Village Specific Plan area in order to estimate its potential bonding capacity under certain growth and financing assumptions. While the set up procedures and criteria are different under the *Community Revitalization and Investment Authorities* legislation (AB 2), the estimate of bonding capacity from use of the City’s projected General Fund share of the 1% basic property tax levy is the same.

B.2 Development Valuation

Valuations of finished and occupied properties within the Specific Plan area are based on the value estimates of selected commercial, industrial and residential development prototypes. The hypothetical analysis uses 2020 as the anticipated year of commencement of development. The development is then phased over a 20-year period to 2040 assuming that the plan is being successfully implemented.

Total Taxable Valuation. As shown in Table B-1, the total net new valuation, in 2016 dollars, under the Buildout Scenario in 2040 is estimated about \$707.7 million, including about \$214.3 million of residential valuation and about \$493.4 million of non-residential valuation. Under the Mid-Term Scenario, there is about \$143.4 million in net new valuation, including about \$34.1 million in residential valuation and about \$109.4 million in non-residential valuation.

As shown in Table B-2, the estimated average value per residential unit ranges from \$140,000 per unit for Mixed Use apartments to \$370,000 per unit for single-family units. Townhomes are estimated at \$250,000 per unit. The estimated average values per non-residential sq. ft. range from \$104 per sq. ft. for light industrial and light manufacturing to \$254 per sq. ft. for restaurant uses. Retail valuation is estimated at \$177 per sq. ft. and office uses at \$179 per sq. ft.

B.3 Distribution of Net New Valuation

As shown in Figure B-1 under the Buildout Scenario, of the total of \$707.7 million estimated net new valuation, about 30% is concentrated within the Hollydale Village Specific Plan area with the remaining 70% concentrated in the non-residential land uses. For the Mid-Term Scenario, the estimated total \$143.4 million of net new valuation is split 24% to residential and 76% to non-residential land uses.

B.4 Estimated Bond Capacity for Hollydale Village Specific Plan

As shown in Table B-3, the estimated total net taxable property valuation increment of \$707.7 million, in 2016 dollars, translates to about \$7.1 million of total property tax increment at assumed Buildout in 2040, at the basic one percent property tax rate. For the Mid-Term scenario, the estimated net new valuation increase of \$143.4 million translates to about \$1.4 million of total property tax increment by 2040.

The weighted average of South Gate's share of the one percent property tax rate for the overall Hollydale Village Specific Plan area is estimated at an average of 6.32 percent, as shown in Table B-4, and is based on the location of individual parcels within different Tax Rate Areas (TRAs) that fall in the Specific Plan area. Based on this factor, the city's share of the one percent property tax increment is estimated annually at about \$447,269 for the Buildout Scenario and \$90,644 for the Mid-Term Scenario by 2040 in constant 2016 dollars, as shown in Table B-3.

Also shown in Table B-3 is the estimated Bond Capacity from the above mentioned property tax increments generated, ranging from about \$3.9 million for the Buildout Scenario to \$0.8 million for the Mid-Term scenario. The Build-out Scenario represents the full redevelopment potential, while the Mid-Term Scenario is based on a less intensive estimate of development where the assumption is that market forces would not result in full redevelopment, but would focus on underdeveloped and older properties that are more likely to recycle to more productive uses. These bond capacity estimates are presented graphically in Figure B-2. The detailed bond pro formas for these bond capacity estimates are presented next.

Table B-1
 Net New Development Valuation
 Hollydale EIFD Analysis
 (In 2016 Dollars)

	HOLLYDALE
NET NEW VALUATION ¹	
BUILDOUT SCENARIO ²	
Residential	\$214,275,355
Non-Residential	<u>\$493,428,043</u>
TOTAL	\$707,703,398
MID-TERM SCENARIO ³	
Residential	\$34,058,036
Non-Residential	<u>\$109,366,390</u>
TOTAL	\$143,424,426

1. Net new valuation of recycled parcels is the difference between the new development valuation and the exiting valuation of recycled parcels.
2. The Buildout Scenario is the hypothetical maximum development potential for the specific plan areas assuming that all parcels within these areas are redeveloped.
3. The Mid-term Scenario identifies parcels with a high likelihood for redevelopment, and determined as those parcels with improvement value to total value ratios of below 0.25.
 (ie. where the property structure constitutes less than one-quarter of the total property valuation).

Source: Stanley R. Hoffman Associates, Inc.

Table B-2
Valuation Assumptions
Hollydale Village Specific Plan Area
(In 2016 Dollars)

Panel A. Residential

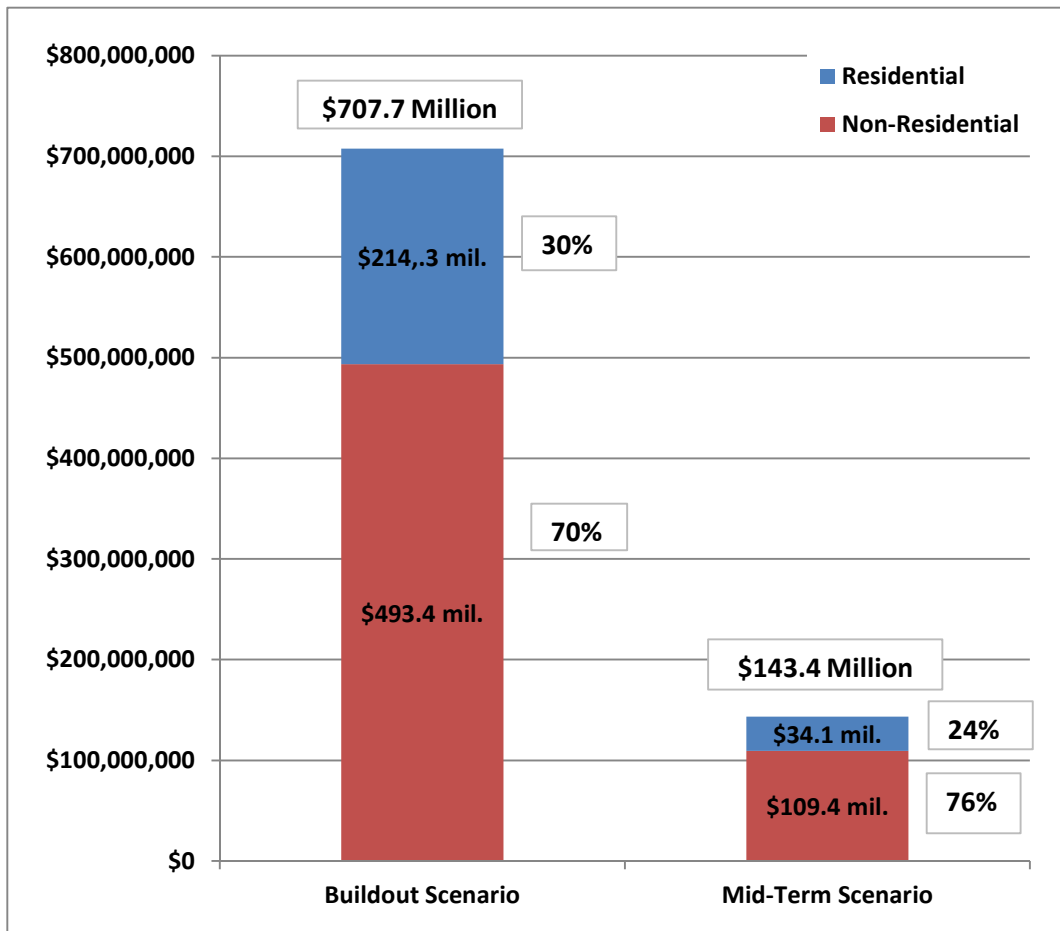
LAND USE DESIGNATION	Average Value per Unit
Neighborhood Low (Single Family)	\$ 370,000
Neighborhood Medium (Townhomes)	\$ 250,000
MIXED USE (Apartments)	
Hollydale Mixed Use-1	\$ 140,000
Hollydale Mixed Use-2	\$ 140,000
Hollydale Mixed Use-3	\$ 140,000

Panel B. Non - Residential

LAND USE DESIGNATION	Average Value per Bldg. Sq. Ft.
Corridor-3 Industrial	\$104
Light Industrial	\$104
Light Manufacturing	\$104
Retail	\$177
Restaurant	\$254
Office, including Medical	\$170

Source: Stanley R. Hoffman Associates, Inc.

Figure B-1
Residential and Non-Residential Valuation – Buildout & Mid-Term Scenarios
Hollydale Village Specific Plan Area



Source: Stanley R. Hoffman Associates, Inc.

Table B-3
 Estimated Total and City Share of Property Tax Increment
 Hollydale Village Specific Plan Area
 (In 2016 Dollars)

	Buildout	Mid-Term
Panel A. Property Valuation		
New Development	\$1,038,302,659	\$178,085,737
Less Recycled Land	\$330,599,261	\$34,661,311
<i>Net New Valuation</i>	<i>\$707,703,398</i>	<i>\$143,424,426</i>
Panel B. Property Tax		
1 % of Net New Valuation	\$7,077,034	\$1,434,244
City General Fund Share @ 6.32%	\$447,269	\$90,644
Panel C. Hypothetical Bond Capacity Estimate		
Bond Capacity Estimate (Millions)	\$3.9	\$0.8

1. The estimated City General Fund share of the basic 1 percent property tax levy is 6.32 percent as shown in Table B-4.
2. Bond capacity calculations assume a bond interest rate of 6 percent, a 20 year term, a coverage factor of 1.25, and estimated bond costs at 5 percent.

Source: Stanley R. Hoffman Associates, Inc.

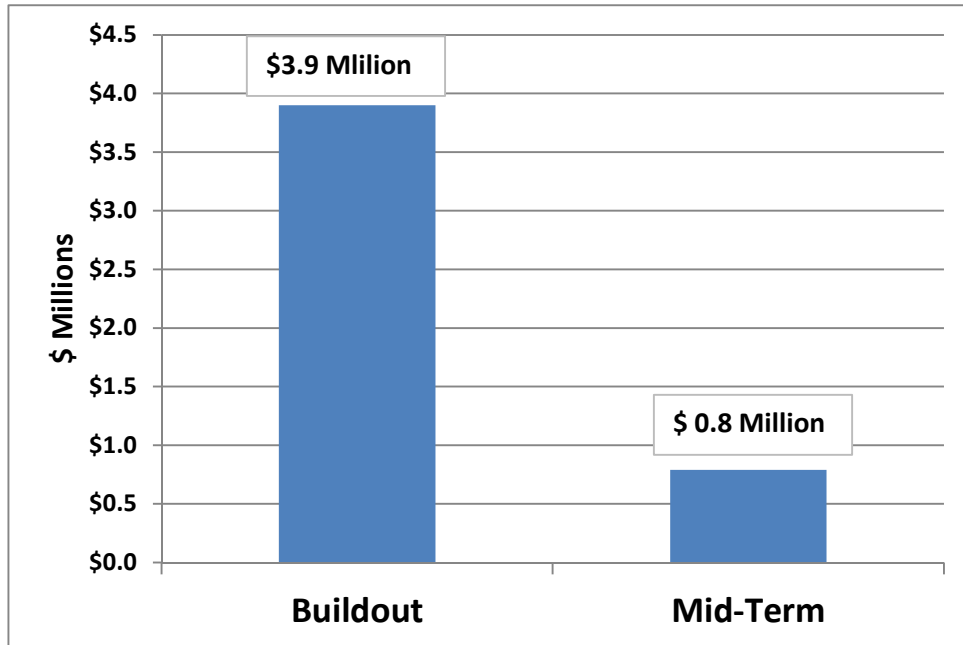
Table B-4
 Los Angeles County Share of Property
 Tax Increment by Tax Rate Area
 Hollydale Village Specific Plan Area

Taxing Entity	Hollydale Tax Rate Area				Weighted Average
	03319	07227	07224	15190	
CITY-SOUTH GATE TD #1	6.15%	6.15%	6.15%	7.00%	6.32%
LOS ANGELES COUNTY GENERAL	27.53%	26.55%	26.61%	46.45%	30.63%
L A COUNTY LIBRARY	2.17%	2.12%	2.12%	2.75%	2.25%
CONSOL. FIRE PRO.DIST.OF L.A.CO.	16.53%	16.23%	16.25%	16.53%	16.31%
EDUCATIONAL	44.62%	45.96%	38.37%	23.13%	35.67%
OTHER	<u>3.00%</u>	<u>3.00%</u>	<u>10.51%</u>	<u>4.14%</u>	<u>8.81%</u>
Total	100.00%	100.00%	100.00%	100.00%	100.00%
Total Acreage	5	4	122	33	164
Weighting Factors ¹	3.05%	2.44%	74.39%	20.12%	100.00%

1. The weighting factors are based on the TRA's acreage proportion of the Tweedy Boulevard Area

Source: Stanley R. Hoffman Associates, Inc.
 Los Angeles County Auditor-Controller

Figure B-2
Estimated Bond Financing Capacity at Buildout
Hollydale Village Specific Plan Area



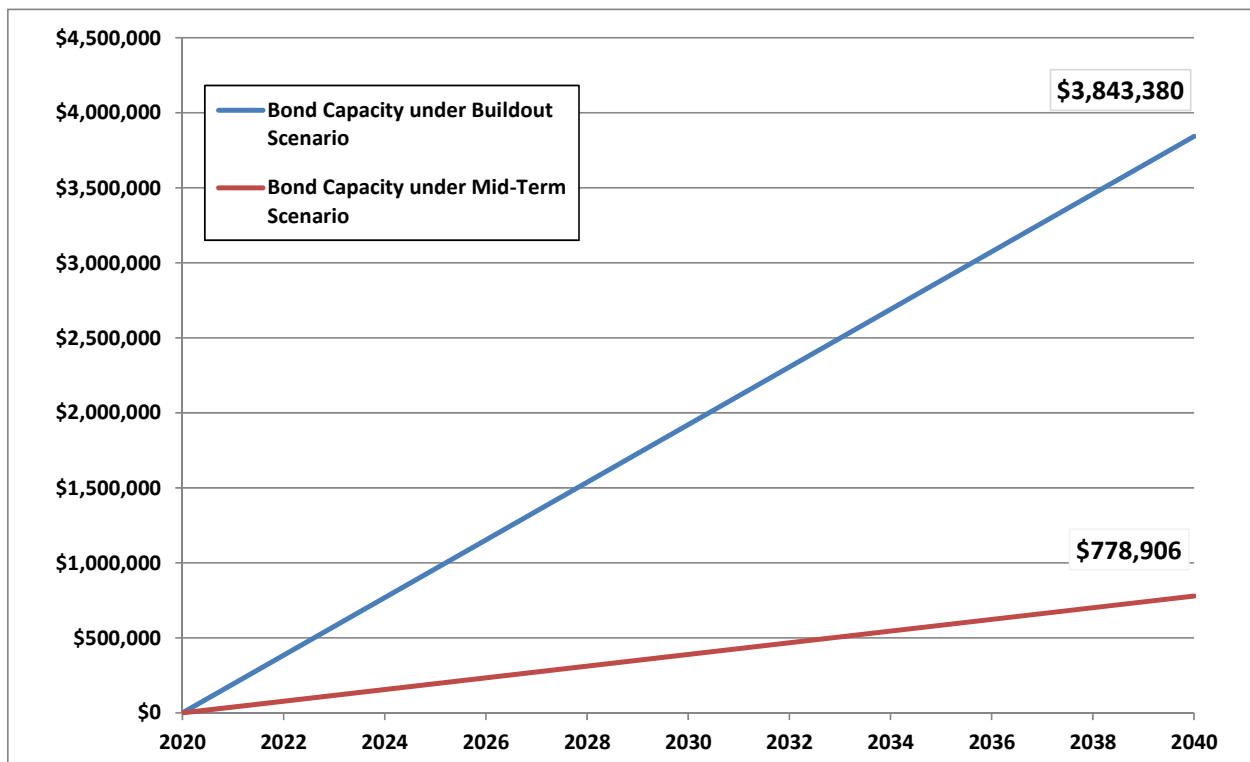
1. The Build-out Scenario represents the full redevelopment potential, while the Mid-Term Scenario is based on a less intensive estimate of development where the assumption is that market forces would not result in full redevelopment, but would focus on underdeveloped and older properties that are more likely to recycle to more productive uses.

Source: Stanley R. Hoffman Associates, Inc.

B.5 EIFD Bond Pro Forma Potential Analysis

This analysis presents a hypothetical bond financing analysis for the Buildout and Mid-term development conditions for the Hollydale subarea to estimate its potential bonding capacity under certain assumptions. In summary, the range of bonding capacity over the 2020 to 2040 period is about \$3.8 million to about \$779,000, as shown in Figure B-3.

Figure B-3
20 Year Phased Bond Growth
Hollydale Village Specific Plan
(In 2016 Constant Dollars)



Source: Stanley R. Hoffman Associates, Inc.

B.5.1 Hollydale Buildout EIFD Financing Scenario

Financing Assumptions. As shown in Table B-5, for this bond analysis it has been assumed that the new private sector growth potential of the Hollydale subarea will occur over a 20 year period between 2020 and 2040. It is also assumed that only the city's share of the 1% basic property tax levy will be available for potential bond financing, but the levies from other taxing entities – that can be included on a voluntary basis, and school districts, which are excluded - are not available.

As shown in Table B-5, about \$447,000 of total property tax increment is projected to be generated by 2040, in 2016 constant dollars. It is assumed that 100 percent of the City's property tax increment will be allocated for bond financing. This is a budgetary policy choice depending upon the City's overall fiscal conditions.

Each bond is assumed to have a term of 20 years with an annual interest rate of 6 percent. It is further assumed that the bond will have a 125 percent coverage ratio for added security. This means that for every \$1.00 dollar of property tax increment potentially allocated for bond financing, only 80 percent, or \$0.80 will be available for infrastructure investment with the remainder retained for the District's ongoing administration and operations costs or to cover fluctuations in bond payment collections. It is also assumed that the bond issuance costs are estimated at 5 percent and that a reserve fund will be established with one year's estimated annual debt service. This reserve can be used for the final bond payment in 2040.

For the purposes of illustrating the bond capacity potential, the property tax increment is projected to increase on a linear basis between 2020 and 2040. As shown in Table B-5, the estimated average annual property tax increment is about \$22,000.

Hypothetical Bond Capacity Projection. The projected bond capacity potential is presented in Table B-6 with the first property tax increment shown in year 2021 from development that is assumed to have occurred in year 2020. Although this is probably too small a property tax increment to bond against, the estimated bond capacity potential is shown at about \$192.2 thousand in Table B-6 in the first year, 2021. The property tax increment for bond purposes is projected to reach about \$447,000 by year 2040, and the resultant bond capacity potential is projected to grow to about \$3.8 million by 2040, in 2016 constant dollars.

For this analysis, the bond capacity could be relatively larger, because no inflation assumptions are made for the development valuation increasing, or the underlying increase in property valuation for properties that are not sold and increase at the Proposition 13 maximum annual rate of 2 percent, or properties that are sold and increase to the market valuation as determined by their sale price. Of course, the phasing of growth in valuation may be different than the simplified linear growth assumption used for this hypothetical exercise.

A twenty (20) year time frame was shown for the purpose of illustrating property tax increment that would have more immediate impact. However, property tax increment will continue to grow beyond 2040, and according to the EIFD legislation, bonds can run for 45 years from the date that they are issued.

Table B-5
Buildout EIFD Bond Pro Forma Assumptions
Hollydale Village Specific Plan

BOND FACTORS & ASSUMPTIONS	DESCRIPTION
	\$447,269 City's Estimated Share of Total Property Tax Increment
100.0% Share allocated to Bonds	
\$447,269 Total Property Tax Increment Allocated to Bonds	
2040 Assumed Buildout Year	
20 Years to Buildout Starting in 2020	
\$22,363 Estimated Annual Property Tax Increase through 2040	
125.0% Bond Coverage Factor	
20 Bond Years	
6.0% Bond Annual Percent	
5.0% Estimated Bond Costs	

Source: Stanley R. Hoffman Associates, Inc.

Table B-6
 Buildout EIFD Bond Pro Forma Schedule
 Hollydale Village Specific Plan
 (In Constant 2016 Dollars)

Year	Property Tax Increment From Projected Growth	Bondable PTI @ 125% Coverage	Projected Gross Bond Capacity	Projected Net Bond Capacity @ 5% Bond Costs
2020	\$0	\$0	\$0	\$0
2021	\$22,045	\$17,636	\$202,283	\$192,169
2022	\$44,090	\$35,272	\$404,566	\$384,338
2023	\$66,135	\$52,908	\$606,850	\$576,507
2024	\$88,180	\$70,544	\$809,133	\$768,676
2025	\$110,225	\$88,180	\$1,011,416	\$960,845
2026	\$132,270	\$105,816	\$1,213,699	\$1,153,014
2027	\$154,315	\$123,452	\$1,415,982	\$1,345,183
2028	\$176,360	\$141,088	\$1,618,265	\$1,537,352
2029	\$198,405	\$158,724	\$1,820,549	\$1,729,521
2030	\$220,450	\$176,360	\$2,022,832	\$1,921,690
2031	\$242,495	\$193,996	\$2,225,115	\$2,113,859
2032	\$264,540	\$211,632	\$2,427,398	\$2,306,028
2033	\$286,584	\$229,268	\$2,629,681	\$2,498,197
2034	\$308,629	\$246,904	\$2,831,964	\$2,690,366
2035	\$330,674	\$264,540	\$3,034,248	\$2,882,535
2036	\$352,719	\$282,175	\$3,236,531	\$3,074,704
2037	\$374,764	\$299,811	\$3,438,814	\$3,266,873
2038	\$396,809	\$317,447	\$3,641,097	\$3,459,042
2039	\$418,854	\$335,083	\$3,843,380	\$3,651,211
2040	\$440,899	\$352,719	\$4,045,663	\$3,843,380

Note. The estimated gross bond capacity is determined using the following Excel Formula:
 Gross Bond Amount = Present Value (Bond Annual Interest Rate, Bond Years, Annual Prop. Tax Increment)

Source: Stanley R. Hoffman Associates, Inc.

B.5.2 Hollydale Mid-Term EIFD Financing Scenario

Financing Assumptions. As shown in Table B-7, for this bond analysis it has been assumed that the new private sector growth potential of the Hollydale subarea will occur over a 20 year period between 2020 and 2040. It is also assumed that only the city's share of the 1% basic property tax levy will be available for potential bond financing, but the levies from other taxing entities – that can be included on a voluntary basis, and school districts, which are excluded - are not available.

As shown in Table B-7, about \$91,000 of total property tax increment is projected to be generated by 2040, in 2016 constant dollars. It is assumed that 100 percent of the City's property tax increment will be allocated for bond financing. This is a budgetary policy choice depending upon the City's overall fiscal conditions.

Each bond is assumed to have a term of 20 years with an annual interest rate of 6 percent. It is further assumed that the bond will have a 125 percent coverage ratio for added security. This means that for every \$1.00 dollar of property tax increment potentially allocated for bond financing, only 80 percent, or \$0.80 will be available for infrastructure investment with the remainder retained for the District's ongoing administration and operations costs or to cover fluctuations in bond payment collections. It is also assumed that the bond issuance costs are estimated at 5 percent and that a reserve fund will be established with one year's estimated annual debt service. This reserve can be used for the final bond payment in 2040.

For the purposes of illustrating the bond capacity potential, the property tax increment is projected to increase on a linear basis between 2020 and 2040. As shown in Table B-7, the estimated average annual increment is about \$5,000.

Hypothetical Bond Capacity Projection. The projected bond capacity potential is presented in Table B-8 with the first property tax increment shown in year 2021 from development that is assumed to have occurred in year 2020. Although this is probably too small a property tax increment to bond against, the estimated bond capacity potential is shown at about \$40,000 in Table B-8 in the first year, 2021. The property tax increment for bond purposes is projected to reach about \$89,400 by year 2040, and the resultant bond capacity potential is projected to grow to about 790,000 by 2040, in 2016 constant dollars.

For this analysis, the bond capacity could be relatively larger, because no inflation assumptions are made for the development valuation increasing, or the underlying increase in property valuation for properties that are not sold and increase at the Proposition 13 maximum annual rate of 2 percent, or properties that are sold and increase to the market valuation as determined by their sale price. Of course, the phasing of growth in valuation may be different than the simplified linear growth assumption used for this hypothetical exercise.

A twenty (20) year time frame was shown for the purpose of illustrating property tax increment that would have more immediate impact. However, property tax increment will continue to grow beyond 2040, and according to the EIFD legislation, bonds can run for 45 years from the date that they are issued.

Table B-7
 Mid-Term EIFD Bond Pro Forma Assumptions
 Hollydale Village Specific Plan

BOND FACTORS & ASSUMPTIONS	DESCRIPTION
	\$90,644 Hollydale Specific Plan Estimated Share of Property Tax Increment
	100.0% Share allocated to Bonds
	\$90,644 Total Property Tax Increment Allocated to Bonds
	2040 Assumed Buildout Year
	20 Years to Buildout Starting in 2020
	\$4,532 Estimated Annual Property Tax Increase through 2040
	125.0% Bond Coverage Factor
	20 Bond Years
	6.0% Bond Annual Percent
	5.0% Estimated Bond Costs

Source: Stanley R. Hoffman Associates, Inc.

Table B-8
 Mid-Term EIFD Bond Pro Forma Schedule
 Hollydale Village Specific Plan
 (In Constant 2016 Dollars)

Year	Property Tax Increment From Projected Growth	Bondable PTI @ 125% Coverage	Projected Gross Bond Capacity	Projected Net Bond Capacity @ 5% Bond Costs
2020	\$0	\$0	\$0	\$0
2021	\$4,532	\$3,626	\$41,587	\$39,508
2022	\$9,064	\$7,252	\$83,175	\$79,016
2023	\$13,597	\$10,877	\$124,762	\$118,524
2024	\$18,129	\$14,503	\$166,349	\$158,032
2025	\$22,661	\$18,129	\$207,936	\$197,540
2026	\$27,193	\$21,755	\$249,524	\$237,048
2027	\$31,725	\$25,380	\$291,111	\$276,555
2028	\$36,258	\$29,006	\$332,698	\$316,063
2029	\$40,790	\$32,632	\$374,286	\$355,571
2030	\$45,322	\$36,258	\$415,873	\$395,079
2031	\$49,854	\$39,883	\$457,460	\$434,587
2032	\$54,387	\$43,509	\$499,047	\$474,095
2033	\$58,919	\$47,135	\$540,635	\$513,603
2034	\$63,451	\$50,761	\$582,222	\$553,111
2035	\$67,983	\$54,387	\$623,809	\$592,619
2036	\$72,515	\$58,012	\$665,397	\$632,127
2037	\$77,048	\$61,638	\$706,984	\$671,635
2038	\$81,580	\$65,264	\$748,571	\$711,143
2039	\$86,112	\$68,890	\$790,159	\$750,651
2040	\$90,644	\$72,515	\$831,746	\$790,159

Note. The estimated gross bond capacity is determined using the following Excel Formula:
 Gross Bond Amount = Present Value (Bond Annual Interest Rate, Bond Years, Annual Prop. Tax Increment)

Source: Stanley R. Hoffman Associates, Inc.

APPENDIX C TWEEDY MILE PROPERTY-BASED BID ANALYSIS

C.1 What is a Business Improvement District?

A Business Improvement District (BID) is a public/private partnership created to perform a variety of services and minor capital improvements to revitalize and improve commercial neighborhoods. They are intended to enhance existing local governmental services, but not to replace the existing level of basic governmental services. In California, there are two different types of BIDs, one created through assessments on businesses within the district, and the second created through assessments on property owners alone. This latter type of BID is generally referred to as a “Property Based BID” or “PBID.” The formation of either type of BID requires an affirmative vote by a simple majority of business or property owners (depending on the type of BID) within its proposed boundaries.

BIDs allow business or property owners to collectively pay for services to supplement those provided by the local jurisdiction. Assessments must be approved by a majority of business or property owners prior to the formation of the BID and must be directly proportional to the estimated benefit received by each business or property. BIDs are generally popular because business and property owners are often more willing to assess themselves if the results directly benefits their business or increases the value of their property. The 1994 Act limits new BIDs to a maximum of ten years of assessments; at that point the BID must be either renewed or disbanded.

C.2 Existing Tweedy Mile Business Improvement District in South Gate

Currently, a business-based BID exists for Tweedy Mile and raises around \$22,000 annually for its activities from the participating businesses. Their activities can range from marketing and promotion, coordination with City staff regarding ongoing programs serving the Tweedy Mile area and various promotional events along Tweedy Mile that are sponsored by the merchants for the community throughout the year. The various businesses decide on the type of services they desire and the level of funding. Once established, a BID is limited to the types of services and improvements specified during its formation.

C.3 Exploring the Concept of a PBID

This analysis explores the idea of a hypothetical property-based BID (PBID) whereby the property assessments are proposed to be paid for by the commercial property owners within Tweedy Mile. This assessment would be subject to a majority vote of the property owners based on their acreage owned and would reflect the kinds of activities that they collectively desire to fund. Since the level of operations and maintenance costs required for the public infrastructure and amenity improvements has not been specified at this time, for illustration purposes this analysis presents a range of estimated levels of funding that are generated based on:

- **Scenario 1:** average levels of BID costs estimated using median costs from existing BIDs within the City of Los Angeles

- **Scenario 2:** a 50 percent reduction in these estimated median cost levels

While South Gate has historically made Tweedy Boulevard an ongoing priority of the citywide Capital Improvement Program, at this point it is not known how much the City of South Gate would commit to funding as part of the overall effort to continue to revitalize Tweedy Mile.

Estimated Financing Capacity of Hypothetical PBID

While an exact formula would have to be developed during the formation process and be subject to a vote of the property owners, this analysis is based on estimating the total fees per property as a function of three property characteristics – parcel square footage, building square footage and linear street front footage. As shown in Table C-1, based on parcel level data by land use categories, the existing property dimensions for non-residential properties along Tweedy Mile contain an estimated 1,965,005 parcel sq. ft., 753,927 building sq. ft., and 23,275 linear front feet.

In Table C-2, the median charges, based on the City of Los Angeles’s experience with over 30 BIDs, are \$0.09 per parcel sq. ft., \$0.06 per building sq. ft., and \$8.88 per linear front foot. The charges at the 50% level are also shown. The total charge per parcel would be based upon the particular parcel’s dimensions. Additionally, property value increases would accrue to the property owner.

As shown in Table C-2, when these median charges by parcel and building square footages and linear street front footages are multiplied times the Tweedy Mile property dimensions, this results in an estimated annual revenue potential of about \$428.8 thousand under Scenario 1 to about \$214.4 thousand under Scenario 2.

This type of PBID could raise significantly more revenues than the existing business based improvement district. It would be under the control of the property owners and some of the revenues could be combined with the City’s capital financing and services participation within the Tweedy Boulevard Specific Plan area to assist in the implementation of the proposed amenities and improvements along Tweedy Boulevard.

Appendix Table C-1
 Tweedy Mile Hypothetical PBID
 Property Dimensions by Commercial Land Use

	PROPERTY DIMENSIONS		
	Parcel Area (Sq.Ft.)	Building Size (Sq.Ft.)	Street Frontage (Ft.)
Commercial Land Use			
Automotive Sales	10,712	3,340	122
Automotive Service	11,021	1,736	210
Financial	54,424	29,735	816
Heavy Industrial	24,925	0	180
Medical	57,430	30,428	935
Office	100,127	60,701	1,898
Parking Lot	181,481	148,210	1,840
Recreational	17,699	11,685	261
Restaurant - Bar	121,604	21,350	2,251
Retail	1,370,699	444,516	14,392
Utilities	8,488	0	192
Veterinary	<u>6,395</u>	<u>2,226</u>	<u>177</u>
TOTAL	1,965,005	753,927	23,275

Source: Stanley R. Hoffman Associates, Inc.
 The Arroyo Group
 Los Angeles County Assessor's Data File, 2015

Appendix Table C-2
 Tweedy Mile Hypothetical PBID
 Financing Capacity: Scenarios 1 and 2

	Property Component			Total Assessment
	Parcel Area (Sq.Ft.)	Building Size (Sq.Ft.)	Street Frontage (Ft.)	
Tweedy Mile Summary Dimensions	1,965,005	753,927	23,275	
SCENARIO 1				
Median Assessment Level ¹	\$0.09	\$0.06	\$8.88	
Estimated Assessment Amount	\$176,850	\$45,236	\$206,682	\$428,768
SCENARIO 2				
50% of Median Assessment Level ¹	\$0.045	\$0.03	\$4.44	
Estimated Assessment Amount	\$88,425	\$22,618	\$103,341	\$214,384

1. The median levels are based on a review existing PBIDs in the City of Los Angeles.

Source: Stanley R. Hoffman Associates, Inc.
 The Arroyo Group
 City of Los Angeles BID Reports

**APPENDIX D
TWEEDY BOULEVARD DEVELOPMENT AND VALUATION ESTIMATES**

This appendix presents the land use development and valuation estimates for both the Tweedy Boulevard Buildout and Mid-Term scenarios. The Buildout scenario is the hypothetical maximum development potential for the Specific Plan area assuming that all parcels redevelop by the forecast year 2040. The Mid-term scenario identifies parcels with a high likelihood for redevelopment using a criterion where the improvement value to total value, i.e., land value plus improvement value of the parcel, is below a ratio of 0.25. In essence, the property is assumed to be underdeveloped where the value of the structural improvements is significantly less than the underlying land value.

Along Tweedy Boulevard two commercial mixed use categories are defined. As shown in Table D-1, within the Tweedy Mixed Use-1 category, building space is allocated 40 percent to Retail, 15 percent to Restaurant and the remaining 45 percent among general Office, Medical Office and Service uses. Within the Tweedy Mixed Use-2 category, building space is allocated 30 percent to Retail, 10 percent to Restaurant and the remaining 60 percent among general Office, Medical Office and Service uses.

D.1 Development Estimates

Buildout Acreage Estimates. As shown in Table D-2, the acreage by land use totals 516.4 acres for the Buildout scenario with 197.0 acres, or about 38 percent, within the Tweedy Mile subarea. When Civic uses of 95.8 acres and 83.2 acres of Open Space are excluded, there are an estimated 337.4 acres of potential private development with about 183.5 acres, or about 54 percent within the Tweedy Mile subarea.

Mid-term Acreage Estimates. Also, as shown in Table D-2, the acreage by land use total is significantly less at 223.0 for the Mid-term scenario with 38.3, or about 17.2 percent, within the Tweedy Mile subarea. When Civic uses of 95.8 acres and 83.2 acres of Open Space are excluded, there are an estimated 48.0 acres of potential private development with about 24.8 acres, or about 52 percent within the Tweedy Mile subarea.

Buildout Residential Unit Estimates. The estimate of residential units for Buildout within the Tweedy Boulevard Specific Plan area is presented in Table D-3 and is estimated at 4,072 units. An estimated 2,694 units, or about 66 percent, are estimated within the Tweedy Mile subarea. For the total estimated units of 4,072, about 44 percent are estimated in the Neighborhood Low and Medium categories and 56 percent is estimated within the Tweedy Mixed Use categories. For Tweedy Mile, a higher proportion of Mixed Use is estimated with about 39 percent in the Neighborhood Low and Medium categories and about 61 percent in the Tweedy Mixed Use categories.

Buildout Non-Residential Estimates. The estimated non-residential square footages for Buildout by land use types are presented in Table D-4 and total about 4,844,959 sq. ft. Of this total, only 28 percent is estimated for light industrial and manufacturing uses and the remaining 72 percent

for Mixed Uses that can include a combination of retail, restaurant and general office, medical office and service uses. The mixed use allocation percentages were previously shown in Table D-1. As shown in Table D-4, about 50 percent of the potential private development sq. ft. is estimated within Tweedy Mile, and all of that space is allocated within the Mixed Use categories.

Mid-Term Residential Unit Estimates. The estimate of residential units for the Mid-term scenario within the Tweedy Boulevard Specific Plan area is presented in Table D-5 and is estimated at 799 units. An estimated 524 units, or about 66 percent, are estimated within the Tweedy Mile subarea. For the total estimated units of 799, only 14 percent are estimated in the Neighborhood Low and Medium categories and 86 percent are estimated within the Tweedy Mixed Use categories. For Tweedy Mile, the distribution is approximately the same among unit types with 13 percent allocated within the Neighborhood Low and Medium categories and 86 percent within the Tweedy Mixed Use categories.

Mid-Term Non-Residential Estimates. The estimated non-residential square footages for the Mid-Term scenario by land use types are presented in Table D-6 and total about 1,603,780 sq. ft. Of this total, about 33 percent is estimated for light industrial and manufacturing uses and about 67 percent for Mixed Uses that can include a combination of retail, restaurant and service uses. Within the Tweedy Mile subarea, all of the estimated potential development is estimated within the Mixed Use Categories that can include various percent allocations of retail, restaurant, general office, medical office and service uses as presented previously in Table D-1.

D.2 Valuation Estimates

The estimated Net New Development Valuation for Tweedy Boulevard is presented in Table D-7. Net New Valuation is the difference between New Development Valuation, as redevelopment occurs, and Existing Valuation. These estimates are shown in constant 2016 dollars.

Buildout Valuation Estimates. As shown in Table D-7, the net new valuation increase is estimated for Buildout development potential by the forecast year 2040 at about \$1.1 billion with about 45 percent within residential uses and 55 percent within non-residential uses. About 60 percent of the estimated net new valuation is within the Tweedy Mile subarea, distributed about 51 percent to residential uses and 49 percent to non-residential uses.

Mid-term Valuation Estimates. Also shown in Table D-7, the net new valuation increase is estimated for Mid-term development potential by the forecast year 2040 at about \$314.5 million with about 33 percent within residential uses and 67 percent within non-residential uses. About 56 percent of the estimated net new valuation is within the Tweedy Mile subarea distributed about 39 percent to residential uses and 61 percent to non-residential uses.

Table D-1
Mixed Use Commercial Allocations
Tweedy Boulevard Specific Plan Area

	Tweedy Mixed Use - 1	Tweedy Mixed Use - 2
Retail	40%	30%
Restaurant	15%	10%
Office, Medical Office and Service	45%	60%

Source: Stanley R. Hoffman Associates, Inc.
The Arroyo Group

Table D-2
Parcel Acres - Buildout and Mid-Term Scenarios
Tweedy Boulevard Specific Plan Area

	DESCRIPTION	TWEEDY WEST		TWEEDY MILE		TWEEDY EAST		TWEEDY TOTAL	
		BUILDOUT SCENARIO ¹	MID-TERM SCENARIO ²	BUILDOUT SCENARIO ¹	MID-TERM SCENARIO ²	BUILDOUT SCENARIO ¹	MID-TERM SCENARIO ²	BUILDOUT SCENARIO ¹	MID-TERM SCENARIO ²
CDR3	Corridor-3								
CV	Civic	45.0	45.0	13.5	13.5	37.4	33.3	95.8	91.8
HMU1	Hollydale Mixed Use-1								
HMU2	Hollydale Mixed Use-2								
HMU3	Hollydale Mixed Use-3								
LI	Light Industrial					4.3	0.5	4.3	0.5
M2	Light Manufacturing					13.2	5.8	13.2	5.8
NL	Neighborhood Low	26.5	2.1	101.9	8.4	70.7	4.6	199.1	15.0
NM	Neighborhood Medium	3.4	0.5	26.4	1.2	9.9	0.1	39.8	1.8
OS	Open Space					83.2	83.2	83.2	83.2
TMU1	Tweedy Mixed Use - 1	7.1	2.7			2.6	1.1	9.7	3.8
TMU2	Tweedy Mixed Use - 2	10.2	2.7	55.2	15.3	5.9	3.2	71.3	21.1
	TOTAL	92.2	52.9	197.0	38.3	227.2	131.8	516.4	223.0

1. The Buildout Scenario is the hypothetical maximum development potential for the specific plan areas assuming that all parcels redevelop.

2. The Mid-term Scenario identifies parcels with a high likelihood for redevelopment, and determined as those parcels with improvement value to total value ratios of below 0.25. (ie. where the property structure constitutes less than one-quarter of the total property valuation).

**Table D-3
Residential Acreage & Units - Buildout Scenario
Tweedy Boulevard Specific Plan Area**

DESCRIPTION	RESIDENTIAL	Land Parcel Allocation	TWEEDY WEST		TWEEDY MILE		TWEEDY EAST		TWEEDY TOTAL	
	Units per Acre		ACRES	UNITS	ACRES	UNITS	ACRES	UNITS	ACRES	UNITS
RESIDENTIAL										
Neighborhood	5	100%	26.5	132	101.9	510	70.7	354	199.1	996
Neighborhood	20	100%	3.4	69	26.4	528	9.9	198	39.8	795
MIXED USE										
Tweedy Mixed	20	100%	7.1	141			2.6		9.7	141
Tweedy Mixed	30	100%	10.2	307	55.2	1,656	5.9	177	71.3	2,140
Hollydale Mixed	20	100%								
Hollydale Mixed	30	100%								
Hollydale Mixed	40	100%								
	TOTAL		47.2	649	183.5	2,694	89.2	729	319.9	4,072

1. The Buildout Scenario assumes that all parcels in the specific plans redevelop.

Source: Stanley R. Hoffman Associates, Inc.

**Table D-4
Non Residential Acreage & Square Feet - Buildout Scenario
Tweedy Boulevard Specific Plan Area**

DESCRIPTION	Floor Area	Land Parcel Allocation	TWEEDY WEST		TWEEDY MILE		TWEEDY EAST		TWEEDY TOTAL	
	Ratio		ACRES	SQUARE FEET	ACRES	SQUARE FEET	ACRES	SQUARE FEET	ACRES	SQUARE FEET
NON-RESIDENTIAL										
Corridor-3	1.00	100%								
Light Industrial	1.00	100%					4.3	188,295	4	188,295
Light Manufac	2.00	100%					13.2	1,149,013	13.2	1,149,013
MIXED USE										
Tweedy Mixed	1.25	70%	7.1	268,508			2.6	99,851	10	368,359
Tweedy Mixed	1.50	67%	10.2	450,077	55.2	2,430,087	5.9	259,128	71	3,139,292
Hollydale Mixed	1.25	70%								
Hollydale Mixed	1.50	67%								
Hollydale Mixed	2.00	90%								
	TOTAL		17.3	718,585	55.2	2,430,087	26.0	1,696,286	98.5	4,844,959

1. The Build-out Scenario assumes that all parcels in the specific plans redevelop.

Source: Stanley R. Hoffman Associates, Inc.

**Table D-5
Residential Acreage & Units - Mid-term Scenario
Tweedy Boulevard Specific Plan Area**

DESCRIPTION	RESIDENTIAL	Land Parcel Allocation	TWEEDY WEST		TWEEDY MILE		TWEEDY EAST		TWEEDY TOTAL	
	Units per Acre		ACRES	UNITS	ACRES	UNITS	ACRES	UNITS	BUILDOUT SCENARIO ¹	MID-TERM SCENARIO ²
RESIDENTIAL										
Neighborhood Low	5	100%	2.1	10	8.4	42	4.6	23	15.04	75
Neighborhood Medium	20	100%	0.5	9	1.2	24	0.1	2	1.80	35
MIXED USE										
Tweedy Mixed Use - 1	20	100%	2.7	55			1.1	-	4	55
Tweedy Mixed Use - 2	30	100%	2.7	80	15.3	458	3.2	96	3	634
Hollydale Mixed Use-1	20	100%								
Hollydale Mixed Use-2	30	100%								
Hollydale Mixed Use-3	40	100%								
TOTAL			7.9	154	24.9	524	9.0	121	23.9	799

1. The Mid-term Scenario identifies parcels with a high likelihood for redevelopment, and determined as those parcels with improvement value to total value ratios of below 0.25. (ie. where the property structure constitutes less than one-quarter of the total property valuation).

Source: Stanley R. Hoffman Associates, Inc.

**Table D-6
Non-Residential Acreage & Square Feet – Mid-term Scenario
Tweedy Boulevard Specific Plan Area**

DESCRIPTION	Floor Area	Land Parcel Allocation	TWEEDY WEST		TWEEDY MILE		TWEEDY EAST		TWEEDY TOTAL	
	Ratio		ACRES	SQUARE FEET	ACRES	SQUARE FEET	ACRES	SQUARE FEET	BUILDOUT SCENARIO ¹	MID-TERM SCENARIO ²
NON-RESIDENTIAL										
Corridor-3	1.00	100%								
Light Industrial	1.00	100%					0.5	20,501.5	0.5	20,501.5
Light Manufacturing	2.00	100%					5.8	507,801.2	5.8	507,801.2
MIXED USE										
Tweedy Mixed Use - 1	1.25	70%	2.7	103,992.7			1.1	42,331.9	3.8	146,324.7
Tweedy Mixed Use - 2	1.50	67%	2.7	117,031.5	15.3	671,418	3.2	140,704.0	21.1	929,153.9
Hollydale Mixed Use-1	1.25	70%								
Hollydale Mixed Use-2	1.50	67%								
Hollydale Mixed Use-3	2.00	90%								
TOTAL			5.4	221,024.2	15.3	671,418.3	10.6	711,338.7	31.3	1,603,781.3

1. The Mid-term Scenario identifies parcels with a high likelihood for redevelopment, and determined as those parcels with improvement value to total value ratios of below 0.25. (ie. where the property structure constitutes less than one-quarter of the total property valuation).

Source: Stanley R. Hoffman Associates, Inc.

Table D-7
Estimated Net New Valuation
Tweedy Boulevard Specific Plan Area
(In 2016 Constant Dollars)

	TWEEDY WEST	TWEEDY MILE	TWEEDY EAST	TWEEDY BOULEVARD TOTAL
NEW DEVELOPMENT VALUATION ¹				
BUILDOUT SCENARIO ²				
Residential	\$128,810,000	\$552,540,000	\$205,260,000	\$886,610,000
Non-Residential	<u>\$131,020,261</u>	<u>\$438,630,760</u>	<u>\$204,364,914</u>	<u>\$774,015,935</u>
TOTAL	\$259,830,261	\$991,170,760	\$409,624,914	\$1,660,625,935
MID-TERM SCENARIO ³				
Residential	\$24,850,000	\$85,660,000	\$22,450,000	\$132,960,000
Non-Residential	<u>\$40,404,436</u>	<u>\$121,191,011</u>	<u>\$88,188,907</u>	<u>\$249,784,354</u>
TOTAL	\$65,254,436	\$206,851,011	\$110,638,907	\$382,744,354
EXISTING VALUATION ⁴				
BUILDOUT SCENARIO ²				
Residential	\$47,546,760	\$222,020,027	\$133,370,243	\$402,937,030
Non-Residential	<u>\$41,923,161</u>	<u>\$125,721,816</u>	<u>\$27,856,138</u>	<u>\$195,501,115</u>
TOTAL	\$89,469,921	\$347,741,843	\$161,226,381	\$598,438,145
MID-TERM SCENARIO ³				
Residential	\$4,431,970	\$16,393,542	\$8,649,774	\$29,475,286
Non-Residential	<u>\$15,887,609</u>	<u>\$13,388,896</u>	<u>\$9,525,347</u>	<u>\$38,801,852</u>
TOTAL	\$20,319,579	\$29,782,438	\$18,175,121	\$68,277,138
NET NEW VALUATION ⁵				
BUILDOUT SCENARIO ²				
Residential	\$81,263,240	\$330,519,973	\$71,889,757	\$483,672,970
Non-Residential	<u>\$89,097,100</u>	<u>\$312,908,944</u>	<u>\$176,508,776</u>	<u>\$578,514,820</u>
TOTAL	\$170,360,340	\$643,428,917	\$248,398,533	\$1,062,187,790
MID-TERM SCENARIO ³				
Residential	\$20,418,030	\$69,266,458	\$13,800,226	\$103,484,714
Non-Residential	<u>\$24,516,827</u>	<u>\$107,802,115</u>	<u>\$78,663,560</u>	<u>\$210,982,502</u>
TOTAL	\$44,934,857	\$177,068,573	\$92,463,786	\$314,467,216

1. New development valuation is the total valuation of new use that replaces any old use on recycled parcels.

2. The Buildout Scenario is the hypothetical maximum development potential for the specific plan areas assuming that all parcels within these areas are redeveloped.

3. The Mid-term Scenario identifies parcels with a high likelihood for redevelopment, and determined as those parcels with improvement value to total value ratios of below 0.25.
 (ie. where the property structure constitutes less than one-quarter of the total property valuation).

4. This is the total valuation of parcels identified for redevelopment in their current use prior to redevelopment.

5. Net new valuation of recycled parcels is the difference between the new development valuation and the existing valuation of recycled parcels.

Source: Stanley R. Hoffman Associates, Inc.

**APPENDIX E
HOLLYDALE DEVELOPMENT AND VALUATION ASSUMPTIONS**

This appendix presents the land use development and valuation estimates for both the Hollydale Buildout and Mid-term scenario by the hypothetical forecast year of 2040. The Mid-term scenario identifies parcels with a high likelihood for redevelopment using a criterion where the improvement value to total value, i.e., land value plus improvement value of the parcel, is below a ratio of 0.25. In essence, the property is assumed to be underdeveloped where the value of the structural improvements is significantly less than the underlying land value.

Within the Hollydale Village Specific Plan area, three commercial mixed use categories are defined. As shown in Table E-1, within the Hollydale Mixed Use-1 category, building space is allocated 40 percent to Retail, 15 percent to Restaurant and the remaining 45 percent among general Office, Medical Office and Service uses. Within the Hollydale Mixed Use-2 category, building space is allocated 30 percent to Retail, 10 percent to Restaurant and the remaining 60 percent among general Office, Medical Office and Service uses. And within the Hollydale Mixed-Use 3 category, building space is allocated 40 percent to Retail, 10 percent to Restaurant and the remaining 50 percent among general Office, Medical Office and Service uses.

E.1 Development Estimates

Buildout Acreage Estimates. As shown in Table E-2, the Hollydale Village Specific Plan acreage by land use totals 217.1 acres for the Buildout scenario. No Civic uses have been identified, but when 1.5 acres of Open Space are excluded, there are an estimated 215.6 acres of potential private development.

Mid-term Residential Unit Estimates. Also, as shown in Table E-2, the Hollydale Village Specific Plan acreage by land use total is significantly less at 34.3 for the Mid-term scenario. Again, no Civic uses have been identified, but when 1.5 acres of Open Space are excluded, there are an estimated 32.8 acres of potential private development.

Buildout Residential Unit Estimates. The estimate of residential units for Buildout within the Hollydale Village Specific Plan area is presented in Table E-3 and is estimated at 1,854 units. For the total estimated units of 1,854, about 45 percent is estimated in the Neighborhood Low and Medium categories and about 55 percent is estimated within the three Hollydale Mixed Use categories that can include a combination of retail, restaurant and general office, medical office and service uses.

Buildout Non-Residential Estimates. The estimated non-residential square footages for Buildout by land use types are presented in Table E-4 and total about 4,569,292 sq. ft. Of this total, the bulk of the square footage, or about 62 percent, is allocated for light industrial, light manufacturing and Corridor-3 industrial uses, with the remaining 38 percent allocated for Mixed Uses. The mixed use allocation percentages were previously shown in Table E-1.

Mid-Term Residential Unit Estimates. The estimate of residential units for the Mid-term scenario within the Hollydale Village Specific Plan area is presented in Table E-5 and is estimated at only

277 units. For the total estimated units of 277, only 38 percent are estimated in the Neighborhood Low and Medium categories and 62 percent are estimated within the Mixed Use categories of retail, restaurant and general office, medical office and service uses.

Mid-Term Non-Residential Estimates. The estimated non-residential square footages for the Mid-Term scenario by land use types are presented in Table E-6 and total about 933,906 sq. ft. Of this total, about 70 percent is estimated for light industrial, light manufacturing, and Corridor-3 industrial uses, with the remaining 30 percent allocated for Mixed Uses.

E.2 Valuation Estimates

The estimated Net New Development Valuation for Hollydale is presented in Table E-7. Net New Valuation is the difference between New Development Valuation, as redevelopment occurs, and Existing Valuation. These estimates are shown in constant 2016 dollars.

Buildout Valuation Estimates. As shown in Table E-7, the net new valuation increase is estimated for Buildout development potential by the forecast year 2040 at about \$707.7 million with about 30 percent within residential uses and 70 percent within non-residential uses.

Mid-term Valuation Estimates. Also shown in Table E-7, the net new valuation increase is estimated for Mid-term development potential by the forecast year 2040 at about \$143.4 million with about 24 percent within residential uses and 76 percent within non-residential uses.

Table E-1
Mixed Use Commercial Allocations
Hollydale Village Specific Plan Area

Hollydale Mixed Use-1	Hollydale Mixed Use-1	Hollydale Mixed Use-2	Hollydale Mixed Use-3
Retail	40%	30%	40%
Restaurant	15%	10%	10%
Office, Medical Office and Service	45%	60%	50%

Source: Stanley R. Hoffman Associates, Inc.
The Arroyo Group

Table E-2
Parcel Acres - Buildout and Mid-term Scenarios
Hollydale Village Specific Plan Area

LAND USE CODE	DESCRIPTION	HOLLYDALE	
		BUILDOUT SCENARIO ¹	MID-TERM SCENARIO ²
CDR3	Corridor-3	22.2	5.1
CV	Civic		
HMU1	Hollydale Mixed Use-1	12.9	2.7
HMU2	Hollydale Mixed Use-2	15.7	3.7
HMU3	Hollydale Mixed Use-3	7.1	0.2
LI	Light Industrial		
M2	Light Manufacturing	21.4	5.0
NL	Neighborhood Low	125.5	14.6
NM	Neighborhood Medium	10.7	1.6
OS	Open Space	1.5	1.5
TMU1	Tweedy Mixed Use - 1		
TMU2	Tweedy Mixed Use - 2		
	TOTAL	217.1	34.3

1. The Buildout Scenario is the hypothetical maximum development potential for the Specific Plan area assuming that all parcels redevelop.
2. The Mid-term Scenario identifies parcels with a high likelihood for redevelopment, estimated as those parcels with improvement value to total value ratios of below 0.25. (ie., where the property structure improvements constitutes less than one-quarter of the total property valuation).

Table E-3
Residential Acreage & Units – Buildout Scenario
Hollydale Village Specific Plan Area

DESCRIPTION	RESIDENTIAL Units per Acre	Land Parcel Allocation	HOLLYDALE	
			ACRES	UNITS
RESIDENTIAL				
Neighborhood Low	5	100%	125.5	627
Neighborhood Medium	20.0	100%	10.7	215
MIXED USE				
Tweedy Mixed Use - 1	20.0	100%		
Tweedy Mixed Use - 2	30.0	100%		
Hollydale Mixed Use-1	20.0	100%	12.9	257
Hollydale Mixed Use-2	30.0	100%	15.7	472
Hollydale Mixed Use-3	40.0	100%	7.1	283
	TOTAL		171.9	1,854

1. The Buildout Scenario assumes that all parcels in the specific plans redevelop.

Source: Stanley R. Hoffman Associates, Inc.

Table E-4
Non-Residential Acreage & Square Feet – Buildout Scenario
Hollydale Village Specific Plan Area

DESCRIPTION	Floor Area Ratio	Land Parcel Allocation	HOLLYDALE	
			ACRES	SQUARE FEET
NON-RESIDENTIAL				
Corridor-3	1.00	100%	22.2	969,069.4
Light Industrial	1.00	100%		
Light Manufacturing	2.00	100%	21.4	1,863,135.2
MIXED USE				
Tweedy Mixed Use - 1	1.25	70%		
Tweedy Mixed Use - 2	1.50	67%		
Hollydale Mixed Use-1	1.25	70%	12.9	490,071.9
Hollydale Mixed Use-2	1.50	67%	15.7	692,955.5
Hollydale Mixed Use-3	2.00	90%	7.1	554,059.5
	TOTAL		79.3	4,569,291.5

1. The Build-out Scenario assumes that all parcels in the specific plans redevelop.

Source: Stanley R. Hoffman Associates, Inc.

**Table E-5
Residential Acreage & Units - Mid-term Scenario
Hollydale Village Specific Plan Area**

DESCRIPTION	RESIDENTIAL Units per Acre	Land Parcel Allocation	HOLLYDALE	
			ACRES	UNITS
RESIDENTIAL				
Neighborhood Low	5	100%	14.6	73
Neighborhood Medium	20	100%	1.6	32
MIXED USE				
Tweedy Mixed Use - 1	20	100%		
Tweedy Mixed Use - 2	30	100%		
Hollydale Mixed Use-1	20	100%	2.7	55
Hollydale Mixed Use-2	30	100%	3.7	110
Hollydale Mixed Use-3	40	100%	0.2	7
	TOTAL		22.8	277

1. The Mid-term Scenario identifies parcels with a high likelihood for redevelopment, and determined as those parcels with improvement value to total value ratios of below 0.25. (ie. where the property structure constitutes less than one-quarter of the total property valuation).

Source: Stanley R. Hoffman Associates, Inc.

**Table E-6
Non Residential Acreage & Square Feet – Mid-term Scenario
Hollydale Village Specific Plan Area**

DESCRIPTION	Floor Area Ratio	Land Parcel Allocation	HOLLYDALE	
			ACRES	SQUARE FEET
NON-RESIDENTIAL				
Corridor-3	1.00	100%	5.06	220,383.3
Light Industrial	1.00	100%		
Light Manufacturing	2.00	100%	4.99	434,463.6
MIXED USE				
Tweedy Mixed Use - 1	1.25	70%		
Tweedy Mixed Use - 2	1.50	67%		
Hollydale Mixed Use-1	1.25	70%	2.75	104,510.4
Hollydale Mixed Use-2	1.50	67%	3.66	161,148.7
Hollydale Mixed Use-3	2.00	90%	0.17	13,400.1
	TOTAL		16.6	933,906.1

1. The Mid-term Scenario identifies parcels with a high likelihood for redevelopment, and determined as those parcels with improvement value to total value ratios of below 0.25. (ie. where the property structure constitutes less than one-quarter of the total property valuation).

Source: Stanley R. Hoffman Associates, Inc.

Table E-7
Estimated Net New Valuation
Hollydale Village Specific Plan Area

NEW DEVELOPMENT VALUATION ¹	HOLLYDALE
BUILDOUT SCENARIO ²	
Residential	\$427,420,000
Non-Residential	\$610,882,659
TOTAL	\$1,038,302,659
MID-TERM SCENARIO ³	
Residential	\$59,090,000
Non-Residential	<u>\$118,995,737</u>
TOTAL	\$178,085,737
EXISTING VALUATION ⁴	
BUILDOUT SCENARIO ²	
Residential	\$213,144,645
Non-Residential	<u>\$117,454,616</u>
TOTAL	\$330,599,261
MID-TERM SCENARIO ³	
Residential	\$25,031,964
Non-Residential	<u>\$9,629,347</u>
TOTAL	\$34,661,311
NET NEW VALUATION ⁵	
BUILDOUT SCENARIO ²	
Residential	\$214,275,355
Non-Residential	<u>\$493,428,043</u>
TOTAL	\$707,703,398
MID-TERM SCENARIO ³	
Residential	\$34,058,036
Non-Residential	<u>\$109,366,390</u>
TOTAL	\$143,424,426

1. New development valuation is the total valuation of new use that replaces any old use on recycled parcels. assuming that all parcels within these areas are redeveloped.
3. The Mid-term Scenario identifies parcels with a high likelihood for redevelopment, and determined as those parcels with improvement value to total value ratios of below 0.25.
(ie. where the property structure constitutes less than one-quarter of the total property valuation).
4. This is the total valuation of parcels identified for redevelopment in their current use prior to redevelopment.
5. Net new valuation of recycled parcels is the difference between the new development valuation and the exiting valuation of recycled parcels.

Source: Stanley R. Hoffman Associates, Inc.

APPENDIX F
TWEEDY BOULEVARD PROPERTY TAX IN-LIEU OF VLF PROJECTION

F.1 Use of Property Tax In-Lieu of Motor Vehicle License Fees (*PTIL_VLF*)

The EIFD legislation authorizes the use of incremental *PTIL-VLF* revenues for purpose of financing approved public infrastructure in that District. In the 2004 California State budget, the State legislature included a permanent reduction of the vehicle license fee (VLF) rate from 2% to 0.65%. This reduction was previously allocated to cities and counties through a VLF backfill that was eliminated in the 2004 budget and replaced with a like amount of property tax, dollar-for-dollar, from the county's Educational Revenue Allocation Fund (ERAF). The subsequent property tax in lieu of VLF or "VLF Adjustment Amount" increases annually in proportion to the growth in assessed valuation in each jurisdiction.

This provision is included in the EIFD legislation – Senate Bill 628 – in Article 3. Division of Taxes, Section 53398.75 that reads:

(e) (1) That portion of any ad valorem property tax revenue annually allocated to a city or county pursuant to Section 97.70 of the Revenue and Taxation Code that is specified in the adopted infrastructure financing plan for the city or county that has agreed to participate pursuant to Section 53398.68, and that corresponds to the increase in the assessed valuation of taxable property shall be allocated to, and when collected shall be apportioned to a special fund of the district for all lawful purposes of the district.

Section 97.70 of the California Revenue and Taxation Code mentioned in the legislation refers to the allocation of property tax revenues in-lieu of VLF and states:

The auditor shall reduce the total amount of ad valorem property tax revenue that is otherwise required to be allocated to a county's Educational Revenue Augmentation Fund by the countywide vehicle license fee adjustment amount.

The use of this revenue source in addition to the increase in the property tax increment for infrastructure financing is subject to a policy decision by the South Gate City Council. This appendix presents several alternative *PTIL-VLF* projections and discusses the possible use of a portion of these projected funds in the EIFD for the purpose of financing public infrastructure.

F.2 Projected Increase in *PTIL-VLF*

A hypothetical projection of property tax in-lieu of motor vehicle license fee (*PTIL-VLF*) revenue for Tweedy Boulevard is presented in Table F-1 for the Scenario 1–Buildout that the estimated assessed property value will increase at an average of about \$53.1 million per year for twenty (20) years in constant 2016 dollars; Table F-2 presents the Scenario 2–Mid-Term that the estimated assessed property value will increase at an average of about \$15.7 million per year for twenty (20) years in constant 2016 dollars. For illustration purposes, each of these scenarios assumes a modest escalation factor of 2% per year for the increase in *PTIL-VLF* over this twenty year period.

The projected increase in *PTIL-VLF* is based on a factor of \$1,690 per million dollar increase in assessed valuation and is shown in Table F-3. From South Gate's budget information, this factor

is based on increases in citywide Vehicle License Fee revenues and citywide assessed valuation over the period from fiscal year 2011-12 to fiscal year 2014 to 2015.

As shown in Table F-1, the increase in *PTIL-VLF* grows from an estimated \$89,755 in year 1 to about \$1.8 million in constant 2016 dollars and about \$2.6 million in escalated dollars by year 20. These are annual revenues that cumulatively grow from a combined increase in new development and inflation. As shown in Table F-2, the increase in *PTIL-VLF* grows from an estimated \$26,572 in year 1 to about \$531,450 in constant 2016 dollars and \$774,222 in escalated dollars by year 20.

F.3 Allocation of Projected *PTIL-VLF* to Public Infrastructure Financing

This illustration shows the full effect of the projected growth in *PTIL-VLF* under two scenarios. As mentioned earlier, the allocation of the incremental *PTIL-VLF* is subject to a policy decision by the South Gate City Council and they may choose to use some or all of its financing capacity.

As shown in Table F-4, the bond generation factor of 8.72 estimates that for every \$1.00 dollar increase of property tax increment, an estimated \$8.72 of bond amount is generated based on the bond assumptions as shown previously in the EIFD analysis. For Scenario 1, \$1,795,097 of *PTIL-VLF* capacity is generated in constant 2016 dollars by year 20, as shown in Table F-4. This generates about \$15.7 million of bonding capacity.

For Scenario 2, where \$531,450 of *PTIL-VLF* capacity is generated in constant 2016 dollars by year 20, as shown in Table F-4. This generates about \$4.6 million of bonding capacity.

Table F-1
 Projected Property Tax in-Lieu of Vehicle License Fee (PTIL-VLF)¹
 At Projected Increase of \$83.03 Million in Assessed Valuation per Year
 For Tweedy Boulevard Scenario 1 - Buildout
 (In 2016 Constant Dollars and Escalated 2% per Year)

No.	Year	Projected Annual Property Assessed Value Increase in 2016 \$'s	Projected Cumulative Property Assessed Value Increase in 2016 \$'s	Projected PTIL-VLF in 2016 \$'s	Projected PTIL-VLF escalated at 2% per Year
				<i>PTIL-VLF Factor</i> ¹	<i>\$1,690</i>
					<i>2.0%</i>
1	FY 2021	\$53,109,390	\$53,109,390	\$89,755	\$89,755
2	FY 2022	\$53,109,390	\$106,218,780	\$179,510	\$183,100
3	FY 2023	\$53,109,390	\$159,328,170	\$269,265	\$280,143
4	FY 2024	\$53,109,390	\$212,437,560	\$359,019	\$380,994
5	FY 2025	\$53,109,390	\$265,546,950	\$448,774	\$485,768
6	FY 2026	\$53,109,390	\$318,656,340	\$538,529	\$594,580
7	FY 2027	\$53,109,390	\$371,765,730	\$628,284	\$707,550
8	FY 2028	\$53,109,390	\$424,875,120	\$718,039	\$824,801
9	FY 2029	\$53,109,390	\$477,984,510	\$807,794	\$946,459
10	FY 2030	\$53,109,390	\$531,093,900	\$897,549	\$1,072,654
11	FY 2031	\$53,109,390	\$584,203,290	\$987,304	\$1,203,518
12	FY 2032	\$53,109,390	\$637,312,680	\$1,077,058	\$1,339,187
13	FY 2033	\$53,109,390	\$690,422,070	\$1,166,813	\$1,479,801
14	FY 2034	\$53,109,390	\$743,531,460	\$1,256,568	\$1,625,505
15	FY 2035	\$53,109,390	\$796,640,850	\$1,346,323	\$1,776,445
16	FY 2036	\$53,109,390	\$849,750,240	\$1,436,078	\$1,932,772
17	FY 2037	\$53,109,390	\$902,859,630	\$1,525,833	\$2,094,641
18	FY 2038	\$53,109,390	\$955,969,020	\$1,615,588	\$2,262,213
19	FY 2039	\$53,109,390	\$1,009,078,410	\$1,705,343	\$2,435,649
20	FY 2040	\$53,109,390	\$1,062,187,800	\$1,795,097	\$2,615,118

1. Property Tax-In Lieu of Vehicle License Fee (PTIL-VLF) factor equals: \$1,690 increase per \$1,000,000 increase in assessed valuation (AV).

Source: Stanley R. Hoffman Associates, Inc.

Table F-2
 Projected Property Tax in-Lieu of Vehicle License Fee (PTIL-VLF)¹
 At Projected Increase of \$15.7 Million in Assessed Valuation per Year
 For Tweedy Boulevard Scenario 2 – Mid-Term
 (In 2016 Constant Dollars and Escalated 2% per Year)

No.	Year	Projected Annual Property Assessed Value Increase in 2016 \$'s	Projected Cumulative Property Assessed Value Increase in 2016 \$'s	Projected PTIL-VLF in constant 2016 \$'s	Projected PTIL-VLF escalated at 2% per Year
				\$1,690	2.0%
1	FY 2021	\$15,723,361	\$15,723,361	\$26,572	\$26,572
2	FY 2022	\$15,723,361	\$31,446,722	\$53,145	\$54,208
3	FY 2023	\$15,723,361	\$47,170,083	\$79,717	\$82,938
4	FY 2024	\$15,723,361	\$62,893,444	\$106,290	\$112,796
5	FY 2025	\$15,723,361	\$78,616,805	\$132,862	\$143,815
6	FY 2026	\$15,723,361	\$94,340,166	\$159,435	\$176,029
7	FY 2027	\$15,723,361	\$110,063,527	\$186,007	\$209,474
8	FY 2028	\$15,723,361	\$125,786,888	\$212,580	\$244,187
9	FY 2029	\$15,723,361	\$141,510,249	\$239,152	\$280,205
10	FY 2030	\$15,723,361	\$157,233,610	\$265,725	\$317,566
11	FY 2031	\$15,723,361	\$172,956,971	\$292,297	\$356,309
12	FY 2032	\$15,723,361	\$188,680,332	\$318,870	\$396,474
13	FY 2033	\$15,723,361	\$204,403,693	\$345,442	\$438,104
14	FY 2034	\$15,723,361	\$220,127,054	\$372,015	\$481,241
15	FY 2035	\$15,723,361	\$235,850,415	\$398,587	\$525,927
16	FY 2036	\$15,723,361	\$251,573,776	\$425,160	\$572,209
17	FY 2037	\$15,723,361	\$267,297,137	\$451,732	\$620,131
18	FY 2038	\$15,723,361	\$283,020,498	\$478,305	\$669,742
19	FY 2039	\$15,723,361	\$298,743,859	\$504,877	\$721,089
20	FY 2040	\$15,723,361	\$314,467,220	\$531,450	\$774,222

1. Property Tax-In Lieu of Vehicle License Fee (PTIL-VLF) factor equals:
 \$1,690 increase per \$1,000,000 increase in assessed valuation (AV).

Source: Stanley R. Hoffman Associates, Inc.

Table F-3
Estimated Property Tax-in Lieu of VLF Factor for Incremental Growth
City of South Gate

Fiscal Year	Property Tax in Lieu of Vehicle License Fee (PTIL-VLF)	Assessed Valuation (AV)	MVLF per \$1,000,000 AV ¹
2011-2012	\$7,686,408	\$4,559,456,000	\$1,690
2012-2013	\$7,807,982	\$4,627,164,000	\$1,690
2013-2014	\$7,986,523	\$4,737,463,000	\$1,690
2014-2015	\$8,350,797	\$4,953,525,000	\$1,690
Average			\$1,690

Note: 1. The estimated PTIL-VLF increase per \$1,000,000 AV is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.
City of South Gate, *Adopted Budget, Fiscal Year 2015-16*
City of South Gate, Director of Administrative Services

Table F-4
 Estimated Range of Bonding Capacity from Use of PTIL_VLF
 Tweedy Boulevard Specific Plan Area Scenarios
 (In 2016 constant dollars)

Projected Scenarios	Estimated Bond Generation Factor ²	Estimated Property Tax and Bond Amounts for Tweedy Blvd.
<u>Bond Generation Factor</u>		
Estimated Property Tax	\$667,054	
Estimated Bond Amount	\$5,814,803	
Factor	8.72	
 <u>Scenario 1 - Buildout³</u>		
Estimated Property Tax In-Lieu of VLF		\$1,795,097
Estimated Bond Amount		\$15,653,249
 <u>Scenario 2 - Mid-Term⁴</u>		
Estimated Property Tax In-Lieu of VLF		\$531,450
Estimated Bond Amount		\$4,634,241

-
1. PTIL-VLF is an acronym for Property Tax-In Lieu of Vehicle License Fees.
 2. This factor provides the relationship between projected property tax revenues and bond amount generated based on the assumptions presented in Table A-6.
 3. Scenario 1 represents the projected increase in assessed valuation by Year 20 in constant 2016 dollars, as presented in Table F-1.
 4. Scenario 2 represents the projected increase in assessed valuation by Year 20 in constant 2016 dollars, as presented in Table F-2.

Source: Stanley R. Hoffman Associates, Inc.

APPENDIX G
HOLLYDALE GENERAL FUND REVENUE ANALYSIS

G.1 Use of Property Tax In-Lieu of Motor Vehicle License Fees (*PTIL_VLF*)

The EIFD legislation authorizes the use of incremental *PTIL-VLF* revenues for purpose of financing approved public infrastructure in that District. In the 2004 California State budget, the State legislature included a permanent reduction of the vehicle license fee (VLF) rate from 2% to 0.65%. This reduction was previously allocated to cities and counties through a VLF backfill that was eliminated in the 2004 budget and replaced with a like amount of property tax, dollar-for-dollar, from the county's Educational Revenue Allocation Fund (ERAF). The subsequent property tax in lieu of VLF or "VLF Adjustment Amount" increases annually in proportion to the growth in assessed valuation in each jurisdiction.

This provision is included in the EIFD legislation – Senate Bill 628 – in Article 3. Division of Taxes, Section 53398.75 that reads:

(e) (1) That portion of any ad valorem property tax revenue annually allocated to a city or county pursuant to Section 97.70 of the Revenue and Taxation Code that is specified in the adopted infrastructure financing plan for the city or county that has agreed to participate pursuant to Section 53398.68, and that corresponds to the increase in the assessed valuation of taxable property shall be allocated to, and when collected shall be apportioned to a special fund of the district for all lawful purposes of the district.

Section 97.70 of the California Revenue and Taxation Code mentioned in the legislation refers to the allocation of property tax revenues in-lieu of VLF and states:

The auditor shall reduce the total amount of ad valorem property tax revenue that is otherwise required to be allocated to a county's Educational Revenue Augmentation Fund by the countywide vehicle license fee adjustment amount.

The use of this revenue source in addition to the increase in the property tax increment for infrastructure financing is subject to a policy decision by the South Gate City Council. This appendix presents several alternative *PTIL-VLF* projections and discusses the possible use of a portion of these projected funds in the EIFD for the purpose of financing public infrastructure.

G.2 Projected Increase in *PTIL-VLF*

A hypothetical projection of property tax in-lieu of motor vehicle license fee (*PTIL-VLF*) revenue for the Hollydale Village Specific Plan Area is presented in Table G-1 for the Scenario 1–Buildout that the estimated assessed property value will increase at an average of about \$35.39 million per year for twenty (20) years in constant 2016 dollars; Table G-2 presents the Scenario 2–Mid-Term that the estimated assessed property value will increase at an average of about \$7.17 million per year for twenty (20) years in constant 2016 dollars. For illustration purposes, each of these scenarios assumes a modest escalation factor of 2% per year for the increase in *PTIL-VLF* over this twenty year period.

The projected increase in *PTIL-VLF* is based on a factor of \$1,690 per million dollar increase in assessed valuation and is shown in Table G-3. From South Gate's budget information, this factor

is based on increases in citywide Vehicle License Fee revenues and citywide assessed valuation over the period from fiscal year 2011-12 to fiscal year 2014 to 2015.

As shown in Table G-1, the increase in *PTIL-VLF* grows from an estimated \$59,801 in year 1 to about \$1,196,019 in constant 2016 dollars and about \$1,742,373 in escalated dollars by year 20. These are annual revenues that cumulatively grow from a combined increase in new development and inflation. As shown in Table G-2, the increase in *PTIL-VLF* grows from an estimated \$12,119 in year 1 to about \$242,387 in constant 2016 dollars and \$353,112 in escalated dollars by year 20.

G.3 Allocation of Projected *PTIL-VLF* to Public Infrastructure Financing

This illustration shows the full effect of the projected growth in *PTIL-VLF* under two scenarios. As mentioned earlier, the allocation of the incremental *PTIL-VLF* is subject to a policy decision by the South Gate City Council and they may choose to use some or all of its financing capacity.

As shown in Table G-4, the bond generation factor of 8.72 estimates that for every \$1.00 dollar increase of property tax increment, an estimated \$8.72 of bond amount is generated based on the bond assumptions as shown previously in the EIFD analysis. For Scenario 1, \$1,196,019 of *PTIL-VLF* capacity is generated in constant 2016 dollars by year 20, as shown in Table G-4. This generates about \$10.4 million of bonding capacity.

For Scenario 2, where \$242,387 of *PTIL-VLF* capacity is generated in constant 2016 dollars by year 20, as shown in Table G-4. This generates about \$2.1 million of bonding capacity.

Table G-1
 Projected Property Tax in-Lieu of Vehicle License Fee (PTIL-VLF)¹
 At Projected Increase of \$35.4 Million in Assessed Valuation per Year
 For Hollydale Scenario 1 - Buildout
 (In 2016 Constant Dollars and Escalated 2% per Year)

No.	Year	Projected Annual Property Assessed Value Increase in 2016 \$'s	Projected Cumulative Property Assessed Value Increase in 2016 \$'s	Projected PTIL-VLF in 2016 \$'s	Projected PTIL- VLF escalated at 2% per Year
				\$1,690	2.0%
					<i>PTIL-VLF Factor</i> ¹
1	FY 2021	\$35,385,170	\$35,385,170	\$59,801	\$59,801
2	FY 2022	\$35,385,170	\$70,770,340	\$119,602	\$121,994
3	FY 2023	\$35,385,170	\$106,155,510	\$179,403	\$186,651
4	FY 2024	\$35,385,170	\$141,540,680	\$239,204	\$253,845
5	FY 2025	\$35,385,170	\$176,925,850	\$299,005	\$323,652
6	FY 2026	\$35,385,170	\$212,311,020	\$358,806	\$396,150
7	FY 2027	\$35,385,170	\$247,696,190	\$418,607	\$471,419
8	FY 2028	\$35,385,170	\$283,081,360	\$478,407	\$549,540
9	FY 2029	\$35,385,170	\$318,466,530	\$538,208	\$630,597
10	FY 2030	\$35,385,170	\$353,851,700	\$598,009	\$714,677
11	FY 2031	\$35,385,170	\$389,236,870	\$657,810	\$801,867
12	FY 2032	\$35,385,170	\$424,622,040	\$717,611	\$892,259
13	FY 2033	\$35,385,170	\$460,007,210	\$777,412	\$985,947
14	FY 2034	\$35,385,170	\$495,392,380	\$837,213	\$1,083,024
15	FY 2035	\$35,385,170	\$530,777,550	\$897,014	\$1,183,591
16	FY 2036	\$35,385,170	\$566,162,720	\$956,815	\$1,287,747
17	FY 2037	\$35,385,170	\$601,547,890	\$1,016,616	\$1,395,596
18	FY 2038	\$35,385,170	\$636,933,060	\$1,076,417	\$1,507,243
19	FY 2039	\$35,385,170	\$672,318,230	\$1,136,218	\$1,622,799
20	FY 2040	\$35,385,170	\$707,703,400	\$1,196,019	\$1,742,373

1. Property Tax-In Lieu of Vehicle License Fee (PTIL-VLF) factor equals:
 \$1,690 increase per \$1,000,000 increase in assessed valuation (AV).

Source: Stanley R. Hoffman Associates, Inc.

Table G-2
 Projected Property Tax in-Lieu of Vehicle License Fee (PTIL-VLF)¹
 At Projected Increase of \$7.2 Million in Assessed Valuation per Year
 For Hollydale Scenario 2 – Mid-Term
 (In 2016 Constant Dollars and Escalated 2% per Year)

No.	Year	Projected Annual Property Assessed Value Increase in 2016 \$'s	Projected Cumulative Property Assessed Value Increase in 2016 \$'s	Projected PTIL-VLF in constant 2016 \$'s	Projected PTIL-VLF escalated at 2% per Year
				\$1,690	2.0%
		<i>PTIL-VLF Factor</i> ¹			
1	FY 2021	\$7,171,221	\$7,171,221	\$12,119	\$12,119
2	FY 2022	\$7,171,221	\$14,342,442	\$24,239	\$24,724
3	FY 2023	\$7,171,221	\$21,513,663	\$36,358	\$37,827
4	FY 2024	\$7,171,221	\$28,684,884	\$48,477	\$51,445
5	FY 2025	\$7,171,221	\$35,856,105	\$60,597	\$65,592
6	FY 2026	\$7,171,221	\$43,027,326	\$72,716	\$80,285
7	FY 2027	\$7,171,221	\$50,198,547	\$84,836	\$95,539
8	FY 2028	\$7,171,221	\$57,369,768	\$96,955	\$111,371
9	FY 2029	\$7,171,221	\$64,540,989	\$109,074	\$127,798
10	FY 2030	\$7,171,221	\$71,712,210	\$121,194	\$144,838
11	FY 2031	\$7,171,221	\$78,883,431	\$133,313	\$162,508
12	FY 2032	\$7,171,221	\$86,054,652	\$145,432	\$180,827
13	FY 2033	\$7,171,221	\$93,225,873	\$157,552	\$199,814
14	FY 2034	\$7,171,221	\$100,397,094	\$169,671	\$219,488
15	FY 2035	\$7,171,221	\$107,568,315	\$181,790	\$239,869
16	FY 2036	\$7,171,221	\$114,739,536	\$193,910	\$260,977
17	FY 2037	\$7,171,221	\$121,910,757	\$206,029	\$282,834
18	FY 2038	\$7,171,221	\$129,081,978	\$218,149	\$305,461
19	FY 2039	\$7,171,221	\$136,253,199	\$230,268	\$328,879
20	FY 2040	\$7,171,221	\$143,424,420	\$242,387	\$353,112

1. Property Tax-In Lieu of Vehicle License Fee (PTIL-VLF) factor equals:
 \$1,690 increase per \$1,000,000 increase in assessed valuation (AV).

Source: Stanley R. Hoffman Associates, Inc.

Table G-3
Estimated Property Tax-in Lieu of VLF Factor for Incremental Growth
City of South Gate

Fiscal Year	Property Tax in Lieu of Vehicle License Fee (PTIL-VLF)	Assessed Valuation (AV)	MVLF per \$1,000,000 AV ¹
2011-2012	\$7,686,408	\$4,559,456,000	\$1,690
2012-2013	\$7,807,982	\$4,627,164,000	\$1,690
2013-2014	\$7,986,523	\$4,737,463,000	\$1,690
2014-2015	\$8,350,797	\$4,953,525,000	\$1,690
Average			\$1,690

Note: 1. The estimated PTIL-VLF increase per \$1,000,000 AV is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.
City of South Gate, *Adopted Budget, Fiscal Year 2015-16*
City of South Gate, Director of Administrative Services

Table G-4
 Estimated Range of Bonding Capacity from Use of PTIL_VLF
 Hollydale Village Specific Plan Area Scenarios
 (In 2016 constant dollars)

Projected Scenarios	Estimated Bond Generation Factor ²	Estimated Property Tax and Bond Amounts for Tweedy Blvd.
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Bond Generation Factor

Estimated Property Tax	\$440,899	
Estimated Bond Amount	\$3,843,380	
Factor	8.72	

Scenario 1 - Buildout³

Estimated Property Tax In-Lieu of VLF		\$1,196,019
Estimated Bond Amount		\$10,429,283

Scenario 2 - Mid-Term⁴

Estimated Property Tax In-Lieu of VLF		\$242,387
Estimated Bond Amount		\$2,113,617

-
1. PTIL-VLF is an acronym for Property Tax-In Lieu of Vehicle License Fees.
 2. This factor provides the relationship between projected property tax revenues and bond amount generated based on the assumptions presented in Table B-6.
 3. Scenario 1 represents the projected increase in assessed valuation by Year 20 in constant 2016 dollars, as presented in Table G-1.
 4. Scenario 2 represents the projected increase in assessed valuation by Year 20 in constant 2016 dollars, as presented in Table G-2.

Source: Stanley R. Hoffman Associates, Inc.

**APPENDIX H
TWEEDY BOULEVARD SPECIFIC PLAN SOCIO-ECONOMIC ANALYSIS**

H.1 Projected Population, Households and Employment

The projected population, households and employment for the Mid-Term and the Buildout Scenarios are presented in Table H-1. The estimated population for 2015, shown in Panel A of Table H-1, is 11,923 with 2,912 households for the Tweedy Boulevard Specific Plan area. This represents an estimated persons per household ratio of 4.09. The estimated 2015 employment is 3,774, also for the Tweedy Boulevard Specific Plan area.

Based on the development estimates for the Mid-Term and Buildout Scenarios, as presented earlier in Appendix D, the net increase in population is projected at 3,094 for the Mid-Term Scenario and 4,252 for the Buildout Scenario, as shown in Panel B of Table H-1. The corresponding net increase in households is 756 and 1,038 for the two scenarios, respectively. The net increase in employment is also shown in Table H-1, Panel B, and is projected at 3,273 for the Mid-Term Scenario and 8,994 for the Buildout Scenario.

This results in a projected total population by year 2040 of 15,017 for the Mid-Term Scenario and 16,175 for the Buildout Scenario, as shown in Panel C of Table H-1. The corresponding households by 2040 range from 3,668 to 3,950 for the two scenarios, respectively. The total employment reaches 7,047 for the Mid-Term Scenario and 12,768 for the Buildout Scenario. It is interesting to note that the jobs per household ratio increases significantly from a ratio of 1.30 in 2015 to 1.92 by year 2040 for the Mid-Term Scenario and 3.23 for the Buildout Scenario. This result is due to a much larger increase in projected employment versus housing units in both of the scenarios, with the stronger employment growth relative to housing units exhibited in the Buildout Scenario.

H.2 Projected Net New Employment Development and Sales Tax

As shown in Table H-2, the net new employment development for Tweedy Boulevard is a result of projecting employment growth for parcels that are estimated to be redeveloped minus the existing employment on these same parcels in the base year. In Table H-2, the existing employment for the parcels identified to redevelop under the Mid-Term Scenario is estimated at 751. When this is subtracted from the projected employment of 4,024, the projected net increase in employment is 3,273, as shown in Table H-2, Panel C, for the Mid-Term Scenario. The projected net increase in sales tax from redevelopment of the commercial parcels is \$622,872, as shown in Table H-2, Panel C. For the Buildout Scenario, the projected net increase in employment is 8,994, as shown in Table H-2, Panel C. This is a result of the subtraction of the estimated existing employment of 3,774 from the projected employment at Buildout of the Tweedy Boulevard Specific Plan area of 12,768, as shown in Panels A and B of Table H-2. The projected net increase in sales tax from redevelopment of the commercial parcels is \$1,539,066, as shown in Table H-2, Panel C. The taxable sales per sq. ft. for future development in the

Specific Plan area is estimated as the mid-point between the estimate for Tweedy Boulevard and the El Paseo Center, rounded to \$150 per sq. ft., as shown in Table H-3.

Table H-1
Summary of Population, Households and Employment
Buildout and Mid-Term Scenarios
Tweedy Boulevard Specific Plan

Socio-Economic Categories	Mid-Term Scenario	Buildout Scenario
A. EXISTING BASELINE : 2015 EST		
Population	11,923	11,923
Housing Units	3,012	3,012
Households	2,912	2,912
Persons per Household	4.09	4.09
Commercial/Industrial Employment	3,774	3,774
Jobs per Household	1.30	1.30
B. PROJECTED NET INCREASE		
Population	3,094	4,252
Housing Units	779	1,060
Households	756	1,038
Persons per Household	4.09	4.09
Commercial/Industrial Employment	3,273	8,994
Jobs per Household	4.33	8.66
C. PROJECTED TOTAL: 2040		
Population	15,017	16,175
Housing Units	3,791	4,072
Households	3,668	3,950
Persons per Household	4.09	4.09
Commercial/Industrial Employment	7,047	12,768
Jobs per Household	1.92	3.23

Source: Stanley R. Hoffman Associates, Inc.

Table H-2
 Summary of Net New Development
 Buildout and Mid-Term Scenarios
 Tweedy Boulevard Specific Plan

DEVELOPMENT STAGES	MID-TERM SCENARIO	BUILDOUT SCENARIO
A. EXISTING DEVELOPMENT ON CHANGE PARCELS		
Commercial/Industrial Square Feet	298,876	1,055,900
Jobs	751	3,774
Taxable Sales	\$5,533,807	\$64,840,500
1 percent Sales Tax	\$55,338	\$648,405
B. PROJECTED DEVELOPMENT		
Commercial/Industrial Square Feet	1,603,781	4,844,959
Jobs	4,024	12,768
Taxable Sales	\$67,821,018	\$218,747,113
1 percent Sales Tax	\$678,210	\$2,187,471
C. PROJECTED NET INCREASE ON CHANGE PARCELS		
Commercial/Industrial Square Feet	1,304,905	3,789,059
Jobs	3,273	8,994
Taxable Sales	\$62,287,212	\$153,906,613
1 percent Sales Tax	\$622,872	\$1,539,066

Source: Stanley R. Hoffman Associates, Inc.

1. The Build-out Scenario represents the full redevelopment potential, while the Mid-Term Scenario is based on a less intensive estimate of development where the assumption is that market forces would not result in full redevelopment, but would focus on underdeveloped and older properties that are more likely to recycle to more productive uses.

Source: Stanley R. Hoffman Associates, Inc.

Table H-3
 Estimated Existing Sales Tax Generation Rates
 City of South Gate

Four Quarters	Sales Tax: 3Q 2014 - 2Q 2015		
	Tweedy Blvd	Azalea Center	El Paseo Center ¹
2Q 2015	\$159,782	\$381,211	\$90,544
1Q 2015	\$159,838	\$336,882	\$80,753
4Q 2014	\$171,725	\$383,907	\$90,846
3Q 2014	<u>\$157,060</u>	<u>\$315,677</u>	<u>\$64,997</u>
Total	\$648,405	\$1,417,677	\$327,140
Estimated Sq. Ft.	586,315	375,000	168,700
Sales Tax/Sq. Ft.	\$1.11	\$3.78	\$1.94
Taxable Sales/Sq. Ft. ²	\$111	\$378	\$194

1. The square footage for the El Paseo Center excludes the Edwards 20 Theater that is estimated 114,400 sq. ft.
2. The taxable sales per sq. ft. for future development in the Specific Plan area is estimated as the mid-point between the estimate for Tweedy Boulevard and the El Paseo Center, rounded to \$150 per sq. ft.

Source: Stanley R. Hoffman Associates, Inc.
 City of South Gate

**APPENDIX I
HOLLYDALE SPECIFIC PLAN SOCIO-ECONOMIC ANALYSIS**

I.1 Projected Population, Households and Employment

The projected population, households and employment for the Mid-Term and the Buildout Scenarios are presented in Table I-1. The estimated population for 2015, shown in Panel A of Table I-1, is 4,902 with 1,191 households for the Hollydale Village Specific Plan area. This represents an estimated persons per household ratio of 4.12. The estimated 2015 employment is 1,234, also for the Tweedy Boulevard Specific Plan area.

Based on the development estimates for the Mid-Term and Buildout Scenarios, as presented earlier in Appendix E, the net increase in population is projected at 1,099 for the Mid-Term Scenario and 2,451 for the Buildout Scenario, as shown in Panel B of Table I-1. The corresponding net increase in households is 267 and 595 for the two scenarios, respectively. The net increase in employment is also shown in Table I-1, Panel B, and is projected at 1,355 for the Mid-Term Scenario and 7,069 for the Buildout Scenario.

This results in a projected total population by year 2040 of 6,001 for the Mid-Term Scenario and 7,354 for the Buildout Scenario, as shown in Panel C of Table I-1. The corresponding households by 2040 range from 1,458 to 1,786 for the two scenarios, respectively. The total employment reaches 2,589 for the Mid-Term Scenario and 8,303 for the Buildout Scenario. It is interesting to note that the jobs per household ratio increases significantly from a ratio of 1.04 in 2015 to 1.78 by year 2040 for the Mid-Term Scenario and 4.65 for the Buildout Scenario. This result is due to a much larger increase in projected employment versus housing units in both of the scenarios, with the stronger employment growth relative to housing units exhibited in the Buildout Scenario.

I.2 Projected Net New Employment Development and Sales Tax

As shown in Table I-2, the net new employment development for Hollydale is a result of projecting employment growth for parcels that are estimated to be redeveloped minus the existing employment on these same parcels in the base year. In Table I-2, the existing employment for the parcels identified to redevelop under the Mid-Term Scenario is estimated at 187. When this is subtracted from the projected employment of 1,542, the projected net increase in employment is 1,355, as shown in Table I-2, Panel C, for the Mid-Term Scenario. The projected net increase in sales tax from redevelopment of the commercial parcels is \$158,809, as shown in Table I-2, Panel C. For the Buildout Scenario, the projected net increase in employment is 7,069, as shown in Table I-2, Panel C. This is a result of the subtraction of the estimated existing employment of 1,234 from the projected employment at Buildout of the Tweedy Boulevard Specific Plan area of 8,303, as shown in Panels A and B of Table I-2. The projected net increase in sales tax from redevelopment of the commercial parcels is \$1,044,879, as shown in Table I-2, Panel C. The taxable sales per sq. ft. for future development in the Specific Plan area is estimated as the mid-point between the estimate for Tweedy Boulevard and the El Paseo Center, rounded to \$150 per sq. ft., as shown in Table I-3.

Table I-1
 Summary of Population, Households and Employment
 Buildout and Mid-Term Scenarios
 Hollydale Village Specific Plan

Socio-Economic Categories	Mid-Term Scenario	Buildout Scenario
A. EXISTING BASELINE : 2015 EST		
Population	4,902	4,902
Housing Units	1,236	1,236
Households	1,191	1,191
Persons per Household	4.12	4.12
Commercial/Industrial Employment	1,234	1,234
Jobs per Household	1.04	1.04
B. PROJECTED NET INCREASE		
Population	1,099	2,451
Housing Units	277	618
Households	267	595
Persons per Household	4.12	4.12
Commercial/Industrial Employment	1,355	7,069
Jobs per Household	5.08	11.87
C. PROJECTED TOTAL: 2040		
Population	6,001	7,354
Housing Units	1,513	1,854
Households	1,458	1,786
Persons per Household	4.12	4.12
Commercial/Industrial Employment	2,589	8,303
Jobs per Household	1.78	4.65

Source: Stanley R. Hoffman Associates, Inc.

Table I-2
Summary of Net New Development
Buildout and Mid-Term Scenarios
Hollydale Village Specific Plan

	MID-TERM SCENARIO	BUILDOUT SCENARIO
A. EXISTING DEVELOPMENT ON CHANGE PARCELS		
Commercial/Industrial Square Feet	76,129	514,618
Jobs	187	1,234
Taxable Sales	\$3,415,126	\$19,074,873
1 percent Sales Tax	\$34,151	\$190,749
B. PROJECTED DEVELOPMENT		
Commercial/Industrial Square Feet	933,906	4,569,291
Jobs	1,542	8,303
Taxable Sales	\$19,296,035	\$123,562,727
1 percent Sales Tax	\$192,960	\$1,235,627
C. PROJECTED NET INCREASE ON CHANGE PARCELS		
Commercial/Industrial Square Feet	857,777	4,054,673
Jobs	1,355	7,069
Taxable Sales	\$15,880,909	\$104,487,854
1 percent Sales Tax	\$158,809	\$1,044,879

Source: Stanley R. Hoffman Associates, Inc.

1. The Build-out Scenario represents the full redevelopment potential, while the Mid-Term Scenario is based on a less intensive estimate of development where the assumption is that market forces would not result in full redevelopment, but would focus on underdeveloped and older properties that are more likely to recycle to more productive uses.

Source: Stanley R. Hoffman Associates, Inc.

Table I-3
 Estimated Existing Sales Tax Generation Rates
 City of South Gate

Four Quarters	Sales Tax: 3Q 2014 - 2Q 2015		
	Tweedy Blvd	Azalea Center	El Paseo Center ¹
2Q 2015	\$159,782	\$381,211	\$90,544
1Q 2015	\$159,838	\$336,882	\$80,753
4Q 2014	\$171,725	\$383,907	\$90,846
3Q 2014	<u>\$157,060</u>	<u>\$315,677</u>	<u>\$64,997</u>
Total	\$648,405	\$1,417,677	\$327,140
Estimated Sq. Ft.	586,315	375,000	168,700
Sales Tax/Sq. Ft.	\$1.11	\$3.78	\$1.94
Taxable Sales/Sq. Ft. ²	\$111	\$378	\$194

1. The square footage for the El Paseo Center excludes the Edwards 20 Theater that is estimated 114,400 sq. ft.
2. The taxable sales per sq. ft. for future development in the Specific Plan area is estimated as the mid-point between the estimate for Tweedy Boulevard and the El Paseo Center, rounded to \$150 per sq. ft.

Source: Stanley R. Hoffman Associates, Inc.
 City of South Gate

APPENDIX J
TWEEDY BOULEVARD SPECIFIC PLAN GENERAL FUND REVENUE ANALYSIS

This appendix presents the projected recurring revenues to the City General Fund for both the Tweedy Boulevard Buildout and Mid-Term scenarios.

J.1 Revenue Projection Basis

Projections for recurring property tax, property tax in lieu of vehicle license fees (VLF), and State sales tax and local sales tax are projected on a case study basis and have been presented in the earlier appendixes in this document. Other fiscal impacts are projected based on a per capita, per employee or per service population. Revenues impacted by both population and employment are projected on a service population basis, which represents population plus weighted employment where employment is weighted at 50 percent to represent the estimated less frequent generation of revenues from employment versus population.

Per capita, per employee and per service population revenue and cost factors were estimated by dividing the City of South Gate *Proposed Budget for Fiscal Year 2015 - 2016* categories by the City’s resident population, employment or total service population where appropriate. Table J-1 summarizes the projected increase in population, employment and service population for the Tweedy Boulevard Specific Plan area.

Table J-1
Summary of Population, Employment and Service Population Increase
Tweedy Boulevard Specific Plan Area Scenarios

Category	Tweedy Boulevard	
	Projected Net Increase	
	Mid-Term Scenario	Buildout Scenario
<u>Population</u>	3,094	4,252
<u>Employment</u>	3,273	8,994
<u>Service Population</u> ¹		
Population	3,094	4,252
Employment (@50% of total employment)	<u>1,637</u>	<u>4,497</u>
Total Service Population	4,731	8,749

Note: 1. The fiscal analysis defines service population as population plus employment, with employment weighted at 50% to account for the estimated less frequent use of City services by employment versus population.

Source: Stanley R. Hoffman Associates, Inc.

J.2 Projected Revenues

As shown in Table J-2 and Figure J-1, the increase in total recurring General Fund revenues for the Tweedy Boulevard Buildout Scenario resulting from the new development are projected at about \$6.1 million. The increase in recurring General Fund revenues for the Mid-Term Scenario are projected at about \$2.3 million. The top three recurring revenues for the Tweedy Boulevard Specific Plan are in-lieu property tax for Vehicle License Fees (VLF), State sales tax and local sales tax. These three revenues represent about 80 percent of the total projected revenues for the Buildout Scenario and about 76 percent of the total revenues projected for the Mid-Term Scenario.

Property tax is not projected to the General Fund because 100 percent of the property tax increment is assumed to be used for the Enhanced Infrastructure Financing District as presented in Appendix A. The full property tax increases are estimated at \$667,054 for the Buildout Scenario and \$197,485 for the Mid-Term Scenario of the Tweedy Boulevard Specific Plan area.

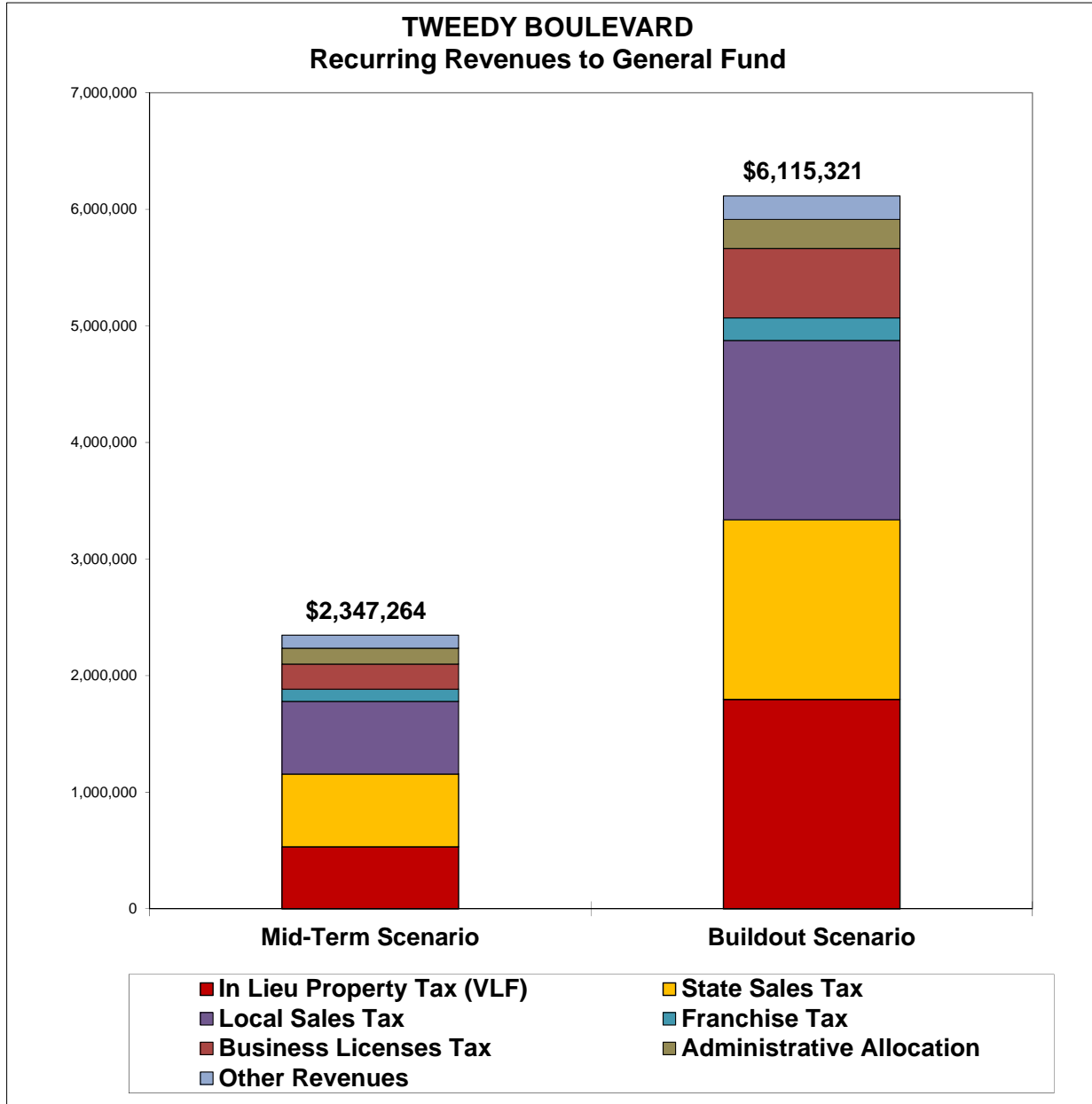
Table J-2
 Projected Recurring General Fund Revenues
 Tweedy Boulevard Specific Plan Area Scenarios
 (In 2016 constant dollars)

Category	Tweedy Boulevard			
	Amount		Percent of Total	
	Mid-Term Scenario	Buildout Scenario	Mid-Term Scenario	Buildout Scenario
Recurring Revenues				
Property Taxes ¹	\$0	\$0	0.0%	0.0%
In Lieu Property Tax (VLF)	531,450	1,795,097	22.6%	29.4%
State Sales Tax	623,651	1,540,990	26.6%	25.2%
Local Sales Tax	622,872	1,539,066	26.5%	25.2%
Franchise Tax	104,552	193,347	4.5%	3.2%
Business Licenses Tax	216,287	594,294	9.2%	9.7%
Administrative Allocation	135,823	251,176	5.8%	4.1%
Other Revenues	112,630	201,351	4.8%	3.3%
Total Projected Recurring Revenues	\$2,347,264	\$6,115,321	100.0%	100.0%

Note: 1. The property tax increment is assumed to be used for the Enhanced Infrastructure Financing District. The full property tax increase is estimated at \$667,054 for the Buildout Scenario and at \$197,485 for the Mid-Term Scenario.

Source: Stanley R. Hoffman Associates, Inc.

Figure J-1
 Projected Recurring General Fund Revenues
 Tweedy Boulevard Specific Plan Area Scenarios
 (In 2016 constant dollars)



1. The Build-out Scenario represents the full redevelopment potential, while the Mid-Term Scenario is based on a less intensive estimate of development where the assumption is that market forces would not result in full redevelopment, but would focus on underdeveloped and older properties that are more likely to recycle to more productive uses.

Source: Stanley R. Hoffman Associates, Inc.

J.3 Projected Operations and Maintenance Costs

Annual operations and maintenance (O&M) costs are expected to increase over time as capital improvements are made to the Tweedy Specific Plan area, including improvements such as street crossings, furniture and lighting, landscaping, bike paths and other pedestrian and safety improvements. Since the capital improvements are prepared at the conceptual level, an order-of-magnitude estimate for annual O&M costs are estimated at 2.5 percent of the estimated capital costs of the improvements. Given that the capital improvements costs are estimated at about \$26.1 million, this provides an annual O&M estimate of about \$652,500. Of course these capital facilities will not be built all at once, so the costs will be phased in over time.

APPENDIX K
HOLLYDALE SPECIFIC PLAN GENERAL FUND REVENUE ANALYSIS

This appendix presents the projected recurring revenues to the City General Fund for both the Hollydale Village Specific Plan Buildout and Mid-Term scenarios.

K.1 Revenue Projection Basis

Projections for property tax, property tax in lieu of vehicle license fees (VLF), and State and local sales tax are projected on a case study basis and have been presented earlier in this document in Appendixes. Other fiscal impacts are projected based on a per capita, per employee, per service population. Revenues impacted by both population and employment are projected on service population basis, which represents population plus weighted employment where employment is weighted at 50 percent to represent the estimated less frequent generation of employment versus population.

Per capita, per employee and per service population revenue and cost factors were estimated by dividing the City of South Gate *Proposed Budget for Fiscal Year 2015 - 2016* categories by the City’s resident population, employment or total service population where appropriate. Table K-1 summarizes the projected increase in population, employment and service population for the Hollydale Village Specific Plan area.

Table K-1
Summary of Population, Employment and Service Population Increase
Hollydale Village Specific Plan Area Scenarios

Category	Hollydale	
	Projected Net Increase	
	Mid-Term Scenario	Buildout Scenario
<u>Population</u>	1,099	2,451
<u>Employment</u>	1,355	7,069
<u>Service Population</u> ¹		
Population	1,099	2,451
Employment (@50% of total employment)	<u>678</u>	<u>3,535</u>
Total Service Population	1,776	5,986

Note: 1. The fiscal analysis defines service population as population plus employment, with employment weighted at 50% to account for the estimated less frequent use of City services by employment versus population.

Source: Stanley R. Hoffman Associates, Inc.

K.2 Projected Revenues

As shown in Table K-2 and Figure K-1, total recurring General Fund revenues for the Hollydale Buildout Scenario of the new development are projected at about \$4.2 million. Recurring General Fund revenues for the Mid-Term Scenario are projected at \$781,777. The top three recurring revenues for the Hollydale Village Specific Plan are in-lieu property tax of Vehicle License Fees (VLF), State sales tax and local sales tax. These three revenues represent about 79 percent of the total projected revenues for the Buildout Scenario and about 72 percent of the total revenues projected for the Mid-Term Scenario for Hollydale.

Property tax is not projected to the General Fund because 100 percent of the property tax increment is assumed to be used for the Enhanced Infrastructure Financing District as presented in Appendix B. The full property tax increases for Hollydale are projected at \$447,629 for the Buildout Scenario and \$90,644 for the Mid-Term Scenario.

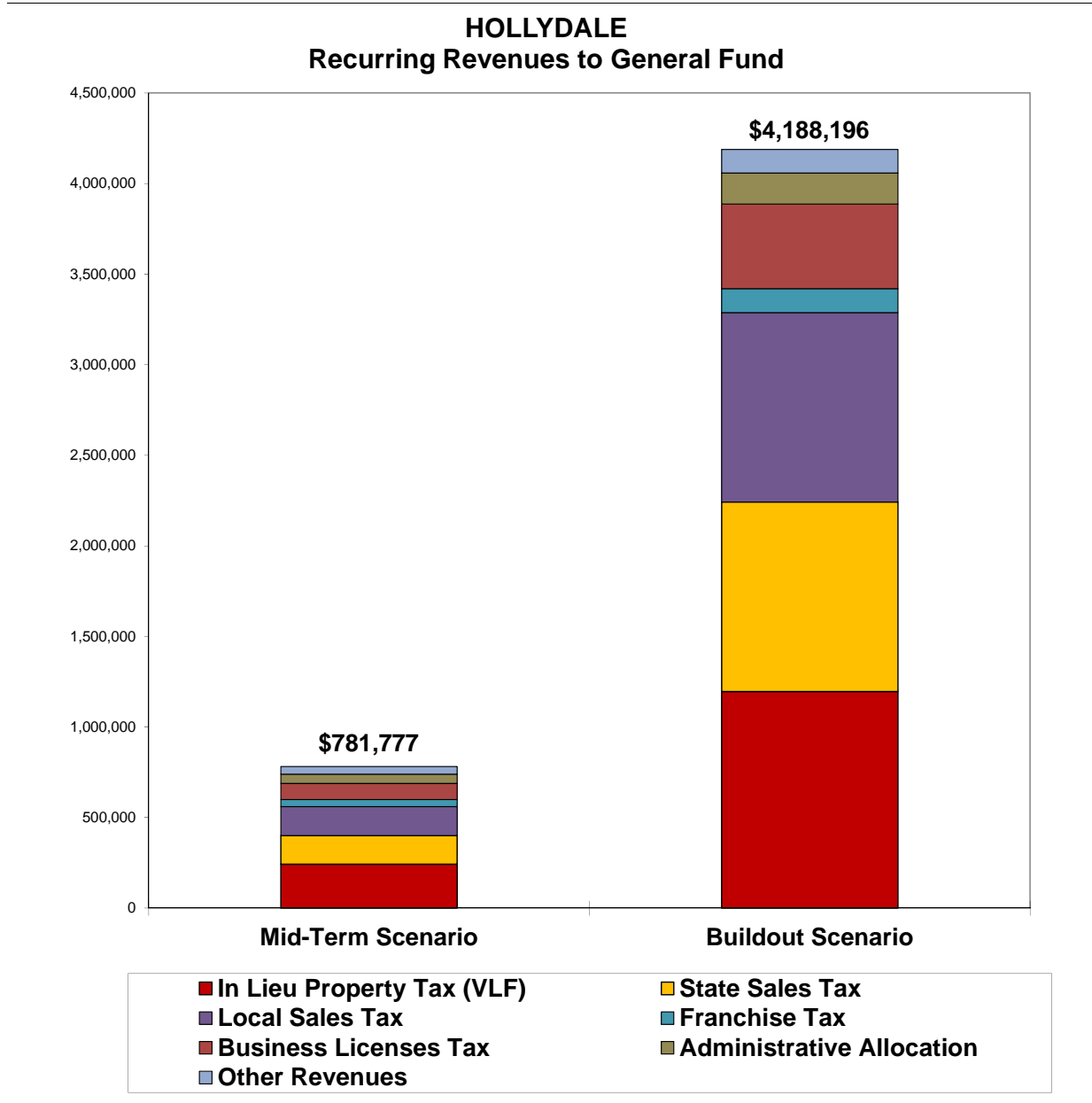
**Table K-2
Projected Recurring General Fund Revenues
Hollydale Village Specific Plan Area Scenarios
(In 2016 constant dollars)**

Category	Hollydale			
	Amount		Percent of Total	
	Mid-Term Scenario	Buildout Scenario	Mid-Term Scenario	Buildout Scenario
Recurring Revenues				
Property Taxes ¹	\$0	\$0	0.0%	0.0%
In Lieu Property Tax (VLF)	242,387	1,196,019	31.0%	28.6%
Sales Tax	159,008	1,046,185	20.3%	25.0%
Local Sales Tax	158,809	1,044,879	20.3%	24.9%
Franchise Tax	39,256	132,285	5.0%	3.2%
Business Licenses Tax	89,553	467,122	11.5%	11.2%
Administrative Allocation	50,998	171,851	6.5%	4.1%
Other Revenues	<u>41,767</u>	<u>129,856</u>	<u>5.3%</u>	<u>3.1%</u>
Total Projected Recurring Revenues	\$781,777	\$4,188,196	100.0%	100.0%

Note: 1. The property tax increment is assumed to be used for the Enhanced Infrastructure Financing District. The full property tax increase is estimated at \$447,629 for the Buildout Scenario and at \$90,644 for the Mid-Term Scenario.

Source: Stanley R. Hoffman Associates, Inc.

Figure K-1
 Projected Recurring General Fund Revenues
 Hollydale Village Specific Plan Area Scenarios
 (In 2016 constant dollars)



1. The Build-out Scenario represents the full redevelopment potential, while the Mid-Term Scenario is based on a less intensive estimate of development where the assumption is that market forces would not result in full redevelopment, but would focus on underdeveloped and older properties that are more likely to recycle to more productive uses.

Source: Stanley R. Hoffman Associates, Inc.

K.3 Projected Operations and Maintenance Costs

Annual operations and maintenance (O&M) costs are expected to increase over time as capital improvements are made to the Hollydale Specific Plan area, including improvements such as street crossings, furniture and lighting, landscaping, bike paths and other pedestrian and safety improvements. Since the capital improvements are prepared at the conceptual level, an order-of-magnitude estimate for annual O&M costs are estimated at 2.5 percent of the estimated capital costs of the improvements. Given that the capital improvements costs are estimated at about \$27.1 million, this provides an annual O&M estimate of about \$677,500. It should be noted that these capital facilities will not be built all at once, so the costs will be phased in over time