

FISCAL REVENUE AND ECONOMIC IMPACT STUDY



PREPARED FOR:
VALLEJO CHAMBER OF COMMERCE

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1. EXECUTIVE SUMMARY

A. INTRODUCTION:

The Vallejo Chamber of Commerce retained Kosmont Partners (“KP”) to undertake a Fiscal Revenue and Economic Impact Study (“Study”) of major private development projects currently planned or under consideration in the City of Vallejo. Specifically, this Study serves to assist the Chamber in finding ways to meet its goals of strengthening and promoting the local Vallejo economy. For purposes of this Study, major projects are defined as developments exceeding at least \$10 million in new investment or reinvestment. The projects analyzed in this Study are:

- Northgate Mixed-Use Development
- Lennar Mare Island
- Waterfront Development
- Downtown Development
- Solano County Fairgrounds

The Study has considered a 20-year horizon (2004-2023), thereby allowing an analysis of the projects studied at full build-out. Project characteristics in terms of size, product type, and phasing were provided by Mandarin Development, Lennar Mare Island LLC, City of Vallejo Economic Development department, TRIAD Developers, and Solano County Fair Association.

B. FISCAL IMPACT OVERVIEW

Fiscal impact analysis determines the public revenues that are generated by major new economic activities. The primary revenue sources (i.e. taxes and fees) of local governments are determined in order to examine how an activity will affect the City of Vallejo and Vallejo Redevelopment Agency.

Fiscal effects occur as a result of spending by workers directly or indirectly employed by the new developments. For instance, Vallejo will benefit from the spending of employees on housing and retail goods and services. Examples of these types of fiscal impacts that will be generated include sales taxes paid on retail goods by new employees and utility user taxes paid by new businesses.

The Study provides the fiscal impact during a construction period and during operations. The fiscal impact of construction includes the direct, indirect, induced and total impact of a new or existing company during the construction phase (typically 6 months to two years) in terms of sales taxes, transient occupancy taxes, property tax, motor vehicle tax, and state shared revenues. The fiscal impact during operations includes the direct, indirect, induced and total impacts of a new developments in terms of sales taxes, property taxes, transient occupancy taxes, utility user taxes, business licenses, and state shared revenues supported by the operations of the new developments.

C. ECONOMIC IMPACT OVERVIEW

An economic impact analysis traces spending through an economy and measures the cumulative effects of that spending. It examines the effects in terms of output, earnings, and job creation for the business by industry sector. Output refers to the gross receipts for goods or services generated by the activity whereas earnings refer to the total wage and salary payments as well as benefits including health and life insurance, retirement payments and any other non-cash compensations.

The characteristics of economic impact effects are generally discussed in terms of their direct, indirect and induced effects on the area economy. These terms are defined as:

- Direct effects consist principally of permanent jobs, wages, and output of the activity itself.
- Indirect effects consist of the re-spending of the initial or direct expenditures. These include the jobs, wages, and output created by businesses that provide goods and services essential to the activity.
- Induced effects are created in all sectors of the economy by the spending (of wages and salaries) of the direct and indirect employees on items such as food, housing, transportation and medical services.

The extent of direct and indirect impacts varies by industry and geography. This is captured through multipliers (mathematical factors) that quantify how a change in one sector of the economy impacts the entire economy.

Economic Impacts can occur during the construction period and also during operations. The construction phase impacts are generally short-term effects (six months to two years) whereas the operational phase impacts consist of long-term effects.

The results of the economic impact analysis include a breakdown of the direct, indirect and induced impacts in terms of employment, output (gross receipts), and personal income.

D. FINDINGS

NEW CONSTRUCTION AND EXPANSION PROJECTS

The following report contains an analysis of fiscal impacts for five projects within the city of Vallejo, California. The projects are: Lennar Mare Island, Downtown, Waterfront, Northgate Mixed-Use, and the Solano County Fairgrounds. Phasing for Lennar Mare Island, Waterfront, and Northgate mixed use will begin in 2004. The Downtown and Solano County Fairgrounds projects will begin phasing in 2006. All projects will reach full build-out by 2015. Combined, the five projects are expected to create 1,208,000 S.F. of new retail space, 1,911,000 S.F. of new office space, 4,855,000 S.F. of new industrial space, 385,000 S.F. of new facility space, and 3,374 new residences.

CITY OF VALLEJO: NEW EXPANSION AND DEVELOPMENT PROJECTS						
<u>Project</u>	<u>Retail S.F.</u>	<u>Office S.F.</u>	<u>Industrial S.F.</u>	<u>Facility S.F.</u>	<u>Residential Units</u>	<u>Hotel Rooms</u>
Northgate	100,000	120,000	0	0	333	0
Lennar Mare Island	157,000	1,564,000	4,855,000	0	1,400	0
Waterfront	39,000	213,000	0	0	825	200
Downtown	62,000	14,000	0	0	816	0
Solano County Fairgrounds	850,000	0	0	385,000	0	300
Total	1,208,000	1,911,000	4,855,000	385,000	3,374	500

FISCAL IMPACTS

Upon completion and achieving stabilization of occupancy, it is estimated that these projects will produce a combined total of approximately \$18.1 million in annual fiscal revenues for the City of Vallejo and for the City’s redevelopment agency. Over a 20-year period, the projected fiscal revenues will total approximately \$340 million. These financial resources will enable the City to provide enhanced public services and improve the overall quality of life in Vallejo.

FISCAL IMPACTS
FUTURE MAJOR VALLEJO DEVELOPMENT PROJECTS AS ANALYZED IN STUDY

Project	Construction Period	Fiscal Impact at Build Out (Annual)	Fiscal Impact Years 2004-2013	Fiscal Impact Years 2014-2023	Fiscal Impact Years 2004-2023
Northgate	2004-2008	\$880,358	\$7,126,984	\$11,046,957	\$18,173,941
Lennar Mare Island	2004-2012	6,895,283	41,119,645	84,506,446	125,626,090
Waterfront	2004-2015	2,679,991	12,813,125	41,396,824	54,209,949
Downtown	2006-2014	2,113,806	6,940,657	26,159,893	33,100,549
Fairgrounds	2004-2008	5,595,940	38,883,745	69,789,252	108,672,997
Total		\$18,165,378	\$106,884,155	\$232,899,371	\$339,783,526

All amounts in 2004 dollars

These direct on-site annual fiscal revenues will be comprised of transient occupancy tax, sales tax, business license tax, utility taxes and property tax increment. The estimated amounts for each category in terms of 2004 dollars are presented in the following tables:

SUMMARY OF REVENUES BY TYPE 2004-2013

Major Revenues 2004-2013						
Project	Sales Tax	Property Tax Increment	Business License Tax	Utility Use Tax	Transient Tax	Total
Northgate	\$3,341,194	\$2,332,206	\$472,310	\$981,274	\$0	\$7,126,984
Lennar Mare Island	\$1,809,778	\$19,574,917	\$4,450,647	\$15,284,302	\$0	\$41,119,645
Waterfront	\$822,014	\$8,457,212	\$457,660	\$1,130,839	\$1,945,399	\$12,813,125
Downtown	\$517,298	\$5,833,244	\$51,791	\$538,323	\$0	\$6,940,657
Fairgrounds	\$22,598,832	\$8,423,346	\$1,616,921	\$1,778,496	\$4,466,150	\$38,883,745
Total	\$29,089,117	\$44,620,926	\$7,049,328	\$19,713,235	\$6,411,549	\$106,884,155

SUMMARY OF REVENUES BY TYPE 2014-2023

Major Revenues 2014-2023						
Project	Sales Tax	Property Tax Increment	Business License Tax	Utility Use Tax	Transient Tax	Total
Northgate	\$5,035,325	\$3,863,211	\$696,416	\$1,452,005	\$0	\$11,046,957
Lennar Mare Island	\$3,746,946	\$40,159,706	\$9,604,687	\$30,995,107	\$0	\$84,506,446
Waterfront	\$1,636,329	\$30,436,776	\$845,152	\$2,884,266	\$5,594,300	\$41,396,824
Downtown	\$2,149,933	\$22,207,539	\$196,004	\$1,606,417	\$0	\$26,159,893
Fairgrounds	\$38,208,796	\$17,085,583	\$2,741,863	\$3,022,546	\$8,730,464	\$69,789,252
Total	\$50,777,330	\$113,752,814	\$14,084,121	\$39,960,342	\$14,324,764	\$232,899,371

SUMMARY OF REVENUES BY TYPE 2004-2023

Major Revenues 2004-2023						
Project	Sales Tax	Property Tax Increment	Business License Tax	Utility Use Tax	Transient Tax	Total
Northgate	\$8,376,520	\$6,195,416	\$1,168,725	\$2,433,280	\$0	\$18,173,941
Lennar Mare Island	\$5,556,724	\$59,734,623	\$14,055,333	\$46,279,409	\$0	\$125,626,090
Waterfront	\$2,458,344	\$38,893,988	\$1,302,813	\$4,015,105	\$7,539,699	\$54,209,949
Downtown	\$2,667,231	\$28,040,783	\$247,795	\$2,144,740	\$0	\$33,100,549
Fairgrounds	\$60,807,628	\$25,508,929	\$4,358,784	\$4,801,042	\$13,196,614	\$108,672,997
Total	\$79,866,447	\$158,373,740	\$21,133,449	\$59,673,577	\$20,736,313	\$339,783,526

ECONOMIC IMPACTS

The projects will also produce very substantial economic benefits from the development of the Project. Although data is not readily available to estimate the impact only on the City of Vallejo, the estimated impact in all of Solano County will give an indication of the extent to which benefits will be generated for the community and are as follows:

ECONOMIC IMPACTS FROM CONSTRUCTION ALL FUTURE VALLEJO DEVELOPMENT PROJECTS

	Direct	Indirect	Induced	Total
Jobs	10,300	3,800	5,000	19,100
Income	\$524,168,000	\$137,618,000	\$181,977,000	\$843,763,000
Output	\$1,115,459,000	\$354,930,000	\$415,388,000	\$1,885,777,000

Source: Kosmont-Pollack Model

Income and Output are estimated in 2004 dollars

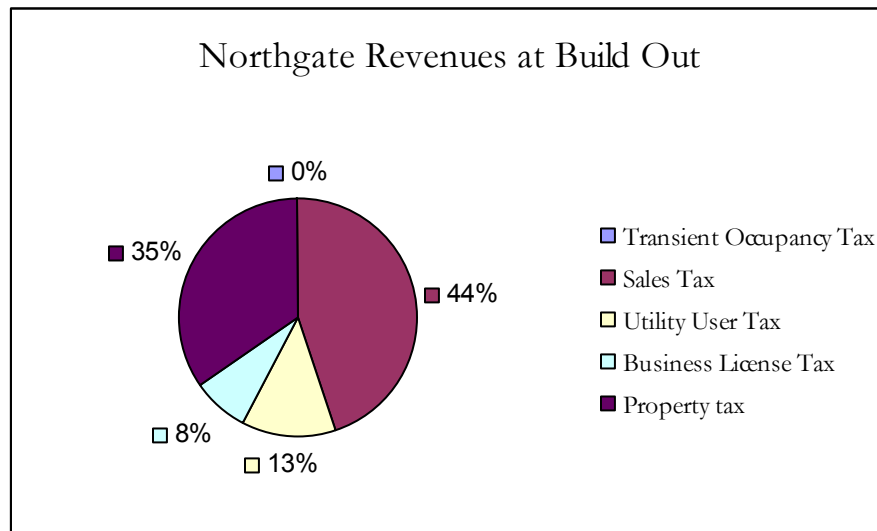
2. NORTHGATE MIXED-USE DEVELOPMENT

A. PROJECT DESCRIPTION

The Northgate Mixed-Use Development is assumed to consist of 100,000 square feet of retail space, 120,000 square feet of office space, 333 residential units, and three auto dealerships relocated from sites within the City of Vallejo (Exhibit A-1). The phasing of residential units will begin in 2004 and continue through 2007. Retail space will become available in 2005 while phasing of office space will begin in 2006 and continue through 2007. The auto dealerships are assumed to be relocated by 2006.

B. SUMMARY FINDINGS

The Northgate Mixed Use Development is expected to generate site-specific revenues of \$880,000 (Exhibit A-5). Site-specific revenues include sales tax at \$393,000, utility user tax at \$113,000, business license tax of \$54,000, and property tax of \$306,000. There is no revenue from transient occupancy tax.



C. ANNUAL FISCAL REVENUES

There are four principal non-Agency site-specific annual revenues that will be generated directly from the Development. Those revenues have been estimated for both development scenarios. The factors utilized in producing these estimates came from a number of sources including the City of Vallejo, County of Solano, Kosmont's own reference materials and industry standards.

SALES TAX

The State of California subvenes sales tax revenue equal to 1.00% of taxable retail sales on a point-of-sale basis to local jurisdictions.

Retail Center Sales Tax

The Northgate Mixed-Use Development will contain 100,000 square feet of retail space. The space is expected to generate \$30 million in total retail sales. Sixty percent of total retail sales are assumed to be taxable, generating \$18 million in taxable sales and \$180,000 in sales tax (Exhibit A-6).

Auto Sales Tax

The Northgate Mixed-Use Development has been selected as the new site for the relocation of three auto dealerships. The relocation of Team Chevrolet, Team Hyundai, and Wilson-Cornelius Ford is expected to generate an additional \$213,000 in sales tax (Exhibit A-6 and Exhibit A-10)

UTILITY USER TAX

The City levies a tax on utility consumption that is paid by the utility user. The tax rate is 7.50% on electric power usage, natural gas, telephone, and cellular services.

Estimates for the utility expenditures subject to the utility tax were made based on the square footage of the office, residential, and retail development. The utility expenditures were conservatively estimated to be \$2.50 per square foot for the retail developments, \$4.49 per square foot for the office developments, and \$2,155 per residential unit.

The Northgate Mixed-Use Development is expected to generate a total of approximately \$112,000 in annual utility user taxes. The largest portion of the revenue will come from residential, followed by office and retail. (Exhibit A-7).

BUSINESS LICENSE TAX

The City of Vallejo levies a variable and stepped business license tax on retailers based on both gross retail sales and net profit as a percent of gross receipts. For simplicity, Kosmont had utilized an average business license tax of 0.66% based on average gross receipts of \$1 million.

The total annual business license tax revenues for the Northgate Mixed-Use Development were estimated at approximately \$68,000 (Exhibit A-8). Office space is expected to generate approximately \$32,000 followed by retail space with \$22,000 and \$14,000 from auto sales.

PROPERTY TAX

The improvement value of the project was estimated based on retail value of \$175 per square foot, office value of \$250 per square foot, and residential at \$470,000 per unit. The combined total value of improvements for the Northgate Mixed-Use Development is approximately \$1.57 billion (Exhibit A-9)

The total property tax for the Northgate Mixed-Use Development based on the \$1.57 billion improvement value is \$157,000. Approximately \$306,000 will be allocated to the city of Vallejo.

D. FISCAL REVENUE SCHEDULE

Annual site-specific revenues from the Northgate Mixed-Use Development are estimated to begin at \$5,200 in 2004 and are conservatively escalated to reach \$1.2 million by 2023 (Exhibit A-2.1 and A-2.2). Revenues from sales tax, utility tax, business license tax, and the property tax increment are conservatively escalated at an annual rate of 2% each. Total site-specific revenue spanning 2004 through 2023 is approximately \$18.2 million.

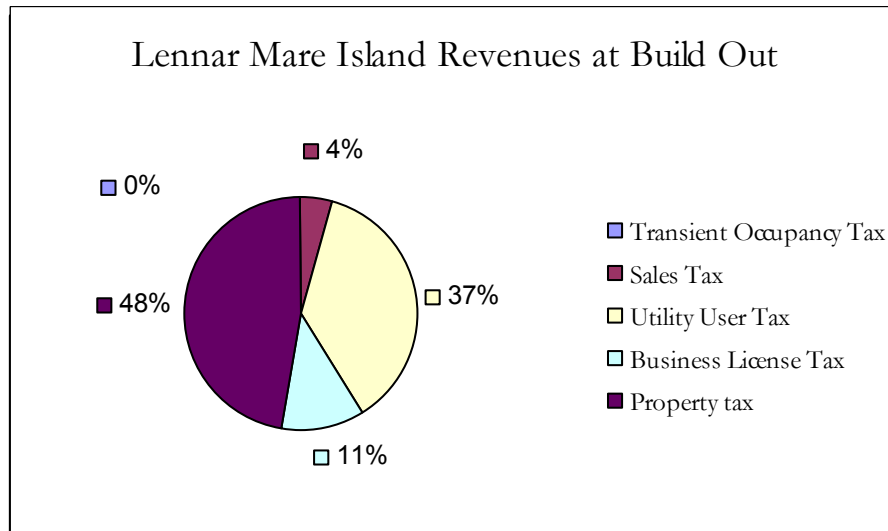
3. LENNAR MARE ISLAND

A. PROJECT DESCRIPTION

The Lennar Mare Island Development is assumed to consist of 157,000 square feet of retail space, 1,564,000 square feet of office space, 4,855,000 square feet of industrial space, and 1,400 residential units (Exhibit B-1). The phasing of residential units and office and industrial space will begin in 2004. Residential phasing will continue through 2009 while office and industrial space will each continue to phase through 2012. Retail phasing will occur in 2008 and 2009.

B. SUMMARY FINDINGS

The Lennar Mare Island Development is expected to generate site-specific revenues of \$6.9 million (Exhibit B-5). Site-specific revenues include sales tax at \$306,000, utility user tax at \$2.52 million, business license tax of \$788,000, and property tax of \$3.28 million.



C. ANNUAL FISCAL REVENUES

There are four principal non-Agency site-specific annual revenues that will be generated directly from the Development. Those revenues have been estimated for both development scenarios. The factors utilized in producing these estimates came from a number of sources including the City of Vallejo, County of Solano, Kosmont's own reference materials and industry standards.

SALES TAX

The State of California subvenes sales tax revenue equal to 1.00% of taxable retail sales on a point-of-sale basis to local jurisdictions.

Retail Center Sales Tax

The Lennar Mare Island Development will consist of 157,000 square feet of retail space. The space is expected to generate \$47.1 million in total retail sales. Forty percent of total retail sales are assumed to be taxable, generating \$18.8 million in taxable sales and \$188,000 in sales tax (Exhibit B-6).

UTILITY USER TAX

The City levies a tax on utility consumption which is paid by the utility user. The tax rate is 7.50% on electric power usage, natural gas, telephone, and cellular services.

Estimates for the utility expenditures subject to the utility tax were made based on the square footage of the office, residential, and retail development. The utility expenditures were conservatively estimated to be \$2.50 per square foot for the retail developments, \$4.49 per square foot for the office developments, and \$2155 per residential unit.

The Lennar Mare Island Development is expected to generate a total of approximately \$2.52 million in annual utility user taxes. The largest portion of the revenue will come from industrial, followed by office, residential and retail. (Exhibit B-7).

BUSINESS LICENSE TAX

The City of Vallejo levies a variable and stepped business license tax on retailers based on both gross retail sales and net profit as a percent of gross receipts. For simplicity, Kosmont had utilized an average business license tax of 0.66% based on average gross receipts of \$1 million.

The total annual business license tax revenues for the Lennar Mare Island Development were estimated at approximately \$788,000 (Exhibit B-8). Office space is expected to generate approximately \$407,000, followed by industrial space with \$347,000, and retail space with \$33,000.

PROPERTY TAX INCREMENT

The improvement value of the project was estimated based on retail value of \$175 per square foot, office value of \$250 per square foot, and residential at \$485,000 per unit. The combined total value of improvements for the Lennar Mare Island Development is approximately \$1.68 billion (Exhibit B-9)

The total tax increment for the Lennar Mare Island Development based on the \$1.68 billion improvement value is \$16.8 million. Approximately \$3.28 million will be allocated to the city of Vallejo.

D. FISCAL REVENUE SCHEDULE

Annual site-specific revenues from the Lennar Mare Island Development are estimated to begin at \$211,000 in 2004 and conservatively escalated to reach \$9.2 million by the year 2023 (Exhibit B-2.1 and B-2.2). Revenues from sales tax, utility tax, business license tax, and the property tax increment are escalated at an annual rate of 2% each. The total revenue spanning 2004 through 2023 is \$125.6 million.

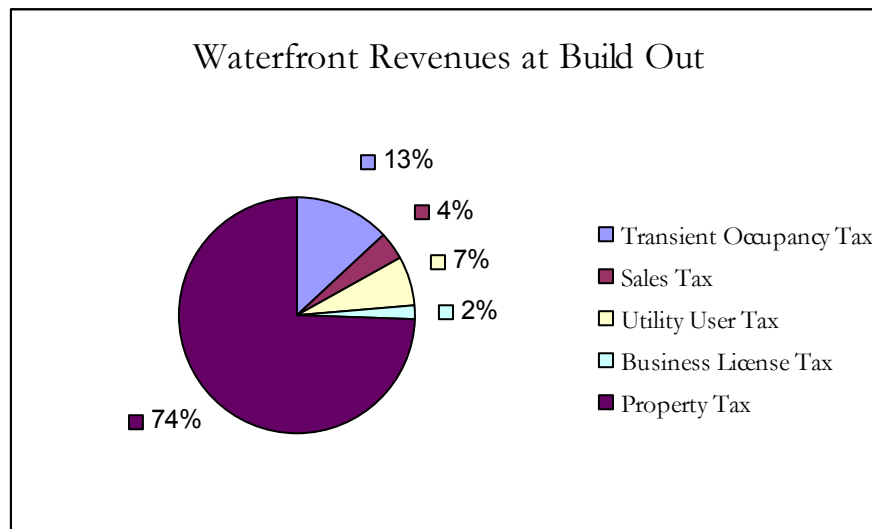
4. WATERFRONT DEVELOPMENT

A. PROJECT DESCRIPTION

The Waterfront Development is assumed to consist of a new 200-room hotel, 39,000 square feet of retail space, 213,000 square feet of office space, and 825 residential units (Exhibit C-1). The initial phase of residential units and retail space begins in 2007 with 60 units and 22,000 square feet, respectively. Residential units continue phasing through 2015 as the second and final phase of retail space concludes in 2009. The first phase of office space begins in 2004 followed by 2008 and 2009, concluding in 2010. The Hotel is projected to open in 2010.

B. SUMMARY FINDINGS

At full build-out, the Waterfront Development is expected to generate site-specific revenues of \$915,000 and Redevelopment Agency Revenues of \$2,680,000 (Exhibit C-5). Site-specific revenues include the transit occupancy tax of \$472,000, sales tax of \$133,000, utility user tax of \$242,000, and business license tax of \$68,000. Redevelopment Agency revenues will be divided between affordable housing at \$746,000 and \$1.93 million unrestricted in allocation.



C. ANNUAL FISCAL REVENUES

There are five principal non-Agency site-specific annual revenues that will be generated directly from the Project. Those revenues have been estimated for both development scenarios. The factors utilized in producing these estimates came from a number of sources including the City of Vallejo, County of Solano, Kosmont's own reference materials and industry standards.

TRANSIENT OCCUPANCY TAX

The City of Vallejo levies an 11% Transient Occupancy Tax (TOT) on gross hotel room revenues. It is estimated that at an occupancy rate of 70% and an average daily room rate (ADR) of \$84, the new 200 room hotel will generate approximately \$5.37 million in annual gross room receipts and generate \$590,000 in transit occupancy taxes (Exhibit E-6).

SALES TAX

The State of California subvenes sales tax revenue equal to 1.00% of taxable retail sales on a point-of-sale basis to local jurisdictions.

Retail Center Sales Tax

The Waterfront Development will consist of 39,000 S.F. of retail space. The space is expected to generate \$11.7 million in sales resulting in \$117,000 in sales tax. Virtually 100% of the sales are assumed to be taxable (Exhibit C-7).

Hotel Sales Tax

Non-room revenues generated from the Waterfront Development hotel include sales from food and beverage, telecommunications, and other categories. They have been assumed to equal approximately 50% of the total room revenue and to be approximately 75% taxable. The estimated non-room revenues are \$1.6 million. The estimated sales tax generated from non-room revenues is \$16,000 (Exhibit C-6).

Combined Sales Tax

Total sales tax revenue for the combined retail space and the Waterfront Hotel is expected to be \$500,000.

UTILITY USER TAX

The City levies a tax on utility consumption which is paid by the utility user. The tax rate is 7.50% on electric power usage, natural gas, telephone, and cellular services.

Estimates for the utility expenditures subject to the utility tax were made based on the square footage of the hotel, residential, retail developments. The utility expenditures were conservatively estimated to be \$2.00 per square foot for the hotel, \$2.50 per square foot for the retail developments, \$4.49 per square foot for the office developments and \$2155 per residential unit.

The Waterfront Development is expected to generate \$240,000 in annual utility user taxes. The largest portion of the revenue will come from residential units, followed by office, hotel, and retail (Exhibit C-8).

BUSINESS LICENSE TAX

The City of Vallejo levies a variable and stepped business license tax on retailers based on both gross retail sales and net profit as a percent of gross receipts. Hotels are charged business license taxes on a per room basis. For simplicity, Kosmont had utilized an average business license tax of 0.66% based on average gross receipts of \$1 million.

The total annual business license tax revenues for the Waterfront Development were estimated at approximately \$68,000 (Exhibit C-9). Office space is expected to generate \$55,000, followed by retail space with \$8,300, and the hotel with \$4,200

PROPERTY TAX INCREMENT

The Redevelopment Agency will receive annual property tax increment based on the increase in assessed value resulting from the redevelopment of the site. The Waterfront Development comes under the Waterfront Redevelopment Project. The Agency will set aside 20.00% of the total tax increment for affordable housing programs. Another 28.16% of the total property tax increment from the Project Area is passed through to other local taxing entities. This will leave approximately 51.84% of the total property tax increment generated by the project available for other uses by the Agency.

The improvement value of the project was estimated based on a hotel value of \$150,000 per room, retail value of \$175 per square foot, office value of \$250 per square foot, and residential at \$343,000 per unit. The combined total value of improvements for the Waterfront Development is \$373 million (Exhibit C-10)

The total tax increment for the Waterfront Development based on the \$373 million improvement value is \$3.7 million. Approximately \$750,000 will be allocated to housing and \$2 million will be unrestricted. Approximately \$1 million will be passed through other local taxing entities.

D. FISCAL REVENUE SCHEDULE

Annual site-specific revenues from the Waterfront Development are estimated to begin at approximately \$36,000 in 2004 and conservatively escalated to reach \$1.2 million by 2023. Annual redevelopment agency revenues are estimated to begin at \$108,000 in 2005 and conservatively escalated to reach \$3.39 million by the year 2023 (Exhibit C-2.1 and C-2.2). Revenues from sales tax, utility tax, business license tax, and the property tax increment are escalated at an annual rate of 2% each. Total site-specific revenue spanning 2004 through 2023 is \$15.3 million and total redevelopment agency revenue spanning 2005 through 2023 is \$38.9 million.

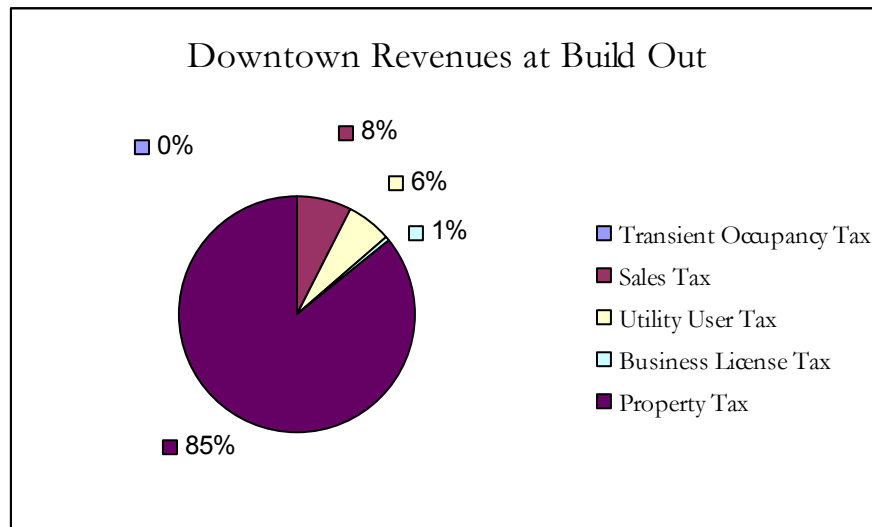
5. DOWNTOWN DEVELOPMENT

A. PROJECT DESCRIPTION

The Downtown Development is assumed to consist of 62,000 square feet of retail space, 14,000 square feet of office space, and 816 residential units (Exhibit D-1). The initial phase of residential units and retail space will begin in 2006 with 78 units and 7,500 square feet, respectively. Residential phasing will continue through 2014 while retail phasing resumes in 2008 and 2012 through 2013. Office space will be completely phased in 2010.

B. SUMMARY FINDINGS

The Downtown Development is expected to generate site-specific revenues of \$350,000 and Redevelopment Agency Revenues of \$2.1 million (Exhibit D-5). Site-specific revenues include \$186,000 in sales tax, \$148,000 in utility user tax, and 16,800 in business license tax. Redevelopment Agency revenues will be divided between affordable housing at \$588,000 and \$2.1 million unrestricted in allocation. There is no transient occupancy tax.



C. ANNUAL FISCAL REVENUES

There are four principal non-Agency site-specific annual revenues that will be generated directly from the Development. Those revenues have been estimated for both development scenarios. The factors utilized in producing these estimates came from a number of sources including the City of Vallejo, County of Solano, Kosmont's own reference materials and industry standards.

SALES TAX

The State of California subvenes sales tax revenue equal to 1.00% of taxable retail sales on a point-of-sale basis to local jurisdictions.

Retail Center Sales Tax

The Downtown Development will consist of 62,000 square feet of retail space. The space is expected to generate \$18.6 million in sales resulting in \$186,000 in sales tax revenue. Virtually 100% of the sales are assumed to be taxable (Exhibit D-6).

UTILITY USER TAX

The City levies a tax on utility consumption which is paid by the utility user. The tax rate is 7.50% on electric power usage, natural gas, telephone, and cellular services.

Estimates for the utility expenditures subject to the utility tax were made based on the square footage of the office, residential, and retail development. The utility expenditures were conservatively estimated to be \$2.50 per square foot for the retail developments, \$4.49 per square foot for the office developments, and \$2,155 per residential unit.

The Downtown Development is expected to generate a total of approximately \$148,000 in annual utility user taxes. The largest portion of the revenue will come from residential units, followed by office, and retail (Exhibit D-7).

BUSINESS LICENSE TAX

The City of Vallejo levies a variable and stepped business license tax on retailers based on both gross retail sales and net profit as a percent of gross receipts. For simplicity, Kosmont had utilized an average business license tax of 0.66% based on average gross receipts of \$1 million.

The total annual business license tax revenues for the Downtown Development were estimated at approximately \$16,800 (Exhibit D-8). Retail space is expected to generate \$13,200 followed by office space with \$3,600.

PROPERTY TAX INCREMENT

The Downtown Development is in the Vallejo Central Redevelopment Project area. The Redevelopment Agency will receive annual property tax increment based on the increase in assessed value resulting from the redevelopment of the site.

The Agency will set aside 20.00% of the total tax increment for affordable housing programs. Another 28.16% of the total property tax increment from the Development Area is passed through to other local taxing entities. This will leave approximately 51.84% of the total property tax increment generated by the project available for other uses by the Agency.

The improvement value of the project was estimated based on retail value of \$175 per square foot, office value of \$250 per square foot, and residential at \$343,000 per unit. The combined total value of improvements for the Downtown Development is approximately \$294 million (Exhibit D-9)

The total tax increment for the Downtown Development based on the \$294 million improvement value is \$2.1 million. Approximately \$590,000 will be allocated to housing and \$1.5 million will be unrestricted. Approximately \$828,000 will be passed through other local taxing entities.

D. FISCAL REVENUE SCHEDULE

Annual site-specific revenues from the Downtown Development are estimated to begin at \$38,000 in 2006 and conservatively escalated to reach \$430,000 by 2023. Annual redevelopment agency revenues are estimated to begin at \$201,00 in 2007 and conservatively escalated to reach \$7.8 million by the year 2023 (Exhibit D-2.1 and D-2.2). Revenues from sales tax, utility tax, business license tax, and the property tax increment are escalated at an annual rate of 2% each. Total site-specific revenue spanning 2006 through 2023 is \$5 million and total redevelopment agency revenue spanning 2007 through 2023 is \$28 million.

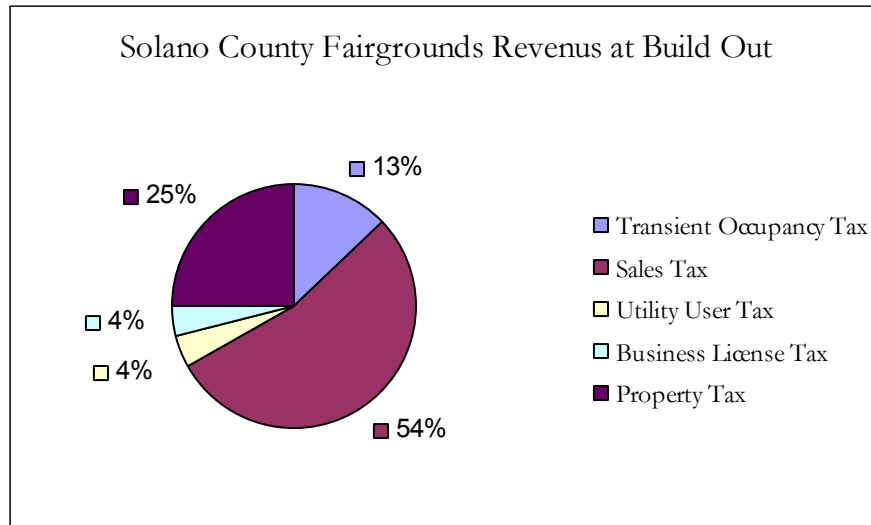
6. SOLANO COUNTY FAIRGROUNDS DEVELOPMENT

A. PROJECT DESCRIPTION

The Solano County Fairgrounds Development is assumed to consist of a 300 room hotel, 850,000 square feet of destination retail space, and 385,000 square feet of facility space consisting of an arena, equestrian complex, an exhibition/conference center, and a multi-use livestock complex (Exhibit E-1). The first phase of the development begins in 2005 with all of the facility space followed by the destination retail space in 2006 and ends with the hotel in 2008.

B. SUMMARY FINDINGS

The Solano County Fairgrounds Development is expected to generate site-specific revenues of \$4.2 million and Redevelopment Agency Revenues of \$1,390,000 at build out (Exhibit E-5). Site-specific revenues include \$708,000 in transient occupancy tax, \$3.0 million in sales tax, \$240,000 in utility user tax, and \$218,000 in business license tax. Redevelopment Agency revenues will be divided between affordable housing at \$387,000 and \$1,000,000 unrestricted in allocation.



C. ANNUAL FISCAL REVENUES

There are four principal non-Agency site-specific annual revenues that will be generated directly from the Development. Those revenues have been estimated for both development scenarios. The factors utilized in producing these estimates came from a number of sources including the City of Vallejo, County of Solano, Kosmont's own reference materials and industry standards.

TRANSIENT OCCUPANCY TAX

The City of Vallejo levies an 11% Transient Occupancy Tax (TOT) on gross hotel room revenues. It is estimated that at an occupancy rate of 70% and an average daily room rate (ADR) of \$84, the new 300 room hotel will generate approximately \$6.4 million in annual gross room receipts and generate \$708,000 in transit occupancy taxes (Exhibit E-6).

SALES TAX

The State of California subvenes sales tax revenue equal to 1.00% of taxable retail sales on a point-of-sale basis to local jurisdictions.

Retail Center Sales Tax

The Solano County Fairgrounds Development will consist of 850,000 square feet of retail space. The space is expected to generate \$297 million in sales resulting in \$2.97 million in sales tax revenue. Virtually 100% of the sales are assumed to be taxable (Exhibit E-7).

Hotel Sales Tax

Non-room revenues generated from the Solano County Fairgrounds hotel include sales from food and beverage, telecommunications, and other categories. They have been assumed to equal approximately 50% of the total room revenue and to be approximately 75% taxable. The estimated non-room revenues are \$2.4 million. The estimated sales tax generated from non-room revenues is \$24,000 (Exhibit E-7).

Facility Sales Tax

The new facilities at the Solano County Fairgrounds are expected to generate taxable sales revenue at \$10.00 per square foot. The combined 385,000 square feet of facility space is expected to generate \$3.85 million in taxable sales revenue and \$38,500 in sales tax.

UTILITY USER TAX

The City levies a tax on utility consumption, which is paid by the utility user. The tax rate is 7.50% on electric power usage, natural gas, telephone, and cellular services.

Estimates for the utility expenditures subject to the utility tax were made based on the square footage of the hotel, facility, and retail development. The utility expenditures were conservatively estimated to be \$2.50 per square foot for the retail developments, and \$1.25 per square foot for the facility developments.

The Solano County Fairgrounds Development is expected to generate a total of approximately \$240,000 in annual utility user taxes. The largest portion of the revenue will come from retail, followed by the hotel, and facilities (Exhibit E-8).

BUSINESS LICENSE TAX

The City of Vallejo levies a variable and stepped business license tax on retailers based on both gross retail sales and net profit as a percent of gross receipts. For simplicity, Kosmont had utilized an average business license tax of 0.66% based on average gross receipts of \$1 million.

The total annual business license tax revenues for the Solano County Fairgrounds Development were estimated at approximately \$218,000 (Exhibit E-9). Retail space is expected to generate \$209,000 followed by the hotel with \$6,300, and the facilities with \$2,500

PROPERTY TAX INCREMENT

The Solano County Fairgrounds is in the Flosden Redevelopment Project area. The Redevelopment Agency will receive annual property tax increment based on the increase in assessed value resulting from the redevelopment of the site. The Agency will set aside 20.00% of the total tax increment for affordable housing programs. Another 28.16% of the total property tax increment from the Development Area is passed through to other local taxing entities. This will leave approximately 51.84% of the total property tax increment generated by the project available for other uses by the Agency.

The improvement value of the project was estimated based on retail value of \$175 per square foot, office value of \$250 per square foot, and residential at \$343,000 per unit. The combined total value of improvements for the Solano County Fairgrounds Development is approximately \$194 million (Exhibit E-10)

The total tax increment for the Solano County Fairgrounds Development based on the \$194 million improvement value is \$1.94 million. Approximately \$387,000 will be allocated to housing and \$1,000,000 will be unrestricted. Approximately \$545,000 will be passed through other local taxing entities.

D. FISCAL REVENUE SCHEDULE

Annual site-specific revenues from the Solano County Fairgrounds Development are estimated to begin at \$77,100 in 2006 and conservatively escalated to reach \$5.75 million by 2023. Annual redevelopment agency revenues are estimated to begin at \$1,070,000 in 2008 and conservatively escalated to reach \$1.8 million by the year 2023 (Exhibit E-2.1 and E-2.2). Revenues from sales tax, utility tax, business license tax, and the property tax increment are escalated at an annual rate of 2% each. Total site-specific revenue spanning 2006 through 2023 is \$83.2 million and total redevelopment agency revenue spanning 2008 through 2023 is \$25.5 million.

7. ECONOMIC BENEFITS FROM CONSTRUCTION ACTIVITY

A. INTRODUCTION

In addition to fiscal benefits to the City of Vallejo, these projects will generate a significant amount of economic benefits for the region during its construction. Economic benefits are usually measured in terms of jobs created, personal income earned and the value of the economic output generated. Impacts in each of those areas are also measured in terms of direct, indirect and induced effects. These terms are defined as:

- Direct effects consist principally of permanent jobs, wages, and output of the activity itself.
- Indirect effects consist of the re-spending of the initial or direct expenditures. These include the jobs, wages, and output created by businesses that provide goods and services essential to the activity.
- Induced effects are created in all sectors of the economy by the spending (of wages and salaries) of the direct and indirect employees on items such as food, housing, transportation and medical services.

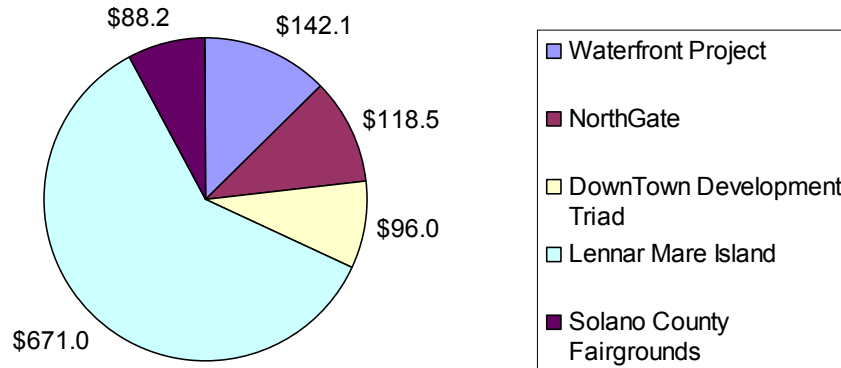
The extent of direct and indirect impacts varies by industry and geography. This is captured through multipliers (mathematical factors) that quantify how a change in one sector of the economy impacts the entire economy.

Economic Impacts can occur during the construction period and also during operations. The construction phase impacts are generally short-term effects (six months to two years) whereas the operational phase impacts consist of long-term effects. For purposes of this exercise, Kosmont has calculated the impacts during construction. Economic impacts were estimated at the level of the County of Solano.

B. VALUE OF CONSTRUCTION

Development of upcoming Vallejo projects will lead to construction activity of over \$1.1 billion. Lennar Mare Island project have been projected to generate approximately \$671 million in construction value accounting for 60% of the total estimated construction activity. The remaining four projects such as Waterfront, Northgate, Downtown Development and Solano County Fairgrounds have been estimated to generate approximately between \$88 million to \$142 million in construction activity. The derivation of these figures in presented in Exhibit F. The following pie chart shows the construction values estimated for each project.

**Value of Construction
(in \$ millions)**



C. ECONOMIC IMPACTS

It is estimated that the construction of the major Vallejo Development Projects will produce combined direct, indirect and induced impacts of 19,082 man-years of employment, \$ 843.7 million in income and \$1.88 billion in output. The derivations of these figures are shown in Exhibit G to K.

**ECONOMIC IMPACTS FROM CONSTRUCTION
ALL FUTURE VALLEJO DEVELOPMENT PROJECTS**

	Direct	Indirect	Induced	Total
Jobs	10,300	3,800	5,000	19,100
Income	\$524,168,000	\$137,618,000	\$181,977,000	\$843,763,000
Output	\$1,115,459,000	\$354,930,000	\$415,388,000	\$1,885,777,000

Source: Kosmont-Pollack Model

Income and Output are estimated in 2004 dollars

APPENDIX A

ASSUMPTIONS

1. Over all Assumptions
 - a. Property Tax will be captured the following year after residential units/commercial space is completed/absorbed.
 - b. Sales Tax, Utility Tax, TOT, BLT will be captured the same year commercial space is completed/absorbed.
 - c. Property Tax will escalate by 2% every year.
 - d. Sales Tax, Utility Tax, TOT, BLT will escalate by 2% each year.

2. Northgate
 - a. Northgate phasing data provided by Mandarich Development
 - b. Assumes absorption of 50 "For Sale" senior units per year and 50 "Rental" senior units per year
 - c. Residential = Residential "Sale" + Residential "Rent"
 - d. Auto sales data provided by Wards Auto
 - i. The Wards top 500 in "Data" was assumed to be the top 25% of all dealerships.
 - ii. Prior to relocation to Columbus PKWY in Northgate, the dealerships were assumed to have revenues and sales at 75% of one standard deviation below the Wards 500 mean.
 - iii. Upon relocation to Columbus PKWY, the dealerships are assumed to increase unit sales by 25%
 - iv. Sale Tax revenue is 1%

3. Lennar Mare Island
 - a. Lennar Mare Island phasing data provided by Lennar Mare Island LLC

4. Waterfront
 - a. Waterfront phasing data provided by Economic Development Department, City of Vallejo
 - b. Residential Units (Parcel A) assumed to absorb 5 units per month
 - c. Residential Units (Parcel S&T) assumed to absorb 6-7 units per month
 - d. Office space absorption of \$5,000 SF per month
 - e. Property tax increment assume no pass-through to City of Vallejo

5. Downtown
 - a. Downtown phasing data provided by Economic Development Department, City of Vallejo, TRIAD Developers
 - b. Residential Units construction and absorption based on TRIAD information
 - c. Office space absorption of 5,000 SF per month
 - d. Property tax increment assume no pass-through to City of Vallejo

6. Fairgrounds
 - a. Fairgrounds phasing data provided by Kosmont Partners and Solano County Fairgrounds Association
 - b. Arena, Exhibition/Conference, and Multi-use Livestock are assumed to be new facilities
 - c. Property tax increment assume no pass-through to City of Vallejo

Exhibit A- 2
Northgate Mixed-Use Development
ANNUAL COMPLETION/ABSORPTION SCHEDULE

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	
Residential "For Sale" (Units)																						
Hyde Park	32	101			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133
Senior Housing			50	50																		100
Residential "Rental" (Units)	-	-	50	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Retail (SQ FT)																						
Retail (SQFT)	-	100,000																				100,000
Auto (Units)			344	344	344																	
Office (SQ FT)	-	-	60,000	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120,000

Note:

- a. Phasing of squarefootage for all uses based on information from Mandarin Developments
- b. Assumes absorption of 50 "For Sale" senior units per year and 50 "Rental" senior units per year

**Exhibit A- 2.1
Northgate Mixed-Use Development
FISCAL REVENUE SCHEDULE**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Site Specific Revenues																					
Sales Tax																					
Retail	0	180,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	180,000
Auto			71,012	71,012	71,012																
Annual Adjustment 2%	0	0	183,600	259,704	337,330	416,508	424,838	433,335	442,002	450,842	459,859	469,056	478,437	488,006	497,766	507,721	517,876	528,233	538,798	549,574	
Cumulative	0	180,000	254,612	330,715	408,341	416,508	424,838	433,335	442,002	450,842	459,859	469,056	478,437	488,006	497,766	507,721	517,876	528,233	538,798	549,574	8,376,520
Utility Tax																					
Retail	0	18,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,750
Office	0	0	20,205	20,205	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,410
Residential	5,172	16,324	16,163	16,163	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53,821
Industrial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Adjustment 2%	0	5,275	41,157	79,075	117,751	120,106	122,508	124,958	127,457	130,006	132,607	135,259	137,964	140,723	143,538	146,408	149,337	152,323	155,370	158,477	
Cumulative	5,172	40,350	77,524	115,442	117,751	120,106	122,508	124,958	127,457	130,006	132,607	135,259	137,964	140,723	143,538	146,408	149,337	152,323	155,370	158,477	2,433,280
Business License Tax																					
Retail	0	22,109	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22,109
Office	0	0	16,023	16,023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32,046
Industrial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Adjustment 2%	0	0	22,551	39,346	56,476	57,606	58,758	59,933	61,132	62,354	63,601	64,873	66,171	67,494	68,844	70,221	71,625	73,058	74,519	76,009	
Cumulative	0	22,109	38,574	55,369	56,476	57,606	58,758	59,933	61,132	62,354	63,601	64,873	66,171	67,494	68,844	70,221	71,625	73,058	74,519	76,009	1,168,725
Property Tax																					
Retail	0	0	34,125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,125
Office	0	0	0	29,250	29,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	58,500
Residential	0	20,521	64,769	64,127	64,127	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213,545
Industrial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Adjustment 2%	0	0	20,931	122,221	219,911	319,554	325,945	332,464	339,113	345,896	352,814	359,870	367,067	374,409	381,897	389,535	397,325	405,272	413,377	421,645	
Cumulative	0	20,521	119,825	215,599	313,288	319,554	325,945	332,464	339,113	345,896	352,814	359,870	367,067	374,409	381,897	389,535	397,325	405,272	413,377	421,645	6,195,416
Total Revenue																					
Cumulative	5,172	262,979	490,535	717,125	895,857	913,774	932,049	950,690	969,704	989,098	1,008,880	1,029,058	1,049,639	1,070,632	1,092,044	1,113,885	1,136,163	1,158,886	1,182,064	1,205,705	18,173,941

Note: All amounts in 2004 dollars
Residential = Residential "Sale" + Residential "Rent"

**Exhibit A- 2.2
Northgate Mixed-Use Development
FISCAL REVENUE PROJECTION**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Site Specific Revenues																					
Sales Tax	0	180,000	254,612	330,715	408,341	416,508	424,838	433,335	442,002	450,842	459,859	469,056	478,437	488,006	497,766	507,721	517,876	528,233	538,798	549,574	8,376,520
Utility Tax	5,172	40,350	77,524	115,442	117,751	120,106	122,508	124,958	127,457	130,006	132,607	135,259	137,964	140,723	143,538	146,408	149,337	152,323	155,370	158,477	2,433,280
Business License Tax	0	22,109	38,574	55,369	56,476	57,606	58,758	59,933	61,132	62,354	63,601	64,873	66,171	67,494	68,844	70,221	71,625	73,058	74,519	76,009	1,168,725
Property Tax	0	20,521	119,825	215,599	313,288	319,554	325,945	332,464	339,113	345,896	352,814	359,870	367,067	374,409	381,897	389,535	397,325	405,272	413,377	421,645	6,195,416
Total Revenue																					
Cumulative	5,172	262,979	490,535	717,125	895,857	913,774	932,049	950,690	969,704	989,098	1,008,880	1,029,058	1,049,639	1,070,632	1,092,044	1,113,885	1,136,163	1,158,886	1,182,064	1,205,705	18,173,941

Note: All amounts in 2004 dollars

Exhibit A- 3
Northgate Mixed-Use Development
TAX FACTORS FOR CITY OF VALLEJO

City of Vallejo			
Transient Occupancy Tax			11.0%
Utility User Tax			7.5%
Sales Tax			1.0%
Average Business License Tax			
Average Gross Receipts	1,000,000		0.00066
Net Profit as % of Gross Receipts		10-20%	
Property Tax			
% General Levy			1.0%
City of Vallejo share			19.5%

Exhibit A-4
Northgate Mixed-Use Development
PROJECT SPECIFICATIONS

			Source/Comments
A. Retail Assumptions			
Sales Revenue			
Average Sales per Square feet	300		Average Neighborhood Center Sales in Western Region from Dollars and Cents
Percentage Taxable	60%		Neighbor center will have a high percentage of non-taxable goods
Percentage Taxable Auto Sales	100%		
Rental Receipts			
Monthly Per Occupied Square Foot	\$3.00		Kosmont Partners
Improvement Value			
Per Square Feet	\$175		Kosmont Partners
Utility Expenditures			
Per Square Foot	\$2.50		Kosmont Partners
Employment			
Square Feet Per Employee	400		Kosmont Partners
B. For-Sale/Rental Residential Assumptions			
Improvement Value			
Per SFD Unit	40%	\$650,000	Mandarich Development
Per Senior "Sale" Unit	30%	400,000	Mandarich Development
Per Senior "Rental" Unit	30%	300,000	Estimated
Utility Expenditures (per Unit)			
Electricity		525	Kosmont Partners
Gas		430	Kosmont Partners
Telephone/Cell		1,200	Kosmont Partners
Total		2,155	
C. Office			
Rent			
Monthly Per Occupied Square Foot		\$2.50	
Improvement Value			
Per Square Feet		\$250	To be verified
Utility Expenditures			
Electricity			
PSF		\$1.04	Kosmont Partners
Gas			
PSF		\$0.25	Kosmont Partners
Telephone/Cell			
Per Employee		\$800	Kosmont Partners
PSF		3.20	Kosmont Partners
Total		\$4.49	
Business Receipts per Employee		\$93,964	Source: Economic Census 1997. Assume 100% of office employees would fall under Professional, Scientific, & Technical services
Office			
Square Feet Per Employee		250	Kosmont Partners
D. Auto			
Sale Price Per New Unit			
Ford	\$	26,000	Kosmont Partners
Chevrolet		26,000	Kosmont Partners
Hundai		16,000	Kosmont Partners
Sale Price Per Used Unit			
Ford	\$	15,000	Kosmont Partners
Chevrolet	\$	15,000	Kosmont Partners
Increased Sales		25%	

Exhibit A- 5
Northgate Mixed-Use Development
REVENUE SUMMARY COMPARISON
(at Build-out)

Site Specific Revenues		
Transient Occupancy Tax	\$0	0.0%
Sales Tax	393,035	44.6%
Utility User Tax	112,981	12.8%
Business License Tax	68,173	7.7%
Property tax	306,170	34.8%
Total	\$880,358	

Note: All amounts in 2004 dollars

Exhibit A- 6
Northgate Mixed-Use Development
ANNUAL SALES TAX
(at Build-out)

Retail		
Squarefootage		100,000
Total Retail Sales		30,000,000
% Taxable		60%
Taxable Sales		18,000,000
Sales Tax		
Rate		1.00%
Total		\$180,000
Auto		
Total New Car Sales Increase		17,491,009
Total Used Car Sales Increase		3,812,480
% Taxable		100%
Total Taxable Sales		21,303,489
Sales Tax		
Rate		1.00%
Total		\$213,035
Total		\$393,035

Note: All amounts in 2004 dollars

Exhibit A-7
Northgate Mixed-Use Development
ANNUAL UTILITY USER TAX
(at Build-out)

Improvement Square Feet/Units	
Hotel	0
Retail	100,000
Auto	0
Offices	120,000
Industrial	0
Residential	333
Utility Expenditures	
Hotel	
Per Square Foot	\$2.00
Total	0
Retail	
Per Square Foot	\$2.50
Total	250,000
Auto	
Per Square Foot	\$2.50
Total	0
Office	
Per Square Foot	\$4.49
Total	538,800
Industrial	
Per Square Foot	\$4.79
Total	0
Residential	
Per Unit	2,155
Total	717,615
	<hr/>
Combined	\$1,506,415
Utility Tax	
Rate	7.50%
Amount	\$112,981

Note: All amounts in 2004 dollars

Exhibit A- 8
 Northgate Mixed-Use Development
ANNUAL BUSINESS LICENSE TAX
 (at Build-out)

Retail	
Gross Revenue	\$33,600,000
Tax	22,109
Auto	
Gross Revenue Increase	\$21,303,489
Tax	14,018
Office	
Gross Revenue	\$48,702,506
Tax	32,046
Industrial	
Gross Revenue	\$0
Tax	0
Hotel	
Gross Revenue	0
Tax	0

Combined	\$68,173

Note: All amounts in 2004 dollars

Exhibit A- 9
 Northgate Mixed-Use Development
ANNUAL PROPERTY TAX
 (at Build-out)

Improvement Value		
Hotel		
Per Room		\$0
Total		0
Retail		
Per Square Foot		\$175
Total		17,500,000
Office		
Per Square Foot		\$250
Total		30,000,000
Industrial		
Per Square Foot		\$120
Total		0
Residential		
Per Unit		\$470,000
Total		109,510,000
Combined		
Total		\$157,010,000
Property Tax		
Total Tax		\$1,570,100
City of Vallejo Portion		\$306,170

Note: All amounts in 2004 dollars

Exhibit A- 10
Northgate Mixed Use Development
Auto Sales

			New Revenue	New Units	Used Revenue	Used Units		
			\$420,359,060	\$19,630	\$183,405,103	\$12,318		
Top 500 Dealerships	Minimum		\$29,372,743	686	\$2,334,296	217		
	Mean		\$74,551,649	2,662	\$23,564,766	1,416		
	Median		\$65,102,924	2,383	\$20,907,771	1,262		
	St. Dev.		\$39,569,630	1,496	\$13,398,154	882		
Top of Second Tier Dealerships	Mean-St.Dev		\$34,982,018	1,166	\$10,166,612	534		
Ford	-25%	-25%	\$26,236,514	874	\$7,624,959	400		
Chevrolet	-25%	-25%	\$26,236,514	874	\$7,624,959	400		
Hundai	-50%	-50%	\$17,491,009	583	\$5,083,306	267		
Not Adjusted for Average Unit Price								
EXISTING SALES								
			Assumed Average	New Units	New Sales	Assumed Average	Used Units	Used Sales
			New Unit Price	Derrived from	Revenue	Used Unit Price	Derrived from	Revenue
				Sales Rev.			Sales Rev.	
Ford			\$ 26,000	1009	\$ 26,236,514	\$ 15,000	508	\$ 7,624,959
Chevrolet			\$ 26,000	1009	\$ 26,236,514	\$ 15,000	508	\$ 7,624,959
Hundai			\$ 16,000	1093	\$ 17,491,009			
Subtotal					\$ 69,964,037			\$ 15,249,918
Total				3111			1017	\$ 85,213,955
Adjusted For Average Unit Price								
PROJECTED SALES								
			Assumed Average	New Units	New Sales	Assumed Average	Used Units	Used Sales
			New Unit Price	Derrived from	Revenue	Used Unit Price	Derrived from	Revenue
				Sales Rev.			Sales Rev.	
Ford			\$ 26,000	1261	\$ 32,795,642	\$ 15,000	635	\$ 9,531,199
Chevrolet			\$ 26,000	1261	\$ 32,795,642	\$ 15,000	635	\$ 9,531,199
Hundai			\$ 16,000	1366	\$ 21,863,762			
Subtotal					\$ 87,455,046			\$ 19,062,398
Total				3889			1271	\$ 106,517,444
Adjusted For Average Unit Price			New Unit Increase	778		Used Unit Increase	254	
							Revenue Increase	\$ 21,303,489
							Sales Tax Increase	\$ 213,035
							BLT Increase	\$ 14,018

Note:

- The Wards top 500 in "Data" were assumed to be the top tier of all dealerships.
- Prior to relocation to Columbus PKWY in Northgate, the dealerships were assumed to have revenues and sales at 75% of one standard deviation below the Wards 500 mean.
- Upon relocation to Columbus PKWY, the dealerships are assumed to increase unit sales by 25%
- Sale Tax revenue is 1%

**Exhibit B- 1
Vallejo-Lennar Mare Island
ANNUAL COMPLETION/ABSORPTION SCHEDULE**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total		
Residential (Units)	460	394	178	149	158	61																1,400	
Retail (SQ FT)	-	-	-	50,000	-	107,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	157,000
Office (SQ FT)	50,000	100,000	148,429	173,429	198,429	223,429	223,429	223,429	223,429														1,564,000
Industrial (SQ FT)	247,889	347,889	594,175	594,175	594,175	619,175	619,175	619,175	619,175														4,855,000

Note:
a. Phasing of squarefootage for all uses based on information from Lennar Mare Island

**Exhibit B- 2.1
Vallejo-Lennar Mare Island
FISCAL REVENUE SCHEDULE**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	
Site Specific Revenues																						
Sales Tax																						
Retail	0	0	0	97,452	0	208,548	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	306,000
Hotel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Adjustment 2%	0	0	0	0	99,401	101,389	316,136	322,459	328,908	335,486	342,196	349,039	356,020	363,141	370,403	377,812	385,368	393,075	400,937	408,955		
Cumulative	0	0	0	97,452	99,401	309,937	316,136	322,459	328,908	335,486	342,196	349,039	356,020	363,141	370,403	377,812	385,368	393,075	400,937	408,955		5,556,724
Utility Tax																						
Retail	0	0	0	9,375	0	20,063	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	29,438
Office	16,838	33,675	49,983	58,402	66,821	75,240	75,240	75,240	75,240	0	0	0	0	0	0	0	0	0	0	0	0	526,678
Residential	74,348	63,680	28,769	24,082	25,537	9,859	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	226,275
Industrial	88,974	124,867	213,266	213,266	213,266	222,240	222,240	222,240	222,240	0	0	0	0	0	0	0	0	0	0	0	0	1,742,599
Annual Adjustment 2%	0	183,763	414,105	720,246	1,045,879	1,378,534	1,740,053	2,078,283	2,423,278	2,775,172	2,830,675	2,887,289	2,945,035	3,003,935	3,064,014	3,125,294	3,187,800	3,251,556	3,316,587	3,382,919		
Cumulative	180,159	405,985	706,124	1,025,372	1,351,504	1,705,934	2,037,532	2,375,762	2,720,757	2,775,172	2,830,675	2,887,289	2,945,035	3,003,935	3,064,014	3,125,294	3,187,800	3,251,556	3,316,587	3,382,919		46,279,409
Business License Tax																						
Retail	0	0	0	10,660	0	22,812	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33,471
Office	13,024	26,047	38,662	45,173	51,685	58,197	58,197	58,197	58,197	0	0	0	0	0	0	0	0	0	0	0	0	407,379
Industrial	17,733	24,886	42,504	42,504	42,504	44,292	44,292	44,292	44,292	0	0	0	0	0	0	0	0	0	0	0	0	347,299
Annual Adjustment 2%	0	31,371	83,951	168,418	272,091	373,605	508,884	623,601	740,612	859,963	877,163	894,706	912,600	930,852	949,469	968,458	987,828	1,007,584	1,027,736	1,048,291		
Cumulative	30,756	82,305	165,116	266,755	366,280	498,906	611,374	726,090	843,101	859,963	877,163	894,706	912,600	930,852	949,469	968,458	987,828	1,007,584	1,027,736	1,048,291		14,055,333
Property Tax																						
Retail	0	0	0	0	17,063	0	36,514	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53,576
Office	0	24,375	48,750	72,359	84,547	96,734	108,922	108,922	108,922	108,922	0	0	0	0	0	0	0	0	0	0	0	762,451
Residential	0	435,045	372,626	168,344	140,917	149,429	57,691	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,324,050
Industrial	0	58,006	81,406	139,037	139,037	139,037	144,887	144,887	144,887	144,887	0	0	0	0	0	0	0	0	0	0	0	1,136,070
Annual Adjustment 2%	0	0	527,775	1,051,167	1,459,525	1,877,909	2,308,371	2,709,512	3,022,587	3,341,923	3,667,647	3,740,999	3,815,819	3,892,136	3,969,979	4,049,378	4,130,366	4,212,973	4,297,232	4,383,177		
Cumulative	0	517,426	1,030,556	1,430,907	1,841,088	2,263,109	2,656,384	2,963,320	3,276,395	3,595,732	3,667,647	3,740,999	3,815,819	3,892,136	3,969,979	4,049,378	4,130,366	4,212,973	4,297,232	4,383,177		59,734,623
Total Revenue	210,916	1,005,716	1,901,796	2,820,486	3,658,272	4,777,887	5,621,426	6,387,632	7,169,161	7,566,353	7,717,680	7,872,034	8,029,475	8,190,064	8,353,865	8,520,943	8,691,361	8,865,189	9,042,492	9,223,342		125,626,090
Cumulative	210,916	1,216,631	3,118,427	5,938,914	9,597,186	14,375,072	19,996,498	26,384,130	33,553,291	41,119,645	48,837,325	56,709,359	64,738,833	72,928,897	81,282,763	89,803,705	98,495,067	107,357,256	116,400,000	125,626,090		

Note: All amounts in 2004 dollars

**Exhibit B- 2.2
Vallejo-Lennar Mare Island
FISCAL REVENUE PROJECTION**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	
Site Specific Revenues																						
Transient Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Tax	0	0	0	97,452	99,401	309,937	316,136	322,459	328,908	335,486	342,196	349,039	356,020	363,141	370,403	377,812	385,368	393,075	400,937	408,955		5,556,724
Utility Tax	180,159	405,985	706,124	1,025,372	1,351,504	1,705,934	2,037,532	2,375,762	2,720,757	2,775,172	2,830,675	2,887,289	2,945,035	3,003,935	3,064,014	3,125,294	3,187,800	3,251,556	3,316,587	3,382,919		46,279,409
Business License Tax	30,756	82,305	165,116	266,755	366,280	498,906	611,374	726,090	843,101	859,963	877,163	894,706	912,600	930,852	949,469	968,458	987,828	1,007,584	1,027,736	1,048,291		14,055,333
Property Tax	0	517,426	1,030,556	1,430,907	1,841,088	2,263,109	2,656,384	2,963,320	3,276,395	3,595,732	3,667,647	3,740,999	3,815,819	3,892,136	3,969,979	4,049,378	4,130,366	4,212,973	4,297,232	4,383,177		59,734,623
Total Revenue	210,916	1,005,716	1,901,796	2,820,486	3,658,272	4,777,887	5,621,426	6,387,632	7,169,161	7,566,353	7,717,680	7,872,034	8,029,475	8,190,064	8,353,865	8,520,943	8,691,361	8,865,189	9,042,492	9,223,342		125,626,090

Note: All amounts in 2004 dollars

Exhibit B- 3
Vallejo-Lennar Mare Island
TAX FACTORS FOR CITY OF VALLEJO

City of Vallejo		
Transient Occupancy Tax		11.0%
Utility User Tax		7.5%
Sales Tax		1.0%
Average Business License Tax		
Average Gross Receipts	1,000,000	0.00066
Net Profit as % of Gross Receipts	10-20%	
Property Tax		
% General Levy		1.0%
City of Vallejo share		19.5%

Exhibit B- 4
Vallejo-Lennar Mare Island
PROJECT SPECIFICATIONS

A. Retail Assumptions		Source/Comments	
Sales Revenue			
Average Sales per Square feet	300	Average Neighborhood Center Sales in Western Region from Dollars and Cents	
Percentage Taxable	65%	Assuming retail will comprise grocery anchored center and other local stores	
Rental Receipts			
Monthly Per Occupied Square Foot	\$2.00	Kosmont Partners	
Improvement Value			
Per Square Feet	\$175	Kosmont Partners	
Utility Expenditures			
Per Square Foot	\$2.50	Kosmont Partners	
Employment			
Square Feet Per Employee	400	Kosmont Partners	
B. For-Sale Residential Assumptions			
Improvement Value			
Per SFD Unit	80%	\$500,000	Based on recent sales of relatively new construction
Per Condominium Unit	20%	425,000	Estimated
Utility Expenditures (per Unit)			
Electricity	525	Kosmont Partners	
Gas	430	Kosmont Partners	
Telephone/Cell	1,200	Kosmont Partners	
Total	2,155		
C. Office			
Rent			
Monthly Per Occupied Square Foot	\$1.67	Assumed average rent of \$25 PSF per year; To be verified	
Improvement Value			
Per Square Feet	\$250	To be verified	
Utility Expenditures			
Electricity			
PSF	\$1.04	Kosmont Partners	
Gas			
PSF	\$0.25	Kosmont Partners	
Telephone/Cell			
Per Employee	\$800	Kosmont Partners	
PSF	3.20	Kosmont Partners	
Total	\$4.49		
Business Receipts per Employee	\$93,964	Source: Economic Census 1997. Assume 100% of office employees would fall under Professional, Scientific, & Technical services	
Employment			
Office			
Square Feet Per Employee	250	Kosmont Partners	
D. Industrial			
Rent			
Monthly Per Occupied Square Foot	\$0.50	Assumed average rent of \$6 PSF per year; To be verified	
Improvement Value			
Per Square Feet	\$120	To be verified	
Utility Expenditures			
Electricity			
PSF	\$3.00	Awaiting Mr. Ammann's comment	
Gas			
PSF	\$1.50	Awaiting Mr. Ammann's comment	
Telephone/Cell			
Per Employee	\$800	Kosmont Partners	
PSF	0.29	Kosmont Partners	
Total	\$4.79		
Business Receipts per Employee	\$287,602	Source: Economic Census 1997. Assumes industrial employees would fall under Fabricated metal product manufacturing industries	
Employment			
Industry			
Square Feet Per Employee	2,800	Lennar Partners	

Exhibit B- 5
Vallejo-Lennar Mare Island
REVENUE SUMMARY COMPARISON
(at Build-out)

Site Specific Revenues		
Transient Occupancy Tax	\$0	0.0%
Sales Tax	306,000	4.4%
Utility User Tax	2,524,988	36.6%
Business License Tax	788,149	11.4%
Property tax	3,276,146	47.5%
Total	<u>3,276,146</u>	
	\$6,895,283	

Note: All amounts in 2004 dollars

Exhibit B- 6
Vallejo-Lennar Mare Island
ANNUAL SALES TAX
(at Build-out)

Hotel		
Non-Room Revenue		
Total		
Percent of Room Revenue		50%
Amount		\$0
Taxable		
Percent of Non-Room Revenue		75%
Amount		\$0
Sales Tax		
Rate		1.00%
Total		\$0
Retail		
Squarefootage		157,000
Total Retail Sales		47,100,000
% Taxable		65%
Taxable Sales		30,615,000
Sales Tax		
Rate		1.00%
Total		\$306,000

Note: All amounts in 2004 dollars

Exhibit B- 7
 Vallejo-Lennar Mare Island
ANNUAL UTILITY USER TAX
 (at Build-out)

Improvement Square Feet/Units	
Hotel	0
Retail	157,000
Offices	1,564,000
Industrial	4,855,000
Residential	1,400
Utility Expenditures	
Hotel	
Per Square Foot	\$2.00
Total	0
Retail	
Per Square Foot	\$2.50
Total	392,500
Office	
Per Square Foot	\$4.49
Total	7,022,360
Industrial	
Per Square Foot	\$4.79
Total	23,234,643
Residential	
Per Unit	2,155
Total	3,017,000
	<hr/>
Combined	\$33,666,503
Utility Tax	
Rate	7.50%
Amount	\$2,524,988

Note: All amounts in 2004 dollars

Exhibit B- 8
Vallejo-Lennar Mare Island
ANNUAL BUSINESS LICENSE TAX
(at Build-out)

Retail		
Gross Revenue		\$50,868,000
Tax		33,471
Office		
Gross Revenue		\$619,115,997
Tax		407,378
Industrial		
Gross Revenue		\$527,810,562
Tax		347,299
Hotel		
Gross Revenue		0
Tax		0
		<hr/>
Combined		\$788,149

Note: All amounts in 2004 dollars

Exhibit B- 9
 Vallejo-Lennar Mare Island
ANNUAL PROPERTY TAX
(at Build-out)

Improvement Value		
Hotel		
Per Room		\$0
Total		0
Retail		
Per Square Foot		\$175
Total		27,475,000
Office		
Per Square Foot		\$250
Total		391,000,000
Industrial		
Per Square Foot		\$120
Total		582,600,000
Residential		
Per Unit		485,000
Total		679,000,000
		<hr/>
Combined		
Total		\$1,680,075,000
Property Tax		
Total Tax Increment		\$16,800,750
City of Vallejo Portion		\$3,276,146

Note: All amounts in 2004 dollars

Exhibit C- 1
Vallejo-Waterfront Development
ANNUAL COMPLETION/ABSORPTION SCHEDULE

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Residential (Units)																					
Parcel A (Mariner's Cove)				60	60	55															175
Parcel S & T (Kaiser Property)					80	80	80	80	80	80	80	90									650
Sub-Total	-	-	-	60	140	135	80	80	80	80	80	90									825
Retail (SQ FT)																					
Parcel A (Mariner's Cove)				22,000																	22,000
Parcel S & T (Kaiser Property)						17,000															17,000
Sub-Total	-	-	-	22,000	-	17,000	-	-	-	-	-	-									39,000
Office (SQ FT)																					
State Farm Insurance Company	60,000																				60,000
Parcel S & T (Kaiser Property)					60,000	60,000	33,000														153,000
Sub-Total	60,000	-	-	-	60,000	60,000	33,000	-	-	-	-	-									213,000
Hotel (Rooms)																					
Parcel J1 and J2 (Hotel Parcel)							200,000														200,000

- Note:
- a. Phasing of uses based on information from Eco. Dev. Dept., City of Vallejo
 - b. Residential Units (Parcel A) assumed to absorb 5 units per month
 - c. Residential Units (Parcel S&T) assumed to absorb 6-7 units per month
 - d. Office space absorption of \$5,000 SF per month

**Exhibit C- 2.1
Vallejo-Waterfront Development
FISCAL REVENUE SCHEDULE**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	
Site Specific Revenues																						
Transient Tax							472,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	472,000
Prior Year Adjusted																						
Annual Adjustment 2%	0	0	0	0	0	0	0	481,440	491,069	500,890	510,908	521,126	531,549	542,180	553,023	564,084	575,365	586,873	598,610	610,582		
Cumulative	0	0	0	0	0	0	472,000	481,440	491,069	500,890	510,908	521,126	531,549	542,180	553,023	564,084	575,365	586,873	598,610	610,582	7,539,699	
Sales Tax																						
Retail	0	0	0	66,000	0	51,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	117,000
Hotel	0	0	0	0	0	0	16,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16,000
Annual Adjustment 2%	0	0	0	0	67,320	68,666	122,060	140,821	143,637	146,510	149,440	152,429	155,478	158,587	161,759	164,994	168,294	171,660	175,093	178,595		
Cumulative	0	0	0	66,000	67,320	119,666	138,060	140,821	143,637	146,510	149,440	152,429	155,478	158,587	161,759	164,994	168,294	171,660	175,093	178,595	2,458,344	
Utility Tax																						
Hotel	0	0	0	0	0	0	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30,000
Retail	0	0	0	4,125	0	3,188	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,313
Office	20,205	0	0	0	20,205	20,205	11,113	0	0	0	0	0	0	0	0	0	0	0	0	0	0	71,728
Residential	0	0	0	9,698	22,628	21,819	12,930	12,930	12,930	12,930	12,930	14,546	0	0	0	0	0	0	0	0	0	133,341
Annual Adjustment 2%	0	20,609	21,021	21,442	35,969	80,378	128,102	185,787	202,692	219,934	237,521	255,460	275,407	280,915	286,533	292,264	298,109	304,071	310,153	316,356		
Cumulative	20,205	20,609	21,021	35,264	78,802	125,590	182,144	198,717	215,622	232,864	250,451	270,007	275,407	280,915	286,533	292,264	298,109	304,071	310,153	316,356	4,015,105	
Business License Tax																						
Hotel	0	0	0	0	0	0	4,237	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,237
Retail	0	0	0	4,690	0	3,624	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,314
Office	15,628	0	0	0	15,628	15,628	8,596	0	0	0	0	0	0	0	0	0	0	0	0	0	0	55,481
Annual Adjustment 2%	0	15,941	16,260	16,585	21,701	38,076	58,475	72,733	74,188	75,671	77,185	78,729	80,303	81,909	83,547	85,218	86,923	88,661	90,434	92,243		
Cumulative	15,628	15,941	16,260	21,275	37,329	57,328	71,307	72,733	74,188	75,671	77,185	78,729	80,303	81,909	83,547	85,218	86,923	88,661	90,434	92,243	1,302,813	
Total Revenue	35,833	36,550	37,281	122,539	183,451	302,584	863,511	893,711	924,515	955,936	987,985	1,022,290	1,042,736	1,063,591	1,084,863	1,106,560	1,128,691	1,151,265	1,174,290	1,197,776	15,315,961	
Redevelopment Agency Revenues																						
Affordable Housing Set-aside																						
Hotel	0	0	0	0	0	0	0	60,000	0	0	0	0	0	0	0	0	0	0	0	0	0	60,000
Retail	0	0	0	0	7,700	0	5,950	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,650
Office	0	30,000	0	0	0	30,000	30,000	16,500	0	0	0	0	0	0	0	0	0	0	0	0	0	106,500
Residential	0	0	0	0	41,160	96,040	92,610	54,880	54,880	54,880	54,880	54,880	61,740	0	0	0	0	0	0	0	0	565,950
Annual Adjustment 2%	0	0	30,600	31,212	31,836	82,310	212,517	347,899	488,864	554,619	621,689	690,101	759,880	838,053	854,814	871,910	889,348	907,135	925,278	943,783		
Cumulative	0	30,000	30,600	31,212	80,696	208,350	341,077	479,279	543,744	609,499	676,569	744,981	821,620	838,053	854,814	871,910	889,348	907,135	925,278	943,783	10,827,948	
Unrestricted																						
Hotel	0	0	0	0	0	0	0	155,520	0	0	0	0	0	0	0	0	0	0	0	0	0	155,520
Retail	0	0	0	0	19,958	0	15,422	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,381
Office	0	77,760	0	0	0	77,760	77,760	42,768	0	0	0	0	0	0	0	0	0	0	0	0	0	276,048
Residential	0	0	0	0	106,687	248,936	240,045	142,249	142,249	142,249	142,249	142,249	160,030	0	0	0	0	0	0	0	0	1,466,942
Annual Adjustment 2%	0	0	79,315	80,902	82,520	213,348	550,844	901,753	1,267,136	1,437,573	1,611,418	1,788,741	1,969,609	2,172,232	2,215,677	2,259,990	2,305,190	2,351,294	2,398,320	2,446,286		
Cumulative	0	77,760	79,315	80,902	209,165	540,044	884,072	1,242,290	1,409,385	1,579,822	1,753,667	1,930,990	2,129,639	2,172,232	2,215,677	2,259,990	2,305,190	2,351,294	2,398,320	2,446,286	28,066,041	
Total Revenue	0	107,760	109,915	112,114	289,861	748,394	1,225,149	1,721,569	1,953,129	2,189,321	2,430,236	2,675,970	2,951,260	3,010,285	3,070,490	3,131,900	3,194,538	3,258,429	3,323,598	3,390,070	38,893,988	
Cumulative	0	107,760	217,675	329,789	619,650	1,368,043	2,593,193	4,314,762	6,267,891	8,457,212	10,887,449	13,563,419	16,514,678	19,524,963	22,595,454	25,727,354	28,921,892	32,180,321	35,503,919	38,893,988		
Combined Total Revenue	35,833	144,310	147,196	234,653	473,312	1,050,978	2,088,660	2,615,280	2,877,645	3,145,257	3,418,221	3,698,261	3,993,996	4,073,876	4,155,353	4,238,460	4,323,230	4,409,694	4,497,888	4,587,846	54,209,949	
Cumulative	35,833	180,143	327,340	561,992	1,035,304	2,086,282	4,174,943	6,790,223	9,667,868	12,813,125	16,231,346	19,929,606	23,923,602	27,997,478	32,152,831	36,391,291	40,714,521	45,124,215	49,622,103	54,209,949		

**Exhibit C- 2.2
Vallejo-Waterfront Development
FISCAL REVENUE PROJECTION**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Site Specific Revenues																					
Transient Tax	0	0	0	0	0	0	472,000	481,440	491,069	500,890	510,908	521,126	531,549	542,180	553,023	564,084	575,365	586,873	598,610	610,582	7,539,699
Sales Tax	0	0	0	66,000	67,320	119,666	138,060	140,821	143,637	146,510	149,440	152,429	155,478	158,587	161,759	164,994	168,294	171,660	175,093	178,595	2,458,344
Utility Tax	20,205	20,609	21,021	35,264	78,802	125,590	182,144	198,717	215,622	232,864	250,451	270,007	275,407	280,915	286,533	292,264	298,109	304,071	310,153	316,356	4,015,105
Business License Tax	15,628	15,941	16,260	21,275	37,329	57,328	71,307	72,733	74,188	75,671	77,185	78,729	80,303	81,909	83,547	85,218	86,923	88,661	90,434	92,243	1,302,813
Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	35,833	36,550	37,281	122,539	183,451	302,584	863,511	893,711	924,515	955,936	987,985	1,022,290	1,042,736	1,063,591	1,084,863	1,106,560	1,128,691	1,151,265	1,174,290	1,197,776	15,315,961
Redevelopment Agency Revenues																					
Affordable Housing Set-aside	0	30,000	30,600	31,212	80,696	208,350	341,077	479,279	543,744	609,499	676,569	744,981	821,620	838,053	854,814	871,910	889,348	907,135	925,278	943,783	10,827,948
Unrestricted	0	77,760	79,315	80,902	209,165	540,044	884,072	1,242,290	1,409,385	1,579,822	1,753,667	1,930,990	2,129,639	2,172,232	2,215,677	2,259,990	2,305,190	2,351,294	2,398,320	2,446,286	28,066,041
Total Revenue	0	107,760	109,915	112,114	289,861	748,394	1,225,149	1,721,569	1,953,129	2,189,321	2,430,236	2,675,970	2,951,260	3,010,285	3,070,490	3,131,900	3,194,538	3,258,429	3,323,598	3,390,070	38,893,988

Exhibit C- 3
Vallejo-Waterfront Development
TAX FACTORS FOR CITY OF VALLEJO/REDEVELOPMENT AGENCY

City of Vallejo			
Transient Occupancy Tax			11.0%
Utility User Tax			7.5%
Sales Tax			1.0%
Average Business License Tax			
Average Gross Receipts	1,000,000		0.00066
Net Profit as % of Gross Receipts	10-20%		
Property Tax			
% General Levy			1.0%
Redevelopment Agency (Property Tax Increments)			
Tax Increment Allocations			
Agency Housing Set Aside			
Housing Set Aside			20.00%
Unrestricted			51.84%
Pass Through to Other Entities			28.16%

Exhibit C- 4
Vallejo-Waterfront Development
PROJECT SPECIFICATIONS

		Source/Comments
A. Hotel Assumptions		
Revenue		
Area (square feet)	200,000	
Square Feet Per Room	1,000	
Number of rooms	200	Based on estimated development
Room Revenue		
Ave Daily Rate	\$84	Based on 15% premium over existing Hotels Rates
Occupancy Rate	70%	Kosmont Partners
Non-Room Revenue (% of Room Revenue)	50%	Kosmont Partners
Taxable		
Percent of Non-Room Revenue	75%	Kosmont Partners
Improvement Value		
Per Room	\$150,000	Kosmont Partners
Value	30,000,000	
Utility Expenditures		
Per Square Foot	\$2.00	Kosmont Partners
Employment		
Per Room	1	Kosmont Partners
B. Retail Assumptions		
Sales Revenue		
Average Sales per Square feet	300	Average Neighborhood Center Sales in Western Region from Dollars and Cents
Rental Receipts		
Monthly Per Occupied Square Foot	\$2.00	Kosmont Partners
Improvement Value		
Per Square Feet	\$175	Kosmont Partners
Utility Expenditures		
Per Square Foot	\$2.50	Kosmont Partners
Employment		
Square Feet Per Employee	400	Kosmont Partners
C. For-Sale Residential Assumptions		
Improvement Value		
Per SFD Unit	0%	\$458,000 Based on recent sales of relatively new construction
Per Condominium Unit	100%	\$343,000 Estimated
Utility Expenditures (per Unit)		
Electricity	525	Kosmont Partners
Gas	430	Kosmont Partners
Telephone/Cell	1,200	Kosmont Partners
Total	2,155	
E. Office		
Rent		
Monthly Per Occupied Square Foot	\$1.67	Assumed average rent of \$20 PSF per year; To be verified
Improvement Value		
Per Square Feet	\$250.00	To be verified
Utility Expenditures		
Electricity		
PSF	\$1.04	Kosmont Partners
Gas		
PSF	\$0.25	Kosmont Partners
Telephone/Cell		
Per Employee	\$800.00	Kosmont Partners
PSF	3.20	Kosmont Partners
Total	\$4.49	
Business Receipts per Employee	\$93,964	Source: Economic Census 1997. Assume 100% of office employees would fall under Professional, Scientific, & Technical services
Employment		
Office		
Square Feet Per Employee	250	Kosmont Partners

Exhibit C- 5
Vallejo-Waterfront Development
REVENUE SUMMARY COMPARISON
(at Build-out)

Site Specific Revenues		
Transient Occupancy Tax	\$472,000	51.6%
Sales Tax	133,000	14.5%
Utility User Tax	242,381	26.5%
Business License Tax	68,032	7.4%
Total	\$915,413	
Redevelopment Agency Revenues		
Affordable Housing	\$746,100	27.8%
Unrestricted	1,933,891	72.2%
Total	\$2,679,991	

Note: All amounts in 2004 dollars

Exhibit C- 6
Vallejo-Waterfront Development
ANNUAL TRANSIENT OCCUPANCY TAX
(at Build-out)

Hotel		
Year of Opening		2010
Number of Rooms		200
Room Revenue		
Ave Daily Rate		\$84
Occupancy Rate		70%
Total Annual		\$4,292,000
Transient Occupancy Tax		
Rate		11%
Amount		\$472,000

Note: All amounts in 2004 dollars

Exhibit C- 7
Vallejo-Waterfront Development
ANNUAL SALES TAX
(at Build-out)

Hotel		
Non-Room Revenue		
Total		
Percent of Room Revenue		50%
Amount		\$2,146,000
Taxable		
Percent of Non-Room Revenue		75%
Amount		\$1,610,000
Sales Tax		
Rate		1.00%
Total		\$16,000
Retail		
Squarefootage		39,000
Total Retail Sales		11,700,000
% Taxable		100%
Taxable Sales		11,700,000
Sales Tax		
Rate		1.00%
Total		\$117,000

Note: All amounts in 2004 dollars

Exhibit C- 8
Vallejo-Waterfront Development
ANNUAL UTILITY USER TAX
(at Build-out)

Improvement Square Feet/Units	
Hotel	200,000
Retail	39,000
Offices	213,000
Residential	825
Utility Expenditures	
Hotel	
Per Square Foot	\$2.00
Total	400,000
Retail	
Per Square Foot	\$2.50
Total	97,500
Office	
Per Square Foot	\$4.49
Total	956,370
Residential	
Per Unit	2,155
Total	1,777,875
	<hr/>
Combined	\$3,231,745
Utility Tax	
Rate	7.50%
Amount	\$242,381

Note: All amounts in 2004 dollars

Exhibit C- 9
Vallejo-Waterfront Development
ANNUAL BUSINESS LICENSE TAX
(at Build-out)

Retail	
Gross Revenue	\$12,636,000
Tax	8,314
Office	
Gross Revenue	\$84,316,948
Tax	55,481
Hotel	
Gross Revenue	6,438,600
Tax	4,237
Combined	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/> \$68,032

Note: All amounts in 2004 dollars

Exhibit C- 10
Vallejo-Waterfront Development
ANNUAL PROPERTY TAX
(at Build-out)

Improvement Value	
Hotel	
Per Room	\$150,000
Total	30,000,000
Retail	
Per Square Foot	\$175
Total	6,825,000
Office	
Per Square Foot	\$250
Total	53,250,000
Residential	
Per Unit	343,000
Total	282,975,000
	<hr/>
Combined	
Total	\$373,050,000
Property Tax	
Total Tax Increment	\$3,730,500
Tax Increment Allocations	
Agency	
Housing Set Aside	\$746,100
Unrestricted	1,933,891
	<hr/>
Total	\$2,679,991
Pass Through to Other Entities	
Amount	\$1,050,509

Note: Assume no pass-through to City of Vallejo

Note: All amounts in 2004 dollars

Exhibit D- 1
Vallejo-Downtown Development
ANNUAL COMPLETION/ABSORPTION SCHEDULE

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	
Residential (Units)																						
Parcel A			78	78																		156
Parcel B					85	85																170
Parcel C							65	65														130
Parcel D									86	86												172
Parcel F										56	56											112
Parcel G																						76
Sub-Total	-	-	78	78	85	85	65	65	86	142	56	-	-	-	-	-	-	-	-	-	-	816
Retail (SQ FT)																						
Parcel A			7,500																			7,500
Parcel B					2,500																	2,500
Parcel C																						-
Parcel D									7,500													7,500
Parcel E									32,000													32,000
Parcel F										12,500												12,500
Sub-Total	-	-	7,500	-	2,500	-	-	-	39,500	12,500	-	-	-	-	-	-	-	-	-	-	-	62,000
Office (SQ FT)																						
Parcel A																						-
Parcel B																						-
Parcel C								14,000														14,000
Parcel D																						-
Sub-Total	-	-	-	-	-	-	14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,000
Hotel (Rooms)																						
Parcel J1 and J2 (Hotel Parcel)							0															0

Note:
a. Phasing of uses based on information from Eco. Dev. Dept., City of Vallejo
b. Residential Units construction and absorption based on TRIAD information
c. Office space absorption of 5,000 SF per month

**Exhibit D-2.1
Vallejo-Downtown Development
FISCAL REVENUE SCHEDULE**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Site Specific Revenues																					
Transient Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Year Adjusted																					
Annual Adjustment 2%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Tax																					
Retail	0	0	22,500	0	7,500	0	0	0	118,500	37,500	0	0	0	0	0	0	0	0	0	0	186,000
Hotel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Adjustment 2%	0	0	0	22,950	23,409	31,527	32,158	32,801	33,457	154,996	196,346	200,273	204,278	208,364	212,531	216,782	221,117	225,540	230,051	234,652	2,667,231
Cumulative	0	0	22,500	22,950	30,909	31,527	32,158	32,801	151,957	192,496	196,346	200,273	204,278	208,364	212,531	216,782	221,117	225,540	230,051	234,652	2,667,231
Utility Tax																					
Hotel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail	0	0	1,406	0	469	0	0	0	7,406	2,344	0	0	0	0	0	0	0	0	0	0	11,625
Office	0	0	0	0	0	0	4,715	0	0	0	0	0	0	0	0	0	0	0	0	0	4,715
Residential	0	0	12,607	12,607	13,738	13,738	10,506	10,506	13,900	22,951	9,051	0	0	0	0	0	0	0	0	0	119,603
Annual Adjustment 2%	0	0	0	14,293	27,438	42,478	57,340	74,012	86,208	109,664	137,657	149,643	152,635	155,688	158,802	161,978	165,218	168,522	171,892	175,330	2,144,740
Cumulative	0	0	14,013	26,900	41,645	56,216	72,560	84,517	107,514	134,958	146,708	149,643	152,635	155,688	158,802	161,978	165,218	168,522	171,892	175,330	2,144,740
Business License Tax																					
Hotel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail	0	0	1,599	0	533	0	0	0	8,421	2,665	0	0	0	0	0	0	0	0	0	0	13,218
Office	0	0	0	0	0	0	3,647	0	0	0	0	0	0	0	0	0	0	0	0	0	3,647
Annual Adjustment 2%	0	0	0	1,631	1,664	2,240	2,285	6,051	6,172	14,884	17,900	18,258	18,624	18,996	19,376	19,763	20,159	20,562	20,973	21,393	247,795
Cumulative	0	0	1,599	1,631	2,197	2,240	5,932	6,051	14,593	17,549	17,900	18,258	18,624	18,996	19,376	19,763	20,159	20,562	20,973	21,393	247,795
Total Revenue	0	0	38,112	51,481	74,750	89,984	110,650	123,369	274,063	345,004	360,955	368,174	375,537	383,048	390,709	398,523	406,494	414,624	422,916	431,374	5,059,766
Redevelopment Agency Revenues																					
Affordable Housing Set-aside																					
Hotel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail	0	0	0	2,625	0	875	0	0	0	13,825	4,375	0	0	0	0	0	0	0	0	0	21,700
Office	0	0	0	0	0	0	7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	7,000
Residential	0	0	0	53,508	53,508	58,310	58,310	44,590	44,590	58,996	97,412	38,416	0	0	0	0	0	0	0	0	507,640
Annual Adjustment 2%	0	0	0	0	57,256	112,979	175,607	238,596	295,989	347,391	428,616	541,011	591,016	602,836	614,893	627,191	639,734	652,529	665,580	678,891	7,806,454
Cumulative	0	0	0	56,133	110,764	172,164	233,917	290,186	340,579	420,212	530,403	579,427	591,016	602,836	614,893	627,191	639,734	652,529	665,580	678,891	7,806,454
Unrestricted																					
Hotel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail	0	0	0	6,804	0	2,268	0	0	0	35,834	11,340	0	0	0	0	0	0	0	0	0	56,246
Office	0	0	0	0	0	0	18,144	0	0	0	0	0	0	0	0	0	0	0	0	0	18,144
Residential	0	0	0	138,693	138,693	151,140	151,140	115,577	115,577	152,918	252,492	99,574	0	0	0	0	0	0	0	0	1,315,803
Annual Adjustment 2%	0	0	0	148,407	292,841	455,174	618,440	767,204	900,437	1,110,973	1,402,301	1,531,913	1,562,551	1,593,802	1,625,678	1,658,192	1,691,355	1,725,182	1,759,686	1,759,686	20,234,329
Cumulative	0	0	0	145,497	287,099	446,249	606,313	752,161	882,781	1,089,189	1,374,805	1,501,875	1,531,913	1,562,551	1,593,802	1,625,678	1,658,192	1,691,355	1,725,182	1,759,686	20,234,329
Total Revenue	0	0	0	201,630	397,863	618,413	840,231	1,042,347	1,223,361	1,509,401	1,905,208	2,081,302	2,122,928	2,165,387	2,208,695	2,252,869	2,297,926	2,343,884	2,390,762	2,438,577	28,040,783
Combined Total Revenue	0	0	38,112	253,111	472,613	708,396	950,881	1,165,715	1,497,424	1,854,405	2,266,163	2,449,476	2,498,466	2,548,435	2,599,404	2,651,392	2,704,420	2,758,508	2,813,678	2,869,952	33,100,549
Cumulative	0	0	38,112	291,223	763,836	1,472,232	2,423,113	3,588,828	5,086,252	6,940,657	9,206,819	11,656,295	14,154,761	16,703,196	19,302,600	21,953,992	24,658,411	27,416,919	30,230,597	33,100,549	

Note: All amounts in 2004 dollars

**Exhibit B- 2.2
Vallejo-Downtown Development
FISCAL REVENUE PROJECTION**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015									Total
Site Specific Revenues																					
Transient Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Tax	0	0	22,500	22,950	30,909	31,527	32,158	32,801	151,957	192,496	196,346	200,273	204,278	208,364	212,531	216,782	221,117	225,540	230,051	234,652	2,667,231
Utility Tax	0	0	14,013	26,900	41,645	56,216	72,560	84,517	107,514	134,958	146,708	149,643	152,635	155,688	158,802	161,978	165,218	168,522	171,892	175,330	2,144,740
Business License Tax	0	0	1,599	1,631	2,197	2,240	5,932	6,051	14,593	17,549	17,900	18,258	18,624	18,996	19,376	19,763	20,159	20,562	20,973	21,393	247,795
Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	0	0	38,112	51,481	74,750	89,984	110,650	123,369	274,063	345,004	360,955	368,174	375,537	383,048	390,709	398,523	406,494	414,624	422,916	431,374	5,059,766
Redevelopment Agency Revenues																					
Affordable Housing Set-aside	0	0	0	56,133	110,764	172,164	233,917	290,186	340,579	420,212	530,403	579,427	591,016	602,836	614,893	627,191	639,734	652,529	665,580	678,891	7,806,454
Unrestricted	0	0	0	145,497	287,099	446,249	606,313	752,161	882,781	1,089,189	1,374,805	1,501,875	1,531,913	1,562,551	1,593,802	1,625,678	1,658,192	1,691,355	1,725,182	1,759,686	20,234,329
Total Revenue	0	0	0	201,630	397,863	618,413	840,231	1,042,347	1,223,361	1,509,401	1,905,208	2,081,302	2,122,928	2,165,387	2,208,695	2,252,869	2,297,926	2,343,884	2,390,762	2,438,577	28,040,783

Note: All amounts in 2004 dollars

Exhibit D- 3

Vallejo-Downtown Development

TAX FACTORS FOR CITY OF VALLEJO/REDEVELOPMENT AGENCY			
City of Vallejo			
Transient Occupancy Tax			11.0%
Utility User Tax			7.5%
Sales Tax			1.0%
Average Business License Tax			
Average Gross Receipts	1,000,000		0.00066
Net Profit as % of Gross Receipts	10-20%		
Property Tax			
% General Levy			1.0%
Redevelopment Agency (Property Tax Increments)			
Tax Increment Allocations			
Agency Housing Set Aside			
Housing Set Aside			20.00%
Unrestricted			51.84%
Pass Through to Other Entities			28.16%

Exhibit D- 4
Vallejo-Downtown Development
PROJECT SPECIFICATIONS

		Source/Comments	
A. Retail Assumptions			
Sales Revenue			
Average Sales per Square feet	300	Average Neighborhood Center Sales in Western Region from Dollars and Cents	
Percentage Taxable	100%	To be verified	
Rental Receipts			
Monthly Per Occupied Square Foot	\$2.00	Kosmont Partners	
Improvement Value			
Per Square Feet	\$175	Kosmont Partners	
Utility Expenditures			
Per Square Foot	\$2.50	Kosmont Partners	
Employment			
Square Feet Per Employee	400	Kosmont Partners	
B. For-Sale Residential Assumptions			
Improvement Value			
Per SFD Unit	0%	\$458,000	Based on recent sales of relatively new construction
Per Condominium Unit	100%	\$343,000	Estimated
Utility Expenditures (per Unit)			
Electricity	525	Kosmont Partners	
Gas	430	Kosmont Partners	
Telephone/Cell	1,200	Kosmont Partners	
Total	2,155		
C. Office			
Rent			
Monthly Per Occupied Square Foot	\$1.67	Assumed average rent of \$20 PSF per year; To be verified	
Improvement Value			
Per Square Feet	\$250	To be verified	
Utility Expenditures			
Electricity PSF	\$1.04	Kosmont Partners	
Gas PSF	\$0.25	Kosmont Partners	
Telephone/Cell Per Employee	\$800	Kosmont Partners	
PSF	3.20	Kosmont Partners	
Total	\$4.49		
Business Receipts per Employee	\$93,964	Source: Economic Census 1997. Assume 100% of office employees would fall under Professional, Scientific, & Technical services	
Employment			
Office Square Feet Per Employee	250	Kosmont Partners	

Exhibit D- 5
Vallejo-Downtown Development
REVENUE SUMMARY COMPARISON
(at Build-out)

Site Specific Revenues		
Transient Occupancy Tax	\$0	0.0%
Sales Tax	186,000	53.0%
Utility User Tax	148,226	42.2%
Business License Tax	16,865	4.8%
Total	\$351,090	
Redevelopment Agency Revenues		
Affordable Housing	\$588,476	27.8%
Unrestricted	1,525,330	72.2%
Total	\$2,113,806	

Note: All amounts in 2004 dollars

Exhibit D- 6
Vallejo-Downtown Development
ANNUAL SALES TAX
(at Build-out)

Hotel		
Non-Room Revenue		
Total		
Percent of Room Revenue		50%
Amount		\$0
Taxable		
Percent of Non-Room Revenue		75%
Amount		\$0
Sales Tax		
Rate		1.00%
Total		\$0
Retail		
Squarefootage		62,000
Total Retail Sales		18,600,000
% Taxable		100%
Taxable Sales		18,600,000
Sales Tax		
Rate		1.00%
Total		\$186,000

Note: All amounts in 2004 dollars

Exhibit D- 7
Vallejo-Downtown Development
ANNUAL UTILITY USER TAX
(at Build-out)

Improvement Square Feet/Units	
Hotel	0
Retail	62,000
Offices	14,000
Residential	816
Utility Expenditures	
Hotel	
Per Square Foot	\$2.00
Total	0
Retail	
Per Square Foot	\$2.50
Total	155,000
Office	
Per Square Foot	\$4.49
Total	62,860
Residential	
Per Unit	2,155
Total	1,758,480
	<hr/>
Combined	\$1,976,340
Utility Tax	
Rate	7.50%
Amount	\$148,226

Note: All amounts in 2004 dollars

Exhibit D- 8
Vallejo-Downtown Development
ANNUAL BUSINESS LICENSE TAX
(at Build-out)

Retail	
Gross Revenue	\$20,088,000
Tax	13,218
Office	
Gross Revenue	\$5,541,959
Tax	3,647
Hotel	
Gross Revenue	0
Tax	0
Combined	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/> \$16,865

Note: All amounts in 2004 dollars

Exhibit D- 9
Vallejo-Downtown Development
ANNUAL PROPERTY TAX
(at Build-out)

Improvement Value		
Hotel		
Per Room		\$0
Total		0
Retail		
Per Square Foot		\$175
Total		10,850,000
Office		
Per Square Foot		\$250
Total		3,500,000
Residential		
Per Unit		343,000
Total		279,888,000
<hr/>		
Combined		
Total		\$294,238,000
Property Tax		
Total Tax Increment		\$2,942,380
Tax Increment Allocations		
Agency		
Housing Set Aside		\$588,476
Unrestricted		1,525,330
<hr/>		
Total		\$2,113,806
Pass Through to Other Entities		
Amount		\$828,574

Note: Assume no pass-through to City of Vallejo
All amounts in 2004 dollars

Exhibit E- 1
SOLANO COUNTY FAIRGROUNDS
ANNUAL COMPLETION/ABSORPTION SCHEDULE

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	
Retail (SQ FT)																						
Entertainment/Special Destination				850,000																		850,000
																						0
Sub-Total	-	-	-	850,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	850,000
																						0
Hotel																						0
300 Rooms					300																	300
																						0
Facilities/Complexes																						0
Arena			250,000																			250,000
Equestrian																						0
Exhibition/Conference			95,000																			95,000
Multiuse Livestock			40,000																			40,000
New Satellite Wagering Facility																						0
Recreation Vehicle Park																						0
Sub-Total	-	-	385,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	385,000
																						0
																						0
																						0

**Exhibit E- 2.1
SOLANO COUNTY FAIRGROUNDS
FISCAL REVENUE SCHEDULE**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	
Site Specific Revenues																						
Transient Tax					708,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	708,000
Prior Year Adjusted																						
Annual Adjustment 2%	0	0	0	0	0	722,160	736,603	751,335	766,362	781,689	797,323	813,269	829,535	846,126	863,048	880,309	897,915	915,873	934,191	952,875		
Cumulative	0	0	0	0	708,000	722,160	736,603	751,335	766,362	781,689	797,323	813,269	829,535	846,126	863,048	880,309	897,915	915,873	934,191	952,875	13,196,614	
Sales Tax																						
Retail	0	0	0	2,975,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,975,000
Hotel	0	0	0	0	24,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,000
Facility	0	0	38,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,500
Annual Adjustment 2%	0	0	0	39,270	3,074,555	3,160,527	3,223,737	3,288,212	3,353,976	3,421,056	3,489,477	3,559,266	3,630,452	3,703,061	3,777,122	3,852,664	3,929,717	4,008,312	4,088,478	4,170,248		
Cumulative	0	0	38,500	3,014,270	3,098,555	3,160,527	3,223,737	3,288,212	3,353,976	3,421,056	3,489,477	3,559,266	3,630,452	3,703,061	3,777,122	3,852,664	3,929,717	4,008,312	4,088,478	4,170,248	60,807,628	
Utility Tax																						
Hotel	0	0	0	0	45,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45,000
Retail	0	0	0	159,375	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	159,375
Facility	0	0	36,094	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,094
Annual Adjustment 2%	0	0	0	36,816	200,114	250,017	255,017	260,117	265,320	270,626	276,039	281,559	287,191	292,934	298,793	304,769	310,864	317,082	323,423	329,892		
Cumulative	0	0	36,094	196,191	245,114	250,017	255,017	260,117	265,320	270,626	276,039	281,559	287,191	292,934	298,793	304,769	310,864	317,082	323,423	329,892	4,801,042	
Business License Tax																						
Hotel	0	0	0	0	6,355	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,355
Retail	0	0	0	209,178	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	209,178
Facility	0	0	2,533	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,533
Annual Adjustment 2%	0	0	0	2,584	215,997	226,799	231,335	235,962	240,681	245,495	250,405	255,413	260,521	265,732	271,046	276,467	281,996	287,636	293,389	299,257		
Cumulative	0	0	2,533	211,762	222,352	226,799	231,335	235,962	240,681	245,495	250,405	255,413	260,521	265,732	271,046	276,467	281,996	287,636	293,389	299,257	4,358,784	
Total Revenue	0	0	77,127	3,422,223	4,274,022	4,359,503	4,446,693	4,535,626	4,626,339	4,718,866	4,813,243	4,909,508	5,007,698	5,107,852	5,210,009	5,314,209	5,420,494	5,528,903	5,639,481	5,752,271	83,164,068	
Redevelopment Agency Revenues																						
Affordable Housing Set-aside																						
Hotel	0	0	0	0	0	90,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	90,000
Retail	0	0	0	0	297,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	297,500
Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Adjustment 2%	0	0	0	0	0	303,450	401,319	409,345	417,532	425,883	434,401	443,089	451,950	460,989	470,209	479,613	489,206	498,990	508,970	519,149		
Cumulative	0	0	0	0	297,500	393,450	401,319	409,345	417,532	425,883	434,401	443,089	451,950	460,989	470,209	479,613	489,206	498,990	508,970	519,149	7,101,595	
Unrestricted																						
Hotel	0	0	0	0	0	233,280	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	233,280
Retail	0	0	0	0	771,120	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	771,120
Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Adjustment 2%	0	0	0	0	0	786,542	1,040,219	1,061,023	1,082,244	1,103,889	1,125,966	1,148,486	1,171,455	1,194,884	1,218,782	1,243,158	1,268,021	1,293,381	1,319,249	1,345,634		
Cumulative	0	0	0	0	771,120	1,019,822	1,040,219	1,061,023	1,082,244	1,103,889	1,125,966	1,148,486	1,171,455	1,194,884	1,218,782	1,243,158	1,268,021	1,293,381	1,319,249	1,345,634	18,407,334	
Total Revenue	0	0	0	0	1,068,620	1,413,272	1,441,538	1,470,369	1,499,776	1,529,771	1,560,367	1,591,574	1,623,406	1,655,874	1,688,991	1,722,771	1,757,227	1,792,371	1,828,219	1,864,783	25,508,929	
Combined Total Revenue	0	0	77,127	3,422,223	5,342,642	5,772,775	5,888,230	6,005,995	6,126,115	6,248,637	6,373,610	6,501,082	6,631,104	6,763,726	6,899,000	7,036,981	7,177,720	7,321,275	7,467,700	7,617,054	108,672,997	
Cumulative	0	0	77,127	3,499,350	8,841,992	14,614,767	20,502,997	26,508,993	32,635,108	38,883,745	45,257,355	51,758,437	58,389,541	65,153,267	72,052,268	79,089,248	86,266,968	93,588,243	101,055,943	108,672,997		

**Exhibit E- 2.2
SOLANO COUNTY FAIRGROUNDS
FISCAL REVENUE PROJECTION**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Site Specific Revenues																					
Transient Tax	0	0	0	0	708,000	722,160	736,603	751,335	766,362	781,689	797,323	813,269	829,535	846,126	863,048	880,309	897,915	915,873	934,191	952,875	13,196,614
Sales Tax	0	0	38,500	3,014,270	3,098,555	3,160,527	3,223,737	3,288,212	3,353,976	3,421,056	3,489,477	3,559,266	3,630,452	3,703,061	3,777,122	3,852,664	3,929,717	4,008,312	4,088,478	4,170,248	60,807,628
Utility Tax	0	0	36,094	196,191	245,114	250,017	255,017	260,117	265,320	270,626	276,039	281,559	287,191	292,934	298,793	304,769	310,864	317,082	323,423	329,892	4,801,042
Business License Tax	0	0	2,533	211,762	222,352	226,799	231,335	235,962	240,681	245,495	250,405	255,413	260,521	265,732	271,046	276,467	281,996	287,636	293,389	299,257	4,358,784
Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	0	0	77,127	3,422,223	4,274,022	4,359,503	4,446,693	4,535,626	4,626,339	4,718,866	4,813,243	4,909,508	5,007,698	5,107,852	5,210,009	5,314,209	5,420,494	5,528,903	5,639,481	5,752,271	83,164,068
Redevelopment Agency Revenues																					
Affordable Housing Set-aside	0	0	0	0	297,500	393,450	401,319	409,345	417,532	425,883	434,401	443,089	451,950	460,989	470,209	479,613	489,206	498,990	508,970	519,149	7,101,595
Unrestricted	0	0	0	0	771,120	1,019,822	1,040,219	1,061,023	1,082,244	1,103,889	1,125,966	1,148,486	1,171,455	1,194,884	1,218,782	1,243,158	1,268,021	1,293,381	1,319,249	1,345,634	18,407,334
Total Revenue	0	0	0	0	1,068,620	1,413,272	1,441,538	1,470,369	1,499,776	1,529,771	1,560,367	1,591,574	1,623,406	1,655,874	1,688,991	1,722,771	1,757,227	1,792,371	1,828,219	1,864,783	25,508,929

Exhibit E- 3
SOLANO COUNTY FAIRGROUNDS
TAX FACTORS FOR CITY OF VALLEJO/REDEVELOPMENT AGENCY

City of Vallejo		
Transient Occupancy Tax		11.0%
Utility User Tax		7.5%
Sales Tax		1.0%
Average Business License Tax		
Average Gross Receipts	1,000,000	0.00066
Net Profit as % of Gross Receipts	10-20%	
Property Tax		
% General Levy		1.0%
Redevelopment Agency (Property Tax Increments)		
Tax Increment Allocations		
Agency Housing Set Aside		
Housing Set Aside		20.00%
Unrestricted		51.84%
Pass Through to Other Entities		28.16%

Exhibit E- 4
SOLANO COUNTY FAIRGROUNDS
PROJECT SPECIFICATIONS

		Source/Comments
A. Hotel Assumptions		
Revenue		
Area (square feet)	300,000	
Square Feet Per Room	1,000	
Number of rooms	300	Based on estimated development
Room Revenue		
		Based on 15% premium over existing Hotels Rates
Ave Daily Rate	\$84	
Occupancy Rate	70%	Kosmont Partners
Non-Room Revenue (% of Room Revenue)	50%	Kosmont Partners
Taxable		
Percent of Non-Room Revenue	75%	Kosmont Partners
Improvement Value		
Per Room	\$150,000	Kosmont Partners
Value	45,000,000	
Utility Expenditures		
Per Square Foot	\$2.00	Kosmont Partners
Employment		
Per Room	1	Kosmont Partners
B. Retail Assumptions		
Sales Revenue		
Average Sales Per Square Foot	\$350.00	
Rental Receipts		
Monthly Per Occupied Square Foot	\$2.00	Kosmont Partners
Improvement Value		
Per Square Feet	\$175	Kosmont Partners
Utility Expenditures		
Per Square Foot	\$2.50	Kosmont Partners
Employment		
Square Feet Per Employee	400	Kosmont Partners
C. Facility/Complex Assumptions		
Sales Revenue		
Average Sales Per Square Foot		
Arena	\$10.00	Kosmont Partners
Exhibition/Conferemce	\$10.00	Kosmont Partners
Multi-use Livestock	\$10.00	Kosmont Partners
Utility Expenditures	\$1.25	Kosmont Partners

Exhibit E- 5
SOLANO COUNTY FAIRGROUNDS
REVENUE SUMMARY COMPARISON
(at Build-out)

Site Specific Revenues		
Transient Occupancy Tax	\$708,000	16.8%
Sales Tax	3,037,500	72.3%
Utility User Tax	240,469	5.7%
Business License Tax	218,066	5.2%
Total	\$4,204,035	
Redevelopment Agency Revenues		
Affordable Housing	\$387,501	27.8%
Unrestricted	1,004,404	72.2%
Total	\$1,391,905	

Note: All amounts in 2004 dollars

Exhibit E- 6
SOLANO COUNTY FAIRGROUNDS
ANNUAL TRANSIENT OCCUPANCY TAX
(at Build-out)

Hotel		
Year of Opening		2008
Number of Rooms		300
Room Revenue		
Ave Daily Rate		\$84
Occupancy Rate		70%
Total Annual		\$6,439,000
Transient Occupancy Tax		
Rate		11%
Amount		\$708,000

Note: All amounts in 2004 dollars

Exhibit E- 7
SOLANO COUNTY FAIRGROUNDS
ANNUAL SALES TAX
(at Build-out)

Hotel		
Non-Room Revenue		
Total		
Percent of Room Revenue		50%
Amount		\$3,219,500
Taxable		
Percent of Non-Room Revenue		75%
Amount		\$2,415,000
Sales Tax		
Rate		1.00%
Total		\$24,000
Retail		
Squarefootage		850,000
Total Retail Sales		297,500,000
% Taxable		100%
Taxable Sales		297,500,000
Sales Tax		
Rate		1.00%
Total		\$2,975,000
Facility		
Squarefootage		385,000
Total Retail Sales		\$3,850,000
% Taxable		100%
Taxable Sales		\$3,850,000
Sales Tax		
Rate		1.00%
Total		\$38,500

Note: All amounts in 2004 dollars

Exhibit E- 8
SOLANO COUNTY FAIRGROUNDS
ANNUAL UTILITY USER TAX
(at Build-out)

Improvement Square Feet/Units	
Hotel	300,000
Retail	850,000
Facilities	385,000
Utility Expenditures	
Hotel	
Per Square Foot	\$2.00
Total	600,000
Retail	
Per Square Foot	\$2.50
Total	2,125,000
Facilities	
Per Square Foot	\$1.25
Total	481,250
Combined	\$3,206,250
Utility Tax	
Rate	7.50%
Amount	\$240,469

Note: All amounts in 2004 dollars

Exhibit E- 9
SOLANO COUNTY FAIRGROUNDS
ANNUAL BUSINESS LICENSE TAX
(at Build-out)

Retail		
Gross Revenue		\$317,900,000
Tax		209,178
Facility		
Gross Revenue		\$3,850,000
Tax		2,533
Hotel		
Gross Revenue		9,657,900
Tax		6,355
		<hr/>
Combined		\$218,066

Note: All amounts in 2004 dollars

Exhibit E- 10
SOLANO COUNTY FAIRGROUNDS
ANNUAL PROPERTY TAX
(at Build-out)

Improvement Value	
Hotel	
Per Room	\$150,000
Total	45,000,000
Retail	
Per Square Foot	\$175
Total	148,750,000
Office	
Per Square Foot	\$250
Total	0
Residential	
Per Unit	343,000
Total	686
	<hr/>
Combined	
Total	\$193,750,686
Property Tax	
Total Tax Increment	\$1,937,507
Tax Increment Allocations	
Agency	
Housing Set Aside	\$387,501
Unrestricted	1,004,404
	<hr/>
Total	\$1,391,905
Pass Through to Other Entities	
Amount	\$545,602

Note: Assume no pass-through to City of Vallejo

Note: All amounts in 2004 dollars

Exhibit F
Northgate Development
ECONOMIC IMPACTS FROM CONSTRUCTION

	Direct	Indirect	Induced	Total
Construction				
Residential				
Jobs	558	204	274	1,036
Income	28,464,919	7,473,319	9,882,266	45,820,504
Output	60,575,000	19,274,480	22,557,645	102,407,125
Retail				
Jobs	92	34	45	171
Income	4,699,120	1,233,730	1,631,410	7,564,260
Output	10,000,000	3,181,920	3,723,920	16,905,840
Office				
Jobs	122	44	60	226
Income	6,202,838	1,628,524	2,153,461	9,984,823
Output	13,200,000	4,200,134	4,915,574	22,315,708
AutoMall				
Jobs	43	16	21	80
Income	2,210,692	580,406	767,494	3,558,592
Output	4,704,480	1,496,928	1,751,911	7,953,319
Community College				
Jobs	276	101	136	513
Income	14,097,360	3,701,190	4,894,230	22,692,780
Output	30,000,000	9,545,760	11,171,760	50,717,520
Total				
Jobs	1,091	399	536	2,026
Income	55,674,929	14,617,169	19,328,861	89,620,959
Output	118,479,480	37,699,222	44,120,810	200,299,512

Source: Kosmont-Pollack Model
Income and Output are estimated in 2004 dollars

Exhibit G
Lennar Mare Island Development
ECONOMIC IMPACTS FROM CONSTRUCTION

	Direct	Indirect	Induced	Total
Construction				
Residential				
Jobs	2,374	867	1,166	4,407
Income	121,049,331	31,780,885	42,025,122	194,855,338
Output	257,600,000	81,966,259	95,928,179	435,494,438
Retail				
Jobs	145	53	71	269
Income	7,377,618	1,936,956	2,561,314	11,875,888
Output	15,700,000	4,995,614	5,846,554	26,542,168
Office				
Jobs	1,419	518	697	2,634
Income	72,366,448	18,999,442	25,123,714	116,489,604
Output	154,000,000	49,001,568	57,348,368	260,349,936
Industrial				
Jobs	2,245	820	1,103	4,168
Income	114,503,457	30,062,299	39,752,567	184,318,323
Output	243,670,000	77,533,845	90,740,759	411,944,604
Total				
Jobs	6,183	2,258	3,037	11,478
Income	315,296,854	82,779,582	109,462,717	507,539,153
Output	670,970,000	213,497,286	249,863,860	1,134,331,146

Source: Kosmont-Pollack Model

Exhibit H
Waterfront Development
ECONOMIC IMPACTS FROM CONSTRUCTION

	Direct	Indirect	Induced	Total
Construction				
Residential				
Jobs	836	305	411	1,552
Income	42,644,514	11,196,100	14,805,046	68,645,660
Output	90,750,000	28,875,924	33,794,574	153,420,498
Retail				
Jobs	36	13	18	67
Income	1,832,657	481,155	636,250	2,950,062
Output	3,900,000	1,240,949	1,452,329	6,593,278
Office				
Jobs	216	79	106	401
Income	11,010,038	2,890,629	3,822,394	17,723,061
Output	23,430,000	7,455,239	8,725,145	39,610,384
Hotel				
Jobs	221	81	109	411
Income	11,277,888	2,960,952	3,915,384	18,154,224
Output	24,000,000	7,636,608	8,937,408	40,574,016
Total				
Jobs	1,309	478	644	2,431
Income	66,765,097	17,528,836	23,179,074	107,473,007
Output	142,080,000	45,208,720	52,909,456	240,198,176

Source: Kosmont-Pollack Model
Income and Output are estimated in 2004 dollars

Exhibit I
Downtown Development
ECONOMIC IMPACTS FROM CONSTRUCTION

	Direct	Indirect	Induced	Total
Construction				
Residential				
Jobs	827	302	406	1,535
Income	42,179,301	11,073,960	14,643,536	67,896,797
Output	89,760,000	28,560,914	33,425,906	151,746,820
Retail				
Jobs	46	17	22	85
Income	2,330,764	611,930	809,179	3,751,873
Output	4,960,000	1,578,232	1,847,064	8,385,296
Office				
Jobs	12	4	6	22
Income	592,089	155,450	205,558	953,097
Output	1,260,000	400,922	469,214	2,130,136
Total				
Jobs	885	323	434	1,642
Income	45,102,154	11,841,340	15,658,273	72,601,767
Output	95,980,000	30,540,068	35,742,184	162,262,252

Source: Kosmont-Pollack Model
Income and Output are estimated in 2004 dollars

Exhibit J
Solano County Fairground Development
ECONOMIC IMPACTS FROM CONSTRUCTION

	Direct	Indirect	Induced	Total
Construction				
Destination Retail				
Jobs	507	185	249	941
Income	25,845,160	6,785,515	8,972,755	41,603,430
Output	55,000,000	17,500,560	20,481,560	92,982,120
Conference Hotel Complex				
Jobs	166	61	81	308
Income	8,458,416	2,220,714	2,936,538	13,615,668
Output	18,000,000	5,727,456	6,703,056	30,430,512
Arena Facility				
Jobs	46	17	22	85
Income	2,326,064	610,696	807,548	3,744,308
Output	4,950,000	1,575,050	1,843,340	8,368,390
Equestrian Facility				
Jobs	92	34	45	171
Income	4,699,120	1,233,730	1,631,410	7,564,260
Output	10,000,000	3,181,920	3,723,920	16,905,840
Total				
Jobs	811	297	397	1,505
Income	41,328,760	10,850,655	14,348,251	66,527,666
Output	87,950,000	27,984,986	32,751,876	148,686,862

Source: Kosmont-Pollack Model
Income and Output are estimated in 2004 dollars