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# Mariner's Cove — Fiscal & Economic Impact October 2021

Prepared for:  
**Mariner's Cove Apartments**

**Prepared by:**

**Gary London**, *Senior Principal*

**Nathan Moeder**, *Principal*

**Jonathan Rivas**, *Analyst*

**825 10<sup>th</sup> Avenue**  
**San Diego, CA 92101**  
**619. 269.4010**

**2792 Gateway Road #104**  
**Carlsbad, CA 92024**  
**619.269.4012**

[londonmoeder.com](http://londonmoeder.com)

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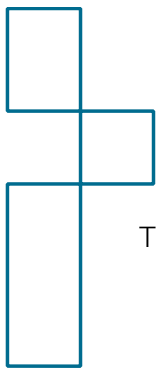
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## Introduction

The purpose of this report is to detail the fiscal and economic impacts of the proposed redevelopment of Mariner's Cove Apartments ("Subject Project"). The approximately 30.2 acre, 1.3 million square foot site ("Subject Site"), which is under long term ground lease from the Housing Authority of the City of San Diego ("Housing Authority") to the Apartment Investment and Management Company ("AIMCO"). The property is located in the Ocean Beach neighborhood of the City of San Diego ("City") abutting the 8 Freeway to the north and W. Point Loma Blvd. to the south, as depicted in the following map:





The Subject Project is planned to include:

- ☐ 100 rent-restricted inclusionary units affordable to low-income households, 200 rent-restricted inclusionary units affordable to moderate-income households and 472 market-rate units
- ☐ 2,900 square feet of retail space
- ☐ 1,547 above ground parking spaces
- ☐ 34,740 square feet of open space
- ☐ 25,740 square feet of amenity space
- ☐ Interior street circulation

Research for this analysis was completed in October 2021. Conclusions and recommendations are strictly those of London Moeder Advisors. Users of this information should recognize that assumptions and projections contained in this report *will* vary from the actual experience in the marketplace. Therefore, London Moeder Advisors is not responsible for the actions taken or any limitations, financial or otherwise of property owners, investors, developers, lenders, public agencies, operators or tenants.

## Conclusions

London Moeder Advisors has evaluated the anticipated fiscal and economic impacts of the proposed redevelopment of Mariner's Cove Apartments in the Ocean Beach area of San Diego.

Over the years between 2016 and 2020 the Housing Authority has received an average of approximately \$894,777 annually from the current lease to AIMCO. Under the current lease agreement reached in May 2015, the ground lease payment to the Housing Authority is \$1,239,426 in 2021 with annual increases thereafter of 2.5% based on the consumer price index rate of inflation.

Per the lease, the rental rate will reset at a fair market value based on a formal appraisal process in January 2041. Therefore, as it relates to redevelopment of the property, the financial costs and benefits to the City between now and then need to be understood.

The following bullet points highlight the conclusions of our fiscal and economic impact analysis. We have also highlighted the "incremental" time period between now and 2041, which is when the rental rate resets at fair market value. For purposes of our analysis, we utilized a 15-year study period that compares the as-is property to a newly constructed project that opens by the end of 2025.<sup>1</sup>

- ➡ The current condition of the property is old and its economic life is nearing the end. Our analysis demonstrates that the recurring costs to the City are \$438,669 per year. Based on a 15-year study period, the total costs to are estimated to be \$6.58 million.
- ➡ A newly redevelopment property results in approximately \$1 million per year of higher tax revenue for the City. Our analysis demonstrates that the total net surplus to the City is \$112,376 per year. Based on a 15-year study period, the total surplus generated for the City is estimated to be \$1.69 million.
- ➡ The property is essentially being repositioned from a negative cost to the City to a positive surplus-generating asset. Based on our analysis, this is a revenue difference of \$551,044 per year.<sup>2</sup> Over the 15-year study period, this represents a revenue upside of \$8.27 million for the City.

In addition to the fiscal impacts of the project, the City will also benefit from approximately \$11.4 million in development impact fees. The proposed development also represents an opportunity to increase housing density on the property from 500 units to 772 units (increase of 272 units or 54%).

It is our recommendation that the City encourages and supports the redevelopment of Mariner's Cove to mitigate long-term City costs and increase housing production that is badly needed in the region. If the project is put on hold and re-evaluated in 2041 when the rental rate adjusts to market-rate, the economics may not be favorable. In addition, there are added costs incurred by the project that need support, such as continual payment of the ground lease during construction, loss of rental income during construction, and paying for tenant relocation costs.

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<sup>1</sup> Project completion in 2025 results in 15 years of operation between 2026 and 2040.

<sup>2</sup> Difference between negative \$438,669 and positive \$112,736 per year.

## Summary of Fiscal Impacts

The purpose of this section is to summarize the various categories of financial and economic impacts, which are detailed in this report:

- ➡ The project is estimated to generate \$4.5 million of new property tax revenue annually with \$628,217 being paid to the City annually.
- ➡ The estimated property tax in-lieu of vehicle license fees is \$278,780 annually.
- ➡ The estimated property transfer tax for the property is \$23,256 annually.
- ➡ The total sales tax generated by the project's retail footprint is estimated to be \$82,855. The City's net share is estimated to be \$4,276 annually.
- ➡ The residents of the project are expected to generate \$1.4 million in sales tax annually. The City's share of net sales tax revenue annually by new residents is expected to total an estimated \$181,270.
- ➡ It is estimated that the City will receive an additional \$255,510 annually from the payment of franchise fees, other local taxes and other miscellaneous sources.
- ➡ We have determined that the annual recurring revenues from the Subject Project's development are estimated to be \$1.4 million. The annual recurring expenses are estimated to be \$1.3 million. When we reconcile these, we estimate that the project will generate an annual recurring surplus of approximately \$112,376 to the City.
- ➡ In addition to the recurring revenue, the City will also receive an estimated \$11.4 million in fees paid for development.

## Economic Impacts: Construction (One-time)

The following bullet points highlight the economic benefits which will be achieved through development of this project during its construction:

- ➡ The purchase of construction materials for the development of the project is estimated to generate \$4.5 million in total sales tax revenue and \$577,893 in sales tax revenue for the City.
- ➡ Approximately 4,463 jobs will be created during construction. These jobs will contribute to "indirect" impacts resulting from the consumer dollars anticipated to be generated. The retail spending by these jobs will benefit the City's treasury as well as the overall economic wellbeing of the area.

## Economic Impacts: Recurring from Ongoing Operations

The following bullet points highlight the economic benefits from the annual operations of the project. These impacts are recurring once the project is completed and operations are stabilized:

- ➡ Approximately 21 jobs will be created by the operations of the Subject Project.

## Existing v. Proposed Investment

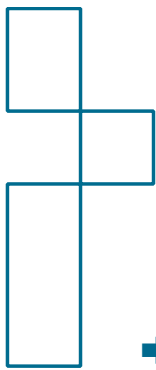
LMA has compared the impacts of the Subject Project to the as-is development, which includes a \$25 million investment under the current ground lease agreement. The following bullet points and table compare the fiscal and economic benefits. Tables detailing the fiscal and economic impact of the as-is development are located in the [Appendix](#), see [As-Is Development](#).

Summary of Fiscal and Economic Impacts  
AIMCO - Mariner's Cove As-Is Development

Fiscal Impacts to the City (Annual Recurring)	As-Is Development	Proposed Project	Added Benefit
Property Tax to City	\$87,592	\$628,217	\$540,625
Property Tax In-Lieu of VLF	\$42,294	\$278,780	\$236,486
Property Transfer Tax	\$3,528	\$23,256	\$19,728
Sales Tax - Retail Footprint	\$0	\$4,276	\$4,276
Sales Tax - Residents	\$70,403	\$181,270	\$110,867
Other Revenue	\$163,525	\$255,510	\$91,985
<b>Total Revenue to City</b>	<b>\$367,342</b>	<b>\$1,371,309</b>	<b>\$1,003,967</b>
<b>Costs to City</b>	<b>(\$806,011)</b>	<b>(\$1,258,933)</b>	<b>(\$452,923)</b>
<b>Annual Recurring Surplus</b>	<b>(\$438,669)</b>	<b>\$112,376</b>	<b>\$551,044</b>
<b>Economic Impacts ("One-time")</b>			
Sales Tax Revenue from Development/Investment	\$41,125	\$577,893	\$536,768
Job Creation from Development/Investment	238	4,463	\$4,226
Wage Creation from Development/Investment	\$14,681,984	\$275,917,294	\$261,235,310
Total Development Impact Fees	-	\$11,378,033	\$11,378,033
<b>Economic Impacts (Annual Recurring)</b>			
Job Creation from Operations	10	21	11
Wage Creation from Operations	\$577,126	\$1,063,184	486,057
<b>Other Public Benefits</b>			
Public Infrastructure Improvements	-	\$430,000	\$430,000
Wetland/Open Space Preservation	-	115,987 SF	115,987 SF
	-	\$5,654,109	\$5,654,109
Residential Housing	500 units	772 units	272 units

- ➡ **Fiscal Impact:** Based on the existing development of 500 residential units and the currently assessed property value of \$64.1 million, we have determined that the annual recurring revenues from the as-is development are estimated to be \$367,342. The annual recurring expenses are estimated to be \$806,011. This results in an annual recurring loss of approximately \$438,669, or \$4.4 million over 10 years. When compared to the proposed redevelopment, the City has the opportunity to achieve an annual recurring surplus of \$112,376, or \$1.1 million over 10 years.
- ➡ **Economic Impact ("One-Time"):** Based on an improvement budget of \$25 million, the purchase of construction materials for the planned improvements is estimated to generate \$318,719 in total sales tax revenues and \$41,125 in sales tax revenue to the City. This represents approximately \$536,768 less in total sales tax to the City generated by construction activity at the Subject Site.





Additionally, only 238 jobs will be created by the as-is development compared to 4,463 jobs by the Subject Project.

- ➡ **Economic Impact (Annual Recurring):** Based on the existing 500 residential units at the as-is development, it is estimated that 10 jobs are supported by the operations of the existing development. When compared to the proposed redevelopment, this represents 11 less jobs than what is estimated to be generated by the Subject Project, once completed.
- ➡ **Public Infrastructure Investments:** In addition to the fiscal and economic impacts, the City will benefit from various public infrastructure investments included in the proposed redevelopment of the Subject Site. A total of \$430,000 of public infrastructure improvements are not included under the existing ground lease agreement, as demonstrated in the following table:

<u>Summary of Public Infrastructure Investments</u> <u>AIMCO Apartment Homes - Mariner's Cove Redevelopment</u>	
Bust Stop	\$30,000
Cross Walk	\$150,000
<u>Traffic Signaling</u>	<u>\$250,000</u>
<i>Total Investment</i>	<i>\$430,000</i>

- ➡ **Wetland/Open Space Preservation:** In addition to the fiscal and economic impacts, the proposed redevelopment includes plans to add approximately 115,987 square feet, or 2.7 acres, of land to the Famosa Slough Preserve. The Famosa Slough Preserve is an area of protected wetland habitat abutting the eastern edge of the Subject Site with access to the public as open space offering hiking and recreational opportunities.

There is value created for the City through this added preservation of land. Based on the assessed value of the Subject Site of \$64.1 million, the per square foot valuation of the additional land is estimated to be \$48. Therefore, the estimated benefit of adding 115,987 square feet of wetland is estimated to be \$5.7 million.<sup>3</sup>

- ➡ **Regional Housing Shortage:** The lack of sufficient housing supply when compared to housing demand has led to unsustainable rent increases over recent years. As a result, households continue to spend a growing portion of their income on housing costs. Although housing construction activity has increased in the region, housing affordability remains a challenge in the City of San Diego. The proposed redevelopment represents an opportunity for the City to add 272 multifamily residential units to the currently constrained housing stock.

<sup>3</sup> Based on the County of San Diego's Property Tax Services' assessed value of the existing land and improvements of \$64,149,522 (tax bill year 2020-2021) and a gross land area of 1,315,948 square feet, the per square foot value of the land is estimated to be \$48.75.

## Fiscal Impact Analysis

This section details the fiscal impacts generated by the project. This section is divided into the following three subsections:

- ➔ Revenues to the City of San Diego
- ➔ Costs to the City of San Diego
- ➔ Reconciliation of revenues and costs

### Revenues to the City of San Diego

This section summarizes the various sources of revenue to the City of San Diego stemming from the development of the project.

#### Property Tax

The development of the project will increase the property tax revenue collected by the City. The Subject Site is currently owned by the Housing Authority while the construction and resulting development is owned AIMCO through a ground lease of the Subject Site. The lessee owned improvements resulting from the redevelopment of the Subject Site will be subject to a renewed property tax assessment. The estimated development costs of the project are \$469.8 million, as summarized in the following table:

#### Estimated Construction Costs

##### AIMCO Apartment Homes - Mariner's Cove Redevelopment

	GSF	Total Hard Costs	Total Soft/Financing Costs	Total Costs
<b>Block 1</b>				
101 Units	211,852	\$46,247,024	\$19,550,339	\$65,797,363
<b>Block 2</b>				
230 Units	469,273	\$94,083,567	\$39,772,627	\$133,856,194
<b>Block 3</b>				
148 Units	393,322	\$82,498,365	\$34,875,130	\$117,373,495
<b>Block 4</b>				
94 Units	221,768	\$48,039,776	\$20,308,202	\$68,347,978
<b>Block 5</b>				
199 Units	323,234	\$59,355,917	\$25,091,956	\$84,447,874
Land Value				\$0
<b>Total Construction Costs<sup>1</sup></b>	<b>\$290.11</b>	<b>\$330,224,649</b>	<b>\$139,598,254</b>	<b>\$469,822,903</b>

<sup>1</sup>Excludes land value

Source: Developer, Turner & Townsend Inc.

Based on 90% of the estimated construction costs of \$469.8 million, a welfare exemption of 13%<sup>4</sup>, and the property tax rate of 1.0%, the annual property tax payment is estimated to be \$3.7 million. The portion of property tax revenue that is realized by the City is 17.067948%. This results in approximately \$628,217 of new property tax revenue that will be generated by the project annually.

### **Property Tax In-Lieu of Vehicle License Fees**

Following the cut of vehicle license fees ("VLF") in 2004, the State of California now distributes additional property tax revenue to replace the VLF revenue that cities no longer receive. Based on the Subject Site's assessed value \$422.8 million, the City will receive an estimated \$278,780 in additional property tax revenue annually.

### **Property Transfer Tax**

Each time a property is sold the City collects a property transfer tax of \$0.55 per \$1,000 of property value. Based on the Subject Site's assessed value of \$422.8 million, the City will receive an estimated \$232,562 each time the property is sold. For this analysis, we have assumed the property is sold every 10 years generating an annualized property transfer tax of \$23,256.

### **Sales Tax – Retail Footprint**

The project is anticipated to include a retail component of 2,900 square feet. Based on our analysis of comparable shopping destinations, we have estimated that retail component of the project will achieve an annual sales volume of \$369 per square foot. Assuming a 100% occupancy rate, the retail portion is expected to achieve a total of \$1.1 million in total taxable sales annually.

The current sales tax rate in the City is 7.75%. The total taxable sales of \$1.1 million will be assessed at the rate of 7.75% and will generate approximately \$82,855 of sales tax revenue per year.

However, not all of this revenue flows directly to the City.

The 7.75% sales tax rate is divided into several components that are contributed to the following funds: State General Fund, County Transportation Fund, Local Revenue Fund, Local Public Safety Fund, TransNet Fund and directly to the City. Based on the City's 1.0% portion, the total sales tax revenue generated by the Subject Project's retail component is estimated to be \$10,691 per year for the City.

However, to the analysis must account for the transfers of sales already occurring in the City. For this analysis, we have assumed a 60% reduction factor for sales transfers<sup>5</sup>. Therefore, the total net sales tax generated by the Subject Project's retail footprint is estimated to be \$4,276 for the City.

### **Sales Tax – Residents**

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<sup>4</sup> An exemption from property taxes based on 100 of the 772 multifamily units that are affordable to low-income households (80% of area median income).

<sup>5</sup> Percentage is estimated based on the location of the project and surrounding retail options.

Project development will produce new residents into the City. These new residents will engage in retail spending in the immediate area, boosting the sales tax revenue collected by local businesses. We have analyzed the retail spending habits to determine the extent of this increased revenue.

Assuming residents of the project will spend 35% of their gross income on rent we have estimated an average annual household income of \$110,365 based on an average monthly rental rate of \$3,219<sup>6</sup>, or \$38,628 annually. According to the Consumer Expenditures Survey 2020 from the Bureau of Labor Statistics for the San Diego-Carlsbad metropolitan area<sup>7</sup>, 79.2% of a household's income is used for consumption spending. This income was divided into spending categories, representing both taxable and non-taxable purchases. Local retail taxable expenditures represent approximately 36.8% of consumption spending, or 29.1% of total household income. That translates into total taxable retail expenditures of \$24.2 million annually from the residents of the project.

However, it is inappropriate to assume that all of these expenditures will occur in the City. To account for this we have applied a retail expenditure capture rate of 75% for the City. This translates into approximately \$18.1 million annually in total taxable retail expenditures in the City. The City will collect 1.0% of these sales, which equates to \$181,270 of sales tax revenue.

## Other Revenues

In addition to taxes, the City will receive revenue from franchise fees, other local taxes, licenses, permits, fines, forfeitures, other government agencies, charges for services and other miscellaneous sources from the residents and employees of the project. To calculate this revenue, we first determined the number of residents who will be living in the 772 multifamily units by estimating the number of persons living in each floor plan. The following table highlights our analysis:

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<sup>6</sup> Based on developer's underwriting proforma.

<sup>7</sup> U.S. Bureau of Labor Statistics Consumer Expenditure Survey, San Diego MSA 2018-2019 (Published September 2020, [https://www.bls.gov/regions/west/news-release/consumerexpenditures\\_sandiego.htm](https://www.bls.gov/regions/west/news-release/consumerexpenditures_sandiego.htm))

## Resident Analysis

### AIMCO Apartment Homes - Mariner's Cove Redevelopment

<u>Project Location</u>	<u>Floor Plan</u>	<u># of Units</u>	<u>Residents per Unit</u>	<u>Total Residents</u>
Block 1	Large 1 Bedroom	126	1.75	220.5
	1 Bedroom + Formal Dining	34	1.75	59.5
	Large 2 Bedroom + Office	71	2.50	177.5
	3 Bedroom + Formal Dining + Wrap Porch	12	3.75	45
Block 2	1 Bedroom + Large Storage	39	1.50	58.5
	Large 1 Bedroom	6	1.75	10.5
	1 Bedroom + Formal Dining	11	1.75	19.25
	Large 2 Bedroom + Office	34	2.50	85
	3 Story 3 Bed Townhome	5	3.75	18.75
Block 3	Large 1 Bedroom	48	1.75	84
	1 Bedroom + Formal Dining	21	1.75	36.75
	Large 2 Bedroom + Office	24	2.50	60
	2 Bedroom + Dining Room	19	2.75	52.25
	3 Bedroom + Formal Dining + Wrap Porch	22	3.75	82.5
	3 Story 3 Bed Townhome	12	3.75	45
	2 Story 2 Bed Townhome	9	2.75	24.75
Block 4	2 Bedroom + Dining Room	69	2.75	189.75
	3 Bedroom + Formal Dining + Wrap Porch	15	3.75	56.25
Block 5	1 Bedroom	52	1.50	78
	1 Bedroom + Large Storage Space	114	1.50	171
	Large 2 Bedroom + Office	29	2.50	72.5
Total/Average		772	2.13	1,647

We then estimated the number of expected employees generated at the Subject Project. Utilizing current industry standards of 567 square feet per food service employee<sup>8</sup> and one residential employee for every 50 units, we estimate there will be a total of 21 employees working at the project.

Not all employees have the same impact as a resident. Also, there are individuals who live and work in the same city. Therefore, the employee population must be adjusted to reach an "effective" population. We employed the industry standard methodology to estimate the effective population, which includes multiplying the jobs per population ratio of 0.49 (total employment divided by total population) by total employment and adding it to the resident population. The effective population (resident population as adjusted to employment population) for the project is estimated to be 1,616 persons.

<sup>8</sup> U.S. Energy Information Administration - 2012 Commercial Buildings Energy Consumption Survey (Food Services)





By analyzing the City of San Diego’s Comprehensive Annual Financial Report for Fiscal Year 2018 to 2019<sup>9</sup>, we can estimate the various revenues to the City on a dollar per capita basis and apply it to the effective population of the project. The result is an additional \$255,510 in annual revenue to the City.

### **Total City Revenues**

In total, we estimate that the development of the project will generate an estimated \$1.4 million in direct annual revenue to the City. The following tables summarizes the various revenues to the City.

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<sup>9</sup> FY 2018-2019 was used to exclude the impact of COVID-19

Estimate of Annual Recurring Revenues  
AIMCO - Mariner's Cove Redevelopment

I. Property Tax

Project S.F.		761,046
Value PSF		\$555.60
Estimated Value (90% of Project Costs)		\$422,840,613
Less: Welfare Tax Exemption	13.0%	(\$54,772,100)
<u>Less: Existing Site Value (2021 Land + Improvements)</u>		<u>\$0</u>
Net Total Project Value		\$368,068,513
Gross Property Tax Rate	1.23219%	\$4,535,303
Property Tax Rate (excl. school propositions) <sup>1</sup>	1.0%	\$3,680,685
City Portion <sup>1</sup>		17.067948%
<b>Total Property Tax to City</b>		<b>\$628,217</b>

II. Property Tax in-lieu of VLF

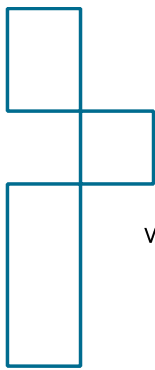
Estimated Value		\$422,840,613
License Fee (per \$1,000 in AV growth) <sup>2</sup>		\$0.6593
<b>Total Property Tax in-lieu of VLF</b>		<b>\$278,780</b>

III. Property Transfer Tax

Estimated Value		\$422,840,613
Transfer Tax (per \$1,000) <sup>3</sup>		\$0.55
Total Transfer Tax		\$232,562
Property Resold Every 10 Years		10 Years
<b>Total Property Transfer Tax (Annualized)</b>		<b>\$23,256</b>

IV. Sales Tax - Retail Footprint

<u>Ammenity Retail (Café)</u>		
Retail S.F.		2,900
Vacancy Rate		0.0%
Occupied S.F.		2,900
Taxable Sales PSF <sup>4</sup>		\$369
Taxable Sales		\$1,069,091
City Portion of Sales Tax <sup>2</sup>		1.00%
Total Sales Tax		\$10,691
Less: Reduction Factor for Sales Transfer within City of San Diego <sup>5</sup>	60%	(\$6,415)
<b>Total Sales Tax</b>		<b>\$4,276</b>



#### V. Sales Tax - Residents

Number of Units	772
Occupancy Rate <sup>6</sup>	97.5%
Total Number of Full-Time Equivalent Households	753
Average Monthly Rent <sup>6</sup>	\$3,219
Total Annual Cost	\$38,628
% of Income Spent on Housing	35%
Av. HH Income	\$110,365
Total Income	\$83,071,363

<u>Taxable Retail Sales<sup>7</sup></u>	<u>% of Income</u>	
Food & Alcohol	6.40%	\$5,315,216
Home Furnishings & Supplies	3.03%	\$2,518,806
Apparel and Services	2.32%	\$1,930,490
Auto Expenses	10.42%	\$8,660,041
Entertainment	3.52%	\$2,922,477
Personal Care	1.05%	\$870,164
Reading and Educational Supplies	0.65%	\$536,955
Miscellaneous Other Expenses	1.70%	\$1,415,184
<b>Total Taxable Retail Expenditures</b>	<b>29.09%</b>	<b>\$24,169,333</b>

City of San Diego Capture <sup>8</sup>	75%	\$18,126,999
City Portion of Sales Tax <sup>2</sup>		1.00%

<b>Total Sales Tax</b>	<b>\$181,270</b>
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#### VI. Other Revenues

##### Retail

Occupied S.F.	2,900
S.F. Per Employee <sup>9</sup>	567
# Employees	5

##### Residential Operations

# of Residential Employees <sup>10</sup>	15
# of Residents <sup>11</sup>	1,606

*Total Residents* 1,606

*Total Employees* 21

*City of San Diego Jobs Per Population* 0.49

*Effective Population* 1,616

	<u>FY 2018-2019<sup>12</sup></u>		<u>\$/Capita (RE/P)</u>	
Franchise Fees	\$97,365,000	Effective Population	\$55.18	\$89,175
Other Local Taxes	\$66,375,000	Effective Population	\$37.61	\$60,792
Other Misc. Revenue	\$115,236,000	Effective Population	\$65.30	\$105,543
<b>Total Other Revenues</b>				<b>\$255,510</b>

<b>Total Annual Revenues</b>	<b>\$1,371,309</b>
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<sup>1</sup> County of San Diego Property Tax Services (FY 2020-21 Tax Rate Area: 008011)

<sup>2</sup> City of San Diego Comprehensive Annual Financial Report (FYE 2020)

<sup>3</sup> San Diego Municipal Code: Chapter 3; Article 7, 37.0102

<sup>4</sup> ULI Dollars and Cents of Shopping Centers (Neighborhood Shopping Centers)

<sup>5</sup> London Moeder assumptions based on available type of retail planned (Café/Restaurant)

<sup>6</sup> Based on Developer's Underwriting

<sup>7</sup> U.S. Bureau of Labor Statistics Consumer Expenditure Survey, San Diego MSA 2018-2019 (Published September, 2020)

<sup>8</sup> London Moeder assumptions based on available retail categories within San Diego City boundaries.

<sup>9</sup> U.S. Energy Information Administration -2012 Commercial Buildings Energy Consumption Survey (Food Services)

<sup>10</sup> Based on industry standards of one full-time employee for every 50 units

<sup>11</sup> Based on 2.13 residents per occupied unit and a 97.5% occupancy rate

<sup>12</sup> City of San Diego Comprehensive Annual Financial Report (FYE 2019); FY 2018-2019 was used to exclude the impact of COVID-19

## Costs to the City of San Diego

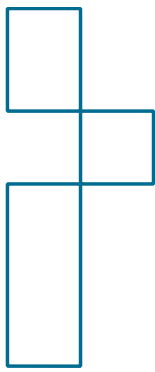
This section summarizes the various costs to the City of San Diego which are likely to result from the development of the project.

To determine the City costs of the project we analyzed the City of San Diego's General Fund. We examined each expense category and determined if it applied to the resident population or effective population and calculated the amount accordingly. Additionally, not all City expenditures are anticipated to increase directly with population and employment growth. We have identified General Government and Support and Neighborhood Services as City functions that are not anticipated to increase directly with population and employment growth. We have applied an adjustment factor of 40% to account for the marginal increase of these expenditures.<sup>10</sup>

The table on the following page summarizes our analysis of city-wide costs per the General Fund.

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<sup>10</sup> General government services and staff and neighborhood services typically include 33% to 50% of marginal expenditures.



Summary of City of San Diego Costs  
AIMCO Apartment Homes - Mariner's Cove Redevelopment

<u>Demographic Profile</u>	<u>Total Resident Population<sup>1</sup></u>					<u>Total Employment<sup>2</sup></u>	<u>Effective Pop. Resi. Equivalent</u>	
City of San Diego	1,420,572					699,100		
<u>Jobs Per Population</u>						<u>0.49</u>		
City of San Diego R.E.	1,420,572					344,045	1,764,617	
<u>General Fund Category<sup>3</sup></u>	<u>Expenses</u>	<u>Less: Program Revenues</u>	<u>Net Expenses</u>	<u>Marginal Impact Adjustment<sup>4</sup></u>	<u>Adjusted Net Expenses</u>	<u>Service Population</u>	<u>Population Type</u>	<u>Amount Per Resident or R.E.</u>
General Government & Support	\$383,177,000	(\$217,280,000)	\$165,897,000	40%	\$66,358,800	Effective Population	1,764,617	\$37.61
Police	\$567,625,000	(\$56,247,000)	\$511,378,000	-	\$511,378,000	Effective Population	1,764,617	\$289.80
Fire, Life Safety & Homeland Security	\$339,282,000	(\$91,791,000)	\$247,491,000	-	\$247,491,000	Effective Population	1,764,617	\$140.25
Parks, Recreation, Culture & Leisure	\$397,391,000	(\$138,405,000)	\$258,986,000	-	\$258,986,000	Resident Population	1,420,572	\$182.31
Transportation	\$279,724,000	(\$161,143,000)	\$118,581,000	-	\$118,581,000	Effective Population	1,764,617	\$67.20
Sanitation & Health	\$108,371,000	(\$17,120,000)	\$91,251,000	-	\$91,251,000	Effective Population	1,764,617	\$51.71
<u>Neighborhood Services</u>	<u>\$121,036,000</u>	<u>(\$80,935,000)</u>	<u>\$40,101,000</u>	<u>40%</u>	<u>\$16,040,400</u>	Resident Population	1,420,572	\$11.29
<b>Total General Fund Expenditures</b>	<b>\$2,196,606,000</b>	<b>(\$762,921,000)</b>	<b>\$1,433,685,000</b>		<b>\$1,310,086,200</b>			
<b>Total</b>	<b>\$2,196,606,000</b>							

<sup>1</sup> California Department of Finance, January 1 2019

<sup>2</sup> California Employment Development Department (2019)

<sup>3</sup> City of San Diego Comprehensive Annual Financial Report (FYE 2019); FY 2018-2019 was used to exclude the impact of COVID-19

<sup>4</sup> General government services and staff and neighborhood services typically include 33% to 50% of marginal expenditures.



With the City expenses estimated on a per resident or effective population basis, we can apply these expenses to the estimated population of the project. The following table details the estimated annual reoccurring costs to the City from the development of the project. The amount of City costs is estimated to be \$1.3 million annually.

#### Estimate of Annual Recurring Costs

*AIMCO Apartment Homes - Mariner's Cove Redevelopment*

<u>Demographic Profile</u>	<u>Total Resident Population</u>	<u>Total Employment</u>	<u>Effective Population Residential Equivalent (RE)</u>	
Proposed Project	1,606	21		
<u>Jobs Per Population</u>		<u>0.49</u>		
Proposed Project R.E.	1,606	10	1,616	
<u>General Fund Category</u>	<u>Service Population</u>	<u>Population Type</u>	<u>Amount Per Resident or R.E.</u>	<u>Cost of Service</u>
General Government & Support	Effective Population	1,616	\$37.61	\$60,777
Police	Effective Population	1,616	\$289.80	\$468,363
Fire, Life Safety & Homeland Security	Effective Population	1,616	\$140.25	\$226,673
Parks, Recreation, Culture & Leisure	Resident Population	1,606	\$182.31	\$292,804
Transportation	Effective Population	1,616	\$67.20	\$108,606
Sanitation & Health	Effective Population	1,616	\$51.71	\$83,575
Neighborhood Services	Resident Population	1,606	\$11.29	\$18,135
<b>Total</b>				<b>\$1,258,933</b>

## Reconciliation of City Revenues and Costs

The following section reconciles the revenues and costs to the City of San Diego associated with the development of the project.

We have determined that the annual recurring revenues from the development of the project are estimated to be \$1.4 million. The annual recurring expenses are estimated \$1.3 million. Therefore, the development of the project will generate an annual recurring surplus of \$112,376 to the City, as detailed in the following table:

### Estimate of Stabilized Fiscal Impact

AIMCO - Mariner's Cove Redevelopment

<u>Annual Recurring Revenues</u>	<u>Totals</u>	<u>%</u>
Property Tax to City	\$628,217	46%
Property Tax In-Lieu of VLF	\$278,780	20%
Property Transfer Tax	\$23,256	2%
Sales Tax - Retail Footprint	\$4,276	0%
Sales Tax - Residents	\$181,270	13%
Other Revenue	\$255,510	19%
<b>Total Annual Revenues</b>	<b>\$1,371,309</b>	<b>100%</b>

<u>Annual Recurring Expenses</u>	<u>Totals</u>	<u>%</u>
General Government & Support	\$60,777	5%
Police	\$468,363	37%
Fire, Life Safety & Homeland Security	\$226,673	18%
Parks, Recreation, Culture & Leisure	\$292,804	23%
Transportation	\$108,606	9%
Sanitation & Health	\$83,575	7%
Neighborhood Services	\$18,135	1%
<b>Total Annual Expenses</b>	<b>\$1,258,933</b>	<b>100%</b>

<b>Annual Recurring Surplus/(Deficit)</b>	<b>\$112,376</b>
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## Project Development Fees

In addition to the recurring revenue, the City of San Diego will receive an estimated total of \$11.4 million in development fees for the development of the project. These are one-time fees and are summarized in the following table:

### Project Development Impact Fees

#### AIMCO Apartment Homes - Mariner's Cove Redevelopment

Community Planning Area		Ocean Beach
<b>Residential</b>		
Total Residential Units		772
Residential NSF		761,046
<u>Development Impact Fees - Residential</u>	<u>Fee per Unit<sup>1</sup></u>	<u>Total Fees</u>
Transportation	\$880	\$679,360
Parks	\$5,953	\$4,595,716
Library	\$805	\$621,460
Fire	\$421	\$325,012
Regional Transportation Congestion Improvement Program (RTCIP)	\$2,456	\$1,896,032
San Diego Unified School Impact Fee <sup>2</sup>	\$4.08 per NSF	\$3,105,068
<b>Total Fees - Residential</b>		<b>\$11,222,648</b>
<b>Retail</b>		
Retail NSF		2,900
Average Daily Trips <sup>3</sup>	420 per 1,000 SF	1,218
<u>Development Impact Fees - Retail</u>	<u>Fee per ADT<sup>1</sup></u>	<u>Total Fees</u>
Transportation	\$125	\$152,250
	<u>Fee per 1,000 SF<sup>1</sup></u>	
Fire	\$421	\$1,221
	<u>Fee per NSF</u>	
San Diego Unified School Impact Fee <sup>2</sup>	\$0.66	\$1,914
<b>Total Fees - Retail</b>		<b>\$155,385</b>
<b>Total Development Impact Fees</b>		<b>\$11,378,033</b>

<sup>1</sup> FYE 2022 City of San Diego Planning Department Fee and Deposit Schedule (Ocean Beach CPA)

<sup>2</sup> San Diego Unified School District Real Estate Department

<sup>3</sup> City of San Diego Daily Trip Manual (Commercial Retail - Fast Food)

## Economic Impact Analysis

The purpose of this section is to analyze both the direct and indirect economic impacts stemming from the development and operations of the project.

### Constructions Sales Tax

As previously detailed in the report, development of the Subject Project is anticipated to cost \$469.8 million<sup>11</sup>, including \$330.2 million in direct hard costs. Based on industry averages, the total costs of materials for commercial development is estimated to be approximately 50% of the development costs. This provides an estimated materials cost of \$165.1 million. The remaining 50% is attributed to labor which is not taxable.

We have assumed that 35% of all construction materials used in this project will be purchased in the City. This is based on the cost and availability of materials in San Diego relative to the surrounding area. This is a conservative estimate, as the actual percentage may be higher due to builder preferences and materials availability. Multiplying the total materials cost of \$165.1 million by 35% produces the estimated dollar amount of materials purchased in the City, which is estimated to be \$57.8 million. This amount is assessed at the sales tax rate of 7.75% and is detailed utilizing the same approach as in the previous section. The purchase of construction materials for the development of the project is estimated to generate \$4.5 million in total sales tax revenue and \$577,893 in sales tax revenue for the City, as detailed in the following table:

#### Sales Tax Revenue Generated by Construction Construction Materials

Mariner's Cove Redevelopment - San Diego, CA	
Total Hard Costs	\$330,224,649
Labor	\$165,112,325
% of Total	50%
Materials	\$165,112,325
% of Total	50%
% of Materials Purchased in San Diego	35%
Materials Purchased in San Diego	\$57,789,314
Sales Tax Rate <sup>1</sup>	7.75%
Total Sales Tax On Materials	\$4,478,672
City of San Diego Tax Rate Component	1.00%
<b>Sales Tax Revenue to San Diego</b>	<b>\$577,893</b>

<sup>1</sup> CA Department of Tax and Fee Administration (Effective July 1, 2021)

<sup>11</sup> This figure excludes land value

## Job Creation

Local jobs will also be created from the development of the project. Job creation will come from construction as well as ongoing annual operations. Jobs are quoted on the basis of full-time annual equivalency, which represents the employment of one worker for one full year.

Construction job generation is estimated using a ratio of jobs per every \$1 million of construction costs. The ratio for the project is estimated to be 9.5.<sup>12</sup> The \$469.8 million construction of the project is estimated to generate 4,463 new construction jobs during development:

### Direct Construction Job Generation

#### *Mariner's Cove Redevelopment - San Diego, CA*

Construction Costs	\$469,822,903
Per Million Dollars	\$469.82
Jobs Generated Per Million Dollars	9.50

<b>Total Jobs Generated (Full Time Equivalency)</b>	<b>4,463</b>
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The second component of job generation will come from the ongoing operations. These jobs include employees working at the 2,900 square feet of retail space and staff to operate the multifamily units. Using the industry standards of 567 square feet per food service employee and one residential employee for every 50 units, we estimate there will be a total of 21 employees at the project. In addition, jobs will be created through contract services, including such services as elevator maintenance, trash collection and window-washing. The following table summarizes our analysis:

### Job Generation - Project Operations

#### *Full Time Annual Equivalency*

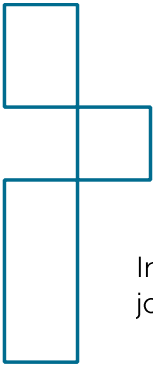
<b>Retail</b>	
Occupied S.F.	2,900
<u>S.F. Per Employee<sup>1</sup></u>	<u>567</u>
<b># of Employees</b>	<b>5</b>
<b>Residential Operations</b>	
Total Residential Units	772
<u>Units Per Job<sup>2</sup></u>	<u>50</u>
<b># of Employees</b>	<b>15</b>
<b>Total</b>	<b>21</b>

<sup>1</sup> U.S. Energy Information Administration - Food Services (2012 Commercial Buildings Energy Consumption Survey)

<sup>2</sup> Based on industry standards of one full-time employee for every 50 units

<sup>12</sup> Based on a study prepared by Dr. Steven Fuller of George Mason University





In summary, the project is estimated to create 4,463 jobs during construction and 21 permanent jobs once completed and fully occupied. The following table summarizes total job estimates:

Job Generation		
Full Time Annual Equivalency		
Category	During Development	After Development
<b>Construction</b>		
Project Development	4,463	
<b>Operations</b>		
Retail		5
Residential Operations		15
Total	4,463	21

## Salary and Wage Creation

This section analyzes the salary and wage creation that will be generated during construction and operation of the project. We have established earlier that development will create 4,463 full-time jobs while the operations will generate 21 direct full-time jobs. The development phase will be mainly comprised of construction jobs while the operations phase will generate permanent jobs related to the operations of the retail and residential components of the project.

To estimate the amount of wages paid, we analyzed the Bureau of Labor Statistics' Occupational Employment and Wage Estimates and selected the most appropriate occupations and associated wages that will be present at the project. The following table summarizes the occupations analyzed and the associated salaries:

### Project Income Generation Analysis

#### *AIMCO Apartment Homes - Mariner's Cove Redevelopment*

<u>Project Development</u>	<u>Annual Wages<sup>1</sup></u>
Construction and Extraction Occupations	\$61,819
<b>Average</b>	<b>\$61,819</b>
<u>Retail</u>	
Food Preparation and Serving Related Occupations	\$33,649
<b>Average</b>	<b>\$33,649</b>
<u>Residential</u>	
Building & Grounds Cleaning & Maintenance Occupations	\$37,642
Property, Real Estate, and Community Association Managers	\$77,783
<b>Average</b>	<b>\$57,713</b>

<sup>1</sup> Bureau of Labor Statistics Metropolitan & Nonmetropolitan Area Occupational Employment and Wage Estimates (2020 San Diego-Carlsbad MSA), Adjusted using California Department of Transportation Economic Forecast (2021 California)

## Appendix

### As-Is Development

#### Estimate of Annual Recurring Revenues AIMCO - Mariner's Cove As-Is Development

##### I. Property Tax

Project S.F.		99,558
Value PSF		\$644.34
Assessed Value (Current)		\$64,149,522
Less: Welfare Tax Exemption	20.0%	(\$12,829,904)
Net Total Project Value		\$51,319,618
Gross Property Tax Rate	1.23219%	\$632,355
Property Tax Rate (excl. school propositions) <sup>1</sup>	1.0%	\$513,196
City Portion <sup>1</sup>		17.067948%
<b>Total Property Tax to City</b>		<b>\$87,592</b>

##### II. Property Tax in-lieu of VLF

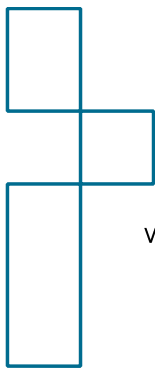
Estimated Value		\$64,149,522
License Fee (per \$1,000 in AV growth) <sup>2</sup>		\$0.6593
<b>Total Property Tax in-lieu of VLF</b>		<b>\$42,294</b>

##### III. Property Transfer Tax

Assessed Value (Current)		\$64,149,522
Transfer Tax (per \$1,000) <sup>3</sup>		\$0.55
Total Transfer Tax		\$35,282
Property Resold Every 10 Years		10 Years
<b>Total Property Transfer Tax (Annualized)</b>		<b>\$3,528</b>

##### IV. Sales Tax - Retail Footprint

<u>Retail</u>		
Retail S.F.		0
Vacancy Rate		0.0%
Occupied S.F.		0
Taxable Sales PSF <sup>4</sup>		\$369
Taxable Sales		\$0
City Portion of Sales Tax <sup>2</sup>		1.00%
Total Sales Tax		\$0
Less: Reduction Factor for Sales Transfer within City of San Diego <sup>5</sup>	60%	\$0
<b>Total Sales Tax</b>		<b>\$0</b>



#### V. Sales Tax - Residents

Number of Units	500
Occupancy Rate <sup>6</sup>	96.2%
Total Number of Full-Time Equivalent Households	481
Average Monthly Rent <sup>6</sup>	\$1,956
Total Annual Cost	\$23,475
% of Income Spent on Housing	35%
Av. HH Income	\$67,071
Total Income	\$32,263,900

<u>Taxable Retail Sales<sup>7</sup></u>	<u>% of Income</u>	
Food & Alcohol	6.40%	\$2,064,365
Home Furnishings & Supplies	3.03%	\$978,273
Apparel and Services	2.32%	\$749,779
Auto Expenses	10.42%	\$3,363,454
Entertainment	3.52%	\$1,135,054
Personal Care	1.05%	\$337,961
Reading and Educational Supplies	0.65%	\$208,547
Miscellaneous Other Expenses	1.70%	\$549,640
<b>Total Taxable Retail Expenditures</b>	<b>29.09%</b>	<b>\$9,387,073</b>
City of San Diego Capture <sup>8</sup>	75%	\$7,040,305
City Portion of Sales Tax <sup>2</sup>	1.00%	
<b>Total Sales Tax</b>		<b>\$70,403</b>

#### VI. Other Revenues

##### Retail

Occupied S.F.	0
S.F. Per Employee <sup>9</sup>	567
# Employees	0

##### Residential Operations

# of Residential Employees <sup>10</sup>	10
# of Residents <sup>11</sup>	1,029
<i>Total Residents</i>	1,029
<i>Total Employees</i>	10
<i>City of San Diego Jobs Per Population</i>	0.49
<i>Effective Population</i>	1,034

	<b>FY 2018-2019<sup>12</sup></b>			
	<b>Budget Amount</b>		<b>\$/Capita (RE/P)</b>	
Franchise Fees	\$97,365,000	Effective Population	\$55.18	\$57,071
Other Local Taxes	\$66,375,000	Effective Population	\$37.61	\$38,906
Other Misc. Revenue	\$115,236,000	Effective Population	\$65.30	\$67,547
<b>Total Other Revenues</b>				<b>\$163,525</b>
<b>Total Annual Revenues</b>				<b>\$367,342</b>

<sup>1</sup> County of San Diego Property Tax Services (FY 2020-21 Tax Rate Area: 008011)

<sup>2</sup> City of San Diego Comprehensive Annual Financial Report (FYE 2020)

<sup>3</sup> San Diego Municipal Code: Chapter 3; Article 7, 37.0102

<sup>4</sup> ULI Dollars and Cents of Shopping Centers (Neighborhood Shopping Centers)

<sup>5</sup> London Moeder assumptions based on available type of retail planned (Café/Restaurant)

<sup>6</sup> Provided by Developer

<sup>7</sup> U.S. Bureau of Labor Statistics Consumer Expenditure Survey, San Diego MSA 2018-2019 (Published September, 2020)

<sup>8</sup> London Moeder assumptions based on available retail categories within San Diego City boundaries.

<sup>9</sup> U.S. Energy Information Administration - 2012 Commercial Buildings Energy Consumption Survey (Food Services)

<sup>10</sup> Based on industry standards of one full-time employee for every 50 units

<sup>11</sup> Based on 2.13 residents per occupied unit and a 97.5% occupancy rate

<sup>12</sup> City of San Diego Comprehensive Annual Financial Report (FYE 2019); FY 2018-2019 was used to exclude the impact of COVID-19

Estimate of Annual Recurring Costs  
AIMCO - Mariner's Cove As-Is Development

<u>Demographic Profile</u>	Total Resident <u>Population</u>	Total <u>Employment</u>	Effective Population <u>Residential Equivalent (RE)</u>	
Proposed Project	1,029	10		
<u>Jobs Per Population</u>		<u>0.49</u>		
Proposed Project R.E.	1,029	5	1,034	
<u>General Fund Category</u>	Service <u>Population</u>	Population <u>Type</u>	Amount Per <u>Resident or R.E.</u>	Cost of <u>Service</u>
General Government & Support	Effective Population	1,034	\$37.61	\$38,897
Police	Effective Population	1,034	\$289.80	\$299,749
Fire, Life Safety & Homeland Security	Effective Population	1,034	\$140.25	\$145,069
Parks, Recreation, Culture & Leisure	Resident Population	1,029	\$182.31	\$187,676
Transportation	Effective Population	1,034	\$67.20	\$69,507
Sanitation & Health	Effective Population	1,034	\$51.71	\$53,488
Neighborhood Services	Resident Population	1,029	\$11.29	\$11,624
<b>Total</b>				<b>\$806,011</b>

Sales Tax Revenue Generated by Construction  
Construction Materials

Mariner's Cove Redevelopment - San Diego, CA

Total Hard Costs	\$23,500,000
Labor	\$11,750,000
% of Total	50%
Materials	\$11,750,000
% of Total	50%

% of Materials Purchased in San Diego	35%
Materials Purchased in San Diego	\$4,112,500

Sales Tax Rate <sup>1</sup>	7.75%
Total Sales Tax On Materials	\$318,719
City of San Diego Tax Rate Component	1.00%
<b>Sales Tax Revenue to San Diego</b>	<b>\$41,125</b>

<sup>1</sup> CA Department of Tax and Fee Administration (Effective July 1, 2021)

Direct Construction Job Generation  
Mariner's Cove Redevelopment - San Diego, CA

Construction Costs	\$25,000,000
Per Million Dollars	\$25.00
Jobs Generated Per Million Dollars	9.50
<b>Total Jobs Generated (Full Time Equivalency)</b>	<b>238</b>



Summary of Fiscal and Economic Impacts  
AIMCO - Mariner's Cove As-Is Development

Fiscal Impacts to the City (Annual Recurring)	As-Is Development	Proposed Project	Added Benefit
Property Tax to City	\$87,592	\$628,217	\$540,625
Property Tax In-Lieu of VLF	\$42,294	\$278,780	\$236,486
Property Transfer Tax	\$3,528	\$23,256	\$19,728
Sales Tax - Retail Footprint	\$0	\$4,276	\$4,276
Sales Tax - Residents	\$70,403	\$181,270	\$110,867
Other Revenue	\$163,525	\$255,510	\$91,985
<b>Total Revenue to City</b>	<b>\$367,342</b>	<b>\$1,371,309</b>	<b>\$1,003,967</b>
<b>Costs to City</b>	<b>(\$806,011)</b>	<b>(\$1,258,933)</b>	<b>(\$452,923)</b>
<b>Annual Recurring Surplus</b>	<b>(\$438,669)</b>	<b>\$112,376</b>	<b>\$551,044</b>
<b>Economic Impacts ("One-time")</b>			
Sales Tax Revenue from Development/Investment	\$41,125	\$577,893	\$536,768
Job Creation from Development/Investment	238	4,463	\$4,226
Wage Creation from Development/Investment	\$14,681,984	\$275,917,294	\$261,235,310
Total Development Impact Fees	-	\$11,378,033	\$11,378,033
<b>Economic Impacts (Annual Recurring)</b>			
Job Creation from Operations	10	21	11
Wage Creation from Operations	\$577,126	\$1,063,184	486,057
<b>Other Public Benefits</b>			
Public Infrastructure Improvements	-	\$430,000	\$430,000
Wetland/Open Space Preservation	-	115,987 SF	115,987 SF
	-	\$5,654,109	\$5,654,109
Residential Housing	500 units	772 units	272 units

## Corporate Profile

### London Moeder Advisors

#### REPRESENTATIVE SERVICES

Market and Feasibility Studies	Development Services	Litigation Consulting
Financial Structuring	Fiscal Impact	Workout Projects
Asset Disposition	Strategic Planning	MAI Valuation
Government Processing	Capital Access	Economic Analysis

**London Moeder Advisors (formerly The London Group)** was formed in 1991 to provide real estate advisory services to a broad range of clientele. The firm principals, Gary London and Nathan Moeder, combine for over 60 years of experience. We have analyzed, packaged and achieved capital for a wide variety of real estate projects. Clients who are actively pursuing, developing and investing in projects have regularly sought our advice and financial analysis capabilities. Our experience ranges from large scale, master planned communities to urban redevelopment projects, spanning all land uses and development issues of all sizes and types. These engagements have been undertaken principally throughout North America and Mexico.

A snapshot of a few of the services we render for both the residential and commercial sectors:

- **Market Analysis** for mixed use, urban and suburban properties. Studies concentrate on market depth for specific products, detailed recommendations for product type, absorption and future competition. It also includes economic overviews and forecasts of the relevant communities.
- **Financial Feasibility Studies** for new projects of multiple types, including condominium, apartment, office, and master-planned communities. Studies incorporate debt and equity needs, sensitivity analyses, rates of return and land valuations.
- **Litigation support/expert witness services** for real estate and financial related issues, including economic damages/losses, valuations, historic market conditions and due diligence. We have extensive deposition, trial, mediation and arbitration experience.
- **Investment studies for firms acquiring or disposing of real estate.** Studies include valuation, repositioning projects and portfolios, economic/real estate forecasts and valuation of partnerships. Often, the commercial studies include the valuation of businesses.
- **Estate Planning services** including valuation of portfolios, development of strategies for disposition or repositioning portfolios, succession planning and advisory services for high-net-worth individuals. We have also been involved in numerous marriage dissolution assignments where real estate is involved.
- **Fiscal Impact, Job Generation and Economic Multiplier Effect Reports,** traditionally prepared for larger commercial projects and in support of Environmental Impact Reports. We have been retained by both developers and municipalities for these reports. The studies typically relate to the tax revenues and employment impacts of new projects.

The London Group also draws upon the experience of professional relationships in the development, legal services, financial placement fields as well as its own staff. Clients who are actively investigating and investing in apartment projects, retail centers, commercial projects, mixed use developments and large master plans have regularly sought our advice and financial analysis capabilities.

**San Diego:** 825 10<sup>th</sup> Ave | San Diego, CA 92101 | (619) 269-4010  
**Carlsbad:** 2792 Gateway Road #104 | Carlsbad, CA 92009 | (619) 269-4012

## Contact Information

Research for this project was completed in October 2021. Conclusions and recommendations are strictly those of London Moeder Advisors. Users of this information should recognize that assumptions and projections contained in this report *will* vary from the actual experience in the marketplace. Therefore, London Moeder Advisors is not responsible for the actions taken or any limitations, financial or otherwise, of property owners, investors, developers, lenders, public agencies, operators or tenants.

This assignment was completed by the staff of London Moeder Advisors. **Nathan Moeder**, Principal, served as project director. **Jonathan Rivas**, Analyst, conducted analysis and prepared exhibits in this report. **Gary London**, Senior Principal, provided strategic consultation, editing and recommendations. For further information or questions contact us at:

London Moeder Advisors

San Diego: 825 10<sup>th</sup> Ave | San Diego, CA 92101 | (619) 269-4010

Carlsbad: 2792 Gateway Road #104 | Carlsbad, CA 92009 | (619) 269-4012

[www.londonmoeder.com](http://www.londonmoeder.com)