Memorandum

TO: City of Alameda

FROM: James Edison

DATE: March 5, 2014

SUBJECT: Special Tax Burden Analysis for Alameda Point Development

Willdan Financial Services ("Willdan") has prepared a preliminary analysis of the revenue that could be generated from supplemental revenue at Alameda Point. The supplemental revenue will be a special tax, assessment, or other means that will impose an additional financial burden on property, over and above the approximately 1.0 percent *ad valorem* tax paid by all property in California. For the purposes of this initial analysis Willdan has assumed that residential development would have a total tax burden of 1.8 percent and commercial development would have a total tax burden of 1.6 percent. Table 1 details the current assumptions about the value of the proposed development at Alameda Point.

Development Type	Units	Value (1)	Total Value
Residential	1,425	$285,730	$407,164,706
Commercial Developr	5,500,000	$325	$1,787,500,000
Grand Total			**$2,194,664,706**

(1) Includes affordable housing units that are assumed to generate no assessed value.

Willdan Financial Services, 2014

Table 2 calculates the value of the supplemental revenue assuming an extra tax or assessment of 0.8 percent for residential development and 0.6 percent for commercial development. For each development type Willdan has set the tax at an amount likely to be

Exhibit 2
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acceptable for development. Typically, residential development can support a higher tax burden than commercial development.

Table 2
Potential Assessment Revenue
Burden Analysis

Development Type	Max Burden	AV	Annual Revenue
Residential	0.80%	$407,164,706	$3,257,318
Commercial Development	0.60%	$1,787,500,000	$10,725,000
Total		$2,194,664,706	$13,982,318

Willdan Financial Services, 2014

Willdan has also calculated the impact of a reduction in commercial square footage for the development. If the total commercial square feet drops from 5.5 million to 3.5 million, the total assessed value drops from $2.2 billion to $1.5 billion, and the resulting annual revenue drops from $14.0 million to $10.0 million.