

## Memorandum

**TO:** City of Alameda  
**FROM:** James Edison  
**DATE:** April 28, 2015  
**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 at Alameda Point, 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 1.9 percent and commercial development would have a total tax burden of 1.8 percent. Table 1 details the current assumptions about the value of the proposed development at Alameda Point.<sup>1</sup>

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<sup>1</sup> For the following analysis Willdan assumes that the property at AP will have an existing tax of 1.3 percent of assessed value.

**Table 1**  
**Project Description**  
**Alameda Point Financing Burden Analysis**

<b>Development Type</b>	<b>Units/SF</b>	<b>Unit Value</b>	<b>Total Value</b>
<i>Residential</i>			
Single Family	125	\$850,000	\$106,250,000
Townhomes	300	\$795,000	\$238,500,000
Townhomes (moderate)	0	\$365,679	\$0
Condos	72	\$540,000	\$38,880,000
Condos (moderate)	32	\$353,323	\$11,306,332
Apartments	464	\$491,196	\$227,915,032
Apartments (moderate)	62	\$321,390	\$19,926,210
Apartments (L/VL)	<u>370</u>	<u>\$0</u>	<u>\$0</u>
Total Residential	1,425	\$451,072	\$642,777,574
<i>Commercial</i>			
Office	527,500	\$250	\$131,875,000
Manufacturing/Warehouse	1,910,500	\$225	\$429,862,500
Retail	300,000	\$265	\$79,500,000
Hotel	100,000	\$300	\$30,000,000
Speciality Manufacturing	150,000	\$275	\$41,250,000
Service	512,000	\$250	<u>\$128,000,000</u>
<b>Grand Total</b>			<b>\$1,483,265,074</b>

Willdan Financial Services, 2015



Table 2 details the projected assessed value of the project.

Development Type	Phase 1	Phase 2	Phase 3	Total	Balance of AP	Buildout
<b>Residential</b>						
Single Family	\$0	\$0	\$0	\$0	\$106,250,000	\$106,250,000
Multifamily						
Townhomes	\$110,505,000	\$21,465,000	\$0	\$131,970,000	\$106,530,000	\$238,500,000
Moderate Townhomes	\$0	\$0	\$0	\$0	\$0	\$0
Condos	\$0	\$38,880,000	\$0	\$38,880,000	\$0	\$38,880,000
Condos (moderate)	\$0	\$11,306,332	\$0	\$11,306,332	\$0	\$11,306,332
Apartments	\$177,813,021	\$0	\$0	\$177,813,021	\$50,102,011	\$227,915,032
Apartments (moderate)	\$12,855,619	\$0	\$0	\$12,855,619	\$7,070,590	\$19,926,210
Apartments (L/VL)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Subtotal</b>	\$301,173,640	\$71,651,332	\$0	\$372,824,972	\$269,952,602	\$642,777,574
<b>Commercial</b>						
Office	\$0	\$0	\$0	\$0	\$131,875,000	\$131,875,000
Manufacturing/Warehouse	\$0	\$0	\$33,750,000	\$33,750,000	\$396,112,500	\$429,862,500
Retail	\$25,440,000	\$15,635,000	\$0	\$41,075,000	\$38,425,000	\$79,500,000
Hotel	\$0	\$30,000,000	\$0	\$30,000,000	\$0	\$30,000,000
Specialty Manufacturing	\$0	\$0	\$41,250,000	\$41,250,000	\$0	\$41,250,000
Service	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$128,000,000</u>	<u>\$128,000,000</u>
<b>Subtotal</b>	\$25,440,000	\$45,635,000	\$75,000,000	\$146,075,000	\$694,412,500	\$840,487,500
<b>Total</b>	\$326,613,640	\$117,286,332	\$75,000,000	\$518,899,972	\$964,365,102	\$1,483,265,074



Table 3 calculates the value of the supplemental revenue assuming an extra tax or assessment of 0.6 percent for residential development and 0.5 percent for commercial development. For each development type Willdan has set the tax at an amount likely to be acceptable for development. Typically, residential development can support a higher tax burden than commercial development.

Development Type	Max Burden <sup>1</sup>	Phase 1	Phase 2	Phase 3	Total	Balance of AP	Buildout
<b>Residential</b>							
Single-family	0.60%	0	0	0	0	637,500	637,500
Multi-family							
Townhomes	0.60%	663,030	128,790	0	791,820	639,180	1,431,000
Moderate Townhomes	0.60%	0	0	0	0	0	0
Apartments	0.60%	1,066,878	0	0	1,066,878	300,612	1,367,490
Apartments (moderate)	0.60%	77,134	0	0	77,134	42,424	119,557
Apartments (L/VL)	0.00%	0	0	0	0	0	0
Subtotal		\$1,807,042	\$128,790	\$0	\$1,935,832	\$1,619,716	\$3,555,547
<b>Commercial</b>							
Office	0.50%	0	0	0	0	659,375	659,375
Manufacturing/Warehouse	0.50%	0	0	168,750	168,750	1,980,563	2,149,313
Retail	0.50%	127,200	78,175	0	205,375	192,125	397,500
Hotel	0.50%	0	150,000	0	150,000	0	150,000
Specialty Manufacturing	0.50%	0	0	206,250	206,250	0	206,250
Service	0.50%	0	0	0	0	640,000	640,000
Subtotal		\$127,200	\$228,175	\$375,000	\$730,375	\$3,472,063	\$4,202,438
<b>Total</b>		<b>\$1,934,242</b>	<b>\$356,965</b>	<b>\$375,000</b>	<b>\$2,666,207</b>	<b>\$5,091,778</b>	<b>\$7,757,985</b>

<sup>1</sup> Assumes maximum burden of 1.9 percent of AV for residential and 1.8 percent of AV for commercial development, with 1.3 percent base tax.



Willdan has prepared a financing budget that estimates the various kinds of costs that will need to be supported by supplemental taxes at Alameda Point. Table 4 details the results of this analysis. As shown on Table 4, the City anticipates that the TDM program, certain municipal services, and flood control maintenance and, potentially, construction, will need to be financed from supplemental taxes. The special tax capacity left after these costs can be used to finance infrastructure through a facilities CFD or other mechanism.

**Table 4**  
**Budget**  
**Alameda Point Financing Burden Analysis**

Development Type	Max Burden	Phase 1	Phase 2	Phase 3	Total	Balance of AP	Buildout
<b>Revenue</b>							
Residential		1,807,042	128,790	0	1,935,832	1,619,716	3,555,547
Commercial		<u>127,200</u>	<u>228,175</u>	<u>375,000</u>	<u>730,375</u>	<u>3,472,063</u>	<u>4,202,438</u>
<b>Total</b>		<b>\$1,934,242</b>	<b>\$356,965</b>	<b>\$375,000</b>	<b>\$2,666,207</b>	<b>\$5,091,778</b>	<b>\$7,757,985</b>
<b>Needs</b>							
TDM <sup>1</sup>		262,950	133,100	189,750	585,800	1,777,000	2,362,800
Municipal Services Mitigation		191,793	68,873	49,987	310,653	560,347	871,000
Flood Control Maintenance		186,992	34,509	36,253	257,754	492,246	750,000
Flood Control Capital Reserve <sup>2</sup>		<u>62,331</u>	<u>11,503</u>	<u>12,084</u>	<u>85,918</u>	<u>164,082</u>	<u>250,000</u>
<b>Total</b>		<b>\$704,066</b>	<b>\$247,985</b>	<b>\$288,074</b>	<b>\$1,240,126</b>	<b>\$2,993,674</b>	<b>\$4,233,800</b>
<b>Net</b>		<b>\$1,230,176</b>	<b>\$108,980</b>	<b>\$86,926</b>	<b>\$1,426,081</b>	<b>\$2,098,104</b>	<b>\$3,524,185</b>
<b>Cumulative</b>		<b>\$1,230,176</b>	<b>\$1,339,155</b>	<b>\$1,426,081</b>			
<b>CFD Proceeds from Net</b>		<b>\$10,747,019</b>	<b>\$952,065</b>	<b>\$759,398</b>	<b>\$12,458,482</b>	<b>\$18,329,382</b>	<b>\$30,787,865</b>
<b>Cumulative</b>		<b>\$10,747,019</b>	<b>\$11,699,084</b>	<b>\$12,458,482</b>	<b>\$12,458,482</b>	<b>\$30,787,865</b>	

<sup>1</sup> Assumes \$550/unit for townhomes, \$350/unit for apartments and condos and \$0.55/sf for commercial. L/VL units are exempt and moderate pay \$175.

<sup>2</sup> Bonding capacity set aside to fund potential additional flood control improvements.

<sup>3</sup> Assumes 110% coverage ratio, 10% reserve, 7% interest rate, 20 year term, semi-annual payments.

