From: Van de Water, Adam (MYR)
To: Hussain, Lila (CII); Reilly, Catherine (CII)
Cc: Gavin, John (MYR)
Subject: FW: Revised Arena Fiscal Analysis
Date: Friday, November 07, 2014 3:43:01 PM
Attachments: 121081FIA1_110714.pdf

Here is the latest from EPS which reflects the new GSW square footages, the removal of the cinema, the delta on the TIDF and other comments from OEWD and the Controller's Office.

Adam

From: Michael Nimon [mailto:mnimon@epsys.com]
Sent: Friday, November 07, 2014 3:26 PM
To: Van de Water, Adam (MYR)
Cc: Richard Berkson
Subject: RE: Revised Arena Fiscal Analysis

Adam,

Please find the full fiscal table set attached.

Have a good weekend,

Mike

From: Van de Water, Adam (MYR) [mailto:adam.vandewater@sfgov.org]
Sent: Friday, November 07, 2014 2:30 PM
To: Michael Nimon
Cc: Richard Berkson
Subject: RE: Revised Arena Fiscal Analysis

Thank you Michael. I do not expect further comment. Can you send the full table set when it is ready?

Thanks for all of your work on this.

Adam

From: Michael Nimon [mailto:mnimon@epsys.com]
Sent: Friday, November 07, 2014 2:09 PM
To: Van de Water, Adam (MYR)
Cc: Richard Berkson
Subject: RE: Revised Arena Fiscal Analysis

Hi Adam,

Attached please find the revised fiscal summary tables based on the suggested revisions. Please let us know whether we should be expecting any other comments prior to sharing the full fiscal table

set.

Thanks,

MICHAEL NIMON
Senior Associate

Economic & Planning Systems (EPS)
1 Kaiser Plaza, Suite 1410
Oakland, CA 94612
Direct: 510-740-2070
Main: 510-841-9190
http://www.epsys.com

EPS is excited to announce we have moved to Downtown Oakland.
Our new address is **One Kaiser Plaza, Suite 1410, Oakland, CA 94612**.

Kindly update your records with our new address.

From: Van de Water, Adam (MYR) [mailto:adam.vandewater@sfgov.org]
Sent: Wednesday, November 05, 2014 5:19 PM
To: Richard Berkson
Cc: Michael Nimon
Subject: RE: Revised Arena Fiscal Analysis

Richard and Michael:

Attached are final enlarged square footages and parking numbers the Warriors just sent over in advance of a CEQA deadline to reflect their purchase of an additional 100,000 ft2 FAR. Can you change the on-site parking to 950 stalls and use the following numbers for the remaining to reflect an equal 68.5% adjusted reduction in the arena a 10% reduction in the others per the Mission Bay South Design for Development so they look like the following?

Event Center	513,753
GSW Office Space	22,500
Other Office Space	522,000
Retail	112,500
Parking and Loading	427,500

Thanks,

Adam

From: Richard Berkson [mailto:rberkson@epsys.com]
Sent: Wednesday, October 29, 2014 5:30 PM
To: Van de Water, Adam (MYR)
Cc: Michael Nimon
Subject: RE: Revised Arena Fiscal Analysis

Adam,

Attached are revised summary tables with the changes noted below.

Let me know if you would like us to send you the detail tables at this point, or we can wait until after we have gotten more comments back from the reviewers.

-Richard

From: Richard Berkson
Sent: Wednesday, October 29, 2014 8:49 AM
To: 'Van de Water, Adam (MYR)'
Cc: Michael Nimon
Subject: RE: Revised Arena Fiscal Analysis

Adam,

Thanks again for your comments. We will make the changes you note below to the program and TIDF calculation.

You are correct, the transfer tax ordinance only excludes leases with a remaining term less than 35 years (Business and Tax Regulations Code, Art. 12-C, Sec. 1108.3).

Yes, our admissions tax split was based on past allocation practices, but we can change that to allocate entirely to the General Fund, and add a footnote.

-Richard

From: Van de Water, Adam (MYR) [mailto:adam.vandewater@sfgov.org]
Sent: Tuesday, October 28, 2014 2:57 PM
To: Richard Berkson; Michael Nimon
Subject: RE: Revised Arena Fiscal Analysis

Richard and Michael:

In addition to increasing the # of parking spaces to 775 and square footage of office space an additional 100,00 ft2, can you calculate the TIDF based on the delta between what is in the fee register ($13.21) and what was in existence at the time of the Redevelopment Plan ($5) and use the adjusted gsf amount of 521,786 ft2 for the entertainment calculation (arena plus cinema)? By my calculations these changes reduce the TIDF amount from $18,070,453 to $13,389,007. The former

is the advice of our City Attorney and the latter reflects allowable exclusions under the Mission Bay South Design for Development.

Also, Article 11 of the Business and Tax Code doesn't allocate the Stadium Admissions Tax between the GF and Rec Park. Is the 67.9%/32.1% split assumed in Table A-12 based on historical use?

Finally, is there a reason we didn't calculate the real property transfer tax in 2012? I'm told it still applies to leases of this duration (66 years) even though the property is not sold. See: http://www.amlegal.com/nxt/gateway.dll/California/business/article12-crealpropertytransfertax?f=templates&fn=default.htm&vid=amlegal:sanfrancisco_ca

Thanks,

Adam

From: Richard Berkson [mailto:rberkson@epsys.com]
Sent: Friday, October 24, 2014 10:47 AM
To: Van de Water, Adam (MYR); Murrell, Drew (CON); Michael Nimon
Cc: Allersma, Michelle (CON)
Subject: RE: Revised Arena Fiscal Analysis

Adam,

Here are some responses to Drew's comments:

1) The property tax in lieu of vlf is estimated at $939,000 in Table A-6 based on the Project's A.V. of $897 million; the in lieu amount is the proportionate increase in existing City in lieu due to the Project's increase in the City's A.V.

   The increment value on Table 5 ($6,650,638) is the property tax increment attributable to the $897 million A.V., and is not used for the in lieu calculation.

   We are attributing the full value of the Project in these calculations; in theory, one might argue that some other project would happen on the site anyhow, if the Arena Project didn't happen.

2) The Table A-8 sales tax revenue to SFUSD & SFCTA are shown for information purposes only; we would be glad to take them out.

3) We will update our TOT estimate based on Drew's reference to FY 2013-14 avg. of $238.27; we assume that the reference to the $205.24 is for an earlier period. We would like to update the numbers to current values to the extent possible.

4) We will change the allocation of TOT to show the GF 100%. We will footnote that in prior years the City had allocated portions to other funds.

5) We fixed the note in Table A-10.

6) Yes, Payroll Tax was shown for comparison purposes, but we can exclude the table.

Let me know if you have further questions/comments and direction re: our responses. We will wait to re-issue a revised table set until you get comments from the other reviewer and additional comments from Drew, unless directed otherwise.

Thanks,
-Richard

From: Van de Water, Adam (MYR) [mailto:adam.vandewater@sfgov.org]
Sent: Thursday, October 23, 2014 10:06 PM
To: Murrell, Drew (CON); Richard Berkson; Michael Nimon
Cc: Allersma, Michelle (CON)
Subject: Re: Revised Arena Fiscal Analysis

Thanks Drew. Forwarding your comments to EPS for their incorporation.

Adam Van de Water
Project Manager
Office of Economic and Workforce Development
City and County of San Francisco
City Hall Room 496
(415) 554-6625

On Oct 23, 2014, at 6:34 PM, "Murrell, Drew (CON)" <drew.murrell@sfgov.org> wrote:

Adam,

I am really sorry but I ran I ran out of time on this, and will have to do more of a review on Tue (I'm out tomorrow and Monday) but a few notes off the top:

- The Property Tax in-lieu of VLF seems off, is that projecting the entire AV as growth attributable to the project? Why would this be the same increment value as on Table 5 ($6,650,638)
- On Table A-8 sales tax revenue to SFUSD & SFCTA are not revenue for CCSF, to the extent that the report is listing ongoing revenues available to offset City costs I don't think they should be included
- I'm not sure if the per room/night on table A-9 intends to show average Hotel Room rates or Revenue available per room? Either way it has risen substantially in the last few years the averages for FY 2013-14 were $238.27 and $205.24 for FY 2013-14 but if the FY 2010-11 numbers are consistent with the amounts you are using elsewhere in the report (i.e. everything is at FY 2010-11 prices) its best to leave them

- Hotel Tax goes entirely to the General Fund
- It looks like Table A-10 is missing Note 2?
- I see that the revenue estimates only have Gross Receipts amounts, is Table A-14 for comparison purposes only?

My biggest questions are around the stadium admissions tax amounts but, $3M would represent a 200% increase from current (post-candlestick) collections but I need some more time to review.

Drew

Drew Murrell
Controller's Office of Budget & Analysis
City & County of San Francisco
(P) 415.554.7647
(E) Drew.Murrell@sfgov.org

From: Van de Water, Adam (MYR)
Sent: Tuesday, October 21, 2014 5:23 PM
To: Murrell, Drew (CON)
Subject: FW: Revised Arena Fiscal Analysis

Drew:

EPS just sent the attached draft update of the project generated revenues for the Warriors arena which, as expected, are slightly higher than I reported last week. Let me know if you spot any corrections. I've already noted the omission of the child care fee, some adjustments to parking supply and transit ridership and a question about the formulation of the TIDF (not adjusted for excludable back of house?). Let me know if you spot others as they work to refine.

Thanks,

Adam

From: Richard Berkson [mailto:rberkson@epsys.com]
Sent: Tuesday, October 21, 2014 4:44 PM
To: Van de Water, Adam (MYR)
Cc: Michael Nimon
Subject: Revised Arena Fiscal Analysis

Adam,

Attached are revised Tables 1 and 2, plus supporting calculations.

This is a first pass to provide the numbers you mentioned were needed for tomorrow. There are likely to be some additional revisions upon further review and research,

although I would not expect them to change the bottom line significantly.

Let us know if you have any questions or comments.

-Richard

RICHARD L. BERKSON
PRINCIPAL

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