

MEMORANDUM

To: Geoff Griffin, NorthPoint Development
Mark Enes, AKT Properties

From: Amy Lapin and Jes Stevens

Subject: Airport South Industrial Project Economic
Impact Analysis; EPS #222161

Date: April 6, 2023

The Economics of Land Use



Introduction

NorthPoint Development, LLC (NorthPoint) retained Economic & Planning Systems, Inc. (EPS) to prepare an economic impact analysis (Analysis) of proposed and potential land uses in the Sacramento Airport South Industrial project (Project). The Project is located in unincorporated Sacramento County (County), northwest of the City of Sacramento (City) and south of the existing Interstate 5 (I-5) Metro Air Park Parkway Interchange. While currently in the unincorporated County, the Project is proposed to be annexed into the City as part of Project entitlements.

The stimulus generated by the proposed and potential land uses in the Project will have a multiplying effect throughout the economy as local businesses, consumers, and employees associated with the Project make expenditures locally. The purpose of this Analysis is to estimate the quantifiable **one-time construction** and **ongoing annual operational impacts** of the Project on the regional economy with respect to jobs, income, and total economic output.¹

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¹ Total economic output refers to the value of goods and services produced in a county as a result of a project's operations.

Project Overview

At full buildout, the 475-acre Project is envisioned to contain almost 6 million building square feet of industrial uses and nearly 100,000 building square feet of highway commercial uses (Total Project), accommodating over 3,500 ongoing jobs onsite (direct jobs). See **Table A-1** in **Appendix A** for a summary of the Project land uses and employment.

The Total Project comprises two components described below, both of which are presented individually and in aggregate throughout this Analysis:

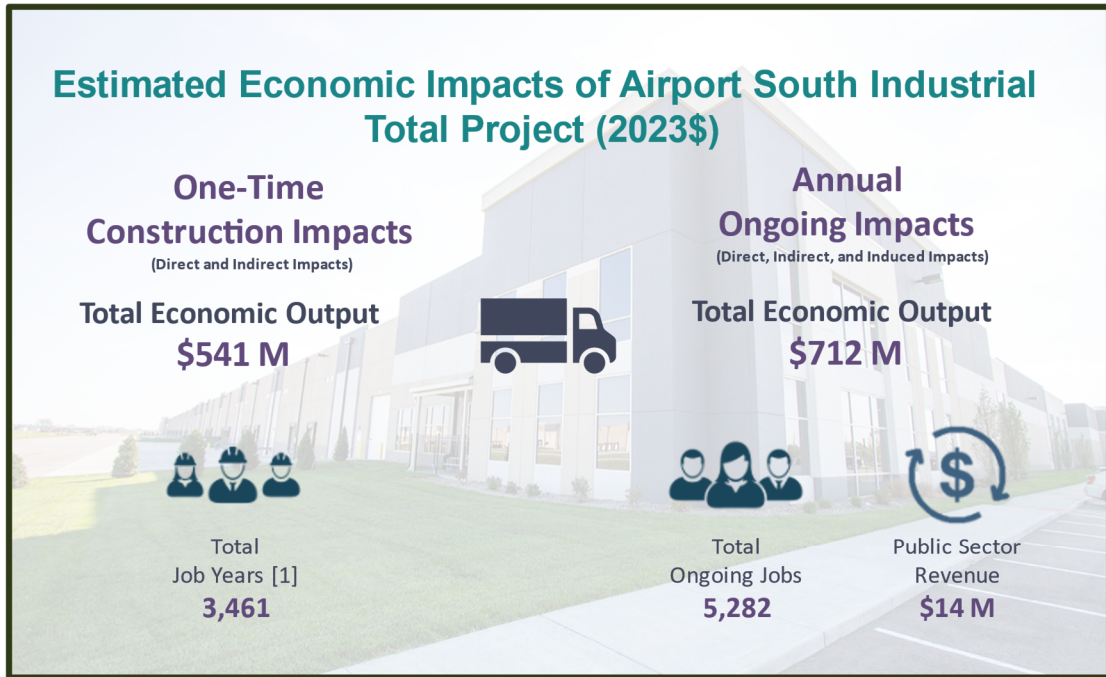
- **Proposed NorthPoint/AKT Properties Project** includes land uses proposed by NorthPoint and AKT Properties consisting of about 4.4 million building square feet of industrial and 100,000 building square feet of highway commercial uses across 353 developable acres (Proposed NorthPoint/AKT Properties Project). Development of the Proposed NorthPoint/AKT Properties Project is anticipated to begin in 2024 and build out over a period of 7 years.
- **Potential Remaining Development** includes 83 developable acres controlled by non-participating property owners. The land use plan and development timing for the remaining acres is unknown at this time. This Analysis is based on the assumption that the Potential Remaining Development will encompass approximately 1.5 million building square feet of future industrial development (Potential Remaining Development), given site characteristics, adjacent land uses in the Project, and a typical Floor Area Ratio (FAR) assumption for industrial development.

Summary of Economic Impacts

The total economic impact of the proposed Project measures the impact of an activity as it “ripples” throughout the regional economy. These effects consist of direct, indirect, and induced impacts and are described in more detail later in this memorandum (refer to the “Economic Impact Modeling Framework” section).

In this Analysis, the regional economy is defined as the County. However, as the Project is anticipated to annex into the City before development, all direct impacts, and a portion of indirect and induced impacts, are estimated to occur in the City. **Figure 1** summarizes the estimated economic impacts of the Project in the regional economy, while **Table 1** presents the estimated economic impacts in a tabular format.

Figure 1. Economic Impacts of Airport South Industrial (Total Project)



Source: IMPLAN; EPS .

[1] Construction employment is reported as total job years lasting over the duration of the project and could reflect the same job that extends over multiple years. For instance, a general laborer employed for 2 years during construction activity would represent 2 job years.

Table 1
Airport South Industrial
Economic Impact Analysis
Summary of One-Time and Annual Ongoing Impacts (Rounded 2023\$)

Item	Economic Impacts of Airport South Project		
	Proposed NorthPoint/AKT Project	Potential Remaining Development	Total Project
One-Time Economic Impacts			
One-Time Construction Impacts [1]	\$415.2 M	\$125.8 M	\$541.0 M
One-Time Construction Jobs (Job Years) [2]	2,656	805	3,461
Annual Ongoing Economic Impacts			
Annual Ongoing Operational Impacts [3]	\$536.6 M	\$176.2 M	\$712.8 M
Annual Ongoing Operational Jobs (Annual Average) [4]	3,971	1,311	5,282
Annual Ongoing Public-Sector Tax Revenues			
Total Annual Public-Sector Tax Revenue [5]	\$11.1 M	\$2.9 M	\$14.0 M

Source: IMPLAN, 2021 Dataset; NorthPoint Development, LLC; EPS.

- [1] Includes direct and indirect impacts.
- [2] Employment includes both full-time and part-time workers. Job years refer to the number of jobs in each year summed over the entire construction period of the Project.
- [3] Includes direct, indirect, and induced Impacts of the anticipated land uses within the Project.
- [4] Reflects stabilized operational employment for the Project. Refer to Table A-1 for details. Employment includes both full-time and part-time workers.
- [5] Reflects estimated tax revenue generated for the City of Sacramento, jurisdictions and taxing entities in Sacramento County, and the State of California. Estimated public sector tax revenue is a component of annual ongoing economic activity from stabilized operations and not additive to the economic impacts reflected above.

Proposed NorthPoint/AKT Properties Project

- **One-Time Construction Impacts.** Construction is anticipated to generate \$415.2 million in one-time economic impacts and support 2,656 job years.²
- **Annual Ongoing Impacts.** Once the Proposed NorthPoint/AKT Properties Project has reached stabilized operations, it is estimated to generate \$536.6 million annually in total economic impacts, supporting an annual average of 3,971 jobs in the County, inclusive of direct jobs onsite and all indirect and induced jobs supported by the development.
- **Annual Public-Sector Tax Revenues.** The Project is anticipated to generate \$11.1 million annually in tax revenue to support public-sector operations, including \$3.3 million generated for the City. An additional \$6.4 million and \$1.4 million is estimated to accrue to Sacramento County (and other taxing entities in the County) and the State, respectively. Public-sector revenues are included in ongoing economic impacts as estimated.

Potential Remaining Development

The following impacts are estimated if the Potential Remaining Development builds out as identified in this Analysis:

- **One-Time Construction Impacts.** Construction is anticipated to generate \$125.8 million in one-time economic impacts and support 805 job years.³
- **Annual Ongoing Impacts.** Once the Potential Remaining Development has reached stabilized operations, it is estimated to generate \$176.2 million annually in total economic impacts, supporting an annual average of 1,311 jobs in the County, inclusive of direct jobs onsite and all indirect and induced jobs supported by the development.
- **Annual Public-Sector Tax Revenues.** The Potential Remaining Development is anticipated to generate \$2.9 million annually in tax revenue to support public-sector operations, including \$741,000 generated for the City. An additional \$2.0 million and \$98,000 is estimated to accrue to Sacramento County (and other taxing entities in the County) and the State, respectively. Public-sector revenues are included in ongoing economic impacts as estimated.

² Employment includes both full-time and part-time workers. Job years refer to the number of jobs in each year summed over the entire construction period of the Project. For example, a single worker employed for 2 years would equate to 2 job years.

³ Ibid.

Total Project

In aggregate, development of the Proposed NorthPoint/AKT Properties Project and Potential Remaining Development components will generate the following impacts:

- **One-Time Construction Impacts.** Construction at full buildout is anticipated to generate \$541.0 million in one-time economic impacts and support 3,461 job years.⁴
- **Annual Ongoing Impacts.** Once the Total Project has reached stabilized operations, it is estimated to generate \$712.8 million annually in total economic impacts, supporting an annual average of 5,282 jobs in the County, inclusive of direct jobs onsite and all indirect and induced jobs.
- **Annual Public-Sector Tax Revenues.** The Total Project is anticipated to generate \$14.0 million annually in tax revenue to support public-sector operations, including \$4.0 million generated for the City. An additional \$8.5 million and \$1.5 million is estimated to accrue to Sacramento County (and other taxing entities in the County) and the State, respectively. Public-sector revenues are included in ongoing economic impacts as estimated.

Detailed Project Description

The proposed 475-acre Project is in the unincorporated County and is located along Bayou Road, south of I-5 and southeast of the Sacramento International Airport (SMF). See **Map 1**. Metro Air Park (MAP), an 1,892-acre Industrial Business Park, and the Northlake development (formerly Greenbriar) are located directly to the north of the Project site. Undeveloped agricultural and mitigation lands lie south of the Project. Other surrounding existing uses include the Life Storage Facility and Westlake subdivision, the West Drainage Canal, the Paso Verde School, and undeveloped SMF Master Plan Commercial land.

The Project is easily accessible from one of Sacramento's primary transportation corridors, I-5, via the recently constructed Phase 1 configuration of the MAP Interchange. Future interchange improvements will increase the 2-lane overcrossing of I-5 by 2 additional lanes, creating a 4-lane overcrossing accompanied by on- and off-ramp capacity improvements.

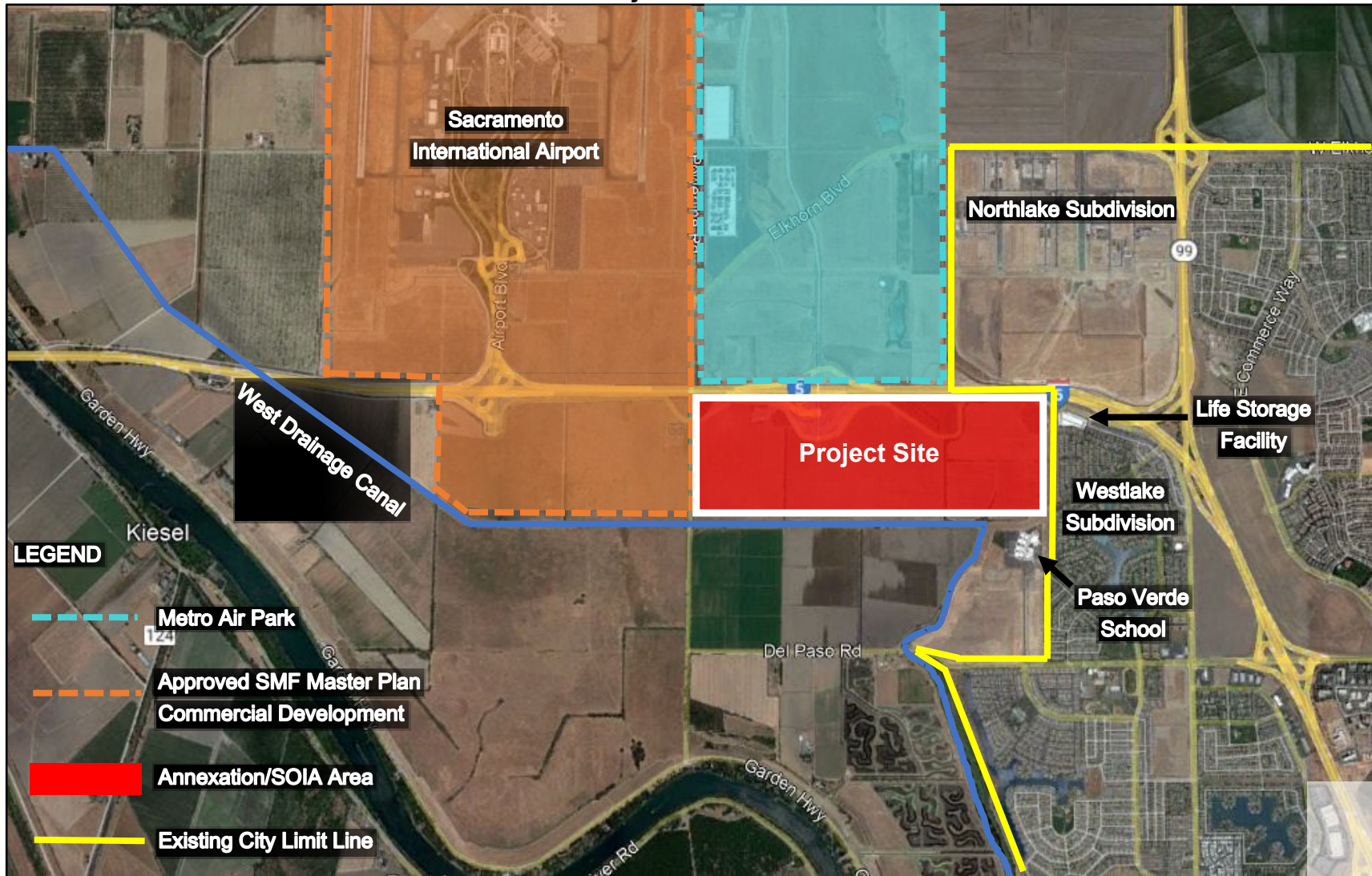
⁴ Ibid.

The Project proposes the abandonment of South Bayou Way and replacement with a new internal roadway system (Airport South Industrial Drive), which will be designed and constructed to the City's local industrial standards. If South Bayou Way is left in its current onsite alignment, the roadway would not meet the City's local industrial standards. Roadway improvements would also include a round-about to guide truck traffic directly to I-5 and will prohibit off-site truck traffic from Airport South Industrial Drive.

Across approximately 350 acres, the Proposed NorthPoint/AKT Properties Project includes 5 buildings of industrial development, retention basins and buffer lots, and an internal roadway system. In addition, the proposed Project includes approximately 100,000 building square feet of highway commercial development. See **Figure 2**. This commercial development will serve local, regional, and interstate travelers with the inclusion of multiple restaurants, a gas station and carwash, and a 3- to 4-story hotel.

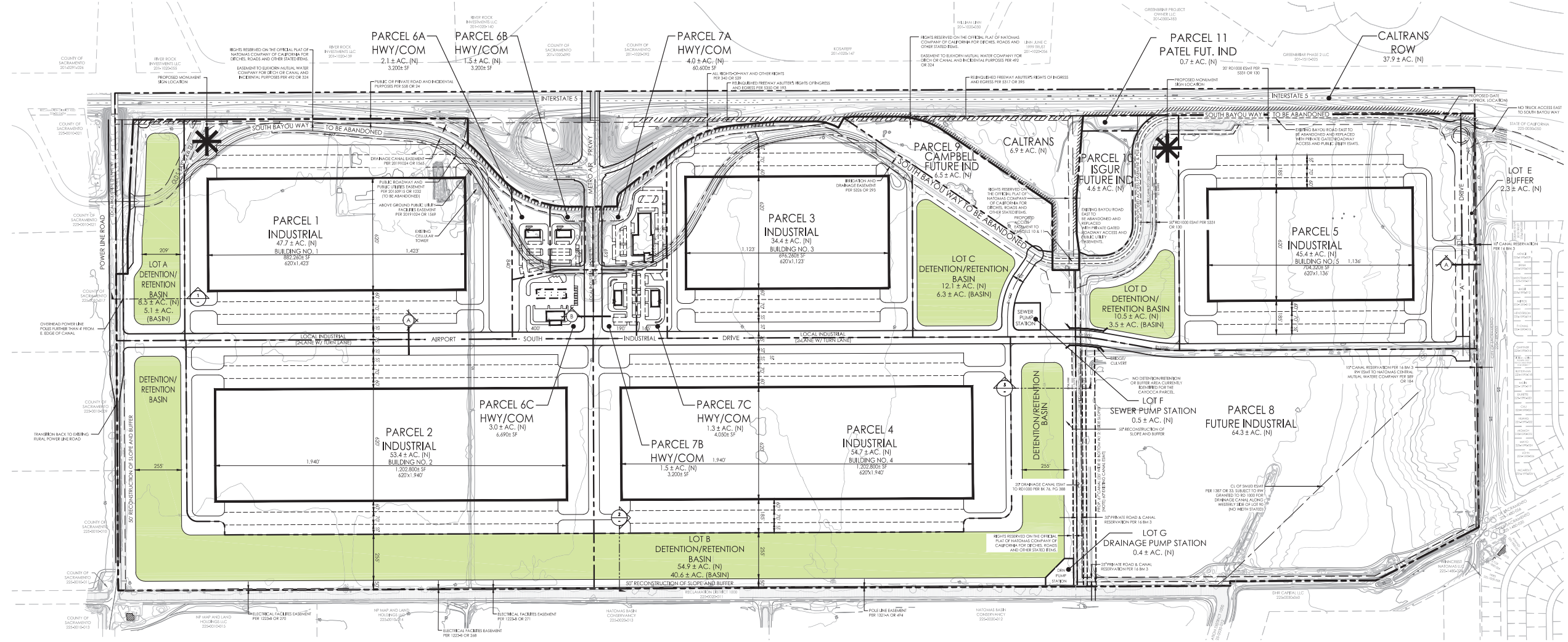
The Potential Remaining Development includes approximately 80 acres owned by non-participating property owners. For the purpose of this Analysis, this component of the Project is estimated to accommodate 1.5 million building square feet of industrial space, based on a FAR of 0.42.

Map 1 Project Location

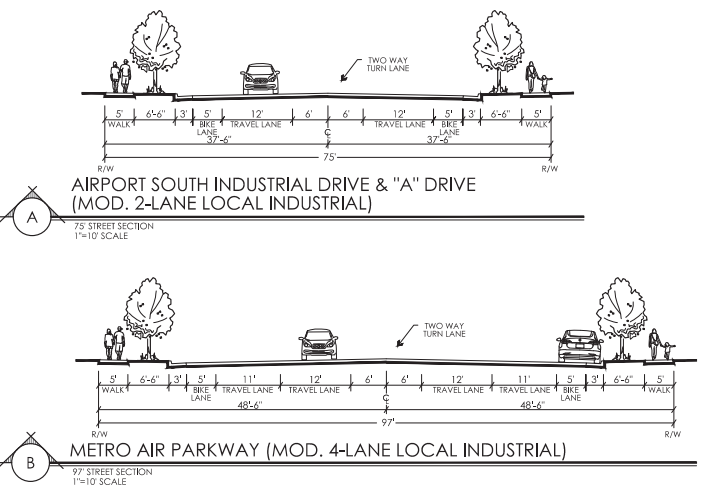
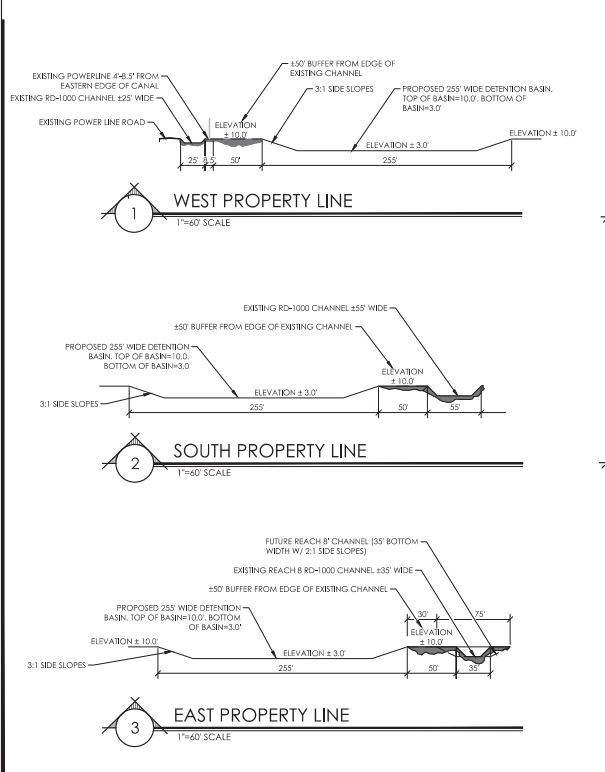
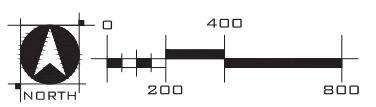
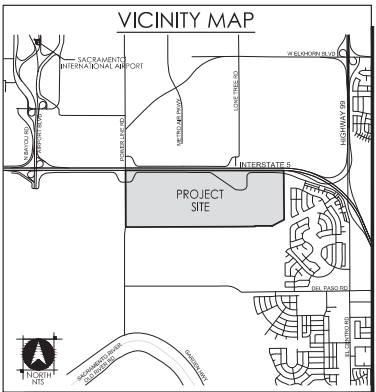


Note: Project Site boundaries are approximate.

Figure 2. Project Site Plan
AIRPORT SOUTH INDUSTRIAL
 CITY OF SACRAMENTO, CALIFORNIA
 JUNE 20, 2022



LAND USE SUMMARY									
Site Plan Lot Number	Land Owner	Proposed Land Use	GP Designation	Zone	Net Acreage	Bldg SF	Floor Area Ratio (FAR)	FAR Calc'd or Used for SF Est.	Use for Est. Bldg SF
Project Applicant Sponsored Lands									
1	NorthPoint / AKT Investments	Warehouse Distribution	Industrial (FAR: N/A-1.0)	M-1	47.7	882,260	0.42	Calculated	979,400
2	NorthPoint / AKT Investments	Warehouse Distribution	Industrial (FAR: N/A-1.0)	M-1	53.4	1,202,800	0.52	Calculated	1,335,200
3	NorthPoint / AKT Investments	Warehouse Distribution	Industrial (FAR: N/A-1.0)	M-1	34.4	696,260	0.46	Calculated	772,900
4	NorthPoint / AKT Investments	Warehouse Distribution	Industrial (FAR: N/A-1.0)	M-1	54.7	1,202,800	0.50	Calculated	1,335,200
5	NorthPoint / AKT Investments	Warehouse Distribution	Industrial (FAR: N/A-1.0)	M-1	45.4	704,320	0.36	Calculated	781,800
Subtotal Warehouse					235.6	4,688,440	0.46	Average	5,204,500
6A	NorthPoint / AKT Investments	Restaurant	EC-Low Rise (FAR: 0.15-1.0)	HC	2.1	3,200	0.03	Calculated	3,900
6B	NorthPoint / AKT Investments	Restaurant	EC-Low Rise (FAR: 0.15-1.0)	HC	1.5	3,200	0.05	Calculated	3,900
6C	NorthPoint / AKT Investments	Fueling Station/Carwash	EC-Low Rise (FAR: 0.15-1.0)	HC	3.0	6,900	0.05	Calculated	8,100
7A	NorthPoint / AKT Investments	Hotel	EC-Low Rise (FAR: 0.15-1.0)	HC	4.0	60,600	0.35	Calculated	73,400
7B	NorthPoint / AKT Investments	Restaurant	EC-Low Rise (FAR: 0.15-1.0)	HC	1.5	3,300	0.05	Calculated	3,900
7C	NorthPoint / AKT Investments	Restaurant	EC-Low Rise (FAR: 0.15-1.0)	HC	1.3	4,050	0.07	Calculated	5,000
Subtotal Retail Commercial					13.4	80,940	0.14	Average	98,200
A	NorthPoint / AKT Investments	Retention/Detention Basin	Industrial	M-1	8.5	-----	-----	-----	-----
B	NorthPoint / AKT Investments	Retention/Detention Basin	Industrial	M-1	54.9	-----	-----	-----	-----
C	NorthPoint / AKT Investments	Retention/Detention Basin	Industrial	M-1	12.1	-----	-----	-----	-----
D	NorthPoint / AKT Investments	Retention/Detention Basin	Industrial	M-1	10.5	-----	-----	-----	-----
E	NorthPoint / AKT Investments	Buffer	Industrial	M-1	2.3	-----	-----	-----	-----
F	NorthPoint / AKT Investments	Sewer Pump Station	Industrial	M-1	0.5	-----	-----	-----	-----
G	NorthPoint / AKT Investments	Drainage Pump Station	Industrial	M-1	0.4	-----	-----	-----	-----
Subtotal Public Facilities					89.2	-----	-----	-----	-----
Subtotal Internal Roadways					15.3	-----	-----	-----	-----
Total for Applicant Sponsored Lands					353.5	4,769,380.0	0.31	Average	5,302,700.0
Future Industrial Lands									
8	Cayocca	Future Industrial	Industrial	M-1	64.3	980,318	0.35	Estimated	1,088,200
9	Campbell	Future Industrial	Industrial	M-1	6.5	99,099	0.35	Estimated	110,000
10	Isgur	Future Industrial	Industrial	M-1	4.6	70,132	0.35	Estimated	77,900
11	Patel	Future Industrial	Industrial	M-1	0.7	10,672	0.35	Estimated	11,900
-----	Caltrans Remnant	Future Industrial	-----	-----	6.9	105,197	0.35	Estimated	116,800
Subtotal					83.0	1,265,418	0.35	Check Average	1,404,800
Subtotal Developable Lands (Warehousing/Distribution)					318.6	5,953,858	0.43	Average	6,609,300
Subtotal Developable Lands (Highway Commercial)					13.4	80,940	0.14	Average	98,200
Subtotal Developable Lands (Public Facilities and Internal Roadways)					104.5	-----	-----	-----	-----
Total Developable Lands					436.5	6,034,798	0.32	Average	6,707,500
Caltrans I-5 Fee Title R/W					37.9	-----	-----	-----	-----
Grand Total					474.4	-----	-----	-----	-----



THIS SITE PLAN IS FOR PRELIMINARY PLANNING PURPOSES ONLY AND SUBJECT TO CHANGE PRIOR TO FINAL APPROVAL.

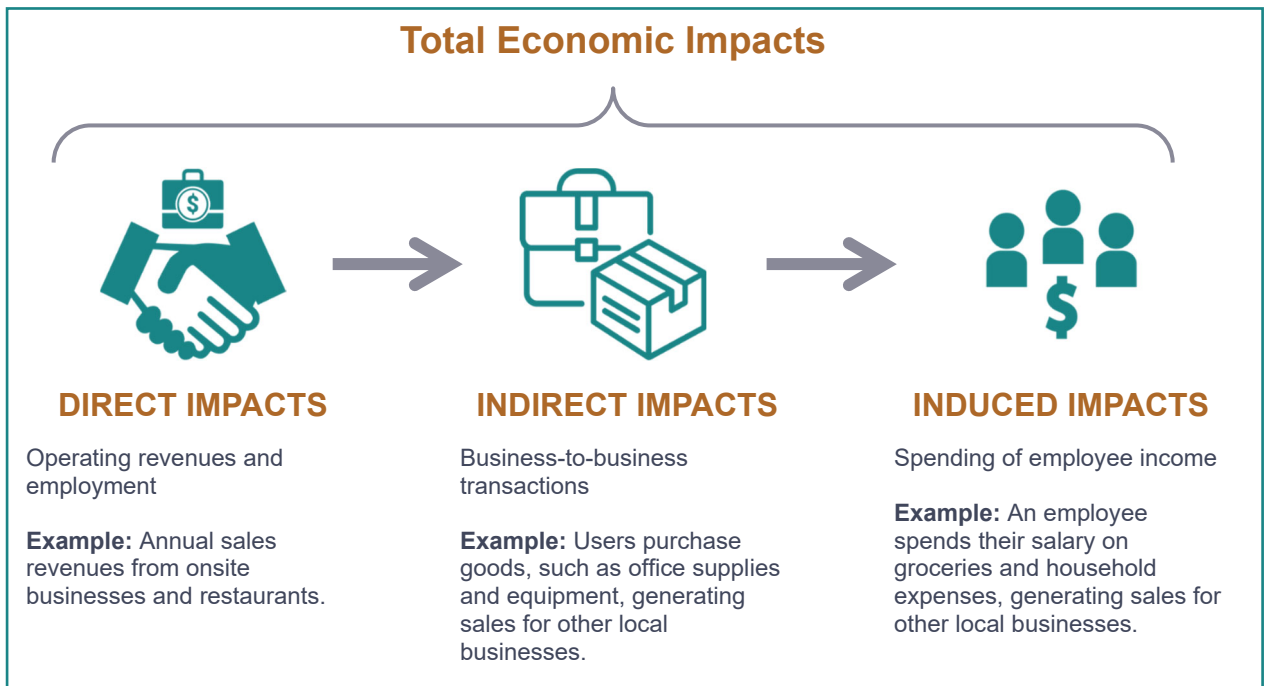
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Economic Impact Analysis Results

This Analysis quantifies these impacts using an input/output (I/O) economic modeling system, which measures the change in regional economic activity resulting from a specific economic stimulus. Economic impacts using an I/O model are based on an initial change in output or employment in a specific industry sector. The model then translates the initial change into changes in demand for output from other interdependent sectors, corresponding changes in demand for inputs to those sectors, and so on.

The effects stemming from the change in regional economic activity are commonly described as direct, indirect, or induced impacts. In addition, this Analysis includes an estimate of revenues generated by the Project to the public sector, including the City and the State of California (State), and provides a qualitative description of other benefits conferred by the Project. **Figure 3** illustrates the ongoing, annual activities captured by this Analysis.

Figure 3. Ongoing Annual Economic Impact Analysis Components



Source: EPS.

One-Time Construction Economic Impact Results

One-time economic impacts are generated by Project construction activity and are limited to the Project construction development period. To the extent that construction activity is short term and construction labor markets are tight, construction impacts may represent a shift of resources from other construction projects in the County. This Analysis therefore reports gross economic impacts, not accounting for potential shifts in resources. In addition, to the extent that construction labor is used temporarily, and laborers may live outside of the County, this Analysis is based on the assumption that construction activities exclude induced impacts (e.g., household income spent on goods and services in the County). The following sections outline the one-time construction impacts for each component of the Project.

Proposed NorthPoint/AKT Properties Project

Construction impacts are based on the estimated hard construction costs for the Proposed NorthPoint/AKT Properties Project of \$342.3 million, as shown on **Table A-2 in Appendix A**. One-time economic impacts stemming from construction are estimated to generate **total output of \$415.2 million** (measured in 2023 dollars). It is anticipated that construction will generate **2,656 job years** over the anticipated construction timeline, including 2,338 direct and 318 indirect job years.⁵

Potential Remaining Development

If the Potential Remaining Development develops as anticipated in this Analysis, one-time economic impacts stemming from construction are estimated to generate **total output of \$125.9 million** (measured in 2023 dollars). It is anticipated that construction will generate **805 job years** over the anticipated construction timeline, including 709 direct and 96 indirect job years.⁶ The construction impacts of the Potential Remaining Development are based on the estimated hard construction costs of \$103.8 million, as shown on **Table A-2 in Appendix A**.

Total Project

At full buildout of the Total Project as envisioned in this Analysis, one-time economic impacts stemming from construction are based on the estimated hard construction costs as shown on **Table A-2 in Appendix A** and are estimated to generate **total output of \$541.0 million** (measured in 2023 dollars).

⁵ Note that the employment figures reported for construction impacts represent total job years lasting the duration of the Project and could reflect the same job that extends over multiple years. For instance, a general laborer employed for 2 years during construction activity would represent 2 job years.

⁶ Ibid.

It is anticipated that construction will generate **3,461 job years** over the anticipated construction timeline, including 3,046 direct and 415 indirect job years.⁷

Annual Ongoing Economic Impact Results

Ongoing economic impacts are measured on a gross annual impact basis, not accounting for shifts in consumer expenditures from other local alternatives. Total economic activity is based on the anticipated stabilized operational employment at buildout for each component of the Project and is estimated to be generated in the County annually, inclusive of employee compensation.⁸ This level of annual, ongoing economic output represents direct, indirect, and induced impacts.

Proposed NorthPoint/AKT Properties Project

The Proposed NorthPoint/AKT Properties Project is estimated to generate **\$536.6 million in total economic output annually** and result in approximately **3,971 full- and part-time jobs** in the County. As a result of ongoing, annual operations, the estimated full- and part-time jobs include 2,645 direct (on-site) jobs, 751 indirect, and 575 induced jobs. These full- and part-time jobs are estimated to generate approximately **\$227.8 million in earned employee compensation (wages and benefits) annually**.

Potential Remaining Development

If the Potential Remaining Development develops as anticipated in this Analysis, it is estimated to generate **\$176.2 million in total economic output annually** and result in approximately **1,311 full- and part-time jobs** in the County. As a result of ongoing, annual operations, the estimated full- and part-time jobs include 872 direct (on-site) jobs, 248 indirect, and 191 induced jobs. These full- and part-time jobs are estimated to generate approximately **\$75.6 million in earned employee compensation (wages and benefits) annually**.

Total Project

At full buildout as envisioned in this Analysis, the Total Project is estimated to generate **\$712.8 million in total economic output annually** and result in approximately **5,282 full- and part-time jobs** in the County. As a result of ongoing, annual operations, the estimated full- and part-time jobs include 3,517 direct (on-site) jobs, 999 indirect, and 766 induced jobs. These full- and part-time jobs are estimated to generate approximately **\$303.4 million in earned employee compensation (wages and benefits) annually**.

⁷ Ibid.

⁸ Stabilized operational employment includes both full-time and part-time workers.

Annual Public-Sector Tax Revenues

The Project will generate annual tax revenues that will flow to the City, jurisdictions and taxing entities in the County, and the State. This Analysis focuses on major sources of tax revenue for the City and the State only, including property tax (including property tax in lieu of vehicle license fee revenues), sales tax and public safety sales tax, and transient occupancy tax revenues. Estimated public-sector tax revenue is a component of annual ongoing economic activity from stabilized operations and is not additive to the total economic output described above.

Because the specific types of industrial users are unknown at this time, this Analysis is based on the assumption future tenants of the proposed and potential industrial space will not generate taxable sales onsite. It should be noted that some industrial tenants (e.g., e-commerce tenants) may fulfill sales on behalf of an owner of goods sold or may be a direct seller, both of which would generate onsite taxable sales. EPS's evaluation of recent taxable sales generated by some warehouse and distribution tenants illustrates potential taxable sales of \$10 to \$50 per square foot, depending on the specific tenant and the types of goods sold onsite. In this scenario, the Project has the potential to generate significantly more sales tax revenue to the City and the State than shown in this Analysis.

Proposed NorthPoint/AKT Properties Project

It is estimated that the Proposed NorthPoint/AKT Properties Project will generate approximately **\$11.1 million in public-sector tax revenues annually** (measured in 2023 dollars). Of the revenue generated, \$3.3 million is estimated to be retained by the City, \$6.4 million is estimated to accrue to other taxing entities, and \$1.4 million is estimated to accrue to the State.

Potential Remaining Development

If the Potential Remaining Development develops like this Analysis anticipates, it is estimated to generate approximately **\$2.9 million in public-sector tax revenues annually** (measured in 2023 dollars). Of the revenue generated, \$741,000 is estimated to be retained by the City, \$2.0 million is estimated to accrue to other taxing entities, and \$98,000 is estimated to accrue to the State.

Total Project

At full buildout as envisioned in this Analysis, it is estimated that the Total Project will generate approximately **\$14.0 million in public-sector tax revenues annually** (measured in 2023 dollars). Of the revenue generated, \$4.0 million is estimated to be retained by the City, \$8.5 million is estimated to accrue to other taxing entities, and \$1.5 million is estimated to accrue to the State.

Detailed Analysis Findings and Assumptions

The following section provides the detailed results of the Analysis, as well as the assumptions used to calculate each impact.

One-Time Construction Impacts

Impacts associated with construction of the Project through buildout are measured on a one-time basis. Construction activity generates a short-term burst of economic activity that dissipates once construction is complete. One-time impacts include the value of new construction, improvements to existing infrastructure, employment created, and income earned during construction. Duration of one-time impacts is limited to the development period of the Project. One-time economic impacts are calculated based on the anticipated hard construction costs, excluding soft costs, which are excluded because these costs are considered to be indirect costs and as such are included in the indirect one-time impacts of the Project. Based on information provided by NorthPoint and AKT Properties, it is estimated that construction of the Project will incur approximately \$446 million in hard construction costs. Refer to **Table A-2** in **Appendix A** for a detailed allocation of construction costs by land use type.

The section below details the results of the one-time economic impacts for construction of the Project.

One-Time Proposed NorthPoint/AKT Properties Project Construction

Table 2 details the estimated one-time economic impacts associated with construction of Proposed NorthPoint/AKT Properties Project. The resulting impacts are described below:

- **Annual Output.** Construction operations are estimated to generate approximately \$342.3 million in direct one-time industry output. Local spending will result in \$72.9 million in indirect one-time impacts for a total one-time industry output impact of \$415.2 million.
- **Employee Compensation.** Of the \$342.3 million in direct industry output reported above, approximately \$187.7 million will be received by construction employees in the form of salary, wages, and benefits. Indirect employee compensation impacts total approximately \$24.1 million for a total annual employee compensation impact of approximately \$211.8 million.
- **Annual Employment.** The 2,338 direct job years support approximately 318 indirect job years for a total employment impact of approximately 2,656 job years.

One-Time Potential Remaining Development Construction

Table 3 details the estimated one-time economic impacts associated with construction of the Potential Remaining Development if it develops as anticipated in this Analysis. The resulting impacts are described below:

- **Annual Output.** Construction operations are estimated to generate approximately \$103.8 million in direct one-time industry output. Local spending will result in \$22.1 million in indirect one-time impacts for a total one-time industry output impact of \$125.9 million.
- **Employee Compensation.** Of the \$103.8 million in direct industry output reported above, approximately \$56.9 million will be received by construction employees in the form of salary, wages, and benefits. Indirect employee compensation impacts total approximately \$7.3 million for a total annual employee compensation impact of approximately \$64.2 million.
- **Annual Employment.** The 709 direct job years support approximately 96 indirect job years for a total employment impact of approximately 805 job years.

One-Time Total Project Construction

Table 4 details the estimated one-time economic impacts associated with construction of the Total Project at full buildout as envisioned in this Analysis. The resulting impacts are described below:

- **Annual Output.** Construction operations are estimated to generate approximately \$446.0 million in direct one-time industry output. Local spending will result in \$95.0 million in indirect one-time impacts for a total one-time industry output impact of \$541.0 million.
- **Employee Compensation.** Of the \$446.0 million in direct industry output reported above, approximately \$244.5 million will be received by construction employees in the form of salary, wages, and benefits. Indirect employee compensation impacts total approximately \$31.4 million for a total annual employee compensation impact of approximately \$275.9 million.
- **Annual Employment.** The 3,046 direct job years support approximately 415 indirect job years for a total employment impact of approximately 3,461 job years.

Table 2
Airport South Industrial
Economic Impact Analysis
One-Time Impacts of Project Construction - NorthPoint/AKT (Rounded 2023\$)

One-Time Construction Impacts NorthPoint/AKT

Activity/Impact Categories	Source	Impact Type			Total One-Time Construction Impacts
		Direct <i>(Project Construction)</i>	Indirect <i>(Construction Suppliers)</i>	Induced [1] <i>NA</i>	
Key Input					
Project Construction Costs (Rounded)	Table A-2	\$342,300,000			
One-Time Construction Impacts					
Economic Output in Sacramento County [2]					
Industry Output (excl. Income)		\$154,600,000	\$48,790,000	-	\$203,390,000
Income [3]		\$187,700,000	\$24,080,000	-	\$211,780,000
Total Output		\$342,300,000	\$72,870,000	-	\$415,170,000
Construction Employment in Sacramento County (Job years) [4]					
		2,338	318	-	2,656

Source: IMPLAN, 2021 Dataset; NorthPoint Development, LLC; EPS

- [1] Note that total construction Impacts include direct and indirect impacts only; induced impacts were not estimated because construction activities are temporary and thus are not anticipated to generate net new household expenditures in the local economy.
- [2] Analysis based on Sacramento County data. Output is the amount of business expenditures on goods and services retained within the local economy.
- [3] Includes employee compensation, proprietors income, and other income (industry profits, rents, and royalties).
- [4] Employment includes both full-time and part-time workers. Job years refer to the number of jobs in each year summed over the entire construction period of the Project. For example, a single worker employed for 2 years would equate to 2 job years.

Table 3
Airport South Industrial
Economic Impact Analysis
One-Time Impacts of Project Construction - Potential Remaining Development (Rounded 2023\$)

**One-Time Construction Impacts
 Potential Remaining
 Development**

Activity/Impact Categories	Source	Impact Type			Total One-Time Construction Impacts
		Direct (Project Construction)	Indirect (Construction Suppliers)	Induced [1] NA	
Key Input					
Project Construction Costs	Table A-2	\$103,758,344			
One-Time Construction Impacts					
Economic Output in Sacramento County [2]					
Industry Output (excl. Income)		\$46,860,000	\$14,790,000	-	\$61,650,000
Income [3]		\$56,900,000	\$7,300,000	-	\$64,200,000
Total Output		\$103,760,000	\$22,090,000	-	\$125,850,000
Construction Employment in Sacramento County (Job years) [4]					
		709	96	-	805

Source: IMPLAN, 2021 Dataset; NorthPoint Development, LLC; EPS

- [1] Note that total construction impacts include direct and indirect impacts only; induced impacts were not estimated because construction activities are temporary and thus are not anticipated to generate net new household expenditures in the local economy.
- [2] Analysis based on Sacramento County data. Output is the amount of business expenditures on goods and services retained within the local economy.
- [3] Includes employee compensation, proprietors income, and other income (industry profits, rents, and royalties).
- [4] Employment includes both full-time and part-time workers. Job years refer to the number of jobs in each year summed over the entire construction period of the Project. For example, a single worker employed for 2 years would equate to 2 job years.

Table 4
Airport South Industrial
Economic Impact Analysis
One-Time Impacts of Project Construction - Total Project (Rounded 2023\$)

One-Time Construction Impacts Total Project
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Activity/Impact Categories	Source	Impact Type			Total One-Time Construction Impacts
		Direct <i>(Project Construction)</i>	Indirect <i>(Construction Suppliers)</i>	Induced [1] <i>NA</i>	
Key Input					
Project Construction Costs	Table A-2	\$446,000,000			
One-Time Construction Impacts					
Economic Output in Sacramento County [2]					
Industry Output (excl. Income)		\$201,440,000	\$63,570,000	-	\$265,010,000
Income [3]		\$244,560,000	\$31,380,000	-	\$275,940,000
Total Output		\$446,000,000	\$94,950,000	-	\$540,950,000
Construction Employment in Sacramento County (Job years) [4]					
		3,046	415	-	3,461

Source: IMPLAN, 2021 Dataset; NorthPoint Development, LLC; EPS.

- [1] Note that total construction impacts include direct and indirect impacts only; induced impacts were not estimated because construction activities are temporary and thus are not anticipated to generate net new household expenditures in the local economy.
- [2] Analysis based on Sacramento County data. Output is the amount of business expenditures on goods and services retained within the local economy.
- [3] Includes employee compensation, proprietors income, and other income (industry profits, rents, and royalties).
- [4] Employment includes both full-time and part-time workers. Job years refer to the number of jobs in each year summed over the entire estimated 7-year construction period of the Project. For example, a single worker employed for 2 years would equate to 2 job years.

Ongoing Operations

This report estimates the ongoing economic impacts occurring annually as a result of stabilized Project operations. Ongoing economic impacts capture the direct, indirect, and induced impacts generated by the combination of businesses located in the Project. Impacts associated with these economic activities are estimated based on estimates of standardized operational employment.

Total employment estimates are based on an assumed employment density for each of the land uses of the Project: industrial, lodging, gas stations, and restaurants. At full buildout, the Total Project is estimated to have 3,517 onsite employees. See **Table A-1** in **Appendix A**. Industrial warehouse uses can have a wide range of employment densities (anywhere from 1,000 to 10,000+ square feet per employee). This Analysis uses an employment density of 1,750 building square feet per employee for industrial land uses. For lodging, gas stations, and restaurants, an average of 1,000, 750, and 500 building square feet per employee, respectively, was used to estimate onsite employment.

Proposed NorthPoint/AKT Properties Project

Of the 3,517 onsite employees at full buildout, EPS estimates 2,645 employees will be generated from the Proposed NorthPoint/AKT Properties Project. When broken down by land uses, 2,530 employees are estimated to be employed in industrial spaces, 81 employees are estimated to be employed in lodging, 7 in gas stations, and 27 at restaurants. The precise division of jobs by full- or part-time employment is unknown at this time.

Potential Remaining Development

If the Potential Remaining Development develops consistent with the assumptions in this Analysis, then an additional 872 employees are estimated to be employed in the additional industrial businesses.

Total Project

Upon full buildout of the Total Project as envisioned in this Analysis, 3,402 onsite industrial employees are estimated to be employed by the Project, 81 employees are estimated to be employed in lodging, 7 in gas stations, and 27 at restaurants. The precise division of jobs by full- or part-time employment is unknown at this time.

Ongoing Proposed NorthPoint/AKT Properties Project Operations

Table 5 summarizes the total estimated annual ongoing impacts associated with the Proposed NorthPoint/AKT Properties Project operations. The resulting impacts are described below:

- **Annual Output.** Operations are estimated to generate approximately \$288.8 million in direct industry output annually. Local spending will result in approximately \$142.4 million in indirect industry output impacts and \$105.5 million in induced impacts annually for a total industry output impact of \$536.6 million on an annual basis.
- **Employee Compensation.** Of the \$288.8 million in direct industry output reported above, approximately \$144.1 million will be received by employees in the form of salary, wages, and benefits. Indirect and induced employee compensation impacts total approximately \$83.7 million for a total annual employee compensation impact of approximately \$227.8 million.
- **Annual Employment.** The 2,645 direct employees will generate approximately 751 indirect and 575 induced jobs annually for a total employment impact of approximately 3,971 jobs on an annual basis.

Ongoing economic impacts are based on the onsite operations of the Proposed NorthPoint/AKT Properties Project.

Ongoing Potential Remaining Development Operations

Table 6 summarizes the total estimated annual ongoing impacts associated with Potential Remaining Development operations as anticipated in this Analysis. The resulting impacts are described below:

- **Annual Output.** Operations are estimated to generate approximately \$94.2 million in direct industry output annually. Local spending will result in approximately \$47.0 million in indirect industry output impacts and \$35.0 million in induced impacts annually for a total industry output impact of \$176.2 million on an annual basis.
- **Employee Compensation.** Of the \$94.2 million in direct industry output reported above, approximately \$47.9 million will be received by employees in the form of salary, wages, and benefits. Indirect and induced employee compensation impacts total approximately \$27.7 million for a total annual employee compensation impact of approximately \$75.6 million.
- **Annual Employment.** The 872 direct employees will generate approximately 248 indirect and 191 induced jobs annually for a total employment impact of approximately 1,311 jobs on an annual basis.

Ongoing economic impacts are based on the onsite operations of the Potential Remaining Development.

Ongoing Total Project Operations

Table 7 summarizes the total estimated annual ongoing impacts associated with Total Project operations upon full buildout as anticipated in this Analysis. The resulting impacts are described below:

- **Annual Output.** Total Project operations are estimated to generate approximately \$383.0 million in direct industry output annually. Local spending will result in approximately \$189.4 million in indirect industry output impacts and \$140.4 million in induced impacts annually for a total industry output impact of \$712.8 million on an annual basis.
- **Employee Compensation.** Of the \$383.0 million in direct industry output reported above, approximately \$192.0 million will be received by employees in the form of salary, wages, and benefits. Indirect and induced employee compensation impacts total approximately \$111.3 million for a total annual employee compensation impact of approximately \$303.4 million.
- **Annual Employment.** The 3,517 direct employees will generate approximately 999 indirect and 766 induced jobs annually for a total employment impact of approximately 5,282 jobs on an annual basis.

Ongoing economic impacts are based on onsite operations of the Total Project.

Public-Sector Revenues

The Total Project will generate revenues to the City, to the County and other taxing entities in the County, and to the State. This Analysis focuses on major sources of tax revenues, including property tax and sales tax revenues, as shown in **Table 8**. In total, the Project is anticipated to generate \$14.0 million in public-sector tax revenue. Of the revenue generated, \$4.0 million will be retained by the City, \$8.5 million will accrue to Sacramento County (and other taxing entities in the County), and another \$1.5 million benefitting the State.

The Analysis estimates additional public-sector revenues using a marginal-revenue case-study approach, which simulates actual revenue generation resulting from new development. The estimated annual ongoing economic impacts include an estimate of some local tax revenues. The public-sector revenue calculated in the Analysis provides a more detailed and complete picture of local/regional public-sector revenues generated by the Project. The following sections detail the additional public-sector tax revenues generated by the Project and the case-study methodologies used to calculate each revenue source.

Table 5
Airport South Industrial
Economic Impact Analysis
Annual Impacts of the Ongoing Project Operations - NorthPoint/AKT (Rounded 2023\$)

Ongoing Economic Impacts NorthPoint/AKT
--

Activity/Impact Categories	Source	Impact Type			Total Annual Ongoing Impacts
		Direct <i>(Project Operations)</i>	Indirect <i>(Business to Business Activity to Support Project Operations)</i>	Induced <i>(Household Spending from Project Employment)</i>	
Key Input					
Ongoing Project Employees	Table A-1	2,645			
Annual Ongoing Operating Impacts					
Economic Output in Sacramento County [1]					
Industry Output (excl. Income)		\$144,690,000	\$94,500,000	\$69,690,000	\$308,880,000
Income [2]		\$144,110,000	\$47,890,000	\$35,760,000	\$227,760,000
Total Sacramento County Output		\$288,800,000	\$142,390,000	\$105,450,000	\$536,640,000
Employment in Sacramento County (Annual Average) [3]					
		2,645	751	575	3,971

Source: IMPLAN, 2021 Dataset; NorthPoint Development, LLC; EPS.

[1] Analysis based on Sacramento County data. Output is the amount of business expenditures on goods and services retained within the local economy.

[2] Includes employee compensation, proprietors income, and other income (profits, rents, and royalties).

[3] Reflects stabilized operational employment in the Project. Employment includes both full-time and part-time workers.

Table 6
Airport South Industrial
Economic Impact Analysis
Annual Impacts of the Ongoing Project Operations - Potential Remaining Development (Rounded 2023\$)

Ongoing Economic Impacts Potential Remaining Development

Activity/Impact Categories	Source	Impact Type			Total Annual Ongoing Impacts
		Direct <i>(Project Operations)</i>	Indirect <i>(Business to Business Activity to Support Project Operations)</i>	Induced <i>(Household Spending from Project Employment)</i>	
Key Input					
Ongoing Project Employees	Table A-1	872			
Annual Ongoing Operating Impacts					
Economic Output in Sacramento County [1]					
Industry Output (excl. Income)		\$46,290,000	\$31,150,000	\$23,120,000	\$100,560,000
Income [2]		\$47,920,000	\$15,830,000	\$11,860,000	\$75,610,000
Total Sacramento County Output		\$94,210,000	\$46,980,000	\$34,980,000	\$176,170,000
Employment in Sacramento County (Annual Average) [3]					
		872	248	191	1,311

Source: IMPLAN, 2021 Dataset; NorthPoint Development, LLC; EPS.

[1] Analysis based on Sacramento County data. Output is the amount of business expenditures on goods and services retained within the local economy.

[2] Includes employee compensation, proprietors income, and other income (profits, rents, and royalties).

[3] Reflects stabilized operational employment in the Project. Employment includes both full-time and part-time workers.

Table 7

**Airport South Industrial
Economic Impact Analysis**

Annual Impacts of the Ongoing Project Operations - Total Project (Rounded 2023\$)

**Ongoing Economic Impacts
Total Project**

Activity/Impact Categories	Source	Impact Type			Total Annual Ongoing Impacts
		Direct <i>(Project Operations)</i>	Indirect <i>(Business to Business Activity to Support Project Operations)</i>	Induced <i>(Household Spending from Project Employment)</i>	
Key Input					
Ongoing Project Employees	Table A-1	3,517			
Annual Ongoing Operating Impacts					
Economic Output in Sacramento County [1]					
Industry Output (excl. Income)		\$190,980,000	\$125,650,000	\$92,810,000	\$409,440,000
Income [2]		\$192,030,000	\$63,720,000	\$47,620,000	\$303,370,000
Total Sacramento County Output		\$383,010,000	\$189,370,000	\$140,430,000	\$712,810,000
Employment in Sacramento County (Annual Average) [3]					
		3,517	999	766	5,282

Source: IMPLAN, 2021 Dataset; NorthPoint Development, LLC; EPS.

[1] Analysis based on Sacramento County data. Output is the amount of business expenditures on goods and services retained within the local economy.

[2] Includes employee compensation, proprietors income, and other income (profits, rents, and royalties).

[3] Reflects stabilized operational employment in the Project. Employment includes both full-time and part-time workers.

Table 8
Airport South Industrial
Economic Impact Analysis
Detailed Summary of Annual Public-Sector Revenues (Rounded 2023\$)

Annual Public-Sector Revenues

Revenue Category	Source	Projected Public-Sector Tax Revenues			
		City of Sacramento	Sacramento County & Other Local Taxing Entities	State of California	Total
Annual Public-Sector Tax Revenues					
Proposed NorthPoint/AKT Project					
Property Tax	Table B-1	\$1,594,100	\$5,459,400	-	\$7,053,500
Property Tax In Lieu of Motor Vehicle License Fee Revenue	Table B-1	\$615,200	\$751,000	-	\$1,366,200
Sales Tax [1]	Table B-3	\$427,700	\$124,800	\$1,410,900	\$1,963,400
Prop. 172 Public Safety Sales Tax	Table B-3	\$14,100	\$98,800	-	\$112,900
Transient Occupancy Tax (TOT)	Table B-8	\$625,500	-	-	\$625,500
Total Annual Tax Revenues Generated by the Project		\$3,276,600	\$6,434,000	\$1,410,900	\$11,121,500
Potential Remaining Development					
Property Tax	Table B-1	\$517,300	\$1,771,500	-	\$2,288,800
Property Tax In Lieu of Motor Vehicle License Fee Revenue	Table B-1	\$199,600	\$243,700	-	\$443,300
Sales Tax [1]	Table B-4	\$23,500	\$11,800	\$98,100	\$133,400
Prop. 172 Public Safety Sales Tax	Table B-4	\$800	\$7,100	-	\$7,900
Transient Occupancy Tax (TOT)	Table B-8	-	-	-	-
Total Annual Tax Revenues Generated by the Project		\$741,200	\$2,034,100	\$98,100	\$2,873,400
Total Project					
Property Tax	Table B-1	\$2,111,400	\$7,231,000	-	\$9,342,400
Property Tax In Lieu of Motor Vehicle License Fee Revenue	Table B-1	\$814,800	\$994,700	-	\$1,809,500
Sales Tax [1]	Table B-5	\$451,200	\$136,500	\$1,509,000	\$2,096,700
Prop. 172 Public Safety Sales Tax	Table B-5	\$14,800	\$105,900	-	\$120,700
Transient Occupancy Tax (TOT)	Table B-8	\$625,500	-	-	\$625,500
Total Annual Tax Revenues Generated by the Project		\$4,017,700	\$8,468,100	\$1,509,000	\$13,994,800

Source: NorthPoint Development, LLC; EPS.

NOTE: This analysis reflects key tax revenues to the public sector only. Other revenues to fund development impacts and ongoing operations and maintenance costs will be generated.

[1] Includes sales tax revenues generated through the Bradley-Burns local 1% Uniform Local Sales Tax rate, the City's Measure U 1% rate approved by voters in 2018, and the statewide sales tax rate.

Property Tax and Property Tax in Lieu of Vehicle License Fee Revenues

Estimated annual property tax revenue resulting from development in the Project is presented in **Table B-1** in **Appendix B**. The estimated assessed values for Project land uses are based on assessed values per square foot for similar uses in MAP and the surrounding market area and are assumed to remain static in 2023 dollar values—real growth in assessed value is not estimated. Refer to **Table A-3** in **Appendix A** for more detail regarding the Project assessed values.

The property taxes the City will receive are derived from the total assessed value of the Project, shown in **Table A-3**, and the post-Educational Revenue Augmentation Fund (ERAF) share of 1 percent ad valorem property tax rate to each applicable taxing entity, shown in **Table B-1**. This analysis uses a citywide average allocation because the proposed Project is located in the County and does not yet generate property tax revenues to the City’s General Fund, as it will following annexation into the City. The rate used of 22.6 percent is current as of 2018 and represents a reasonable assumption for the purpose of this Analysis. Actual property tax revenues to the City’s General Fund may vary.

In addition to estimating property tax revenue, the Analysis uses a formula provided by the State Controller’s Office to forecast Property Tax in Lieu of Vehicle License Fee (PTIL VLF) revenue for the City and Sacramento County. PTIL VLF revenue is calculated by taking the percentage increase in the assessed value resulting from the Project and applying that percentage increase to the City and County’s current State allocation of PTIL VLF revenue, as shown in the FY 2022-23 Approved Budget. This calculation is shown in **Table B-1** in **Appendix B**.

Proposed NorthPoint/AKT Properties Project

Based on the property tax assumptions described above, the Proposed NorthPoint/AKT Properties Project portion of the Project will generate approximately \$7.1 million in total property tax revenue. Of this amount, approximately \$1.6 million is estimated to accrue to the City’s General Fund and \$5.5 million is estimated to accrue to the County and other taxing entities. In addition, the proposed NorthPoint/AKT Properties Project is estimated to generate \$615,000 in PTIL VLF revenue to the City’s General Fund and \$751,000 PTIL VLF revenue to the County’s General Fund.

Potential Remaining Development

If the Potential Remaining Development develops like anticipated in this Analysis, based on the property tax assumption described above, the Potential Remaining Development will generate approximately \$2.3 million total in property tax revenue. Of this amount, approximately \$517,000 is estimated to accrue to the City’s General Fund and \$1.8 million is estimated to accrue to the County and other taxing entities. In addition, the proposed NorthPoint/AKT Properties Project is estimated to generate \$200,000 in PTIL VLF revenue to the City’s General Fund, and \$244,000 PTIL VLF revenue to the County’s General Fund.

Total Project

At full buildout, based on the property tax assumption described above, the Total Project will generate approximately \$9.3 million total in property tax revenue. Of this amount, approximately \$2.1 million is estimated to accrue to the City's General Fund and \$7.2 million is estimated to accrue to the County and other taxing entities. In addition, the proposed NorthPoint/AKT Properties Project is estimated to generate \$815,000 in PTIL VLF revenue to the City's General Fund, and \$995,000 PTIL VLF revenue to the County's General Fund.

Sales Tax

Sales tax revenue is based on estimated onsite and offsite taxable sales and current tax rates, as summarized in **Table B-2** in **Appendix B**. Sales tax rates include the 1 percent Bradley-Burns rate for local jurisdictions, Measure U, Measure A, and the 6.25 percent State sales tax rate. Measure U was a supplemental 0.5 percent sales tax rate approved by voters in 2012 as a temporary tax. In November 2018, Sacramento voters approved a new version of the City's Measure U sales tax, extending it and raising it from a half-cent to a full cent. In addition, sales in the City will be subject to the 0.5 percent Measure A sales tax rate to support transportation and air quality improvements countywide, and the 6.25 percent State sales tax rate.⁹ Detailed calculations for each Project component are provided in **Tables B-3, B-4, and B-5** in **Appendix B**:

- **Onsite Taxable Sales.** EPS estimates taxable sales generated by the Project by estimating both onsite and offsite taxable expenditures generated by the Project. Onsite taxable sales include taxable retail and restaurant sales generated by the gas station and restaurant uses. Taxable sales related to the gas station and restaurant spaces included in the Proposed NorthPoint/AKT Properties Project are based on industry data of annual taxable sales per square foot.¹⁰

Because the specific types of industrial users are unknown at this time, this Analysis is based on the assumption future tenants of the proposed and potential industrial space will not generate taxable sales onsite. It should be noted that some industrial tenants (e.g., e-commerce tenants) may fulfill sales on behalf of an owner of goods sold or may be a direct seller, both of which would generate onsite taxable sales. EPS's evaluation of recent taxable sales generated by some warehouse and distribution tenants illustrates

⁹ Many jurisdictions in the greater Sacramento region have added sales taxes beyond the 1.0 percent Bradley-Burns rate. Revenue from these additional sales tax rates have not been estimated in this Analysis.

¹⁰ Sales per square foot for restaurants are based on data from BizMiner and eMarketer (2016\$ escalated to 2023\$ and rounded). Sales per square foot for gas stations are based on data from the Urban Land Institute Dollars & Cents of Shopping Centers (2008\$ escalated to 2023\$ and rounded).

potential taxable sales of \$10 to \$50 per square foot, depending on the specific tenant and the types of goods sold onsite. In this scenario, the Project has the potential to generate significantly more sales tax revenue to the City and the State than shown in this Analysis. Refer to **Table B-6** in **Appendix B** for more information.

- **Offsite Taxable Sales.** This Analysis also estimates offsite taxable sales based on estimated household spending by new employees in the Project. Taxable retail expenditures generated by Project employees are based on the assumption that an employee would spend approximately \$10 per workday on taxable goods and services. EPS assumes 75 percent of employee spending will occur in the City and estimates 25 percent of employee expenditures in the City will be captured by the onsite commercial development.¹¹ All taxable sales not estimated to occur in the City are assumed to take place elsewhere in Sacramento County, although some sales will likely occur outside of the County. Refer to **Table B-7** in **Appendix B** for more information.

Proposed NorthPoint/AKT Properties Project

The Proposed NorthPoint/AKT Properties Project is estimated to generate \$2.0 million in total sales tax revenue, including \$428,000 to the City, \$125,000 to the County, and \$1.4 million to the State annually.

Potential Remaining Development

If the Potential Remaining Development develops as anticipated in this Analysis, it is estimated to generate \$133,000 in total sales tax revenue, including \$24,000 to the City, \$12,000 to the County, and \$98,000 to the State annually.

Total Project

At full buildout, the Total Project is estimated to generate \$2.1 million in total sales tax revenue, including \$451,000 in sales tax to the City, \$137,000 to the County, and \$1.5 million to the State annually.

Proposition 172 Public Safety Sales Tax

Public safety sales tax is collected on a countywide basis and allocated principally to the County, with a small portion of revenues allocated to incorporated cities in the County. This revenue source is used to fund police and fire services. Proposition 172 imposes a half-cent sales tax rate on all taxable transactions throughout the County. The Analysis estimates the portion of this revenue retained by the City using the current FY 2022-23 relation between total sales tax revenue and Proposition 172 public safety sales tax revenue.

¹¹ Capture rate is based on a qualitative appraisal of existing retail outlets in the City.

Estimated revenues from the half-cent sales tax for public safety are summarized in **Table B-2** in **Appendix B**.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) is estimated based on the anticipated annual visitor spending on travel and lodging and the City TOT rate of 12 percent. To arrive at the share of visitor travel and lodging spending, an adjustment factor of 50 percent was applied to total visitor travel and lodging spending based on the total spending in each category for all surveyed consumers in the County in the 2016 study of the economic impact of nonprofit arts and cultural organizations. The City TOT rate of 12 percent is applied to total visitor spending on lodging to arrive at the annual estimated TOT revenues. Estimated TOT revenues are shown in **Table B-8**.

Economic Impact Modeling Framework

The Analysis uses an I/O modeling framework to quantify the Project's one-time and ongoing contributions to countywide output, employment, and labor income. The I/O modeling framework is premised on the concept that industries in a geographic region are interdependent in the sense that they purchase output from and supply input to other industries. This regional economic analysis relies on IMPLAN (Impact Analysis for Planning) software, an I/O model that draws on data collected by the IMPLAN Group, LLC, from several state and federal sources, including the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the Census Bureau. The model is used widely for estimating economic impacts across a wide array of industries and economic settings.

Regional economic impact analyses and I/O models in particular provide a means to estimate total regional effects stemming from a particular industry. Specifically, I/O models produce quantitative estimates of the magnitude of regional economic activity resulting from some initial activity (e.g., business operations or building construction). I/O models rely on economic "multipliers" that mathematically represent the relation between the initial change in one sector of the economy and the effect of that change on economic output, income, or employment in other local industries. These economic data provide a quantitative estimate of the magnitude of shifts in jobs and revenues in the regional economy.

Economic impacts using an I/O model are based on an initial change in output or employment in a specific industry sector. The model then translates the initial change into changes in demand for output from other interdependent sectors, corresponding changes in demand for inputs to those sectors, and so on. These effects commonly are described as direct, indirect, or induced and generally are defined as follows:

- The **direct** effect represents the change in output or employment attributable to a certain economic activity. In this case, the operations and the entities directly receiving spending related to the building construction Project (e.g., construction contractors, equipment vendors, and consultants).
- The **indirect** effect results from industry-to-industry transactions required to satisfy the direct effect. This effect is a measure of the change in the output of suppliers linked to the industry that is directly affected. For example, a restaurant purchases numerous goods from County suppliers, including food, laundry services, equipment, and other services.
- The **induced** effect consists of impacts from employee spending in the local economy. Specifically, the employees of directly and indirectly affected businesses generate this effect by purchasing goods and services in the local economy. For instance, employees of these businesses spend their paychecks on household needs such as groceries, retail purchases, health care, or mortgage or rent payments, all of which are considered to be induced effects.

The total impact is the sum of the direct, indirect, and induced effects. The total effect measures the impact of an activity as it ripples throughout the regional economy. For this Analysis, the regional economy is defined as the County. IMPLAN generates a model of the industrial structure and household profile for the County economy, which in turn determines the extent to which spending is captured and recirculated in the local economy rather than being allowed to leak outside the County. The regional economic effects described above are reported in three categories:

- **Annual Output** measures the value of goods and services produced in the County as a result of business operations. Projected employment estimates were used to estimate ongoing annual output of the various uses. Construction hard costs were used to estimate one-time construction impacts.
- **Employment** estimates the total number of jobs, both full-time and part-time, created as a result of Project operations. Employment is reported in job years. Construction employment represents total job years over the life of the Project (1 job lasting 2 years would be reported as an employment impact of "2").
- **Labor Income** reflects the estimated amount of direct, indirect, and induced annual employment income (salaries, wages, and benefits) resulting from the associated employment. It is important to note that labor income is a component of industry output and is not an additive economic impact.

I/O Modeling Considerations

The current IMPLAN dataset relies on I/O relations derived from 2021 (the latest available data from IMPLAN). As no significant structural changes have occurred in the regional economy since 2021, EPS believes this provides an accurate and reasonable approximation of current conditions.

All economic impacts depicted in this Analysis reflect gross impacts. As such, the economic impacts do not account for potential shifts in resources or shifts in consumer expenditures from other local alternatives. The I/O methodology is based on the assumption that an industry's demand for goods and services results in a corresponding increase in supply and therefore employment. This implies that key industry suppliers can increase output rather than shift output from one set of consumers or products to another. This assumption may not hold in areas with tight labor or capital markets because companies may find it difficult to obtain these inputs or other resources necessary to expand production. In these cases, accommodating an establishment's demand for labor and other inputs may come at the expense of other establishments in the same or related sectors or may need to be satisfied by increased imports from outside the study area. This phenomenon often is referred to as "crowding out" because the stimulated sector tends to crowd out other sectors, which can reduce the net economic gain.



APPENDICES:

Appendix A: Project Assumptions

Appendix B: Annual Fiscal
Revenue Analysis



APPENDIX A: Project Assumptions

Table A-1	Land Use and Employee Assumptions.....	A-1
Table A-2	Estimated Project Construction Cost Estimates.....	A-2
Table A-3	Estimated Assessed Valuation at Buildout	A-3

**Table A-1
 Airport South Industrial
 Economic Impact Analysis
 Land Use and Employee Assumptions**

Land Use Category	Nonresidential Building Square Feet	Sq. Ft. per Employee [1]	Total Project Employees
Proposed NorthPoint/AKT Project			
Nonresidential Land Uses			
Estimated Assessed Value	4,428,000	1,750	2,530
Industrial - Warehouse [2]	80,800	1,000	81
Highway Commercial	5,000	750	7
Highway Commercial - Restaurants	13,650	500	27
Total Nonresidential Land Uses	4,527,450	1,712	2,645
Potential Remaining Development			
Nonresidential Land Uses			
Industrial/Warehouse	1,525,858	1,750	872
Total Nonresidential Land Uses	1,525,858	1,750	872
Total Project			
Nonresidential Land Uses			
Industrial/Warehouse	5,953,858	1,750	3,402
Highway Commercial - Lodging	80,800	1,000	81
Highway Commercial - Gas Stations	5,000	750	7
Highway Commercial - Restaurants	13,650	500	27
Total Nonresidential Land Uses	6,053,308	1,721	3,517

Source: NorthPoint Development, LLC; EPS.

[1] Employment density assumptions based on a review of typical employment densities and potential land uses.

Table A-2
Airport South Industrial
Economic Impact Analysis
Estimated Project Construction Cost Estimates (2023\$)

Item	Proposed NorthPoint/AKT Project			Potential Remaining Development	Total Estimated Construction Costs (2023\$)
	Industrial	Highway Commercial	Total NorthPoint/AKT	Industrial	
Direct Construction Costs [1]					
Site Work					
Onsite	\$79,704,000	\$7,122,000	\$86,826,000	\$27,465,444	\$114,300,000
Offsite	\$26,568,000	\$0	\$26,568,000	\$9,155,148	\$35,700,000
Total Site Work	\$106,272,000	\$7,122,000	\$113,394,000	\$36,620,592	\$150,000,000
Vertical Construction Costs	\$194,832,000	\$34,031,000	\$228,863,000	\$67,137,752	\$296,000,000
Total Direct Construction Costs [2]	\$301,104,000	\$41,153,000	\$342,257,000	\$103,758,344	\$446,000,000

Source: NorthPoint Development, LLC; EPS.

[1] Direct construction costs exclude any soft costs. These costs are captured within the indirect output shown on Table 2, Table 3, and Table 4.

[2] Total direct construction costs are current as of February 2023 and assume a 5% cost contingency.

**Table A-3
 Airport South Industrial
 Economic Impact Analysis
 Estimated Assessed Valuation at Buildout (2023\$)**

Item	Assumptions	Proposed NorthPoint/AKT Project	Potential Remaining Development	Total
Nonresidential Square Feet	Table A-1			
Industrial - Warehouse		4,428,000	1,525,858	5,953,858
Highway Commercial		99,450	-	99,450
Total Nonresidential Square Feet		4,428,000	1,525,858	5,953,858
Estimated Assessed Value [1] [2]	<i>per Sq. Ft.</i>			
Industrial - Warehouse	\$150	\$664,200,000	\$228,878,700	\$893,078,700
Highway Commercial	\$410	\$41,153,000	-	\$41,153,000
Total Estimated Assessed Value		\$705,353,000	\$228,878,700	\$934,231,700

Source: ParcelQuest; CoStar; EPS.

[1] Assessed values (AV)s are expressed in 2023\$ and include no real AV growth.

[2] Assessed values are based on an evaluation of current AVs per square foot for similar uses in Metro Air Park and the surrounding market area.



APPENDIX B: Annual Fiscal Revenue Analysis

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**Table B-1
Airport South Industrial
Economic Impact Analysis
Estimated Annual Property Tax Revenues (2023\$)**

Item	Assumption/ Source	Formula	Annual Property Tax Revenues		
			Proposed NorthPoint/AKT Project	Potential Remaining Development	Total Project
Property Tax Revenue (1% of Assessed Value)					
Assessed Value (2023\$) [1]	Table A-3	<i>a</i>	\$705,353,000	\$228,878,700	\$934,231,700
Property Tax Revenue (1% of Assessed Value)	1.00%	$b = a * 1.00\%$	\$7,053,530	\$2,288,787	\$9,342,317
Estimated Property Tax Allocation [2]					
Public-Sector Revenues					
City of Sacramento General Fund	22.60%	$c = b * 22.60\%$	\$1,594,098	\$517,266	\$2,111,364
Sacramento County General Fund	23.13%	$d = b * 23.13\%$	\$1,631,463	\$529,391	\$2,160,854
Other Agencies/Educational Revenue Augmentation Fund [3]	54.27%	$f = b * 54.27\%$	\$3,827,969	\$1,242,131	\$5,070,099
Total Public-Sector Property Tax Revenue		$e = c + d$	\$7,053,530	\$2,288,787	\$9,342,317
Property Tax In Lieu of Motor Vehicle License Fee Revenue (VLF)					
City of Sacramento					
Total Citywide Assessed Value [4]	\$66,383,000,188	<i>g</i>			
Total Assessed Value of Project		<i>a</i>	\$705,353,000	\$228,878,700	\$934,231,700
Total Assessed Value		$h = g + a$	\$67,088,353,188	\$66,611,878,888	\$67,317,231,888
Percentage Change in AV		$i = a / g$	1.06%	0.34%	1.41%
Property Tax In-Lieu of VLF [5]	\$57,896,000	$j = i * \$57,896,000$	\$615,174	\$199,617	\$814,791
Sacramento County					
Total Countywide Assessed Value [6]	\$205,263,074,007	<i>g</i>			
Total Assessed Value of Project		<i>a</i>	\$705,353,000	\$228,878,700	\$934,231,700
Total Assessed Value		$h = g + a$	\$205,968,427,007	\$205,491,952,707	\$206,197,305,707
Percentage Change in AV		$i = a / g$	0.34%	0.11%	0.46%
Property Tax In-Lieu of VLF [7]	\$218,548,807	$j = i * \$218,548,807$	\$751,007	\$243,693	\$994,700

Source: Sacramento County Office of the Assessor; City of Sacramento Finance Department; EPS.

- [1] Assessed Value is assumed to be equal to the hard construction costs of the Project, see Table A-2.
- [2] Assumptions and calculation of the preliminary estimated property tax allocation reflects an average Citywide General Fund allocation of the 1% property tax rate in 2018. Because property tax allocations vary by Tax Rate Areas and the proposed project is currently in the County, this analysis uses a citywide average. The rate of 22.6% is a citywide average from 2018 and is a reasonable assumption for this analysis. Actual property tax revenues to the City's General Fund may vary.
- [3] This category includes other taxing entities (e.g., mosquito abatement district; juvenile hall) and the State of California ERAF, a fund that redirects property tax revenue from jurisdictions to fund schools.
- [4] Reflects Tax Roll Year 2022-23 Assessed Valuation. Includes citywide secured, unsecured, homeowner exemption, and public utility roll.
- [5] Property tax in lieu of VLF amount of \$57.9 million taken from FY 2022-23 Approved City Budget.

**Table B-2
 Airport South Industrial
 Economic Impact Analysis
 Summary of Annual Sales Tax Revenues (2023\$)**

Item	Annual Sales Tax Revenues		
	Proposed NorthPoint/AKT Project	Potential Remaining Development	Total Project
Source	Table B-3	Table B-4	Table B-5
Estimated Annual Sales Tax Revenues [1]			
City of Sacramento	\$427,676	\$23,542	\$451,218
Sacramento County & Other Local Taxing Entities	\$124,773	\$11,771	\$136,544
State of California	\$1,410,881	\$98,091	\$1,508,972
Total	\$1,963,331	\$133,404	\$2,096,734
Prop. 172 Public Safety Sales Tax Revenue [2]			
City of Sacramento	\$14,074	\$775	\$14,849
Sacramento County & Other Local Taxing Entities	\$98,796	\$7,073	\$105,869
State of California	-	-	-
Total	\$112,870	\$7,847	\$120,718

Source: Sacramento County Office of the Assessor; City of Sacramento Finance Department; EPS.

[1] Estimated annual sales tax revenues includes revenues generated from both onsite and offsite sales. See source tables for more details.

[2] Total Proposition 172 Public Safety Sales Tax revenue is calculated based on the 0.5% public safety sales tax applied to all taxable expenditures resulting from the Project. The City of Sacramento receives approximately \$.000658 in Public Safety Sales Tax authorized by Proposition 172 for every \$1 in taxable expenditures in the City. This is estimated by taking the 2022-23 Budget amount for Prop. 172 divided by the total estimated taxable sales (Sales Tax Revenue in the City's budget divided by the current City sales tax rate).

**Table B-3
 Airport South Industrial
 Economic Impact Analysis
 Estimated Annual Taxable Sales and Use Tax Revenue - NorthPoint/AKT (2023\$)**

Annual Sales Tax NorthPoint/AKT
--

Item	Source	Taxable Retail Sales/ Proposition 172 Revenues	Projected Sales Tax Revenue			
			City of Sacramento	Sacramento County	State of California	Total Project
Estimated Annual Sales Tax Revenue						
Assumptions						
Sales Tax Rate [1]						
City of Sacramento Tax Rate			2.00%	0.00%	0.00%	
Sacramento County Tax Rate			0.50%	1.50%	0.00%	
State of California Tax Rate			0.00%	0.00%	6.25%	
Total Sales Tax Rate			2.50%	1.50%	6.25%	
Percentage of Taxable Retail Sales: Onsite			100%	0%	NA	
Percentage of Taxable Retail Sales: Offsite			75%	25%	NA	
Annual Sales Tax Revenue						
		<u>Total Taxable Retail Sales</u>				
Onsite Taxable Sales [2]	Table B-6	\$17,813,000	\$445,325	\$0	\$1,113,313	\$1,558,638
Offsite Taxable Sales from Employment	Table B-7	\$4,761,094	\$89,271	\$17,854	\$297,568	\$404,693
<i>Sacramento County Adjustment [3]</i>		NA	(\$106,919)	\$106,919	\$0	\$0
Total Estimated Sales Tax Revenue		\$22,574,094	\$427,676	\$124,773	\$1,410,881	\$1,963,331
Prop. 172 Public Safety Sales Tax Revenue [4]						
		<u>Total Prop 172 Revenue</u>				
		\$112,870	\$14,074	\$98,796	\$0	\$112,870

Source: City of Sacramento; EPS.

- [1] Estimated local and state sales tax rates as of December 2022. The City of Sacramento tax rate includes the 1% Bradley-Burns Sales Tax Rate, 1% City Measure U supplemental sales tax, and 0.5% County Measure A supplemental sales tax, voter-approved additional sales tax measures. Many jurisdictions in the Sacramento Region have added sales taxes beyond the 1.0% Bradley-Burns rate and the 0.5% Measure A supplemental sales tax. Revenue from these additional sales tax rates have not been estimated in this analysis.
- [2] Onsite taxable expenditures include transactions from highway commercial uses. Refer to Table B-6 for details. Although some industrial tenants may generate taxable sales through point-of-sales transactions, this Analysis conservatively does not estimate onsite taxable sales for this use.
- [3] Measure A sales tax collected in the City of Sacramento benefits the County of Sacramento.
- [4] Total Prop. 172 Public Safety Sales Tax revenue is calculated based on the 0.5% public safety sales tax applied to all taxable expenditures resulting from the Project. The City of Sacramento receives approximately \$.000658 in Public Safety Sales Tax authorized by Prop. 172 for every \$1 in taxable expenditures in the City. This is estimated by taking the 2022-23 Budget amount for Prop. 172 divided by the total estimated taxable sales (Sales Tax Revenue in the City's budget divided by the current City sales tax rate).

**Table B-4
 Airport South Industrial
 Economic Impact Analysis
 Estimated Annual Taxable Sales and Use Tax Revenue - Potential Remaining Development (2023\$)**

Annual Sales Tax Potential Remaining Development
--

Item	Source	Taxable Retail Sales/ Proposition 172 Revenues	Projected Sales Tax Revenue			
			City of Sacramento	Sacramento County & Other Local Taxing Entities	State of California	Total Project
Estimated Annual Sales Tax Revenue						
Assumptions						
Sales Tax Rate [1]						
City of Sacramento Tax Rate			2.00%	0.00%	0.00%	
Sacramento County Tax Rate			0.50%	1.50%	0.00%	
State of California Tax Rate			0.00%	0.00%	6.25%	
Total Sales Tax Rate			2.50%	1.50%	6.25%	
Percentage of Taxable Retail Sales: Onsite			100%	0%	NA	
Percentage of Taxable Retail Sales: Offsite			75%	25%	NA	
Annual Sales Tax Revenue						
		<i>Total Taxable Retail Sales</i>				
Onsite Taxable Sales [2]	Table B-6	\$0	\$0	\$0	\$0	\$0
Offsite Taxable Sales from Employment	Table B-7	\$1,569,454	\$29,427	\$5,885	\$98,091	\$133,404
Sacramento County Adjustment [3]		NA	(\$5,885)	\$5,885	\$0	\$0
Total Estimated Sales Tax Revenue		\$1,569,454	\$23,542	\$11,771	\$98,091	\$133,404
Prop. 172 Public Safety Sales Tax Revenue [4]						
		<i>Total Prop 172 Revenue</i>	\$7,847	\$775	\$7,073	\$0

Source: City of Sacramento; EPS.

- [1] Estimated local and state sales tax rates as of December 2022. The City of Sacramento tax rate includes the 1% Bradley-Burns Sales Tax Rate, 1% City Measure U supplemental sales tax, and 0.5% County Measure A supplemental sales tax, voter-approved additional sales tax measures. Many jurisdictions in the Sacramento Region have added sales taxes beyond the 1.0% Bradley-Burns rate and the 0.5% Measure A supplemental sales tax. Revenue from these additional sales tax rates have not been estimated in this analysis.
- [2] Although some industrial tenants may generate taxable sales through point-of-sales transactions, this Analysis conservatively does not estimate onsite taxable sales for this use.
- [3] Measure A sales tax collected in the City of Sacramento benefits the County of Sacramento.
- [4] Total Prop. 172 Public Safety Sales Tax revenue is calculated based on the 0.5% public safety sales tax applied to all taxable expenditures resulting from the Project. The City of Sacramento receives approximately \$.000627 for every \$1 generated by the Public Safety Sales Tax authorized by Prop. 172 in the City. This is estimated by taking the 2022-23 Budget amount for Prop. 172 divided by the total Sales Tax.

Table B-5
Airport South Industrial
Economic Impact Analysis
Estimated Annual Taxable Sales and Use Tax Revenue - Total Project (2023\$)

Annual Sales Tax Total Project

Item	Source	Taxable Retail Sales/ Proposition 172 Revenues	Projected Sales Tax Revenue			Total
			City of Sacramento	Sacramento County & Other Local Taxing Entities	State of California	
Estimated Annual Sales Tax Revenue						
Assumptions						
Sales Tax Rate [1]						
City of Sacramento Tax Rate			2.00%	0.00%	0.00%	
Sacramento County Tax Rate			0.50%	1.50%	0.00%	
State of California Tax Rate			0.00%	0.00%	6.25%	
Total Sales Tax Rate			2.50%	1.50%	6.25%	
Percentage of Taxable Retail Sales: Onsite			100%	0%	NA	
Percentage of Taxable Retail Sales: Offsite			75%	25%	NA	
Annual Sales Tax Revenue						
		<u>Total Taxable Retail Sales</u>				
Onsite Taxable Sales [2]	Table B-6	\$17,813,000	\$445,325	\$0	\$1,113,313	\$1,558,638
Offsite Taxable Sales from Employment	Table B-7	\$6,330,548	\$118,698	\$23,740	\$395,659	\$538,097
Sacramento County Adjustment [3]		NA	(\$112,805)	\$112,805	\$0	\$0
Total Estimated Sales Tax Revenue		\$24,143,548	\$451,218	\$136,544	\$1,508,972	\$2,096,734
Prop. 172 Public Safety Sales Tax Revenue [3]						
		<u>Total Prop 172 Revenue</u>	\$120,718	\$14,849	\$105,869	\$0
					\$0	\$120,718

Source: City of Sacramento; EPS.

[1] Estimated local and state sales tax rates as of December 2022. The City of Sacramento tax rate includes the 1% Bradley-Burns Sales Tax Rate, 1% City Measure U supplemental sales tax, and 0.5% County Measure A supplemental sales tax, voter-approved additional sales tax measures. Many jurisdictions in the Sacramento Region have added sales taxes beyond the 1.0% Bradley-Burns rate and the 0.5% Measure A supplemental sales tax. Revenue from these additional sales tax rates have not been estimated in this analysis.

[2] Onsite taxable expenditures include transactions from highway commercial uses. Refer to Table B-6 for details. Although some industrial tenants may generate taxable sales through point-of-sales transactions, this Analysis conservatively does not estimate onsite taxable sales for this use.

[3] Measure A sales tax collected in the City of Sacramento benefits the County of Sacramento.

[4] Total Prop. 172 Public Safety Sales Tax revenue is calculated based on the 0.5% public safety sales tax applied to all taxable expenditures resulting from the Project. The City of Sacramento receives approximately \$.000627 for every \$1 generated by the Public Safety Sales Tax authorized by Prop. 172 in the City. This is estimated by taking the 2022-23 Budget amount for Prop. 172 divided by the total Sales Tax.

**Table B-6
 Airport South Industrial
 Economic Impact Analysis
 Estimated Annual Onsite Taxable Sales (2023\$)**

Item	Annual Taxable Sales/Sq. Ft. [1]	Annual Taxable Sales	
		Building Square Feet [2]	Total Annual Taxable Sales
Annual Onsite Taxable Sales			
Restaurants	\$620	13,650	\$8,463,000
Gas Stations	\$1,870	5,000	\$9,350,000
Total Annual Onsite Taxable Sales		18,650	\$17,813,000

Source: BizMiner 2016; ULI Dollars & Cents 2008; State of California Board of Equalization (BOE) Publication 61; Bureau of Labor Statistics, "CPI-All Urban Consumers (Current Series) - West Urban"; ULI Dollars & Cents of Shopping Centers/The SCORE 2008; California Board of Equalization; NorthPoint Development, LLC; EPS.

[1] Sales per square foot for restaurants are based on data from BizMiner and eMarketer (2016\$ escalated to 2023\$ and rounded). Sales per square foot for gas stations are based on data from the Urban Land Institute Dollars & Cents of Shopping Centers (2008\$ escalated to 2023\$ and rounded).

[2] See Table A-1.

**Table B-7
 Airport South Industrial
 Economic Impact Analysis
 Estimated Annual Offsite Taxable Sales (2023\$)**

Item	Assumption	Proposed NorthPoint/AKT Project	Potential Remaining Development	Total Project
Annual Taxable Sales from New Employees				
Employees [1]		2,645	872	3,517
Average Daily Taxable Sales per New Employee	\$10			
Work Days per Year	240			
Total Taxable Sales from New Employees		\$6,348,126	\$2,092,605	\$8,440,731
Estimated Spending Captured [2]				
Estimated Taxable Sales Inside Project Area (Onsite) [3]	25%	\$1,587,031	\$523,151	\$2,110,183
Estimated Taxable Sales Outside Project Area (Offsite)	75%	\$4,761,094	\$1,569,454	\$6,330,548

Source: U.S. Department of Labor; Bureau of Labor Statistics; EPS.

[1] Reflects stabilized operational employment for the Project. Refer to Table A-1 for details. Employment includes both full-time and part-time workers.

[2] Capture rate estimated by EPS.

[3] Assumed to be inclusive of onsite taxable sales generated by retail outlets, as shown in Table A-8.

Table B-8
Airport South Industrial
Economic Impact Analysis
Estimate of Annual Transient Occupancy Tax Revenues (2023\$)

Item	Source [1]	Assumption	Formula	Buildout
Estimated TOT Revenue From New Hotel Rooms				
Total Rooms	AKT Properties	150	<i>a</i>	
Annual Rooms Nights Available		365	<i>b</i>	
Total Annual Room Nights Available			$c = a * b$	54,750
Occupancy Rate	CoStar	68%	<i>e</i>	
Average Daily Room Rate (ADR)	CoStar	\$140	<i>f</i>	
Estimated Annual Total Room Revenue			$g = c * e * f$	\$5,212,200
City of Sacramento TOT Rate		12%	$h = g * 12\%$	\$625,464

Source: CoStar; AKT Properties; EPS.

[1] Annual 2022 lodging data obtained from CoStar for upper midscale to upscale hotels along the I-5 corridor in the City of Sacramento.