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To: Community Group (Livermore)

From: Stephanie Parson and Tim Seufert, NBS

Date: July 25, 2016

RE: Estimated Community Group's Proposed Cornerstone Project Tax Revenue and Bond Sizing

NBS was hired to provide objective financial and fiscal analysis for the Community Group's proposed Cornerstone project, in order to understand the economics and financial possibilities for this project, which is important to the greater Livermore community.

**Community Group's Proposed Development at Cornerstone:**

The project site includes 13 Alameda County ("County") Assessor's parcels and covers 8.18 acres in the City of Livermore's ("City") downtown area. Based upon information obtained from a proposed site plan provided by MacCracken Architects and the December 18, 2015 Proposed Dual Brand Hotel Livermore, CA Report ("PKF Report") prepared by PKF Consulting, the Community Group's proposed Cornerstone development is as follows:

<b>Proposed Land Use</b>	<b>Units</b>	<b>Estimated Square Footage</b>
Hotel(1)	135 Rooms	74,115
Conference Center(2)	300 Seats	6,950
Residential(2)	100 Units	104,000
Commercial(2)	N/A	31,000

(1) Estimated per the PKF Report.

(2) Per MacCracken Architects' site plan.

**Estimated Assessed Value at Full Buildout:**

The PKF Report provided a prospective value, as of 2019/20, for the hotel portion of the Community Group's Cornerstone development. Given the estimated completion timeframe for the hotel, all other assessed value calculations are based upon an estimated full buildout of the proposed project in 2019/20. Any project development timeline adjustments would impact the potential tax increment revenue available in those early development years. Given a full buildout of the project site, the 2019/20 assessed value of the Community Group's Cornerstone project is estimated at \$92,568,325 as shown in the table below:

Proposed Land Use	Estimated Square Footage	Estimated Value per Square Foot	Estimated Assessed Value in 2019/20
Hotel(1)	74,115	N/A	\$37,070,325
Conference Center(2)	6,950	\$0	0
Residential(3)	104,000	446	46,384,000
Commercial(4)	31,000	294	9,114,000
<b>Total:</b>			<b>\$92,568,325</b>

- (1) Estimated assessed value calculated using the PKF Report.
- (2) For purposes of this analysis, the conference center is assumed to be owned by a tax-exempt public agency, and/or a non-profit entity, and will have no assessed value.
- (3) The estimated value per square foot for residential reflects the average sales price per square foot of \$412 for the City as provided by Trulia.com on April 5, 2016. The price per square foot has been escalated at 2% per year to arrive at an estimated price per square foot for 2019/20.
- (4) The estimated value per square foot for commercial reflects the average retail sales price per square foot of \$272 for the County (City rate not provided) as provided by Loopnet.com on April 5, 2016. The price per square foot has been escalated at 2% per year to arrive at an estimated price per square foot for 2019/20.

### Estimated Property Tax Increment Revenue at Full Buildout:

The 13 parcels that make up the Community Group's proposed Cornerstone project site are currently publically owned and have no assessed value. Once the project site is fully developed, the assessed value is estimated to be approximately \$92.5MM in 2019/20. The \$92.5MM assessed value would be considered incremental assessed value, since the base year value is \$0. Multiplying this assessed value by the 1% property tax rate, the annual property tax increment revenue for the Community Group's Cornerstone project is approximately \$925K. further detailed in the table below:

Base Year Assessed Value	\$0
Estimated 2019/20 Assessed Value(1)	\$92,568,325
2019/20 Incremental Assessed Value	\$92,568,325
Annual Property Tax Increment (1%)	\$925,683

(1) Assumes full buildout.

This 1% annual property tax increment revenue would then be allocated to various taxing entities. Based upon the 2015/16 County property tax rate information, the 1% property tax increment revenue would be further allocated to the taxing entities as follows:

TRA Area	Class	Tax Entity	Pre ERAF %	ERAF Rate(1)	ERAF Shift (Pre ERAF %x ERAF Rate)	Post ERAF % (Pre ERAF % - ERA Shift)
16-023	A1005	County	0.3783790990	0.4869000000	0.1842327833	0.1941463157
16-023	A3003		0.0273836830			0.0273836830
16-023	A3032		0.2152767420			0.2152767420
16-023	A4006		0.0011258200			0.0011258200
16-023	A4007		0.0041919500			0.0041919500
16-023	A4008		0.0000935800			0.0000935800
16-023	A4009		0.0005667500			0.0005667500
16-023	A4010		0.0017978900			0.0017978900
16-023	A4011		0.0003721500			0.0003721500
16-023	A4012		0.0011176100			0.0011176100
16-023	A4013		0.0008611000			0.0008611000
16-023	A4015		0.0010453700			0.0010453700
16-023	A4020		0.0002240800			0.0002240800

TRA Area	Class	Tax Entity	Pre ERAF %	ERAF Rate(1)	ERAF Shift (Pre ERAF %x ERAF Rate)	Post ERAF % (Pre ERAF % - ERA Shift)
16-023	A7070		0.0022679700	0.3913000000	0.0008874567	0.0013805133
16-023	A7106		0.0228376820	0.3982000000	0.0090939650	0.0137437170
16-023	A7115		0.0022696500			0.0022696500
16-023	A7135		0.0015130700	0.3736000000	0.0005652830	0.0009477870
16-023	A7165		0.0066651210			0.0066651210
16-023	A7175		0.1193259520	0.4819000000	0.0575031763	0.0618227757
16-023	A9070	City	0.2126847310	0.2373000000	0.0504700867	0.1622146443
ERAF(2)						0.3027527508
<b>Totals:</b>			<b>1.0000000000</b>		<b>0.3027527508</b>	<b>1.0000000000</b>

(1) Per the Alameda County 15-16 ERAF Contribution Percentage.

(2) Educational Revenue Augmentation Fund ("ERAF").

For Fiscal Year 2015/16, the City's general fund portion of the 1% property tax rate, after any shifts to ERAF is approximately 16% and the County's general fund portion is approximately 19%. Based on these percentages, the City and County would receive the following amounts from the total \$925K tax increment revenue:

2019/20 Cornerstone Property Tax Increment Revenue	\$925,683
City's General Fund Share of the 1% Property Tax Rate	16.2214%
City's General Fund Share of the Property Tax Increment Revenue	\$150,159
County's General Fund Share of the 1% Property Tax Rate	19.4146%
County's General Fund Share of the Property Tax Increment Revenue	\$179,718

The property tax increment revenues provided above represent the 2019/20 estimated tax increment revenue. An Enhanced Infrastructure Financing District ("EIFD") can have a maximum term of 45 years. However, this analysis contemplates an EIFD term of 30 years. Assuming implementation of an EIFD at full buildout in 2019/20, the projected maturity of the EIFD would conclude in 2048/49. This analysis also assumes that the assessed value will increase annually at 2% in accordance with Proposition 13. It should be noted that any adjustments to the assessed value for the project site, such as additional development or Proposition 8 assessed value reductions, will impact the amount of property tax increment revenue allocated to the taxing entities. Based upon the projected yearly assessed values, the allocation of the 1% property tax rate, and a term of 30 years beginning in 2019/20, the City's share of the property tax increment revenue would result in approximately \$6.1MM in total property tax increment revenue and the County's share would result in approximately \$7.3MM in total property tax increment revenue. Appendix A of this memo, provides an annual breakdown of the property tax increment revenue calculations.

**Dissolved Redevelopment Agency ("RDA") Overlap Property Tax Increment Reduction:**

The Community Group's proposed Cornerstone project site lies within the boundaries of the City's dissolved RDA. Therefore, during the initial years of the proposed EIFD, the City and County will not receive the total amount of the property tax increment revenue estimated above. The property tax increment revenue from the dissolved RDA area must first pay State and County administrative costs, pre-existing mandatory pass-through payments to taxing entities, and enforceable obligations pursuant to State-approved Recognized Obligation Payment Schedules ("ROPS"). One of the dissolved RDA's outstanding obligations is the repayment of the \$36,775,000 Livermore Redevelopment Project Area 2001 Tax Allocation Bonds, Series A ("2001 TABs"). The 2001 TABs are scheduled to mature with the August 1, 2032 debt service payment. For purposes of this analysis, it is assumed that the RDA obligations will be fully satisfied once the 2001 TABs final debt service payment has been paid. Once all RDA obligations have been satisfied,

the property tax increment revenue will be allocated to the City and County under the 1% property tax rate allocation schedule previously described.

It is estimated that the 30-year total property tax increment revenue will be reduced by approximately \$1.4MM for the City and \$2.2MM for the County based on RDA information provided by the County and outstanding RDA obligation estimates. Appendix B of this memo provides an annual breakdown of the estimated RDA overlap property tax increment revenue calculations. A summary of the tax increment revenue generated under both scenarios is as follows:

<b>Tax Entity</b>	<b>1% Property Tax Rate Tax Increment Revenue</b>	<b>RDA Overlap Tax Increment Revenue</b>	<b>Difference</b>
City Allocation	\$6,091,678	\$4,687,248	(\$1,404,430)
County Allocation	7,290,814	5,082,814	(2,208,000)
<b>Totals:</b>	<b>\$13,382,492</b>	<b>\$9,770,062</b>	<b>(\$3,612,430)</b>

For purposes of this analysis, all bonding calculations are based upon the property tax increment revenue stream that is produced as a result of the RDA overlap.

**Estimated EIFD Bond Sizing Scenarios:**

Utilizing the total RDA Overlap Tax Increment Revenue generated from the Community Group's Cornerstone project, estimated bond proceeds can be calculated based on various funding sources and ranges in interest rates. For purposes of this analysis, and to see potential changes in estimated bond proceeds, the bond sizing scenarios use a 3% interest rate and a 5% interest rate. Based on a 30-year bond issue, with an interest rate of 3%, and providing for 110% debt service coverage on the bonds, various bond sizing scenarios are presented below:

	<b>City Allocation of Tax Increment Revenue</b>	<b>County Allocation of Tax Increment Revenue</b>	<b>City and County Allocation of Tax Increment Revenue</b>
Interest Rate	3.00%	3.00%	3.00%
Total Estimated Bond Size	\$2,433,000	\$2,534,000	\$4,968,000
Less: Bond Reserve Fund(1)	(243,300)	(253,400)	(496,800)
Less: Issuance Costs(2)	(85,155)	(88,690)	(173,880)
<b>Estimated Bond Proceeds</b>	<b>\$2,104,545</b>	<b>\$2,191,910</b>	<b>\$4,297,320</b>

(1) 10% of the total estimated bond size is assumed.

(2) 3.5% of the total estimated bond size is assumed. Issuance Costs include professional fees incurred to issue debt and nominal capitalized interest costs.

Based on the estimates presented above, using a 3% interest rate, the estimated bond proceeds that can be used to fund eligible EIFD public improvement projects with the property tax increment revenue ranges from approximately \$2.1MM to \$4.3MM. A financial advisor and/or underwriter can assist in developing certain financing structures that will maximize the amount of property tax increment revenue available to fund public facilities.

A 30-year bond issue, with an interest rate of 5%, and providing for 110% debt service coverage on the bonds, various bond sizing scenarios are presented below:

	<b>City Allocation of Tax Increment Revenue</b>	<b>County Allocation of Tax Increment Revenue</b>	<b>City and County Allocation of Tax Increment Revenue</b>
Interest Rate	5.00%	5.00%	5.00%
Total Estimated Bond Size	\$1,740,000	\$1,756,000	\$3,496,000
Less: Bond Reserve Fund(1)	(174,000)	(175,600)	(349,600)
Less: Issuance Costs(2)	(60,900)	(61,460)	(122,360)
<b>Estimated Bond Proceeds</b>	<b>\$1,505,100</b>	<b>\$1,518,940</b>	<b>\$3,024,040</b>

(1) 10% of the total estimated bond size is assumed.

(2) 3.5% of the total estimated bond size is assumed. Issuance Costs include professional fees incurred to issue debt and nominal capitalized interest costs.

Based on the estimates presented above, using a 5% interest rate, the estimated bond proceeds that can be used to fund eligible EIFD public improvement projects with the property tax increment revenue ranges from approximately \$1.5MM to \$3.0MM. Again, a financial advisor and/or underwriter can assist in developing certain financing structures that will maximize the amount of property tax increment revenue available to fund public facilities.

It should be noted that the property tax increment revenues generated from the Community Group's proposed Cornerstone project will not support a bond issuance until full buildout, which is estimated to be 2019/20. If the net bond proceeds are needed earlier in the development process, there would need to be an alternative funding source pledged to the repayment of debt service until such time the property tax increment revenue contributions are sufficient to cover the annual debt service requirements. As the property develops, the tax increment revenue will increase and the revenue pledged from the alternative funding source would potentially phase out.

#### **Additional Tax Revenue from the Community Group's Cornerstone Project**

The Community Group's proposed Cornerstone project site will generate a few sources of additional tax revenue. This section will explore the estimated amount of Transient Occupancy Tax ("TOT") revenue generated by the hotel, as well as sales tax revenue estimates created by the hotel, the conference center, and residential development. The Community Group's Cornerstone project has approximately 31,000 square feet of commercial planned. This analysis assumes that some of the additional sales tax revenue generated by the commercial development is captured in the following sales tax analysis for the hotel, conference center, and residential development. Additional sales tax revenue generated by visitors not staying at the hotel or attending a conference cannot be quantified at this time and is not included as part of this analysis.

#### TOT Revenue from Hotel Operations:

The PKF Report prepared for the hotel included operating revenue projections from 2019 through 2028. Continuing the 3% annual increase in the average daily rate, the hotel room revenue was forecasted for a period of 30 years. Using the annual hotel room revenue projections and the City's TOT approved rate of 8%, the total estimated TOT revenue generated by the hotel for a 30-year period is shown in the following table:

<b>Time Period</b>	<b>Total Hotel Room Revenue</b>	<b>Total TOT Revenue(1)</b>
30 Years	\$350,171,000	\$28,013,680

(1) Calculated at 8% of the total hotel room revenue.

Based on the projected occupancy and room rates, the proposed 135-room hotel will generate approximately \$28MM in TOT revenue over a 30-year period, beginning in 2019.

**Sales Tax Revenue from Hotel Operations:**

In addition to the estimated TOT revenue that the hotel will produce, there are hotel operations that will also generate annual sales tax revenue. The PKF Report estimates that the hotel will receive annual operating revenue from sources such as food and beverage, rentals and other hotel operations. Similar to the hotel room revenue, the 2019 through 2028 projections were forecasted out for a period of 30 years. Utilizing those forecasts, the estimated City sales tax revenue generated from the non-room hotel operations for a 30-year period is shown in the following table:

<b>Time Period</b>	<b>Total Hotel Non-Room Revenue</b>	<b>Total City Sales Tax Revenue(1)</b>
30 Years	\$42,818,956	\$428,190

(1) The City's local sales tax represents 1% of the total 9.50% sales tax rate.

Based on the projected non-room hotel revenue, the proposed 135-room hotel will generate approximately \$428K in City sales tax revenue over a 30-year period, beginning in 2019.

**Sales Tax Revenue from Non-Conference Attendee Hotel Guests:**

The PKF reports allocates the hotel's guests into two categories: transient and group. The transient guests, or non-conference attendee guests, comprise about 80% of the total guests projected for the hotel. Allocating 80% of the estimated occupied rooms to transient visitors and applying an estimated occupancy rate of 1.6 persons per room, there will be approximately 47K annual transient guests staying at the hotel. In reviewing the Napa Valley Visitor Industry 2014 Economic Impact Report, overnight guests spent about \$257 per person, not including lodging and transportation. Applying this direct spending rate to the total number of annual transient guests, the estimated City sales tax revenue generated from the non-conference attendee hotel guests for a 30-year period is shown in the following table:

<b>Time Period</b>	<b>Total Non-Conference Attendee Hotel Guest Direct Spending(1)</b>	<b>Total City Sales Tax Revenue(2)</b>
30 Years	\$534,106,458	\$5,341,065

(1) The direct spending rate of \$257 per overnight guest is escalated at 2.60% per year, which reflects the 5-year average in the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area.

(2) The City's local sales tax represents 1% of the total 9.50% sales tax rate.

Based on the projected hotel occupancy forecasted from the PFK Report, non-conference attendee guests will generate approximately \$5.3MM in City sales tax revenue over a 30-year period, beginning in 2019.

**Sales Tax Revenue from Conference Attendance:**

The proposed Cornerstone project includes a 6,950 square foot conference center that is projected to provide for 300 seats. According to the San Diego Convention Centers FY15 Annual Report ("San Diego Report"), the national industry average for conference venue utilization is 48%. Applying this average percentage, factoring in the number of available seats, and a conference center availability of 365 days, the estimated number of annual attendees is 52,560 people. Again, pulling information from the San Diego Report, the approximate spending per conference attendee, not including lodging and transportation, is \$297 per attendee. Applying this direct spending figure to the potential number of conference attendees on an annual basis, the estimated City sales tax revenue generated from the conference attendees for a 30-year period is shown in the following table:

<b>Time Period</b>	<b>Total Conference Attendee Direct Spending(1)</b>	<b>Total City Sales Tax Revenue(2)</b>
30 Years	\$696,362,108	\$6,963,621

- (1) The direct spending rate of \$297 per conference attendee is escalated at 2.60% per year, which reflects the 5-year average in the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area.
- (2) The City's local sales tax represents 1% of the total 9.50% sales tax rate.

Based on the projected conference center utilization, conference attendance will generate approximately \$7.0MM in City sales tax revenue over a 30-year period, beginning in 2019.

Sales Tax Revenue from Residential Development:

The Community Group's proposed Cornerstone project includes the development of 100 residential units. According to the U.S. Census Bureau's 2010-2014 American Community Survey 5-Year Estimates, the City has a median household income of \$99,683. Using this median household income figure in the California income tax calculator provided via smartasset.com, the estimated annual sales tax paid by one household is \$2,563, which represents the full 9.50% sale tax rate. The City's portion of a household's estimated annual sales tax generated is \$270. Multiplying the \$270 local sales tax per household by the 100 proposed residential units, residential development will produce an estimated \$27,000 in City sales tax revenue per year. The estimated City sales tax revenue generated from the proposed residential development for a 30-year period is shown in the following table:

<b>Time Period</b>	<b>Residential Development City Sales Tax Revenue(1)</b>
30 Years	\$1,204,445

- (1) The local sales tax amount of \$270 per household is escalated at 2.60% per year, which reflects the 5-year average in the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area.

Based on the median household income and number of dwelling units, the residential development will generate approximately \$1.2MM in City sales tax revenue over a 30-year period, beginning in 2019.

**EIFD and Estimated Revenue Summary:**

The Community Group's proposal includes a 135-room hotel, a 100-unit residential development, a conference center, and the establishment of an EIFD. The following table presents a summary of the estimated property tax increment revenue, post anticipated RDA obligations, TOT revenue, and sales tax revenue generated over a 30-year period:

<b>City Allocations</b>	<b>Community Group's Cornerstone Proposal</b>
City Property Tax Increment Revenue(1)	\$4,687,248
TOT Revenue from Hotel Operations	28,013,680
Sales Tax Revenue from Other Hotel Operations	428,190
Sales Tax Revenue from Hotel Guests	5,341,065
Sales Tax Revenue from Conference Attendees	6,963,621
Sales Tax Revenue from Residential Development	1,204,445
<b>Total Estimated Tax Revenues:</b>	<b>\$46,638,249</b>
Less: Property Tax Increment Revenue Pledged to an EIFD(2)	(\$4,687,248)
<b>Net Total Tax Revenue(3)</b>	<b>\$41,951,001</b>

(1) Reflects property tax increment revenue generated following the payment of RDA obligations.

(2) The analysis assumes that 100% of the property tax increment revenue will be pledged to the EIFD for the first 30 years. Following the dissolution of the EIFD, all property tax increment revenue will go to the City. The estimated current proposal does not establish an EIFD.

(3) Total estimated tax revenues less property tax increment revenue pledged to an EIFD.

Based on a potential 30-year EIFD, approximately \$4.7MM of the City's property tax increment revenue, post anticipated RDA obligations, will be pledged to EIFD debt service. The estimated tax generated from the Community Group's Cornerstone project, less the property tax increment pledge to an EIFD, is approximately \$41.9MM for a 30-year period, beginning in 2019. Further, this analysis does not include the economic impacts that would occur in the secondary market as a result of the hotel rooms and conference center planned in the Community Group's proposed project. In order to measure and quantify those secondary economic impact projections, an IMPLAN (Impact Analysis for Planning) could be considered.

**Additional Information:**

The figures used in this memo are general estimates for analysis purposes only. If formal EIFD formation proceedings commence, it is recommended that further analysis is completed, at the time of formation, to obtain a more detailed picture of the projected assessed values and tax revenue forecasts for the Community Group's Cornerstone project.



**Appendix A**  
**Estimated EIFD Revenue Stream**  
**Estimated Allocation of Tax Increment Revenue from the**  
**Community Group's Proposed Cornerstone Development**  
**Anticipates a 30 Year Term Beginning in 2019/20**

<b>Fiscal Year</b>	<b>Cornerstone Assessed Value(1)</b>	<b>Cornerstone Tax Increment(2)</b>	<b>City's Portion of the Tax Increment(3)</b>	<b>County's Portion of the Tax Increment(3)</b>	<b>Other Entities' Portion of the Tax Increment(3)</b>
2019/20	\$92,568,325	\$925,683	\$150,159	\$179,718	\$595,806
2020/21	94,419,692	944,197	153,163	183,312	607,722
2021/22	96,308,085	963,081	156,226	186,979	619,876
2022/23	98,234,247	982,342	159,350	190,718	632,274
2023/24	100,198,932	1,001,989	162,537	194,533	644,919
2024/25	102,202,911	1,022,029	165,788	198,423	657,818
2025/26	104,246,969	1,042,470	169,104	202,392	670,974
2026/27	106,331,908	1,063,319	172,486	206,439	684,394
2027/28	108,458,546	1,084,585	175,936	210,568	698,082
2028/29	110,627,717	1,106,277	179,454	214,780	712,043
2029/30	112,840,272	1,128,403	183,043	219,075	726,284
2030/31	115,097,077	1,150,971	186,704	223,457	740,810
2031/32	117,399,019	1,173,990	190,438	227,926	755,626
2032/33	119,746,999	1,197,470	194,247	232,484	770,738
2033/34	122,141,939	1,221,419	198,132	237,134	786,153
2034/35	124,584,778	1,245,848	202,095	241,877	801,876
2035/36	127,076,473	1,270,765	206,137	246,714	817,914
2036/37	129,618,003	1,296,180	210,259	251,649	834,272
2037/38	132,210,363	1,322,104	214,465	256,682	850,958
2038/39	134,854,570	1,348,546	218,754	261,815	867,977
2039/40	137,551,661	1,375,517	223,129	267,051	885,336
2040/41	140,302,695	1,403,027	227,592	272,393	903,043
2041/42	143,108,749	1,431,087	232,143	277,840	921,104
2042/43	145,970,924	1,459,709	236,786	283,397	939,526
2043/44	148,890,342	1,488,903	241,522	289,065	958,316
2044/45	151,868,149	1,518,681	246,352	294,846	977,483
2045/46	154,905,512	1,549,055	251,279	300,743	997,032
2046/47	158,003,622	1,580,036	256,305	306,758	1,016,973
2047/48	161,163,695	1,611,637	261,431	312,893	1,037,312
2048/49	164,386,968	1,643,870	266,660	319,151	1,058,059
<b>Totals:</b>		<b>\$37,553,191</b>	<b>\$6,091,678</b>	<b>\$7,290,814</b>	<b>\$24,170,700</b>

(1) Assumes full buildout in 2019/20 and is estimated to increase annually by 2% in accordance with Proposition 13.

(2) Calculated at 1% of the estimated assessed value.

(3) Calculated based upon the tax entity's share of the 1% property tax multiplied by the estimated Cornerstone tax increment. The 2015/16 City's share of the 1% property tax after ERAF shifts is approximately 16% and the County's share is approximately 19%.

**Appendix B**  
**Estimated EIFD Revenue Stream**  
**Represents the Estimated Portion of Tax Increment Revenue from the Community Group's Proposed Cornerstone Development**  
**Anticipates a 30 Year Term Beginning in 2019/20**

Fiscal Year	Tax	Cornerstone	Total Tax Increment	Net Tax	Estimated	Residual Tax	City Residual	% of Total	City Tax	County	% of Total	County Tax
	Increment (1)	Tax Increment (2)		Increment Available (3)	ROPS Payments (4)	Increment for Distribution	Tax Increment Allocation (5)	Tax Increment	Increment from Cornerstone (6)	Residual Tax Increment Allocation (5)	Tax Increment	Increment from Cornerstone (6)
	A	B	C	D	E	F	G	H	I	J	K	L
			= A + B	= C * 80%	= Approx. \$4M	= D - E	= F * 21%	= G / C	= H * B	= F * 14%	= J / C	= K * B
<i>2032/33 and prior(7)</i>												
2019/20	\$6,380,494	\$925,683	\$7,306,177	\$5,844,942	(\$4,000,000)	\$1,844,942	\$387,438	5.30%	\$49,088	\$258,292	3.54%	\$32,725
2020/21	6,508,104	944,197	7,452,301	5,961,840	(4,000,000)	1,961,840	411,986	5.53%	52,198	274,658	3.69%	34,799
2021/22	6,638,266	963,081	7,601,347	6,081,077	(4,000,000)	2,081,077	437,026	5.75%	55,371	291,351	3.83%	36,914
2022/23	6,771,031	982,342	7,753,374	6,202,699	(4,000,000)	2,202,699	462,567	5.97%	58,607	308,378	3.98%	39,071
2023/24	6,906,452	1,001,989	7,908,441	6,326,753	(4,000,000)	2,326,753	488,618	6.18%	61,907	325,745	4.12%	41,272
2024/25	7,044,581	1,022,029	8,066,610	6,453,288	(4,000,000)	2,453,288	515,190	6.39%	65,274	343,460	4.26%	43,516
2025/26	7,185,472	1,042,470	8,227,942	6,582,354	(4,000,000)	2,582,354	542,294	6.59%	68,708	361,530	4.39%	45,805
2026/27	7,329,182	1,063,319	8,392,501	6,714,001	(4,000,000)	2,714,001	569,940	6.79%	72,211	379,960	4.53%	48,140
2027/28	7,475,765	1,084,585	8,560,351	6,848,281	(4,000,000)	2,848,281	598,139	6.99%	75,783	398,759	4.66%	50,522
2028/29	7,625,281	1,106,277	8,731,558	6,985,246	(4,000,000)	2,985,246	626,902	7.18%	79,428	417,934	4.79%	52,952
2029/30	7,777,786	1,128,403	8,906,189	7,124,951	(4,000,000)	3,124,951	656,240	7.37%	83,145	437,493	4.91%	55,430
2030/31	7,933,342	1,150,971	9,084,313	7,267,450	(4,000,000)	3,267,450	686,165	7.55%	86,936	457,443	5.04%	57,957
2031/32	8,092,009	1,173,990	9,265,999	7,412,799	(4,000,000)	3,412,799	716,688	7.73%	90,803	477,792	5.16%	60,536
2032/33	8,253,849	1,197,470	9,451,319	7,561,055	(4,000,000)	3,561,055	747,822	7.91%	94,748	498,548	5.27%	63,165
<i>2033/34 and after(8)</i>	= \$0		= B	= \$0	= \$0	= \$0	= \$0	= 16.22%	= H * B	= \$0	= 19.41%	= K * B
2033/34	\$0	\$1,221,419	\$1,221,419	\$0	\$0	\$0	\$0	16.22%	\$198,132	\$0	19.41%	\$237,134
2034/35	0	1,245,848	1,245,848	0	0	0	0	16.22%	202,095	0	19.41%	241,877
2035/36	0	1,270,765	1,270,765	0	0	0	0	16.22%	206,137	0	19.41%	246,714
2036/37	0	1,296,180	1,296,180	0	0	0	0	16.22%	210,259	0	19.41%	251,649
2037/38	0	1,322,104	1,322,104	0	0	0	0	16.22%	214,465	0	19.41%	256,682
2038/39	0	1,348,546	1,348,546	0	0	0	0	16.22%	218,754	0	19.41%	261,815
2039/40	0	1,375,517	1,375,517	0	0	0	0	16.22%	223,129	0	19.41%	267,051
2040/41	0	1,403,027	1,403,027	0	0	0	0	16.22%	227,592	0	19.41%	272,393
2041/42	0	1,431,087	1,431,087	0	0	0	0	16.22%	232,143	0	19.41%	277,840
2042/43	0	1,459,709	1,459,709	0	0	0	0	16.22%	236,786	0	19.41%	283,397
2043/44	0	1,488,903	1,488,903	0	0	0	0	16.22%	241,522	0	19.41%	289,065
2044/45	0	1,518,681	1,518,681	0	0	0	0	16.22%	246,352	0	19.41%	294,846
2045/46	0	1,549,055	1,549,055	0	0	0	0	16.22%	251,279	0	19.41%	300,743
2046/47	0	1,580,036	1,580,036	0	0	0	0	16.22%	256,305	0	19.41%	306,758
2047/48	0	1,611,637	1,611,637	0	0	0	0	16.22%	261,431	0	19.41%	312,893
2048/49	0	1,643,870	1,643,870	0	0	0	0	16.22%	266,660	0	19.41%	319,151
<b>Total Cornerstone Estimated Tax Increment Revenue:</b>									<b>\$4,687,248</b>			<b>\$5,082,814</b>

**Appendix B**  
**Estimated EIFD Revenue Stream**  
**Represents the Estimated Portion of Tax Increment Revenue from the Community Group's Proposed Cornerstone Development**  
**Anticipates a 30 Year Term Beginning in 2019/20**

Fiscal Year	Tax	Cornerstone	Total Tax Increment	Net Tax	Estimated	Residual Tax	City Residual	% of Total	City Tax	County	% of Total	County Tax
	Increment (1)	Tax Increment (2)		Increment Available (3)	ROPS Payments (4)	Increment for Distribution	Tax Increment Allocation (5)	Increment	Increment from Cornerstone (6)	Residual Tax Increment Allocation (5)	Tax Increment	Increment from Cornerstone (6)

**Notes:**

- (1) The 2015/16 tax increment was obtained from the 2014/15 Annual Disclosure Report for the \$36,775,000 Livermore Redevelopment Project Area 2001 Tax Allocation Bonds ("2001 TABs"), Series A. Beginning in 2016/17, the future total tax increment revenue is estimated to increase annually by 2% in accordance with Proposition 13. This estimation does not include additional development or any future reductions in the assessed value.
- (2) The assessed value for Cornerstone is estimated at \$92,568,325 and assumes full buildout in 2019/20. The assessed value is estimated to increase annually by 2% in accordance with Proposition 13. The Cornerstone tax increment is calculated at 1% of the estimated assessed value.
- (3) The net tax increment available represents the total tax increment revenue less the estimated annual administrative fees charged for collecting and processing the tax increment revenue as well as the statutory and contractual pass-through payments to existing taxing entities. The administrative charges and pass-through payments are estimated at 20% of the total tax increment revenue.
- (4) The ROPS payment is estimated at approximately \$4M annually and is estimated to conclude after the final debt service payment for the 2001 TABs during fiscal year 2032/33.
- (5) The residual tax increment revenue allocation percentages are based upon the 2015/16 estimated average residual tax increment revenue allocation percentages provided by the County. The average residual tax increment revenue allocation percentages are 21% for the City and 14% for the County.
- (6) Represents the estimated amount of City and County residual tax increment revenue allocation that is attributable to the Cornerstone development.
- (7) Until all of the outstanding RDA contractual obligations have been paid in full, the Cornerstone development's estimated tax increment revenue, along with the other tax increment revenue, will first be allocated to fund the outstanding RDA contractual obligations, administrative fees, and pass-through agreements. Any remaining tax increment revenue will be allocated to the City, County, and other taxing entities. The outstanding RDA contractual obligations are estimated to conclude in 2032/33.
- (8) Beginning in 2033/34, after all outstanding RDA obligations have been satisfied, the estimated tax increment revenue produced from the Cornerstone development is based upon the City and County share of the 1% property tax rate multiplied by the estimated tax increment revenue produced from the Cornerstone development. The 2015/16 City's share of the 1% property tax rate, following ERAF reallocations, is 16.22% and the County's share is 19.41%.