



California Economic Forecast

6489 Calle Real, Suite C
Goleta, CA 93117
(805) 692-2498
www.californiaforecast.com

Direct Economic Benefits of Sterling Gateway

**by the
California Economic Forecast**

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Prepared for:

**Hunt Williams
Sterling Gateway, L.P.**

Much of the information used in the preparation of these estimated benefits of Sterling Gateway was taken from *the North Los Angeles County Real Estate and Economic Outlook* publications, semi-annually produced by the California Economic Forecast in November and April.

The publication is now in its 7th year. The 2009 publication will be published on November 20, 2009.

Sterling Gateway Economic Benefits

(1) **Comparable Market Values for Industrial Space** Santa Clarita Valley

Project: Gateway Point

<u>Bldg No.</u>	<u>SF</u>	<u>Sales Price Per SF</u>	<u>Date</u>
4E	8,822	\$161	Jan '08
5A	21,222	\$147	Jan '08
5B	21,208	\$147	Jan '08
6A	16,450	\$152	Mar '08
1A	18,596	\$151	Aug '08
2C	15,513	\$145	Sept '08
3C	13,755	\$138	In escrow

Source: Pac-Ten Partners, September 2008

(2) Sterling Gateway: **Total Square Feet and Market Value at Build-out**

1,300,000 Square Feet

\$ 95/SF market value improvements

\$ 18/SF market value land

\$182,000,000 market (assessed) value of project

(3) Sterling Gateway: **Building Property Taxes Paid (per year)**

1.20 percent property tax rate

\$2,184,000 property taxes assessed per year

Sterling Gateway Economic Benefits

(4) Sterling Gateway:
Number of Direct Jobs created

1,733	industrial workers
839	office workers
2,572	total jobs created: industrial + office

(5) Sterling Gateway:
Average salaries and annual wage/salary payroll produced

Type of Jobs created: comparable to adjacent
Valencia Commerce Center Jobs which include manufacturing,
assembly, wholesale distribution, warehousing,

\$ 54,749	average salary industrial workers (2007 dollars)
\$ 51,680	average salary office workers (2007 dollars)
\$ 138,242,800	total annual payrolls

(6) Sterling Gateway:
Total expenditure locally by workers

\$ 27,372,071	total taxable retail sales Santa Clarita Valley, annually
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(7) Sterling Gateway:
**Sales tax collections by local municipalities due to local
taxable expenditures by Sterling Gateway workers**
(Santa Clarita and County of Los Angeles)

\$ 273,721	Annual receipts by local jurisdictions (1 percentage point of total expenditure)
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Sterling Gateway Economic Benefits

(8) Sterling Gateway:
Local housing needed by employed workers

72 percent of workers will require local housing
(for sale housing, rather than rental housing)

1,852 homes needed to accommodate
Sterling Gateway employees

These homes will be provided in Newhall Ranch, North Lake,
West Creek, and other local developments

(9) Sterling Gateway:
**Value of housing needed by employed workers,
Property tax obligations and transfer taxes paid to
local jurisdictions**

\$ 490,000 average value of home Santa Clarita Valley
(Spring 2008)

\$ 907,416,774 total market value of housing
Santa Clarita Valley

1.1 percent property tax rate

\$ 9,981,600 total annual property tax collections
(Santa Clarita and Los Angeles County)

\$ 907,400 documentary transfer tax
(total amount, upon sales of all homes)

Sterling Gateway Economic Benefits

(10) Sterling Gateway:
Business Operating Expenditures and Sales Taxes Paid,
Annually, Santa Clarita and Los Angeles County

\$6,285,000 annual local taxable expenditures by
businesses located at Sterling Gateway
Office Operations

\$9,300,000 annual local taxable expenditures by
businesses located at Sterling Gateway
Industrial Operations

\$15,585,000 annual local taxable expenditures by
businesses located at Sterling Gateway

\$ 155,850 annual local sales tax receipts from
local business spending (on goods and
services in the local communities)

(11) Sterling Gateway:
Number of Indirect Jobs created
(via the economic multiplier)

2,572 Direct Jobs
2,315 to 3,215 additional Indirect jobs created

Between:
4,886 and 5,787 total jobs (including direct)

A range of between
\$64 and \$101 million additional payrolls created
per year
for the indirect jobs created

A total of up to \$240 million in direct + indirect payrolls
created per year