

October 23, 2009

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Hidden Creeks Estates, LLC
Thousand Oaks, California 91362

RE: Economic Stimulus Report – Hidden Creeks

Purpose of Report:

Hidden Creeks Estates, LLC (“Developer”) has requested the services of Development Planning & Financing Group, Inc. (“DPFG”) to estimate potential economic benefits to the local economy resulting from the Hidden Creeks Development (“Project”).

Project Description:

The Project is planned for 188 single family residential units, and will provide additional public improvements and infrastructure totaling nearly \$50 million. The Project is located within the City and County of Los Angeles (“City” and “County”, respectively).

Summary of Results:

Based on the results of the Economic Stimulus analysis, included as Exhibit A, and the assumptions included therein, the Project is anticipated to generate the following economic benefits to the City and County:

Construction Benefits

- \$229.2 million in construction costs are expected to be incurred by the Project.
- \$564.9 million in economic activity is anticipated to be created by the Project
- 4,360 total jobs are expected to be created over the construction phase of the Project, or 436 jobs annually.

Earnings Increases

- \$183.0 million increase in workers’ earnings in all industries is estimated to occur as a result of the Project’s impacts within the local economy.

Property Tax Revenue Generation

- \$3.3 million in additional annual property taxes are anticipated to be generated by the Project.

Sales Tax Revenue Generation

- \$1.4 million in additional annual sales taxes are anticipated to be generated by the Project.



**Exhibit A
Hidden Creeks
Economic Stimulus**

I: Construction Benefits

Construction Spending

Land Development	(a)	\$ 50,000,000
Building Construction Cost	(a)	
Number of Homes		188
Cost per Homes		\$ 750,000
Subtotal - Building Construction Cost		<u>\$ 141,000,000</u>
 Subtotal - Construction Spending		 \$ 191,000,000
 Soft Costs (20.0% of Construction Spending Subtotal)	(a)	 \$ 38,200,000
Total Construction Spending		<u><u>\$ 229,200,000</u></u>

Investment into Local Economy

Total Construction Spending		\$ 229,200,000
Construction Industry - Final Demand Output Factor	(b)	2.4645
Total Investment into Local Economy		<u><u>\$ 564,863,400</u></u>

Employment

Total Construction Spending		\$ 229,200,000
Construction Industry - Final Demand Employment Factor	(b)	19.0236
Jobs Created through Buildout		<u>4,360</u>
 Development Period (Years)	(c)	 10
 Annual Jobs Created		 <u>436</u>

II: Earnings Increases

Total Construction Spending		\$ 229,200,000
Construction Industry - Final Demand Earnings Factor	(b)	0.7983
Total Earnings Increase for Workers within the Local Economy		<u><u>\$ 182,970,360</u></u>

III: Property Tax Revenue Generation

Estimate Average Price		\$ 1,500,000
Units		188
Total Home Value		<u>\$ 282,000,000</u>
 Ad-Valorem Tax Rate		 1.1749%
Annual Property Taxes		<u><u>\$ 3,313,277</u></u>

IV: Sales Tax Revenue Generation

Total Residential Assessed Value		\$ 1,500,000
Household Income (32.0% of Assessed Valuation)		480,000
Retail Taxable Sales (17.6% of Household Income)	(d)	84,480
Sales Tax Rate		8.75%
Sale Tax Generation Per Unit		7,392.00
Units		188
Total Sale Tax Generation		<u><u>\$ 1,389,696</u></u>

Footnotes:

- (a) Construction spending amounts are based on estimates from Developer. Estimates for land development costs, building construction costs, and soft costs are preliminary and are subject to change.
- (b) Factors are from the California Construction Industry Regional Input-Output Modeling System (RIMS II), using 2006 data produced by the Bureau of Economic Analysis. Final demand employment factor is per \$1,000,000 of construction spending.
- (c) Represents an estimate from the Developer.
- (d) Per the US Census Bureau quickfacts for the County, dated 10/23/09. Represents the percentage of Retail Sale per Capita (2002) to the Median Household Income (2007).