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## MEMORANDUM

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To: Corinne Verdery, NBC Universal  
From: Paul J. Silvern  
Date: September 17, 2012  
Re: Tax Revenue Impacts of NBC Universal Evolution Plan Alternative 10

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At the request of NBC Universal, HR&A Advisors, Inc. (HR&A) prepared estimates of the one-time and annually recurring incremental tax revenues that would accrue to the City of Los Angeles (“City”) and County of Los Angeles (“County”) from construction and annual operation of Alternative 10: No Residential Alternative (“Alternative 10”) for the NBC Universal Evolution Plan (“Project”). This memorandum summarizes the results of our analysis and the methodology we employed to prepare it.

### A. Alternative 10 Overview

Alternative 10 would result in the development of 2,363,000 gross new square feet of Studio, Studio Office, Office, Entertainment, Entertainment Retail, and Amphitheater uses, and two 500-room hotels, on the existing Universal City property (“Project Site”). In addition, when accounting for the demolition of existing uses on the Project Site, Alternative 10 would result in the development of 1,777,186 net new square feet of Studio, Studio Office, Office, Entertainment, Entertainment Retail, and Amphitheater uses, as well as the two 500-room hotels.

Changes in existing jurisdictional boundaries would occur (i.e., annexation and detachment) under Alternative 10. With the completion of those jurisdictional boundary adjustments, Alternative 10 would result in the development of 380,000 gross new square feet of Studio and Studio Office uses and one 500-room hotel in the City portion of the Project Site, and 1,983,000 gross new square feet of Studio, Studio Office, Office, Entertainment, Entertainment Retail, and Amphitheater uses and one 500-room hotel in the County portion of the Project Site. Moreover, when accounting for the demolition of existing uses in the City and County portions of the Project Site, Alternative 10 would result in the development of 338,646 net new square feet of Studio and Studio Office uses and one 500-room hotel in the City portion of the Project Site, and the development of 1,438,540 net new square feet of Studio, Studio Office, Office, Entertainment,

Entertainment Retail, and Amphitheater uses and one 500-room hotel in the County portion of the Project Site.

## B. Revenue Generation Conclusions

Based on a series of calculations that are described below and shown in Appendix A to this memo, HR&A estimates that construction of Alternative 10 would generate approximately \$0.9 million in one-time tax revenues for the City and approximately \$5.7 million in one-time tax revenues for the County, due to the amount of gross new floor area proposed in each jurisdiction, the estimated cost of new construction, and the particulars of the tax rates and tax formulas that apply in each jurisdiction for new non-residential construction. The analysis accounts for the fact that, due to the way some taxes revenues are apportioned, new construction within the City areas under Alternative 10 would also produce tax revenues for the County (e.g., County's share of sales tax revenue from construction materials). These results are summarized in Table 1, by land use and tax category. All dollar amounts are expressed in constant 2008 dollars for consistency with other analyses HR&A prepared for the Project's Draft and Final Environmental Impact Reports.

<b>Table 1</b>				
<b>Alternative 10 One-Time Construction-Related Tax Revenues, by Jurisdiction</b>				
<b>BY LAND USE</b>				
<b>Land Use</b>	<b>City of LA</b>		<b>County of LA<sup>1</sup></b>	
	Gross New SF/Rooms	Revenues (in 2008 \$)	Gross New SF/Rooms	Revenues (in 2008 \$)
Amphitheater	-	-	60,000	\$ 112,500
Entertainment Retail	-	-	70,000	\$ 194,250
Entertainment	-	-	445,000	\$ 792,656
Studio	50,000	\$ 45,371	443,000	\$ 714,338
From Development in City of LA		N/A		\$ 48,375
Studio Office	330,000	\$ 396,231	415,000	\$ 887,063
From Development in City of LA		N/A		\$ 423,225
Office	-	-	550,000	\$ 1,175,625
Hotel	500 rooms	\$ 468,256	500 rooms	\$ 833,625
From Development in City of LA		N/A		\$ 500,175
<b>Total</b>		<b>\$ 909,859</b>		<b>\$ 5,681,831</b>
<b>BY TAX CATEGORY</b>				
	<b>City of LA</b>		<b>County of LA<sup>1</sup></b>	
		Revenues (in 2008 \$)		Revenues (in 2008 \$)
Construction Materials Sales Tax		\$ 647,850		\$ 4,710,056
From Development in City of LA		N/A		\$ 971,775
Contractor Gross Receipts Tax		\$ 262,009		-
<b>Total</b>		<b>\$ 909,859</b>		<b>\$ 5,681,831</b>

<sup>1</sup> Includes County shares of taxes on development within the City area.

Sources: NBC Universal; HR&A Advisors, Inc.

Based on Alternative 10's net new floor area by land use within each jurisdiction (after the proposed annexation and detachment actions occur), land use-specific revenue generation factors derived from a case study of existing operations at NBC Universal, and the particulars of the tax rates and tax formulas that apply in each jurisdiction, HR&A estimates that Alternative 10 would generate approximately \$7.7 million in annual tax revenues for the City and approximately \$15.0 million for the County. Here again, the analysis accounts for the fact that, due to the way some taxes revenues are apportioned, new development located within the City areas under Alternative 10 would also produce tax revenues for the County (e.g., property tax and sales tax revenue). These results are summarized in Table 2. As with the one-time tax revenues, all dollar amounts are expressed in constant 2008 dollars.

**Table 2**  
**Alternative 10 Recurring Annual Tax Revenues, by Jurisdiction<sup>1</sup>**

<b>BY LAND USE</b>				
	<b>City of LA</b>		<b>County of LA<sup>2</sup></b>	
	Net New SF/Rooms	Revenues (in 2008 \$)	Net New SF/Rooms	Revenues (in 2008 \$)
Entertainment Retail	-	-	63,116	\$ 867,757
Entertainment	-	-	337,895	\$ 1,953,206
Studio	50,000	\$ 68,099	257,949	\$ 935,056
From Development in City of LA		N/A		\$ 51,944
Studio Office	312,546	\$ 482,192	334,774	\$ 1,071,781
From Development in City of LA		N/A		\$ 390,061
Office	-	\$ -	495,406	\$ 1,425,218
Hotel	500 rooms	\$ 7,137,703	500 rooms	\$ 7,481,156
From Development in City of LA		N/A		\$ 784,827
<b>Total Recurring</b>		<b>\$ 7,687,995</b>		<b>\$ 14,961,006</b>
<b>BY TAX CATEGORY</b>				
	<b>City of LA</b>		<b>County of LA<sup>2</sup></b>	
Transient Occupancy Tax		\$ 5,812,625		\$ 5,812,625
Sales Tax		\$ 220,804		\$ 2,220,021
Sales Tax from Development in City		N/A		\$ 331,205
Property Tax		\$ 756,843		\$ 4,674,498
Property Tax from Development in City		N/A		\$ 895,627
Motor Vehicle License Fees In-Lieu Property Tax		\$ 186,167		\$ 719,939
Utility User's Tax		\$ 412,529		\$ 307,090
Gross Receipts Tax		\$ 85,046		\$ -
Parking Tax		\$ 213,981		\$ -
<b>Total Recurring</b>		<b>\$ 7,687,995</b>		<b>\$ 14,961,006</b>

<sup>1</sup> Not including net reductions in replacement Amphitheater floor area (-50,600 sf) in the County and Entertainment Retail floor area (-23,900 sf) in the City.

<sup>2</sup> Includes County shares of taxes on development within the City area.

Sources: NBC Universal; HR&A Advisors, Inc.

## **Revenue Estimation Methodology**

### **1. General Overview**

The private investment to develop Alternative 10, and the annual sales from its commercial uses, would generate various tax and other revenues for the City, County, Los Angeles Unified School District, and a variety of other local governmental agencies, and the State of California. This analysis concerns only the tax revenues generated for the City and County.

The construction-related tax revenues would be a one-time event (relatively speaking, though they would be collected over all the years of construction activity), whereas the completed Alternative 10 would generate new annual revenues to the City and County. These revenues result from a variety of taxes, some of which are unique to each jurisdiction, and therefore accrue entirely to one or the other (e.g., transient occupancy tax on hotel rooms; utility user's tax; parking tax). Other revenues would be shared between the City and County and other taxing entities (e.g., property tax and sales tax revenues).

The tax revenue estimates are based on the first round of development-related spending only — i.e., the tax revenues derived directly from construction and annual operation of the completed development. Secondary and tertiary sources of tax revenue would also be generated as a result of indirect and induced economic activity that result from on-site purchases from off-site businesses to supply materials and supplies used in construction and annual operation of the completed development, but the amounts of these additional revenues, and the degree to which they would accrue to the City or County, are not susceptible to reliable estimation. Similarly, the estimates do not account for taxable spending by visitors and employees at off-site locations elsewhere in the City or County. Therefore, the estimates presented here understate, to a degree, the actual tax revenues that Alternative 10 would produce for the City and County.

The tax revenue estimates are based on a case study approach that utilizes a combination of data specific to Alternative 10 land uses, generally accepted tax revenue estimating approaches and previous HR&A analysis for comparable projects. The estimates assume that all of the taxes that would now apply to Alternative 10 land uses would remain in place and that these taxes would continue under the same tax formulas and rates that are now in effect. The analysis focuses primarily on revenues recorded in each jurisdiction's General Fund.

### **2. Construction-Related Tax Revenues**

In both the City and County, large new commercial construction can generate sales tax revenue from certain construction materials, provided that the City or County is properly registered by the construction contractor as the "point of sale." This analysis assumes such registration occurs. It is further assumed that 50 percent of the total construction cost for each land use in each jurisdiction represents materials and that 50% of the materials cost represents items subject to sales tax. The tax rate for construction in the City is one percent and 2.5 percent for construction within the County (including transportation-related sales taxes). In the City (but not in the County), the construction contractor is also subject to a gross receipts tax equal to a percentage of the

construction contract. Construction that occurs within the City also generates transportation-related sales tax revenue for the County.

The estimates of one-time construction-related taxes do not include local planning, construction permit or utility connection fees, because these fees are generally set at levels that are intended to directly offset City and County staff time to process them and therefore, although they are quite substantial, they do not represent net new revenue to either jurisdiction that could be used to fund recurring operating expenses. The estimates and projections also do not include fees for traffic and other environmental mitigation, because these fees are generally set at levels to offset direct development impacts.

### 3. Tax Revenues from Annual Operations of Completed Development

Each land use included in Alternative 10 is associated with a different mix of City or County taxes. For example, the two hotels proposed for separate locations within City and County areas of the Project Site would generate revenues from the following tax categories, some of which utilize a different tax rate for the same tax category (e.g., different property, sales and utility tax rates):

<u>Hotel in the City</u>	<u>Hotel in the County</u>
Property Tax	Property Tax
Sales Tax	Sales Tax
Transient Occupancy Tax	Transient Occupancy Tax
Utility Tax	Utility Tax
Gross Receipts Tax	
Parking Tax	

And, as noted above, some land uses located in the City area of the Project Site would generate tax revenues for both the City and County, due to the way some taxes are apportioned.

Each tax revenue category was estimated using a different estimation approach specific to its tax formula, tax rate and the tax generation characteristics of the land use as determined through study of existing conditions at the Project Site. These tax revenue calculations are briefly described below. All details of the calculations are included in the Appendix to this memo, which is organized by: (1) land use; (2) by tax category within land use; and (3) land use by jurisdiction.

- *Property Tax – City and County.* The property tax applicable to the Project Site includes a one percent levy on the assessed value of land and buildings, which is distributed among more than a dozen different local public agency accounts, plus a proportional share of voter-approved indebtedness (calculated as a percentage of assessed value) and direct assessments (calculated according to a formula established by each agency imposing the assessment). The tax rates were derived from review of existing property tax bills covering the entire Project Site. For example, the City receives about 26.3 percent of the one percent general levy on total assessed value (land and improvements) of development within the City area of the Project Site, and the County receives 63.4 percent of the one percent levy on development located within the County (including County General Fund, County Fire District

and County Flood Control) area plus about 25.9 percent of the one percent levy on development located within the City area of the Project Site. For purpose of tax revenue estimation, each land use's hard construction cost was used as a proxy measure for the incremental assessed value of new improvements, to which the applicable tax rates were then applied.

- **Motor Vehicle License Fee In-Lieu Property Tax – City and County.** Beginning in 2005, the State reduced the Motor Vehicle License Fee revenue from two percent to 0.65%. The State kept local government revenues whole by swapping the lost Motor Vehicle License Fee revenue for an equivalent amount of property tax revenue. In the City, the rebate was equal to 0.0718 percent of Citywide assessed valuation as of 2008; and in the County it was equal to 0.0979 percent of Countywide assessed value. These percentages are applied to the hard construction cost (i.e., the proxy measure for total assessed value) for each element of Alternative 10 to estimate this revenue.
- **Sales Tax – City and County.** The City receives one percent<sup>1</sup> out of the total 8.75 percent tax applicable to sales that are subject to the State sales and use tax at locations within its jurisdiction; the County receives a tax equal to 2.5 percent, including transportation-related sales taxes for taxable sales within the unincorporated area of the County. The County also receives 1.5 percent of taxable sales within the City for transportation-related purposes. The balance of the tax goes to the State of California, although each jurisdiction also receives additional portions of the State sales tax share for special purposes that are not recorded in each jurisdiction's General Fund, including public safety, road maintenance and public transportation projects. Among Alternative 10's land uses, taxable sales would occur within the two hotels (e.g., room service, restaurants, and retail), the entertainment use, the entertainment retail use and certain studio-related sales (e.g., CDs and DVDs). Taxable sales amounts were estimated for each applicable land use based on assumptions and calculation factors derived from analysis of existing operation at the Project Site, as presented in Appendix A.
- **Transient Occupancy Tax (TOT) – City and County.** The City and County both charge a tax equal to 14 percent of the hotel room rate. The tax amount for each hotel is the product of the tax rate, the assumed average daily hotel room rate, number of hotel rooms and percentage of rooms that are assumed to be occupied over the course of a year. Based on review of data for the existing hotels at the Project Site, the analysis assumes that both hotels (500 rooms each) would achieve an ADR of \$325 and occupancy rate of 70 percent in a stabilized year.

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<sup>1</sup> Under recent changes in State law enacted to finance the State's structural deficit, 0.75% is remitted to the City as sales tax revenue and another 0.25% is remitted as additional property tax. For calculation convenience this analysis treats the entire one percent as sales tax revenue.

- *Utility User's Tax – City and County.* The City charges a 12.5 percent tax on the cost of electricity and a 10.0 percent tax on the cost of natural gas.<sup>2</sup> The County charges a five percent tax on both electricity and natural gas. The utility tax estimate associated with each land use is based on estimates of annual utility charges specific to each land use as derived from analysis of existing conditions at the Project Site and the applicable tax rate, as detailed in Appendix A.
- *Gross Receipts Tax – City Only.* The City imposes an annual tax on the gross earnings of commercial businesses, including hotels and retail, but with certain limits and exemptions. The tax rate varies by business category. For Alternative 10's Studio and Studio Office uses within the City area of the Project Site, it was assumed that NBC Universal is already paying the maximum gross receipts tax applicable to multi-media companies and therefore no additional gross receipts tax for these uses was included. The City's gross receipts tax was applied to the hotel planned for location within the City area of the Project Site using calculation assumptions detailed in Appendix A.
- *Parking Tax – City Only.* The City also imposes a 10 percent tax on all fees collected for parking. For purposes of this analysis the parking tax is assumed to apply only to paid parking in the hotel to be located in the City area of the Project Site pursuant to Alternative 10. The tax calculation is based on 67 percent of the annual occupied rooms (to account for hotel guests and all other visitors) and a daily parking rate derived from parking charges at existing hotels at the Project Site. All other paid parking is associated with uses that would be located in the County, which does not impose a parking tax.

### **C. Conclusion**

According to the estimates presented herein, Alternative 10 would generate significant new one-time and annual revenues for the City of Los Angeles and County of Los Angeles. Specifically, about \$0.9 million in one-time revenues and \$7.7 million in recurring annual revenues for the City, and about \$5.7 million in one-time revenues and \$15.0 million in recurring annual revenues for the County.

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<sup>2</sup> With the exception of the hotels, the utility tax on telephone was not included due to the difficulty in making reliable estimates of taxable telephone usage associated with variety of new development anticipated with Alternative 10.

## **Appendix A**

### **Tax Calculation Details, by Land Use and by Jurisdiction**



**Estimate of Recurring and One-Time Tax Revenues  
to the City of Los Angeles from Development  
and Operation of New Studio Facilities,**

**Alternative 10**

(all dollar values in 2008 \$)

<b>Annual Recurring Revenues</b>	
Sales Tax	\$ 4,906
Property Tax	\$ 37,676
MLV In-Lieu Property Tax	\$ 9,267
Utility User's Tax	\$ 16,250
Gross Receipts Tax	\$ -
<b>Total Annual Recurring Revenues</b>	<b>\$ 68,099</b>

N/A

<b>One-Time Tax Revenues</b>	
Construction Materials Sales Tax	\$ 32,250
Contractor Gross Receipts Tax	\$ 13,121
<b>Total One-Time Revenues</b>	<b>\$ 45,371</b>

Source: HR&A Advisors, Inc.

<b>County Shares</b>	
Property Tax	\$ 44,584
Sales Tax	\$ 7,360
Construction Sales Tax	\$ 48,375

**Recurring Annual Revenues to the City of Los Angeles from a New Studio Facilities, Alternative 10 (in 2008 \$)**

<b>Annual Property Tax</b>					
Total Development Cost					
Total Gross New SF	50,000				
Cost per SF	516				
Subtotal	\$ 25,600,000				
Hard Construction Share-%	50%				
Hard Construction Share-\$=Assessed Value	\$ 12,900,000				
Prop. Tax Rate (General Levy)	1.00%				
General Levy Property Tax	\$ 129,000				
City of LA Share (TRA 00014)	\$ 0.26284779%				
City of LA Share \$	\$ 33,907				
Voter-approved indebtedness to LA (share)	\$ 0.00079500%				
Voter-approved indebtedness to LA \$	\$ 103				
Special Assessments to LA (share)	\$ 0.02841691%				
Special Assessments to LA \$	\$ 3,666				
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ 37,676</b>				

Assumption Sources

	50,000				
	516				
	25,600,000				
	50%				
	12,900,000				
	1.00%				
	129,000				
	0.26284779%				
	33,907				
	0.00079500%				
	103				
	0.02841691%				
	3,666				
	<b>37,676</b>				

<b>Motor Vehicle In-Lieu Property Tax</b>					
Total Assessed Value	\$ 12,900,000				
City MVLF in Lieu of Property Tax (2007-08)	\$ 267,256,000				
Citywide Assessed Value (2008) <sup>9</sup>	\$ 413,773,567,411				
MVLF in Lieu Share of Assessed Valuation	0.0718%				
<b>Motor Vehicle License Fee In Lieu Revenue (2008 \$)</b>	<b>\$ 9,267</b>				

**Annual Utility Users' Tax Revenue**

Electricity					
Annual Electricity Cost/GLA SF	2.00				
Net New GLA SF	50,000				
Annual Electricity Cost	\$ 100,000				
Tax Rate	12.50%				
Subtotal Tax Revenue	\$ 12,500				
Natural Gas					
Annual Electricity Cost/GLA SF	0.75				
GLA SF	50,000				
Annual Electricity Cost	\$ 37,500				
Tax Rate	10.0%				
Subtotal Tax Revenue	\$ 3,750				
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ 16,250</b>				

<b>Sales Tax</b>					
Net New SF	50,000				
Taxable Sales/SF	9.81				
Annual Taxable Sales	\$ 490,634				
Tax Rate	1.00%				
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ 4,906</b>				

<b>Gross Receipts Tax</b>					
Gross Sales	\$ -				
Tax Rates	N/A				
Per \$1,000 >\$100,000	\$ -				
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ -</b>				

NBC Universal  
NBC Universal (Studio 2005-Home Video 2004 per true existing SF), 3%/yr. Inflation  
Includes 0.25% remitted as property tax per "triple flip"

**One-Time Revenues  
to the City of Los Angeles  
from Development of New Studio Facilities,  
Alternative 10  
(in 2008 \$)**

Assumption Sources

<b>Construction Materials Sales Tax</b>			
Total Development Cost	\$	25,800,000	NBC Universal
Hard Construction Cost Share	\$	50.0%	NBC Universal
Hard Construction Cost	\$	12,900,000	HR&A
Materials Share		50.00%	HR&A
Materials Share Subject to Tax		50.00%	State law (includes 0.75% and 0.25% remitted as property tax)
Tax Rate		1.00%	Assumes contractor takes out sub-permit designating site as point of sale
<b>Taxes Revenue to City of LA</b>	<b>\$</b>	<b>32,250</b>	

<b>Gross Receipts Tax</b>			
Contractor's Tax			
Hard Construction Cost Total	\$	12,900,000	HR&A
Tax Rates			
Base	\$	153.00	City of LA, 2008
Per \$1,000 >\$60,000	\$	1.01	City of LA, 2008
<b>Taxes Revenue to City of LA</b>		<b>13,121</b>	

**Revenues to LA County  
from New Studio Facilities  
in City of LA Area,  
Alternative 10  
(in 2008 \$)**

Assumption Sources

<b>Annual Property Tax</b>				
<b>Annual Property Tax</b>				
Total Development Cost				
Total Net New SF		50,000		NBC Universal
Cost per SF		516		NBC Universal
Subtotal		\$ 25,800,000		
Hard Construction Share-%		50%		NBC Universal
Hard Construction Share-\$=Assessed Value		\$ 12,900,000		
Prop. Tax Rate (General Levy)		1.00%		Prop 13
General Levy Property Tax		\$ 129,000		
County of LA Share (TRA 00013)		0.25945347%		LA County Assessor
County of LA Share \$		\$ 33,469		
Voter-approved indebtedness to LA (share)		0.05133800%		LA County Assessor
Voter-approved indebtedness to LA \$		\$ 6,623		
Special Assessments to LA (share)		0.03482373%		LA County Assessor
Special Assessments to LA \$		\$ 4,492		
<b>Annual Revenue to County of LA</b>		<b>\$ 44,584</b>		
<b>Sales Tax</b>				
Taxable Sales		\$ 490,634		HR&A, from Sales Tax analysis
County Tax Rate		1.50%		Propositions A & C & Measure R
<b>Annual Revenue to County of LA</b>		<b>\$ 7,360</b>		
<b>Total Hard Cost</b>		<b>\$ 12,900,000</b>		
Materials Share		50.00%		From Above
Materials Share Subject to Tax		50.00%		HR&A
Tax Rate		1.50%		HR&A
<b>Taxes Revenue to LA County (2008 \$)</b>		<b>\$ 48,375</b>		Props A & C & Measure R
				Assumes contractor takes out sub-permit designating site as point of sale

**Estimate of Recurring and One-Time Tax Revenues  
to the City of Los Angeles from Development  
and Operation of New Studio Office Facilities,  
Alternative 10**

(all dollar values in 2008 \$)

<b>Annual Recurring Revenues</b>	
Sales Tax	\$ -
Property Tax	\$ 329,618
MLV In-Lieu Property Tax	\$ 81,079
Utility User's Tax	\$ 71,495
Gross Receipts Tax	\$ -
<b>Total Annual Recurring Revenues</b>	<b>\$ 482,192</b>

<b>One-Time Tax Revenues</b>	
Construction Materials Sales Tax	\$ 282,150
Contractor Gross Receipts Tax	\$ 114,081
<b>Total One-Time Revenues</b>	<b>\$ 396,231</b>

Source: HR&A Advisors, Inc.

<b>County Shares</b>	
Property Tax	\$ 390,061
Sales Tax	\$ -
Construction Sales Tax	\$ 423,225

**Recurring Annual Revenues  
to the City of Los Angeles  
from New Studio Office Facilities,  
Alternative 10  
(in 2008 \$)**

		<u>Assumption Sources</u>			
<b>Annual Property Tax</b>					
Total Development Cost					
Total Gross New SF	330,000	NBC Universal		Motor Vehicle In-Lieu Property Tax	\$ 112,860,000
Total Development Cost per SF	456	NBC Universal		Total Assessed Value	\$ 297,256,000
Subtotal	\$ 150,480,000	NBC Universal		City MVLF in Lieu of Property Tax (2007-08)	\$ 297,256,000
Hard Construction-%	75%			Citywide Assessed Value (2008) <sup>5</sup>	\$ 413,773,567,411
Hard Construction-\$ = Assessed Value	\$ 112,860,000			MVLF In Lieu Share of Assessed Valuation	0.0718%
Prop. Tax Rate (General Levy)	1.00%	Prop. 13		<b>Motor Vehicle License Fee In Lieu Revenue (2008 \$)</b>	<b>\$ 81,079</b>
General Levy Property Tax	\$ 1,128,600	LA County Assessor			
City of LA Share (TRA 00013) x 1%	\$ 0.26284779%	LA County Assessor			
County of LA Share \$	\$ 296,650	LA County Assessor			
Voter-approved indebtedness to LA (share)	\$ 0.00079500%	LA County Assessor			
Voter-approved indebtedness to LA \$	\$ 897				
Special Assessments to LA (share)	\$ 0.02841691%				
Special Assessments to LA \$	\$ 32,071				
<b>Taxes Revenue to City of LA</b>	<b>\$ 329,618</b>				

**Annual Utility Users' Tax Revenue**

Electricity					
Annual Electricity Cost/GLA SF	1.75	HR&A			
Net New GLA SF	\$ 312,546	89% per Project			
Annual Electricity Cost	\$ 546,956	NBC Universal			
Tax Rate	12.50%	City of LA			
Subtotal Tax Revenue	\$ 68,369				
Natural Gas					
Annual Electricity Cost/GLA SF	0.10	HR&A			
GLA SF	\$ 312,546	NBC Universal			
Annual Electricity Cost	\$ 31,255				
Tax Rate	10.0%	City of LA			
Subtotal Tax Revenue	\$ 3,125				
<b>Taxes Revenue to City of LA</b>	<b>\$ 71,495</b>				

**Sales Tax**

Retail GLA SF	-				
Taxable Sales/GLA SF	-				
Annual Taxable Sales	-				
Tax Rate	1.00%	State law (point of sale)			
<b>Taxes Revenue to City of LA</b>	<b>\$ -</b>				

**Gross Receipts Tax**

Gross Sales	\$ -				
Tax Rates					
Per \$1,000 >\$100,000	\$ -				
<b>Taxes Revenue to City of LA</b>	<b>\$ -</b>				

Included with Studio analysis

NOT APPLICABLE

**One-Time Revenues  
to the City of Los Angeles  
from Development of New Studio Office Facilities,  
Alternative 10  
(in 2008 \$)**

		<u>Assumption Sources</u>
<b>Construction Materials Sales Tax</b>		
Total Development Cost	\$ 150,480,000	NBC Universal (see Property Tax analysis)
Construction Cost Share	75.0%	NBC Universal (see Property Tax analysis)
Hard Construction Cost	\$ 112,860,000	HR&A
Materials Share	50.00%	HR&A
Materials Share Subject to Tax	50.00%	Includes 0.75% and 0.25% remitted as property tax.
Tax Rate	<u>1.00%</u>	Assumes contractor takes out sub-permit designating site as point of sale
<b>Taxes Revenue to City of LA</b>	<b>\$ 282,150</b>	
<b>Gross Receipts Tax</b>		
Contractor's Tax		
Hard Construction Cost Total	\$ 112,860,000	HR&A
Tax Rates		
Base	\$ 153.00	City of LA, 2012
Per \$1,000 >\$60,000	\$ 1.01	City of LA, 2012
<b>Taxes Revenue to City of LA</b>	<b>\$ 114,081</b>	

**Tax Revenues to LA County from Development Operation  
of New Studio Office Facilities on Land in the City of LA,  
Alternative 10**

		<u>Assumption Sources</u>
<b>Annual Property Tax</b>		
<b>Annual Property Tax</b>		
Total Development Cost		
Total Net New SF	330,000	NBC Universal
Cost per SF	456	NBC Universal
Subtotal	\$ 150,480,000	
Hard Construction-%	75%	
Hard Construction-\$ = Assessed Value	\$ 112,860,000	Prop 13
Prop. Tax Rate (General Levy)	1.00%	
General Levy Property Tax	\$ 1,128,600	LA County Assessor
County of LA Share (TRA 00013)	\$ 0.25945347%	LA County Assessor
County of LA Share \$	\$ 292,819	LA County Assessor
Voter-approved indebtedness to LA Co. (share)	\$ 0.05133800%	LA County Assessor
Voter-approved indebtedness to LA \$	\$ 57,940	
Special Assessments to LA Co. (share)	\$ 0.03482373%	
Special Assessments to LA Co. \$	\$ 39,302	
<b>Annual Revenue to County of LA (2008 \$)</b>	<b>\$ 390,061</b>	
<b>Sales Tax</b>		
Taxable Sales	-	HR&A, from Sales Tax analysis
County Tax Rate	1.50%	Propositions A & C & Measure R
<b>Annual Revenue to County of LA (2008 \$)</b>	<b>\$ -</b>	
<b>Construction Materials Sales Tax</b>		
Total Hard Cost	\$ 112,860,000	From Above
Materials Share	50.00%	HR&A
Materials Share Subject to Tax	50.00%	HR&A
Tax Rate	1.50%	Props A & C & Measure R
<b>Taxes Revenue to LA County (2008 \$)</b>	<b>\$ 423,225</b>	Assumes contractor takes out sub-permit designating site as point of sale



**Estimate of Recurring and One-Time Tax Revenues  
to the City of Los Angeles from Development  
and Occupancy of a 500 Room First-Class Hotel,  
Alternative 10**

(all dollar values in 2008 \$)

<b>Annual Recurring Revenues</b>	
Transient Occupancy Tax	\$ 5,812,625
Sales Tax	\$ 215,897
Property Tax	\$ 389,549
MLV In-Lieu Property Tax	\$ 95,821
Utility User's Tax	\$ 324,784
Gross Receipts Tax	\$ 85,046
Parking Tax	\$ 213,981
<b>Total Annual Recurring Revenues</b>	<b>\$ 7,137,703</b>

<b>One-Time Tax Revenues</b>	
Construction Materials Sales Tax	\$ 333,450
Contractor Gross Receipts Tax	\$ 134,806
<b>Total One-Time Revenues</b>	<b>\$ 468,256</b>

Source: HR&A Advisors, Inc.

County Property Tax	\$ 460,982
County Hotel Retail Sales Tax	\$ 323,846
County Construction Sales Tax	\$ 500,175

**Recurring Annual Revenues  
to the City of Los Angeles  
from a New 500-Room First Class Hotel  
Alternative 10**

<b>Transient Occupancy Tax</b>					<b>Assumption Sources</b>	
# Rooms	500				NBC Universal	
Rate/Room/Night	325				HR&A (ref: Hilton \$284 Sheraton \$209, 2006)	
Room Nights/Year	365				HR&A	
Occupancy Rate	70.0%				City of LA	
Annual Rooms Revenue	\$ 41,518,750					
Tax Rate	14.00%					
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ 5,812,625</b>					
<b>Annual Property Tax</b>						
Total Development Cost	\$ 450,000				NBC Universal	
Total SF	\$ 456				NBC Universal	
Total Development Cost per SF	\$ 205,200,000				NBC Universal	
Subtotal	\$ 65%				Prop. 13	
Hard Construction %	\$ 133,380,000				LA County Assessor	
Hard Construction \$ - Assessed Value	\$ 1,333,800				LA County Assessor	
Prop. Tax Rate (General Levy)	\$ 0.26284779%				LA County Assessor	
General Levy Property Tax	\$ 350,586					
City of LA Share (TPA 00013) x 1%	\$ 0.00079500%					
County of LA Share \$	\$ 1,060					
Voter-approved indebtedness to LA (share)	\$ 0.02841691%					
Voter-approved indebtedness to LA \$	\$ 37,902					
Special Assessments to LA (share)	\$ 389,549					
Special Assessments to LA \$	\$ 389,549					
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ 389,549</b>					
<b>Motor Vehicle In-Lieu Property Tax</b>						
Total Assessed Value	\$ 133,380,000					
City MVL in Lieu of Property Tax (2007-08)	\$ 297,256,000					
Citywide Assessed Value (2008) <sup>6</sup>	\$ 413,773,567,411					
MVL in Lieu Share of Assessed Valuation	0.0718%					
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ 95,821</b>					
<b>Annual Utility Users' Tax Revenue</b>						
Electricity						
Total Revenue	\$ 66,965,726				HR&A (see Gross Receipts Tax analysis)	
Electricity % x Total Revenue	2.0%				HR&A	
Electricity Cost	\$ 1,339,315				City of LA	
Tax Rate	12.50%					
Subtotal Tax Revenue	\$ 167,414					
Natural Gas						
Total Revenue	\$ 66,965,726				HR&A	
Natural Gas % x Total Revenue	1.00%				HR&A	
Natural Gas Cost	\$ 669,657				City of LA	
Tax Rate	10.00%					
Subtotal Tax Revenue	\$ 66,965					
Telephone (landline, wireless, fax, modem)						
Total Revenue	\$ 66,965,726				HR&A	
Telephone % x Total Revenue	1.50%				HR&A	
Natural Gas Cost	\$ 1,004,466				City of LA	
Tax Rate	9.00%					
Subtotal Tax Revenue	\$ 90,404					
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ 324,794</b>					
<b>Sales Tax</b>						
Retail GLA SF	5,000				HR&A	
Taxable Sales/GLA SF	\$ 300				HR&A	
Annual Taxable Sales	\$ 1,500,000				HR&A (see Gross Receipts Tax analysis)	
Food & Beverage	\$ 20,089,718				Includes 0.75% and 0.25% remitted as property tax; Props A & C	
Subtotal Taxable Sales	\$ 21,589,718					
Tax Rate	1.00%					
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ 215,897</b>					
<b>Gross Receipts Tax</b>						
Annual Rooms Revenue	\$ 41,518,750				PKF	
Rooms Revenue % x Total	62.0%				PKF	
Implied Total Revenue	\$ 66,965,726				PKF	
Food & Beverage %	30.0%				PKF	
Food & Beverage Revenue	\$ 20,089,718				PKF	
Telecommunications %	3.0%				PKF	
Telecommunications Revenue	\$ 2,008,972				PKF	
Other Departments %	2.5%				PKF	
Other Departments Revenue	\$ 1,674,143				PKF	
Rentals & Other Income %	2.5%				PKF	
Rentals & Other Income Revenue	\$ 1,674,143					
Total Revenue	\$ 66,965,726					
Tax Rates						
Per \$1,000	\$ 1.27				City of LA, 2012	
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ 85,046</b>					
<b>Parking Tax</b>						
# Room Nights per Year	182,500				HR&A (see TOT analysis)	
Occupancy Rate	70.0%				HR&A	
Occupied Rooms per Year	127,750					
% Rooms with Parking	67.0%					
# Rooms with Parking	85,593				HR&A (reflects meetings, conferences & restaurants)	
Parking Charge per Day	\$ 25.00				Sheraton/Hilton (\$14-\$21, 2006)	
Annual Parking Charges	\$ 2,139,813				City of LA	
Tax Rate	10.0%					
<b>Annual Revenue to City of LA (2008 \$)</b>	<b>\$ 213,981</b>					

**One-Time Revenues  
to the City of Los Angeles  
from Development of a 500-Room First Class Hotel,  
Alternative 10**

Assumption Sources

<b>Construction Materials Sales Tax</b>			
Total Development Cost	\$	205,200,000	NBC Universal (see Property Tax analysis)
Hard Construction Cost Share		65.0%	NBC Universal
Hard Construction Cost	\$	133,380,000	
Materials Share		50.00%	HR&A
Materials Share Subject to Tax		50.00%	HR&A
Tax Rate		1.00%	Includes 0.75% and 0.25% remitted as property tax
<b>Taxes Revenue to County of LA</b>	<b>\$</b>	<b>333,450</b>	Assumes contractor takes out sub-permit designating site as point of sale
<b>Gross Receipts Tax</b>			
Contractor's Tax			
Hard Construction Cost Total	\$	133,380,000	HR&A
Tax Rates			
Base	\$	153.00	City of LA, 2012
Per \$1,000 >\$60,000	\$	1.01	City of LA, 2012
<b>Taxes Revenue to City of LA</b>		<b>134,806</b>	

**Tax Revenues to LA County from Development Operation  
of New Hotel on Land in the City of LA,  
Alternative 10**

<b>Annual Property Tax</b>			
Total Development Cost			
Total SF	450,000	NBC Universal	
Total Development Cost per SF	456	NBC Universal	
Subtotal	\$ 205,200,000		
Hard Construction %	65%	NBC Universal	
Hard Construction \$ - Assessed Value	\$ 133,380,000		
County of LA Share (TRA 00013)	\$ 0.25945347%	LA County Assessor	
County of LA Share \$	\$ 346,059		
Voter-approved indebtedness to LA (share)	\$ 0.05133800%	LA County Assessor	
Voter-approved indebtedness to LA \$	\$ 68,475		
Special Assessments to LA (share)	\$ 0.03482373%	LA County Assessor	
Special Assessments to LA \$	\$ 46,448		
<b>Annual Revenue to County of LA (2008 \$)</b>	<b>\$ 460,982</b>		

<b>Annual Sales Tax</b>			
Retail Sales	\$ 21,589,718	Recurring Taxes Worksheet - Sales Tax	
Tax Rate	1.5%	Props A & C & Measure R	
<b>Annual Revenue to County of LA (2008 \$)</b>	<b>\$ 323,846</b>		

<b>Construction Materials Sales Tax</b>			
Total Hard Cost	\$ 133,380,000	From above	
Materials Share	50.00%	HR&A	
Materials Share Subject to Tax	50.00%	HR&A	
Tax Rate	1.50%	Props A & C & Measure R	
<b>Taxes Revenue to LA County (2008 \$)</b>	<b>\$ 500,175</b>	Assumes contractor takes out sub-permit designating site as point of sale	

**Estimate of Recurring and One-Time Tax Revenues  
to the County of Los Angeles from Development  
and Operation of New CityWalk Facilities,  
Alternative 10**

(all dollar values in 2008 \$)

<b>Annual Recurring Revenues</b>	
Sales Tax	\$ 631,160
Property Tax	\$ 197,501
MLV In-Lieu Property Tax	\$ 30,418
Utility User's Tax	\$ 8,678
<b>Total Annual Recurring Revenues</b>	<b>\$ 867,757</b>
<b>One-Time Tax Revenues</b>	
Construction Materials Sales Tax	\$ 194,250
<b>Total One-Time Revenues</b>	<b>\$ 194,250</b>

Source: HR&A Advisors, Inc.

**Recurring Annual Revenues  
to the County of Los Angeles  
from a New CityWalk Facilities,  
Alternative 10**

<b>Annual Property Tax</b>					
Total Development Cost					
Cost per SF	70,000				
Subtotal	\$ 41,440,000				
Hard Construction %	75%				
Prop. Tax Rate (General Levy)	1.00%				
General Levy Property Tax	\$ 310,800				
County of LA Share (TRA 00013)	\$ 0.63414720%				
County of LA Share \$	197,093				
Voter-approved indebtedness to LA Co. (share)	\$ 0.00084400%				
Voter-approved indebtedness to LA Co. \$	262				
Special Assessments to LA Co. (share)	\$ 0.00046835%				
Special Assessments to LA Co. \$	146				
<b>Annual Revenue to County of LA (2008 \$)</b>	<b>\$ 197,501</b>				
<b>Annual Utility Users' Tax Revenue</b>					
Electricity					
Annual Electricity Cost/GLA SF	\$ 2.00				
GLA SF	63,116				
Annual Electricity Cost	\$ 126,232				
Tax Rate	5.00%				
Subtotal Tax Revenue	\$ 6,312				
Natural Gas					
Annual Electricity Cost/GLA SF	\$ 0.75				
GLA SF	63,116				
Annual Electricity Cost	\$ 47,337				
Tax Rate	5.0%				
Subtotal Tax Revenue	\$ 2,367				
<b>Annual Revenue to County of LA (2008 \$)</b>	<b>\$ 8,678</b>				
<b>Sales Tax</b>					
Net New Retail GLA SF	63,116				
Taxable Sales/GLA SF	400				
Annual Taxable Sales	\$ 25,246,400				
Tax Rate	2.50%				
<b>Annual Revenue to County of LA (2008 \$)</b>	<b>\$ 631,160</b>				

Assumption Sources

NBC Universal	
NBC Universal	
Prop. 13	
LA County Assessor	
LA County Assessor	
LA County Assessor	
HR&A	
NBC Universal	
County of LA	
NBC Universal	
County of LA	
NBC Universal	
HR&A	
Includes 0.25% remitted as property tax per "triple flip" +	
Props A & C & Measure R	

<b>Motor Vehicle In-Lieu Property Tax</b>			
Total Assessed Value	\$ 31,080,000		
County MVLF in Lieu of Property Tax (2007-08)	\$ 1,052,847,259		County Budget
Unincorporated Assessed Value (2008)	\$ 1,075,763,158,830		LA County Assessor Annual Report
MVLF in Lieu Share of Assessed Valuation	0.0979%		
<b>Motor Vehicle License Fee In Lieu Revenue (2008 \$)</b>	<b>\$ 30,418</b>		

**One-Time Revenues  
to the County of Los Angeles  
from Development of New CityWalk Facilities,  
Alternative 10**

<b>Construction Materials Sales Tax</b>			
Total Development Cost	\$	41,440,000	NBC Universal (see Property Tax analysis)
Hard Construction Cost Share		75.0%	
Hard Construction Cost	\$	31,080,000	HR&A
Materials Share		50.00%	HR&A
Materials Share Subject to Tax		50.00%	Includes 0.75% and 0.25% remitted as property tax; Props A & C & Measure R
Tax Rate		<u>2.50%</u>	(assumes contractor takes out a sub-permit designating site as point of sale)
<b>Taxes Revenue to LA County</b>	<b>\$</b>	<b>194,250</b>	

Assumption Sources

**Estimate of Recurring and One-Time Tax Revenues  
to the County of Los Angeles from Development  
and Operation of a New Theme Park Facilities,**

**Alternative 10**

(all dollar values in 2008 \$)

<b>Annual Recurring Revenues</b>	
Sales Tax	\$ 987,682
Property Tax	\$ 805,922
MLV In-Lieu Property Tax	\$ 124,123
Utility User's Tax	\$ 35,479
<b>Total Annual Recurring Revenues</b>	<b>\$ 1,953,206</b>

<b>One-Time Tax Revenues</b>	
Construction Materials Sales Tax	\$ 792,656
<b>Total One-Time Revenues</b>	<b>\$ 792,656</b>

Source: HR&A Advisors, Inc.



**Recurring Annual Revenues  
to the County of Los Angeles  
from a New Theme Park Facilities,  
Alternative 10**

**Assumption Sources**

<b>Annual Property Tax</b>			
Total Development Cost			
Total New Gross SF		445,000	
Cost per SF	\$	570	
Subtotal	\$	253,650,000	
Hard Construction %		50%	
Hard Construction \$ = Assessed Value	\$	126,825,000	
Prop. Tax Rate (General Levy)	\$	1.00%	
General Levy Property Tax	\$	1,268,250	
County of LA Share (TRA 00067)	\$	0.63414720%	
County of LA Share \$	\$	804,257	
Voter-approved indebtedness to LA (share)	\$	0.00084400%	
Voter-approved indebtedness to LA \$	\$	1,070	
Special Assessments to LA (share)	\$	0.00046835%	
Special Assessments to LA \$	\$	594	
<b>Annual Revenue to LA County (2008 \$)</b>	<b>\$</b>	<b>805,922</b>	

<b>Motor Vehicle In-Lieu Property Tax</b>			
Total Assessed Value	\$	126,825,000	
County MVLF in Lieu of Property Tax (2007-08)	\$	1,052,847,259	
Unincorporated Assessed Value (2008)	\$	1,075,763,158,830	
MVLF in Lieu Share of Assessed Valuation		0.0979%	
<b>Motor Vehicle License Fee in Lieu Revenue (2008 \$)</b>	<b>\$</b>	<b>124,123</b>	

<b>Annual Utility Users' Tax Revenue</b>			
Electricity			
Annual Electricity Cost/GLA SF	\$	2.00	
Net New GLA SF	\$	337,895	
Annual Electricity Cost	\$	675,790	
Tax Rate	\$	5.00%	
Subtotal Tax Revenue	\$	33,790	
Natural Gas			
Annual Electricity Cost/GLA SF	\$	0.10	
Net New GLA SF	\$	337,895	
Annual Electricity Cost	\$	33,790	
Tax Rate	\$	5.0%	
Subtotal Tax Revenue	\$	1,689	
<b>Annual Revenue to LA County (2008 \$)</b>	<b>\$</b>	<b>35,479</b>	

<b>Sales Tax</b>			
Net New GLA SF	\$	337,895	
Taxable Sales/GLA SF	\$	116.92	
Annual Taxable Sales	\$	39,507,288	
Tax Rate	\$	2.50%	
<b>Annual Revenue to LA County (2008 \$)</b>	<b>\$</b>	<b>987,682</b>	

NBC Universal  
NBC Universal  
NBC Universal  
Prop. 13  
LA County Assessor  
LA County Assessor  
LA County Assessor  
County Budget  
LA County Assessor Annual Report  
HR&A  
NBC Universal  
County of LA  
HR&A  
NBC Universal  
County of LA  
NBC Universal  
Based on 2005 sales tax data and existing Theme Park SF; 3%/yr. inflation  
Includes 0.75% and 0.25% remitted as property tax; Props A & C & Measure R

**One-Time Revenues  
to the County of Los Angeles  
from Development of New Theme Park Facilities,  
Alternative 10**

		<u>Assumption Sources</u>	
<b>Construction Materials Sales Tax</b>			
Total Development Cost	\$ 253,650,000	NBC Universal (see Property Tax analysis)	
Hard Construction Cost Share	50.0%	NBC Universal	
Hard Construction Cost	126,825,000	HR&A	
Materials Share	50.00%	HR&A	
Materials Share Subject to Tax	50.00%	Includes 0.75% and 0.25% remitted as property tax; Props A & C & Measure R	
Tax Rate	<u>2.50%</u>	Assumes contractor takes out sub-permit designating site as point of sale	
<b>Taxes Revenue to LA County</b>	<b>\$ 792,656</b>		

**Estimate of Recurring and One-Time Tax Revenues  
to the County of Los Angeles from Development  
and Operation of a New Studio Facilities,**

**Alternative 10**

(all dollar values in 2008 \$)

<b>Annual Recurring Revenues</b>	
Sales Tax	\$ 61,436
Property Tax	\$ 726,292
MLV In-Lieu Property Tax	\$ 111,859
Utility User's Tax	\$ 35,468
<b>Total Annual Recurring Revenues</b>	<b>\$ 935,056</b>

<b>One-Time Tax Revenues</b>	
Construction Materials Sales Tax	\$ 714,338
<b>Total One-Time Revenues</b>	<b>\$ 714,338</b>

Source: HR&A Advisors, Inc.

Recurring Annual Revenues  
to the County of Los Angeles  
from New Studio Facilities,  
Alternative 10

Assumption Sources

<b>Annual Property Tax</b>				
Total Development Cost				
Total New Gross SF		443,000		NBC Universal
Cost per SF		516		NBC Universal
Subtotal		228,588,000		
Hard Construction %		50%		
Hard Construction \$ = Assessed Value		114,294,000		
Prop. Tax Rate (General Levy)		1.00%		Prop. 13
General Levy Property Tax		1,142,940		
County of LA Share (TRA 00067)		0.63414720%		LA County Assessor
County of LA Share \$		724,792		
Voter-approved indebtedness to LA (share)		0.00084400%		LA County Assessor
Voter-approved indebtedness to LA \$		965		
Special Assessments to LA (share)		0.00046835%		LA County Assessor
Special Assessments to LA \$		535		
<b>Annual Revenue to County of LA (2008 \$)</b>		<b>726,292</b>		
<b>Motor Vehicle In-Lieu Property Tax</b>				
Total Assessed Value		114,294,000		
County MVLF in Lieu of Property Tax (2007-08)		1,052,847,259		County Budget
Unincorporated Assessed Value (2008)		1,075,763,158,830		LA County Assessor Annual Report
MVLF in Lieu Share of Assessed Valuation		0.0979%		
<b>Motor Vehicle License Fee In Lieu Revenue (2008 \$)</b>		<b>111,859</b>		
<b>Annual Utility Users' Tax Revenue</b>				
Electricity				
Annual Electricity Cost/GLA SF		2.00		HR&A
Net New GLA SF		257,949		NBC Universal
Annual Electricity Cost		515,898		County of LA
Tax Rate		5.00%		
Subtotal Tax Revenue		25,795		
Natural Gas				
Annual Electricity Cost/GLA SF		0.75		HR&A
Net New GLA SF		257,949		NBC Universal
Annual Electricity Cost		193,462		County of LA
Tax Rate		5.0%		
Subtotal Tax Revenue		9,673		
<b>Annual Revenue to County of LA (2008 \$)</b>		<b>35,468</b>		
<b>Sales Tax</b>				
Net New GLA SF		257,949		NBC Universal
Taxable Sales/SF		9.53		NBC Universal (Studio 2005+Home Video 2004 per "existing" SF; 3%/yr. inflation)
Annual Taxable Sales		2,457,450		
Tax Rate		2.50%		Includes 0.25% remitted as property tax per "triple flip" + Props. A & C & Measure R
<b>Annual Revenue to County of LA (2008 \$)</b>		<b>61,436</b>		

**One-Time Revenues  
to the County of Los Angeles  
from Development of New Studio Facilities,  
Alternative 10**

Assumption Sources

<b>Construction Materials Sales Tax</b>				
Total Development Cost	\$	228,588,000		NBC Universal (see Property Tax analysis)
Hard Construction Cost Share	\$	50.00%		NBC Universal
Hard Construction Cost		114,294,000		HR&A
Materials Share		50.00%		HR&A
Materials Share Subject to Tax		50.00%		Includes 0.75% and 0.25% remitted as property tax; Props A & C & Measure R
Tax Rate		<u>2.50%</u>		Assumes contractor takes out sub-permit designating site as point of sale
<b>Taxes Revenue to LA County (2008 \$)</b>	<b>\$</b>	<b>714,338</b>		

**Estimate of Recurring and One-Time Tax Revenues  
to the County of Los Angeles from Development  
and Operation of New Studio Office Facilities,  
Alternative 10  
(all dollar values in 2008 \$)**

<b>Annual Recurring Revenues</b>	
Sales Tax	\$ -
Property Tax	\$ 901,908
MLV In-Lieu Property Tax	\$ 138,907
Utility User's Tax	\$ 30,967
<b>Total Annual Recurring Revenues</b>	<b>\$ 1,071,781</b>

<b>One-Time Tax Revenues</b>	
Construction Materials Sales Tax	\$ 887,063
<b>Total One-Time Revenues</b>	<b>\$ 887,063</b>

Source: HR&A Advisors, Inc.

**Recurring Annual Revenues  
to the County of Los Angeles  
from New Studio Office Facilities,  
Universal City Vision Plan**

Assumption Sources

<b>Annual Property Tax</b>				
Total Development Cost		415,000	NBC Universal	
Total Net Gross SF	\$	456	NBC Universal	
Cost per SF	\$	189,240,000	NBC Universal	
Subtotal	\$	75%	Prop. 13	
Hard Construction %	\$	141,930,000	LA County Assessor	
Hard Construction \$ = Assessed Value	\$	1,00%	LA County Assessor	
Prop. Tax Rate (General Levy)	\$	1,419,300	LA County Assessor	
General Levy Property Tax	\$	0.63414720%	LA County Assessor	
County of LA Share (TRA 00013)	\$	900,045		
County of LA Share \$	\$	0.00084400%		
Voter-approved indebtedness to LA (share)	\$	1,198		
Voter-approved indebtedness to LA \$	\$	0.00046835%		
Special Assessments to LA (share)	\$	665		
Special Assessments to LA \$	\$	<u>901,908</u>		
<b>Annual Revenue to County of LA (2008 \$)</b>	\$			
<b>Motor Vehicle In-Lieu Property Tax</b>				
Total Assessed Value	\$	141,930,000	County Budget	
County MVLF in Lieu of Property Tax (2007-08)	\$	1,052,847,259	LA County Assessor Annual Report	
Unincorporated Assessed Value (2008)	\$	1,075,763,158,830		
MVLF in Lieu Share of Assessed Valuation	\$	0.0979%		
<b>Motor Vehicle License Fee In Lieu Revenue (2008 \$)</b>	\$	<u>138,907</u>		
<b>Annual Utility Users' Tax Revenue</b>				
Electricity	\$	1.75	HR&A	
Annual Electricity Cost/GLA SF	\$	334,774	NBC Universal	
Net New GLA SF	\$	585,855	County of LA	
Annual Electricity Cost	\$	5.00%		
Tax Rate	\$	29,293		
Subtotal Tax Revenue	\$	0.10	HR&A	
Natural Gas	\$	334,774	NBC Universal	
Annual Electricity Cost/GLA SF	\$	33,477	County of LA	
Net New GLA SF	\$	5.0%		
Annual Electricity Cost	\$	1,674		
Tax Rate	\$	<u>30,967</u>		
Subtotal Tax Revenue	\$			
<b>Annual Revenue to County of LA</b>	\$			
<b>Sales Tax</b>				
Retail GLA SF	\$	-	<b>INCLUDED WITH STUDIO FACILITIES</b>	
Taxable Sales/GLA SF	\$	-		
Annual Taxable Sales	\$	-		
Tax Rate	\$	2.50%	Includes 0.25% remitted as property tax per "triple flip" + Props A & C & Measure R	
<b>Annual Revenue to County of LA</b>	\$	-		

**One-Time Revenues  
to the County of Los Angeles  
from Development of New Studio Office Facilities,  
Alternative 10**

		<u>Assumption Sources</u>
<b>Construction Materials Sales Tax</b>		
Total Development Cost	\$ 189,240,000	NBC Universal (see Property Tax analysis)
Construction Cost Share	75.0%	NBC Universal
Hard Construction Cost	\$ 141,930,000	
Materials Share	50.00%	HR&A
Materials Share Subject to Tax	50.00%	HR&A
Tax Rate	2.50%	Includes 0.75% and 0.25% remitted as property tax; Props A & C & Measure R
<b>Tax Revenue to LA County</b>	<b>\$ 887,063</b>	Assumes contractor takes out sub-permit designating site as point of sale



**Estimate of Recurring and One-Time Tax Revenues  
to the County of Los Angeles from Development  
and Operation of New Office Facilities,**

**Alternative 10**

(all dollar values in 2008 \$)

<b>Annual Recurring Revenues</b>	
Sales Tax	\$ -
Property Tax	\$ 1,195,299
MLV In-Lieu Property Tax	\$ 184,093
Utility User's Tax	\$ 45,825
<b>Total Annual Recurring Revenues</b>	<b>\$ 1,425,218</b>

<b>One-Time Tax Revenues</b>	
Construction Materials Sales Tax	\$ 1,175,625
<b>Total One-Time Revenues</b>	<b>\$ 1,175,625</b>

Source: HR&A Advisors, Inc.

**Recurring Annual Revenues  
to the County of Los Angeles  
from New Office Facilities,  
Alternative 10**

		<u>Assumption Sources</u>
<b>Annual Property Tax</b>		
Total Development Cost	550,000	NBC Universal
Cost per SF	456	HR&A
Subtotal	250,800,000	
Hard Construction Cost %	75%	
Hard Construction Cost \$ = Assessed Value	188,100,000	Prop. 13
Prop. Tax Rate (General Levy)	1.00%	
General Levy Property Tax	1,881,000	LA County Assessor
County of LA Share (TRA 00013)	0.63414720%	LA County Assessor
County of LA Share \$	1,192,831	LA County Assessor
Voter-approved indebtedness to LA (share)	0.00084400%	LA County Assessor
Voter-approved indebtedness to LA \$	1,588	
Special Assessments to LA (share)	0.00046835%	
Special Assessments to LA \$	881	
<b>Annual Revenue to County of LA (2008 \$)</b>	<u>1,195,299</u>	
<b>Motor Vehicle In-Lieu Property Tax</b>		
Total Assessed Value	188,100,000	County Budget
County MV/LF in Lieu of Property Tax (2007-08)	1,052,847,259	LA County Assessor Annual Report
Unincorporated Assessed Value (2008)	1,075,763,158.830	
MV/LF in Lieu Share of Assessed Valuation	0.0979%	
<b>Motor Vehicle License Fee In Lieu Revenue (2 \$)</b>	<u>184,093</u>	
<b>Annual Utility Users' Tax Revenue</b>		
Electricity		
Annual Electricity Cost/GLA SF	1.75	HR&A
Net New GLA SF	495,406	NBC Universal
Annual Electricity Cost	866,961	County of LA
Tax Rate	5.00%	
Subtotal Tax Revenue	43,348	
Natural Gas		
Annual Electricity Cost/GLA SF	0.10	HR&A
Net New GLA SF	495,406	NBC Universal
Annual Electricity Cost	49,541	County of LA
Tax Rate	5.0%	
Subtotal Tax Revenue	2,477	
<b>Annual Revenue to County of LA (2008 \$)</b>	<u>45,825</u>	
<b>Sales Tax</b>		
Retail GLA SF	-	N/A
Taxable Sales/GLA SF	-	
Annual Taxable Sales	-	
Tax Rate	2.50%	Includes 0.25% remitted as property tax per "triple flip" + Props. A & C & Measure R
<b>Annual Revenue to County of LA</b>	<u>\$ -</u>	

**One-Time Revenues  
to the County of Los Angeles  
from Development of New Office Facilities,  
Alternative 10**

Assumption Sources

<b>Construction Materials Sales Tax</b>				
Total Development Cost	\$	250,800,000	NBC Universal (see Property Tax analysis)	
Construction Cost Share		75.0%	NBC Universal	
Hard Construction Cost	\$	188,100,000	HR&A	
Materials Share		50.00%	HR&A	
Materials Share Subject to Tax		50.00%	Includes 0.75% and 0.25% remitted as property tax; Props A & C & Measure R	
Tax Rate		<u>2.50%</u>	Assumes contractor takes out sub-permit designating site as point of sale	
<b>Tax Revenue to LA County</b>	<b>\$</b>	<b>1,175,625</b>		

**Estimate of Recurring and One-Time Tax Revenues  
to the County of Los Angeles from Development  
and Occupancy of 500 Room First-Class Hotel,**

**Alternative 10**

(all dollar values in 2008 \$)

<b>Annual Recurring Revenues</b>	
Transient Occupancy Tax	\$ 5,812,625
Sales Tax	\$ 539,743
Property Tax	\$ 847,576
MLV In-Lieu Property Tax	\$ 130,539
Utility User's Tax	\$ 150,673
<b>Total Annual Recurring Revenues</b>	<b>\$ 7,481,156</b>
<b>One-Time Tax Revenues</b>	
Construction Materials Sales Tax	\$ 833,625
<b>Total One-Time Revenues</b>	<b>\$ 833,625</b>

Source: HR&A Advisors, Inc.

Recurring Annual Revenues  
to the County of Los Angeles  
from a New 600-Room First Class Hotel,  
Alternative 10

	Assumption Sources		Assumption Sources
<b>Transient Occupancy Tax</b>			
# Rooms	500	Sales Tax	
Rate/Room/Night	325	Retail GLA SF	5,000
Room Nights/Year	365	Taxable Sales/GLA SF	300
Occupancy Rate	70.0%	Annual Taxable Sales	\$ 1,600,000
Annual Rooms Revenue	\$ 41,518,750	Food & Beverage	\$ 20,089,718
Tax Rate	14.00%	Subtotal Taxable Sales	\$ 21,589,718
Annual Revenue to County of LA	\$ 5,812,825	Tax Rate	2.50%
		Annual Revenue to County of LA (2008 \$)	\$ 538,743
<b>Annual Property Tax</b>			
Total Development Cost		Gross Receipts Tax	
Total SF	450,000	Annual Rooms Revenue	\$ 41,518,750
Total Development Cost per SF	\$ 458	Rooms Revenue % x Total	82.0%
Subtotal	\$ 205,200,000	Implied Total Revenue	\$ 68,985,728
Hard Construction %	65%	Food & Beverage %	30.0%
Hard Construction \$ - Assessed Value	\$ 133,380,000	Food & Beverage Revenue	\$ 20,089,718
Prop. Tax Rate (General Levy)	1.00%	Telecommunications %	3.0%
General Levy Property Tax	\$ 1,333,800	Telecommunications Revenue	\$ 2,008,972
City of LA Share (TRA 00013)	\$ 694,147,200	Other Departments %	2.5%
City of LA Share \$	\$ 845,828	Other Departments Revenue	\$ 1,674,143
Voter-approved Indebtedness to LA (share)	\$ 0.00984400%	Rentals & Other Income %	2.5%
Voter-approved Indebtedness to LA \$	\$ 1,128	Rentals & Other Income Revenue	\$ 1,674,143
Special Assessments to LA (share)	\$ 0.0048835%	Total Revenue	\$ 68,985,728
Special Assessments to LA \$	\$ 825	Tax Rates	
Annual Revenue to County of LA (2008 \$)	\$ 847,576	Per \$1,000 >\$100,000	-
		Taxes Revenue	-
<b>Motor Vehicle In-Lieu Property Tax</b>			
Total Assessed Value	\$ 133,380,000	Parking Tax	
County MVLIF in Lieu of Property Tax (2007-08)	\$ 1,052,847,258	# Room Nights per Year	182,500
Countywide Assessed Value (2008)	\$ 1,075,783,158,830	Occupancy Rate	70.0%
MVLIF in Lieu Share of Assessed Valuation	0.0979%	Occupied Rooms per Year	127,750
Motor Vehicle License Fee in Lieu Revenue (2008 \$)	\$ 130,339	% Rooms with Parking	67.0%
		# Rooms with Parking	85,593
<b>Annual Utility Users' Tax Revenue</b>		Parking Charge per Day	\$ 25.00
Total Revenue	\$ 86,985,728	Annual Parking Charges	\$ 2,139,813
Electricity % x Total Revenue	2.0%	Tax Rate	0.0%
Electricity %	\$ 1,339,315	Taxes Revenue	-
Electricity Cost	\$ 5,00%		
Tax Rate	\$ 68,986		
Subtotal Tax Revenue	\$ 86,985,728		
Natural Gas	\$ 1,00%		
Natural Gas % x Total Revenue	\$ 689,657		
Natural Gas Cost	\$ 5,00%		
Natural Gas Tax	\$ 33,483		
Subtotal Tax Revenue	\$ 86,985,728		
Telephone (landline, wireless, fax, modem)	\$ 1,50%		
Telephone % x Total Revenue	\$ 1,004,486		
Telephone Gas Cost	\$ 5,00%		
Telephone Tax Revenue	\$ 50,224		
Subtotal Tax Revenue	\$ 150,875		
Annual Revenue to County of LA (2008 \$)			

**One-Time Revenues  
to the County of Los Angeles  
from Development of a 500-Room First Class Hotel,  
Alternative 10**

Assumption Sources

<b>Construction Materials Sales Tax</b>				
Total Development Cost	\$	205,200,000	NBC Universal (see Property Tax analysis)	
Hard Construction Cost Share		65.0%	NBC Universal	
Hard Construction Cost	\$	133,380,000	HR&A	
Materials Share		50.00%	HR&A	
Materials Share Subject to Tax		50.00%	Includes 0.75% and 0.25% remitted as property tax; Props A & C & Measure R	
Tax Rate		<u>2.50%</u>	Assumes contractor takes out sub-permit designating site as point of sale	
<b>Taxes Revenue to County of LA</b>	<b>\$</b>	<b>833,625</b>		