Economic and Fiscal Impact Evaluation

Union Place Planned Unit Development
200 K Street NE
Washington, DC

Prepared for

Ronald J. Cohen
The Cohen Companies
2701 Tower Oaks Boulevard
Rockville, Maryland 20852

Prepared by

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October 1, 2005

ZONING COMMISSION
CASE No. 01-28
EXHIBIT No. 78

ZONING COMMISSION
District of Columbia
CASE NO.01-28
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October 1, 2005

Ronald J. Cohen
The Cohen Companies
2701 Tower Oaks Boulevard
Rockville, MD 20852

Re: Economic and Fiscal Impact Evaluation – Union Place PUD, 200 K Street NE, Washington, DC

Dear Mr. Cohen:

Pursuant to your request, we hereby submit this report (with supporting documentation) of an Economic and Fiscal Impact Study for the *Union Place Planned Unit Development* (PUD), a proposed mixed use development located at 200 K Street, NE in Washington, DC.

The subject site is a proposed mixed-use development located in SE Washington, DC to be developed in two phases. Phase I of the project will include 202 residential units with ground floor retail space. Phase II of the project will comprise an additional 500 residential units with ground floor retail space and a daycare center for a total of 702 residential units. The project will also include approximately 705 underground parking spaces.

Based on the available data, our analysis and experience with conducting economic and fiscal impact analyses in the District of Columbia, Phase I of the Union Place project, upon project build-out, will provide 202 new residential units and create 22 new jobs on-site that will generate more than $4.1 million (current 2005 dollars) in annual tax revenue to the District of Columbia. Phase II of the project, upon build-out, will provide an additional 500 new residential units and create 49 additional new jobs on-site that will generate more than $12.5 million (current 2005 dollars) in annual tax revenue to the District of Columbia. The combined Phase I and Phase II will provide $16.6 million in annual tax revenue to the District.

We hereby disclose that we have no undisclosed interest in the site, and our employment and compensation are not contingent upon our findings and conclusions. The study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Respectfully submitted,

James L. Prost, AICP
Principal

David Starnes, AICP
Senior Associate

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Section 1 Introduction

1.1 Study Purpose

It is our understanding that The Cohen Companies seeks an *Economic and Fiscal Impact Evaluation* for the Union Place Planned Unit Development project as part of the District of Columbia's Zoning Commission Case No. 01-28TE Time Extension for, and Major Modification to, an Approved Consolidated PUD and Map Amendment – 200 K Street, N.E. It is our understanding that the Union Place project will be developed in two phases. Phase I will comprise 202 residential units and ground floor retail space and Phase II will comprise 500 residential units with ground floor retail space and a daycare center.

1.2 Work Completed

To address the purpose of this study, BBP Associates conducted an *Economic and Fiscal Impact Evaluation* of this proposed development. As part of this study, BBP Associates completed the following:

- *Economic and Fiscal Impact Analysis* – Using its in-house economic and fiscal impact model, quantified the economic benefits (number of residents, number of jobs, payroll, consumer expenditures) and related fiscal benefits (income tax of residents and employees living within the District, real property tax, personal property tax, retail sales tax, permit fees) to the District of Columbia for the project during the construction period and during annual operations at full build out for Phase I and Phase II of the development. Utilized the Bureau of Economic Analysis' RIMS II model to estimate indirect, or induced, impacts (e.g. income and sales tax benefits) to the District as a result of the new investment in the area.

- *Qualitative Commentary* – Provided commentary and quantitative evaluation of other economic benefits to the District including public benefits, as well as, financial benefits. This included but was not necessarily limited to: community revitalization and neighborhood enhancement, District housing goals, multiplier and economic impact to District from additional jobs and residents, attraction of new residents to the District, spin-off retail sales; and the perceived economic, market, and development impacts.

- *Draft and Final Report* – Prepared a Draft and Final Report summarizing our findings and conclusions and included all relevant impact tables.

1.3 Report Organization

This report is organized into three sections plus an appendix. The first section is the Introduction and outlines the study purpose and work completed for this evaluation. Section 2 provides a summary of the economic and fiscal impact of the proposed Union Place project. The third section provides a qualitative summary of the other public and economic benefits of the mixed-use development to the District. The appendix includes a summary of the methodology used to complete the economic and fiscal impact evaluation, a detailed evaluation of the tables used to determine the economic and fiscal impacts and detailed tables calculating the economic and fiscal impact of the proposed development.

Section 2 Economic and Fiscal Impact Evaluation

2.1 Development Program

The planned Union Place Planned Unit Development project is at 200 K Street in Northeast Washington, DC adjacent to Union Station. Phase I is a proposed 10-story building on 3rd Street side of the property between K and L Streets, NE and will include 177 residential units and approximately 3,200 square feet of ground floor retail space. Phase II proposes the development of two 15-story buildings on the 2nd Street side, between K and L Streets, NE. Phase II proposed approximately 500 residential units, 9,000 square feet of ground floor retail space and a 3,000 square foot daycare center. At least 90 percent of these residential units are planned to be developed market rate with the remaining units designated as affordable units to households making no more than 80 percent of the Area Median Income (AMI). A total of 705 underground parking spaces are also planned.

The following table summarizes the development assumptions for the Union Place PUD project used in this evaluation.

Union Place Site Assumptions					
	GSF	NSF (Saleable)	Average Unit Size	No. of Units	No. of Parking Spaces
PHASE I					
Residential – Market	166,552	153,221	881	174	
Residential – Affordable	26,664	24,532	876	28	
Subtotal	193,216	177,753		202	
Retail	3,217				
Parking	54,870				177
Subtotal	**251,303**	**177,753**		**202**	**177**
PHASE II					
Residential – Market	544,118	500,617	1,112	450	
Residential – Affordable	54,472	50,068	1,001	50	
Subtotal	598,590	550,685		500	
Retail	9,000				
Daycare Center	3,000				
Parking	163,680				528
Subtotal	**774,270**	**550,685**		**500**	**528**
TOTAL	**1,025,573**			**702**	**705**

2.2 Construction Period Economic and Fiscal Impacts (Constant 2005 Dollars)

During the construction period of the proposed Union Place PUD project, a variety of new opportunities will be created. The construction of Phase I of the development will create 190 direct on-site person years of employment which will have an aggregate payroll of approximately $8.3 million. Furthermore, these direct jobs will create 161 additional indirect, or spin-off, jobs off-site. These indirect jobs will have an aggregate payroll of approximately $6.2 million. Direct consumer expenditures will total approximately $7.1 million and an estimated $14.3 million in material purchases will be made in the metropolitan area.

The construction of Phase II of the development will create 463 direct on-site person years of employment which will have an aggregate payroll of approximately $20.3 million. Furthermore, these direct jobs will create 391 additional indirect, or spin-off, jobs off-site. These indirect jobs will have an aggregate payroll of approximately $15 million. Direct consumer expenditures will total approximately $17.4 million and an estimated $34.8 million in material purchases will be made in the metropolitan area.

The related fiscal impact of construction of Phase I will be approximately $671,000 in tax revenue to the District of Columbia. In all, the District of Columbia will receive about $382,000 in income tax (from construction workers living in the District), $83,000 in building permits, and $205,000 in sales tax (from materials purchases and purchases by construction workers made in the District).

The related fiscal impact of construction of Phase II will be approximately $2.5 million in tax revenue to the District of Columbia. In all, the District of Columbia will receive about $1.6 million in income tax (from construction workers living in the District), $255,000 in building permits, and $648,000 in sales tax (from materials purchases and purchases by construction workers made in the District).

The following table summarizes the economic and fiscal benefits of the Union Place PUD project during the construction period for Phase I and Phase II.

Summary of Estimated Economic and Fiscal Impacts
Union Place PUD - 200 K Street, NE
Construction Period (2005 Dollars)

Economic Impact (1/)	Phase I	Phase II	Total
DIRECT			
Jobs (FTE)	190	463	**653**
Payroll	$8.3 million	$20.3 million	**$28.6 million**
Material Purchases (regional)	$14.3 million	$34.8 million	**$49.1 million**
Consumer Expenditures	$7.1 million	$17.4 million	**$24.5 million**
INDIRECT			
Jobs (FTE)	161	391	**552**
Payroll	$6.2 million	$15 million	**$21.2 million**

Fiscal Impact to District	Phase I	Phase II	Total
Income Tax	$382,000	$1.6 million	**$2 million**
Direct Sales Tax	$82,000	$348,000	**$430,000**
Indirect Sales Tax	$123,000	$300,000	**$423,000**
Building Permit Fees	$83,000	$255,000	**$338,000**
TOTAL	**$671,000**	**$2.5 million**	**$3.1 million**

Source Notes:
1/ Total estimated jobs and payroll do not differentiate as to where employees live or as to where employees make consumer expenditures

2.2 Operating Period Economic and Fiscal Impacts (Constant 2005 Dollars)

Once construction of Phase I and Phase II are complete and market absorbed, impacts related to the Union Place PUD project operations will continue on a sustained annual basis.

Phase I of the Union Place PUD project, with an assumed market value of $96 million, will create 202 households that will have a total household income of more than $29.4 million. The development will also create 22 on-site jobs which will have an aggregate annual payroll of $574,000. Furthermore, the Union Place PUD project will create an additional 319 indirect, or spin-off, jobs off-site as a result of expenditures made by the new residents and the project's employees. These indirect jobs will have an aggregate annual payroll of $7.7 million. The wages and salaries of additional residents and project employees will annually generate $25.4 million in consumer expenditures. Phase I of the Union Place PUD project will create a total of about $2.1 million in on-site annual retail sales (from the retail and restaurant components) and an additional annual $12.7 million in other direct retail sales off-site in other District locations (made by project households and employees).

Phase II of the Union Place PUD project, with an assumed market value of $305 million, will create 500 households that will have a total household income of more than $91.8 million. The development will also create 49 on-site jobs which will have an aggregate annual payroll of $1.1 million. Furthermore, the Union Place PUD project will create an additional 1,200 indirect, or spin-off, jobs off-site as a result of expenditures made by the new residents and the project's employees. These indirect jobs will have an aggregate annual payroll of $23.7 million. The wages and salaries of additional residents and project employees will annually generate $79.4 million in consumer expenditures. Phase II of the Union Place PUD project will create a total of about $6 million in on-site annual retail sales (from the retail and restaurant components) and an additional annual $39.8 million in other direct retail sales off-site in other District locations (made by project households and employees).

The following table summarizes the sustainable annual economic benefits of the Union Place PUD project at build-out.

Summary of Estimated Economic Impacts
Union Place PUD - 200 K Street, NE
Annual Operations at Build-Out (2005 Dollars)

Economic Impact (2/)	Phase I	Phase II	Total
DIRECT			
Jobs (FTE)	22	49	**71**
Households	202	500	**702**
Payroll	$574,000	$1.1 million	**$1.7 million**
Household Earnings	$29.4 million	$91.8 million	**$121.2 million**
Consumer Expenditures	$25.4 million	$79.4 million	**$104.8 million**
Retail Sales (on-site)	$2.1 million	$6 million	**$8.1 million**
INDIRECT			
Jobs (FTE)	319	1,255	**1,574**
Payroll	$7.7 million	$23.7 million	**$31.4 million**
Retail Sales (off-site in District locations)	$12.7 million	$39.8 million	**$52.5 million**

Source Notes:
1/ Total estimated jobs and payroll do not differentiate as to where employees live or as to where employees make consumer expenditures
2/ Indirect jobs impact includes spin-off jobs created as a result of new households in District, office, retail and parking spin off jobs; Does not specify location of these jobs

The related fiscal impact of Phase I of the project will total approximately $4.1 million in sustainable direct annual tax revenue to the District of Columbia. This includes estimated $2 million in annual income tax, $1 million in annual real property tax, $168,000 in on-site retail sales tax each year, $842,000 million in indirect retail sales tax annually, $3,000 in annual personal property tax and $2,000 in annual corporate franchise tax.

The related fiscal impact of Phase II of the project will total approximately $12.6 million in sustainable direct annual tax revenue to the District of Columbia. This includes estimated $6.4 million in annual income tax, $3 million in annual real property tax, $471,000 in on-site retail sales tax each year, $2.6 million in indirect retail sales tax annually, $9,000 in annual personal property tax and $6,000 in annual corporate franchise tax.

The following table summarizes the sustainable annual fiscal benefits of the Union Place PUD project at build-out.

Summary of Estimated Fiscal Impact
Union Place PUD - 200 K Street, NE
Annual Operations at Build-Out (2005 Dollars)

Annual Fiscal Impact to District	Phase I	Phase II	Total
Income Tax	$2 million	$6.4 million	**$8.4 million**
Real Property Tax	$1 million	$3 million	**$4 million**
Direct Sales Tax (on-site)	$168,000	$471,000	**$640,000**
Indirect Sales Tax (off-site in District)	$842,000	$2.6 million	**$3.5 million**
Corporate Franchise Tax	$2,000	$6,000	**$8,000**
Personal Property Tax	$3,000	$9,000	**$12,000**
Total	**$4.1 million**	**$12.5 million**	**$16.6 million**

Source Notes:
1/ Total estimated jobs and payroll do not differentiate as to where employees live or as to where employees make consumer expenditures
2/ Indirect jobs impact includes spin-off jobs created as a result of new households in District, office, retail and parking spin off jobs; Does not specify location of these jobs

Section 4 Other Benefits

The Union Place PUD project will provide significant benefits to the District of Columbia including enhanced quality of life and economic opportunities beyond those quantified in the previous section. The investment will further reinforce and strengthen the Ward 6 Northeast neighborhood making it a better place to work, visit and live, by introducing new quality housing opportunities and supporting retail uses to the area and catalyzing redevelopment and promotion of housing stock in the NoMa, Near Northeast and H Street Corridor neighborhoods of Ward 6.

The Union Place PUD project directly addresses the District's Comprehensive Plan goals for the Ward 6 by expanding Ward 6 housing supply and home-ownership opportunities, preventing encroachment of industrial uses in a residential neighborhood, injecting private investment in Ward 6 housing production, and creating a walkable, transit-accessible mixed use development. The project provides more than 700 residential housing units to be developed in two phases. The Union Place project also sets aside at least 11 percent of the residential units affordable to households earning no more than 80 percent of the Area Median Income (AMI) as established by the DC Department of Housing and Community Development. This is well within the range the Office of Planning as recognized as appropriate.

The project will contribute toward the achievement of the stated goals of the District of Columbia Mayor's Office to expand housing in the District by providing a variety of quality housing opportunities in an area where there is a limited quality residential development. U.S. Census data shows that nearly two-thirds of the 1,100 housing units located in Census Tract 85, which includes the Union Place PUD site, are more than 60 years old and that no new residential housing units have been built within the census tract since 1998.

This project will be located proximite to public transit and nearby new large office complexes under construction (e.g. Station Place, Bureau of Alcohol, Tobacco and Firearms headquarters) that will bring into the neighborhood several thousand new workers, many of whom may be in the market for nearby housing.

The project will also provide needed retail amenities to serve the existing and future residents and businesses in the neighborhood in an area with limited retail. The major investment will create new housing opportunities and ancillary retail with significant economic spin off benefits to all residents of the District and beyond. In addition, the project will provide a daycare center (could accommodate 75-80 children) in an area that has substantial need for daycare facilities. According to the Office of Early Childhood Development of the DC Department of Human Services, there was nearly 900 children on waiting lists for the 3,175 slots available in licensed child care facilities in Ward 6.

The Union Place PUD project will improve the attractiveness of an area where industrial uses might otherwise occur. The project includes a streetscape beautification design and the development of a pocket park type of central plaza available to the community that will enhance the appeal of the area, particularly on the 2nd Street side bordered by the railroad tracks.

The development of high-quality residential and retail uses will help serve as a precedent in the area which can contribute significantly to the economic well-being of the District of Columbia, the quality of life of District of Columbia residents and employees, and the enhancement of the urban fabric. Furthermore, the attraction of new residents and retail opportunities will generate significant sales and tax benefits for support of District of Columbia retail activities. New taxes and economic activity will enable the District and all of its residents to enjoy the benefits created by this project.

Appendix

A-1 Methodology

The economic and fiscal impact analyses utilized a readily accepted methodology and procedure. The methodology is identical to that which BBP Associates utilized in prior economic and fiscal impact evaluations which the firm has conducted for public (D.C. Office of Planning, D.C. Chief Financial Officer, WMATA, Montgomery County, MD, Maryland State Stadium Authority, etc) and private clients.

The following "bullet points" present key elements of our methodology for developing job, payroll, expenditure and tax revenue estimates for the economic and fiscal impact analyses.

- We utilized information provided to us by The Cohen Companies for each of the project's uses during Phase I and Phase II, including residential, retail, and parking. This includes a preliminary land use, development program and preliminary budget estimates that summarized the amount, type and cost of each of the project' s components.

- Specific sources and assumptions are detailed in the attached appendix tables.

- Employment estimates (by use) provided by The Cohen Companies and were made by applying industry standards to the baseline information where applicable.

- Employee totals and wages per job classification for each use were based on industry standards and comparable projects in the area. FTE indicates "full-time equivalent", working 2,080 hours annually.

- Residential – market and affordable prices sales provided by The Cohen Companies.

- In calculating expenditure impacts, disposable personal income[1] was 89.2 percent of personal income[2] as of August 2004 for US (revised) and personal consumption expenditures[3] was 95.8 percent of disposable income as of August 2004 for U.S. (revised) (Source: Bureau of Economic Analysis).

- The Bureau of Economic Analysis' RIMS II model was the source for the final demand output and income multipliers by industry sector for the Capitol Metro area and were utilized to estimate indirect employment and income effects. The multipliers are based on the 1992 benchmark input-output accounts for the U.S. economy and 1997 regional data. RIMS II multipliers enable effective planning for public and private sector projects and programs at state and local levels.

[1] Disposable personal income is personal income less personal tax and nontax payments. It is the income available to persons for spending or savings. Personal taxes include income, estate and gift and personal property taxes and motor vehicle licenses. Nontax payments include passport fees, fine and forfeitures, and donations.

[2] Personal income is the current income of residents from all sources earnings--wages, interest and dividends, proprietor's income, and other miscellaneous labor income. It is measured after deductions of personal contributions to Social Security, but before personal tax deductions have been made.

[3] Personal consumption expenditures are personal expenditures (outlays) for durable goods, non-durable goods and services.

These regional input-output multipliers, which account for inter-industry relationships within regions, are useful tools for conducting regional economic impact analysis.

- Current personal property, sales, income, corporate franchise, and real property tax rates were obtained from the District's Office of Tax and Revenue website, the Washington DC Marketing Center website, and the Washington, DC Chamber of Commerce website.

- Based on the average of existing jobs and newly created jobs, we assumed that 35 percent of construction workers resided in the District; and 60 percent of retail employees and 100 percent of residents were District residents. This is based on 2000 "Journey to Work" commuting patterns for District workers by the US Census and the US Department of Transportation.

- Average household incomes for residential – market units estimated based on an average sales price for each unit, unit fee and anticipated real property taxes. Assumes a monthly mortgage payment based on 7 percent interest rate, 20 percent down payment and 30-year fixed term. Assumes monthly household payment (e.g. mortgage, property taxes) is 28 percent of gross household income. Estimated sales per square foot for market rate units provided by The Cohen Companies.

- Average household income for affordable housing component based on annual housing expenditure of 28 percent of gross average household income of $57,152 which represents 80% of AMI for household of 2 established by HUD in the District of Columbia.

- On-site retail sales per square foot provided by The Cohen Companies.

- Spin off sales taxes estimates for work related impacts during construction period estimated at $500 annually per employee times the sales tax rate at 5.75 percent. Spin off sales tax impacts for construction workers residing in District calculated by assuming 35 percent of all workers reside in District and that 50 percent of their retail expenditures are in District.

- Spin off sales estimates during operation for residents calculated by assuming 50 percent of their retail expenditures made in the District. Spin off sales tax impacts for employees working in project estimated at $500 per employee annually. Spin off for employees who reside in the District estimated by determining the proportion of existing jobs and newly created jobs to ascertain the proportion of employees who reside in the District (60 percent of retail employees, 100 percent of residents) and assuming 45 percent of their retail expenditures are in the District (adjusted for work related expenditures made by project employees).

- Personal property values for retail component estimated by BBP Associates. Estimated 75 percent of these values provided would be assessable. This adjusted value was then taxed at the City's rate of $3.40 per $100 of assessed value.

A-2 Detailed Analysis

The following tables contain the detailed evaluation of the economic and fiscal impact of the Union Place PUD. The tables detail the methodology and key assumptions of the analysis. The following paragraphs briefly summarize and highlight the information contained in the attached tables.

Table 1 contains the key site assumptions included for the Union Place PUD. Information is provided on a gross and net saleable square foot basis in order to ascertain the likely total construction cost including both hard and soft costs. These are based upon current prevailing costs in constant $2005.

Table 2 contains a summary of the analysis displaying the economic and fiscal impact of the construction of the Union Place PUD. These represent a onetime impact that occurs from the development and construction of the project. Information is presented in constant dollars for calendar year 2005 ($2005) to represent the present day value of the economic impacts excluding any impact from future inflation. The economic impacts in terms of jobs, payrolls, material purchases and consumer expenditures include both direct and indirect (multiplier) impacts within the region. The fiscal impacts include the direct, onetime impact to the District as a result of construction of the project.

Table 3 of contains a summary of the annual economic and fiscal impacts which will take place when the entire project is build-out. These represent the sustained, annual, direct and indirect economic impacts from the normalized operation of the project. These figures are in constant $2005 to adjust for any future inflation. The fiscal impacts to the District are the annual, sustainable revenues the District would receive once the project was completed. These amounts are also in current dollars to avoid including any inflationary impacts.

Estimated on-site retail sales for each of the types of retail uses (e.g. specialty, restaurants) at build-out is presented in Table 4. The data is based upon the gross square footage with an applied vacancy rate. Sales factors per square foot estimated by The Cohen Companies.

Table 5 displays the construction period impacts for the project during Phase I and Phase II. Based upon the construction value total annual earnings per full-time equivalent job (FTE) is estimated. Both the direct and indirect economic impact of the construction is calculated and factors are provided on construction expenditures, direct and indirect employment and total earnings. Material purchases both inside and outside the region are calculated.

Tables 6 and 7 contain estimates of the on-site employment and wages that will be generated on an annual basis once the project was completed. All amounts are in constant $2005 to avoid including any impact as a result of inflation. Employment is derived from accepted factors in terms of residential on-site maintenance as a function of type of residential product type and retail and restaurant employment as a function of the sizing characteristics of the retail and restaurant facilities. Annual wages are based upon Bureau of Labor Statistics Occupational Wage Estimates (May 2004, inflated to 2005 dollars) for the District of Columbia.

Table 8 estimates the average total household income for the residential portion of the project. Based on an average sales price for each residential – market unit (provided by The Cohen Companies), residential fee and anticipated real property taxes, the average household income per unit is determined. BBP assumes a monthly mortgage payment based on 7 percent interest rate, 20 percent down payment and 30-year fixed term. Assumes monthly household payment (mortgage, residential unit fee, property taxes) is 28 percent of gross household income. Average household income for affordable housing component based on annual housing expenditure of 28 percent of gross average household income of 80% of AMI for household established by HUD in the District of Columbia.

Tables 9 and 10 display the employment expenditure impacts from the various project components at project build out for Phase I and Phase II. This includes a determination of the consumption expenditures of on-site employees, residents and the economic multiplier impacts of both direct and indirect employment both in terms of the number of employees and total earnings. These represent the annual, sustained economic, employment and payroll impacts in constant $2005 without including any increase as a result of inflation. The economic multipliers for both employment and earnings are based upon the RIMS II model of the Bureau of Economic Analysis.

Table 11 estimates the income tax receipts which will be received by the District as result of construction of the Union Place PUD. This includes an estimate of the number of full-time equivalent jobs, the annual wages, the proportion of workers who live and pay taxes in the District and the current District income tax rates. All figures are in constant $2005 to avoid any including impact as a result of inflation.

Table 12 contains estimates of the sustained annual income tax that will be realized to the District as a result of the construction and subsequent build-out of the Union Place PUD. These estimates take into consideration on-site employment and permanent on-site residents, the estimated average earnings either per full-time equivalent employee or per household, the estimated proportion of employees who are residents of the District and pay taxes to the District and the current District income tax rates. These include only direct income tax benefits and are in constant $2005 to exclude any inflationary impacts. These represent long-term, sustained, annual tax revenues which the District is likely to receive.

Direct annual real property taxes which will be received by the District at project build-out are presented in Table 13. This is based upon the estimated assessed value of the various components of the project and the current District tax rate. Market values per use provided by The Cohen Companies. These tax revenues represent sustained, annual real property tax revenues which the District will likely receive excluding any inflationary or real increase in assessed value over time.

Direct District sales taxes during both the construction period, as well as annual sales tax revenues from operations at build-out are presented in Table 14. All figures are in constant $2005 to exclude any inflationary or real dollar increase in on-site sales. Sales tax revenue are based upon the current District tax for rates for the respective goods or service (e.g. retail sales, restaurant sales). The construction period sales tax revenues are based upon material purchases made within the District. The sustained annual District sales tax are based upon on-site retail sales for retail and restaurant sales.

Indirect sales tax impacts during the construction time frame are presented in Table 15. This includes indirect sales tax revenues to the District as result of off-site the sales tax generated by purchases made by project occupants and employees in off-site but within the District locations. This includes retail expenditures made by the construction workers both in terms of the on-site work activity as well as retail expenditures of construction workers were also residents of the District and make a proportion of their retail expenditures within the District. Once again amounts are in constant $2005 to avoid any inflationary impacts and are based upon current District tax rates.

Tables 16 contains estimates of the indirect sales tax impacts annually generated from the sustained operation of the Union Place PUD overtime at build-out. These amounts are all in constant $2005 to exclude any inflationary or real impacts of increases in retail sales overtime. This includes direct and indirect retail sales made within the District by on-site households, work-related purchases made by persons working on-site, and the sales impacts of on-site employees who are also residents of the District and make a proportion of their retail expenditures within the District. All figures have been adjusted to avoid any double counting of individuals as both on-site employees and residents of the District.

Estimated corporate franchise tax amounts are presented in Table 17. Estimated taxable income of the District is estimated at 1 percent of estimated gross revenues of the retail component. The applicable corporate income tax rate within the District has been applied. These tax revenues are also sustained, annual revenues, generated at build-out, presented in constant $2005 to avoid any inflationary impacts.

Table 18 presents estimated personal property tax generated at build-out. These take into consideration the estimated ratio of personnel property tax assessments to real property tax assessments and assumes the current District tax rate for personal property. The sustained annual tax revenues are presented in constant $2005.

Table 1
Union Place PUD - 200 K Street, NE
Development Assumptions
2005 Dollars

Site Assumptions (1/)	GSF	NSF (Saleable)	Average Unit Size	No. of Units	No. of Parking Spaces
PHASE I					
Residential - Market	166,552	153,221	881	174	
Residential - Affordable	26,664	24,532	876	28	
Subtotal	193,216	177,753		202	
Retail	3,217				
Parking	54,870				177
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PHASE II					
Residential - Market	544,118	500,617	1,112	450	
Residential - Affordable	54,472	50,068	1,001	50	
Subtotal	598,590	550,685		500	
Retail	9,000				
Daycare Center	3,000				
Parking (5/)	163,680				528
Subtotal	**774,270**	**550,685**		**500**	**528**
TOTAL	**1,025,573**			**702**	**705**

Construction Period	Total Hard Cost (2/)	Total Soft Cost (3/)	Total Cost (4/)	Total Cost Per SF	Total Hard Cost Per SF	Total Soft Cost Per SF
Phase I	$46,958,750	$10,855,450	$57,814,200	$230	$187	$43
Phase II	$114,230,000	$28,423,320	$142,653,320	$184	$148	$37
TOTAL	**$161,188,750**	**$39,278,770**	**$200,467,520**			

Source Notes
1/ Site/development assumption figures provided by The Cohen Companies
2/ Hard (construction) costs provided by The Cohen Companies; includes cost of underground parking facility
3/ Soft costs provided by The Cohen Companies. Soft costs include A&E, leasing, contingency, finance, marketing, legal, insurance, taxes, etc. (excludes land acquisition)
4/ Retail construction costs does not include tenant improvement costs
5/ Average parking space estimated at 310 square feet includes access and common space

Sources: Basile Baumann Prost & Associates, The Cohen Companies

Table 2
Summary of Estimated Economic and Fiscal Impacts
Union Place PUD - 200 K Street, NE
Construction Period (2005 Dollars)

Economic Impact (1/)	Phase I	Phase II	Total
DIRECT			
Jobs (FTE)	190	463	**653**
Payroll	$8,345,435	$20,336,507	**$28,681,942**
Material Purchases (regional)	$14,322,419	$34,840,150	**$49,162,569**
Consumer Expenditures	$7,131,475	$17,378,278	**$24,509,752**
INDIRECT			
Jobs (FTE)	161	391	**552**
Payroll	$6,180,629	$15,061,217	**$21,241,846**

Fiscal Impact to District	Phase I	Phase II	Total
Income Tax	$382,526	$1,569,384	**$1,951,910**
Direct Sales Tax	$82,354	$348,402	**$430,755**
Indirect Sales Tax	$122,885	$299,452	**$422,337**
Building Permit Fees	$82,930	$255,509	**$338,439**
TOTAL	**$670,695**	**$2,472,746**	**$3,143,442**

1/ Total estimated jobs and payroll do not differentiate as to where employees live or as to where employees make consumer expenditures

2/ Building permit fees based on total square feet of development at $0.03 per cubic foot based on schedule of fees from District of Columbia government

Sources: Basile Baumann Prost & Associates, The Cohen Companies

Table 3
Summary of Estimated Economic and Fiscal Impacts
Union Place PUD - 200 K Street, NE
Annual Operations at Build-Out (2005 Dollars) (1/)

Economic Impact (2/)	Phase I	Phase II	Total
DIRECT			
Jobs (FTE)	22	49	**71**
Households	202	500	**702**
Payroll	$573,640	$1,099,290	**$1,672,930**
Household Earnings	$29,424,378	$91,776,227	**$121,200,605**
Consumer Expenditures	$25,353,995	$79,365,472	**$104,719,467**
Retail Sales (on-site)	$2,139,305	$5,985,000	**$8,124,305**
INDIRECT			
Jobs (FTE)	319	1,255	**$1,574**
Payroll	$7,689,065	$23,720,405	**$31,409,470**
Retail Sales (off-site in District Locations)	$12,706,245	$39,817,391	**$52,523,636**

Annual Fiscal Impact to District	Phase I	Phase II	Total
Income Tax	$2,048,174	$6,365,712	**$8,413,886**
Real Property Tax	$994,248	$3,084,069	**$4,078,318**
Direct Sales Tax (on-site)	$168,470	$471,319	**$639,789**
Indirect Sales Tax (off-site in District)	$842,033	$2,609,619	**$3,451,652**
Corporate Franchise Tax	$2,134	$5,970	**$8,104**
Personal Property Tax	$2,680	$8,568	**$11,248**
Total	**$4,057,740**	**$12,545,257**	**$16,602,997**

Source Notes
1/ Figures based on at build out and provided in current 2005 dollars
2/ Total estimated jobs and payroll do not differentiate as to where employees live or as to where employees make consumer expenditures
3/ Indirect jobs impact includes spin-off jobs created as a result of new households in District, office, condo staffing, retail and parking spin off jobs; Does not specify location of these jobs

Sources: Basile Baumann Prost & Associates, The Cohen Companies

Table 4
Union Place PUD - 200 K Street, NE
Estimated On-Site Retail Sales
2005 Dollars

	Specialty Retail	Restaurants	Total
PHASE I			
Gross Leasable Units (1/)	1,609	1,609	3,217
Less vacancy of 5%	1,528	1,528	3,056
Revenue Per Unit (Sales per SF) (2/)	$700	$700	$700
Gross Sales	**$1,069,653**	**$1,069,653**	**$2,139,305**
PHASE II			
Gross Leasable Units (1/)	4,500	4,500	9,000
Less vacancy of 5%	4,275	4,275	8,550
Revenue Per Unit (Sales per SF) (2/)	$700	$700	$700
Gross Sales	**$2,992,500**	**$2,992,500**	**$5,985,000**

Source Notes
1/ Assumes 50% specialty retail and 50% restaurants
2/ Retail sales per square foot provided by 200 K Street Limited Partnership

Sources: Basile Baumann Prost & Associates, The Cohen Companies

Table 5
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE

Economic, Employment and Expenditure Impacts: Construction Period
2005 Dollars

Project Cost (Construction) (1/) **$161,188,750**

1. Estimated Earnings Impacts

Type of Labor	Construction Value	Labor Hours per $1,000 (2/)	Total Hours	Total FTE Jobs	Average Earnings/Hr. (3/)	Total Annual Earnings:FTE Jobs
Phase I	$46,958,750	8.1	380,366	190	$21.12	$8,345,435
Phase II	$114,230,000	8.1	925,263	463	$21.12	$20,336,507
Total	$161,188,750		1,305,629	653		$28,681,942

2. Total Economic Impact

Type of Labor	Output ($)	Output Multiplier (4/)	Indirect and Induced Economic Impact	Total Economic Impact
Phase I	$46,958,750	1.6558	$30,795,548	$77,754,298
Phase II	$114,230,000	1.6558	$74,912,034	$189,142,034
Total	$161,188,750		$105,707,582	$266,896,332

3. Expenditure Impacts

Type of Labor	Total Earnings	Disposable Earnings (5/)	Consumption Expenditures (6/)
Phase I	$8,345,435	$7,444,128	$7,131,475
Phase II	$20,336,507	$18,140,165	$17,378,278
Total	$28,681,942	$25,584,293	$24,509,752

4. Total Construction Period Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (7/)	Indirect Employment Impact	Total Employment Impact (8/)
Phase I Construction Labor	190	1.8448	161	351
Phase II Construction Labor	463	1.8448	391	854
Total	653		552	1,205

5. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (9/)	Indirect Earnings Impact	Total Earnings Impact (10/)
Phase I Construction Labor	$8,345,435	1.7406	$6,180,629	$14,526,064
Phase II Construction Labor	$20,336,507	1.7406	$15,061,217	$35,397,725
Total	$28,681,942		$21,241,846	$49,923,789

6. Material Purchases

Type of Purchase	Per $1,000 Const. Cost	Total Expenditure	Phase I	Phase II
Regionally Purchased	$305	$49,162,569	$14,322,419	$34,840,150
Purchased Out of Region	$105	$16,924,819	$4,930,669	$11,994,150
Total Material Purchases		$66,087,388	$19,253,088	$46,834,300
Percentage Total Purchases		74%	74%	74%

Source Notes

1/ Values based on hard construction costs only. Excludes soft construction costs such as land value, A&E, contingency, financing, legal, insurance, taxes, etc.
2/ 1993 Ratios--Urban Land Institute
3/ May 2004 Bureau of Labor Statistics Occupational Wage Estimates for Construction Sector for District of Columbia; inflated 3 percent to 2005 dollars
4/ 1997 Capital Metro Output Multiplier for Construction Sector (new residential garden and high rise apartments), RIMS II Model, Bureau of Economic Analysis
5/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis
6/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis
7/ 1997 Capital Metro Employment Multiplier Estimates Per $1 Million Income for Construction Sector, RIMS II Model
8/ Direct, Indirect and Induced Employment
9/ 1997 Capital Metro Earnings Multiplier for Construction Sector, RIMS II Model
10/ Direct, Indirect, and Induced Earnings

Sources: Basile Baumann Prost & Associates, Bureau of Economic Analysis, Bureau of Labor Statistics, Urban Land Institute

Table 6
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE: Residential

Annual Employment Estimate Worksheet
2005 Dollars

Job Classification (1/)	No. of FTE (2/)	Average Annual Wage Per FTE (3/)	Est. Total Annual Wages
Grounds Maintenance	2	$28,665	$57,331
Parking/Security	4	$28,108	$112,433
Facility Maintenance & Repair	2	$37,878	$75,755
Total	**8**	**$30,690**	**$245,519**

Source Notes

1/ Estimated type and number of FTEs provided by The Cohen Companies
2/ FTE indicates "full-time equivalent", working 2,080 hours annually
3/ May 2004 Bureau of Labor Statistics Occupational Wage Estimates for District of Columbia; inflated 3% to 2005 dollars

Sources: Basile Baumann Prost & Associates, The Cohen Companies

Table 7
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE: Retail

Annual Employment Estimate Worksheet
2005 Dollars

Employees (FTE) (1/)	FTE per 1,000 SF	GSF	No. of Employees (2/)
PHASE I			
Specialty	2	1,609	3
Restaurant	7	1,609	11
TOTAL		**3,217**	**14**
PHASE II			
Specialty	2	4,500	9
Restaurant	7	4,500	32
Daycare Center		3,000	8
TOTAL		**9,000**	**49**

Job Classification (3/)	No. of FTE	Annual Hours	Total Hours	Average Hourly Wage	Average Annual Wage (4/)	Total Annual Wages
PHASE I						
Specialty	3	2,080	6,691	$12.99	$27,011	$86,896
Restaurant	11	2,080	23,420	$10.30	$21,424	$241,225
Subtotal	**14**		**30,111**			**$328,121**
Total Weighted Wage Average Per Hour						**$10.90**
PHASE II						
Specialty	9	2,080	18,720	$12.99	$27,011	$243,102
Restaurant	32	2,080	65,520	$10.30	$21,424	$674,861
Daycare Center	8	2,080	16,640	$9.02	$18,762	$150,093
Subtotal	**49**		**100,880**			**$1,068,056**
Total Weighted Wage Average Per Hour						**$10.59**

Source Notes
1/ FTE indicates "full-time equivalent", working 2,080 hours annually
2/ Employee staffing per square foot based on industry standards and comparable projects in area
3/ Specialty retail employee staffing estimated at 20% managers and 80% sales professionals
Restaurant employee staffing estimated at 40% waiters, 20% bussers, 5% managers, 5% chefs, 20% cooks & 10% hostesses
Based on industry standards and comparable projects in area
4/ May 2004 Bureau of Labor Statistics Occupational Wage Estimates for Washington, DC;
Wage estimates for General Retail Managers/Sales and Restaurant Managers/Staff; figures inflated 3% to 2005 dollars

Sources: Basile Baumann Prost & Associates, Bureau of Labor Statistics, The Cohen Companies

Table 8
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE

Residential Household Income Estimates
2005 Dollars

Type	Units/HH		Base Sale Price (1/)	Parking Cost Per Unit (2/)	Total Est. Sales Price
	PHASE I			PHASE II	
	Market	Affordable		Market	Affordable
No. of Units/HH	174	28		450	50
Base Sales Price (1/)	$484,319			$611,865	
Parking Sales Price per Unit (2/)	$25,000			$25,000	
Est. Total Sales Price	$509,319			$636,865	
Down Payment	$101,864			$127,373	
Mortgage Principal	$407,455			$509,492	
Monthly Mortgage (3/)	$3,104	$1,334		$3,882	$1,334
Annual Household Expenditure	$37,250	$16,003		$46,578	$16,003
Condominium Fee per month (4/)	$250			$250	
Est. Property Taxes (annual) (5/)	$4,525			$5,749	
Total Household Annual Expenditure	$44,774	$16,003		$55,327	$16,003
Est. Household Income (6/)	$159,909	$57,152		$197,597	$57,152
Total Household Income	**$27,824,122**	**$1,600,256**		**$88,918,627**	**$2,857,600**

Source Notes

1/ Sales price per unit estimated at $550 per square foot; figures provided by The Cohen Companies

2/ Parking cost per unit provided by The Cohen Companies

3/ Monthly mortgage payment estimated based upon a 7 percent interest rate, 20 percent down payment, 30 year term
Affordable expense based on 28% of gross average household income of $57,152 which represents 80% of AMI for household of 2 established by HUD

4/ Est. condominium fees provided by BBP Associates; fee for affordable units undetermined at this time

5/ Est. property taxes based on sales price per unit less homestead deduction ($38,000) x $0.96 / $100 value
Property taxes for affordable units undetermined at present time

6/ Assumes household payment (mortgage, condo fee, property taxes) are 28% of annual household income

Source: Basile Bauman Prost Associates, The Cohen Companies

Table 9
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE: Residential

Employment and Expenditure Impacts: Annual Operations (At Build-Out)
2005 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment/Households

Factor	Total Households (HH) / FTE	Average HH Income/Earnings (1/)	Total HH Income/Earnings
PHASE I			
Households - Market	174	$159,909	$27,824,122
Households - Affordable	28	$57,152	$1,600,256
On-Site Management	8	$30,690	$245,519
PHASE II			
Households - Market	450	$197,597	$88,918,627
Households - Affordable	50	$57,152	$2,857,600

2. Expenditure Impacts

Output Type	Total HH Income / Earnings	Disposable HH Income / Earnings (2/)	Consumption Expenditures (3/)
PHASE I			
Households - Market	$27,824,122	$24,819,117	$23,776,714
Households - Affordable	$1,600,256	$1,427,428	$1,367,476
On-Site Management	$245,519	$219,003	$209,805
PHASE II			
Households - Market	$88,918,627	$79,315,415	$75,984,168
Households - Affordable	$2,857,600	$2,548,979	$2,441,922

3. Total Employment/Household Impacts

Output Type	Total HH Income / Earnings	Total FTE Jobs/HH	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
PHASE I					
Households - Market	$27,824,122	174	10.6	295	295
Households - Affordable	$1,600,256	28	10.6	17	17
On-Site Management	$245,519	8	1.1868	1	9
PHASE II					
Households - Market	$88,918,627	450	10.6	943	943
Households - Affordable	$2,857,600	50	10.6	295	295

4. Total Earnings Impacts

Output Type	Total HH Income / Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
PHASE I				
Households - Market	$27,824,122	0.2517	$7,003,332	$7,003,332
Households - Affordable	$1,600,256	0.2517	$402,784	$402,784
On-Site Management	$245,519	1.3983	$97,790	$343,309
PHASE II				
Households - Market	$88,918,627	0.2517	$22,380,818	$22,380,818
Households - Affordable	$2,857,600	0.2517	$719,258	$719,258

Source Notes

1/ Weighted average for all employees and households
2/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis
3/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis
4/ 1997 Capital Metro Employment Multiplier Estimates Per $1 Million Income for Households and Services Sector, RIMS II Model
5/ Direct, Indirect and Induced Employment
6/ 1997 Capital Metro Earnings Multiplier for Households and Services Sector, RIMS II Model
7/ Direct, Indirect, and Induced Earnings

Sources: Basile Baumann Prost & Associates, Bureau of Economic Analysis, Bureau of Labor Statistics

Table 10
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE: Retail

Employment and Expenditure Impacts: Annual Operations (At Build-Out)
2005 Dollars

1. Estimated Annual Earnings Impacts - Permanent Employment

Factor	Total FTE	Average Earnings/Hr. (1/)	Total Annual Earnings
Phase I Retail	14	$10.90	$328,121
Phase II Retail	49	$10.90	$1,099,290

2. Expenditure Impacts

Output Type	Total Annual Earnings	Disposable Earnings (2/)	Consumption Expenditures (3/)
Phase I Retail	$328,121	$292,684	$280,391
Phase II Retail	$1,099,290	$980,566	$939,383

3. Total Employment Impacts

Output Type	Total FTE Jobs	Employment Multiplier (4/)	Indirect Employment Impact	Total Employment Impact (5/)
Phase I Retail	14	1.3676	5	20
Phase II Retail	49	1.3676	18	66

4. Total Earnings Impacts

Output Type	Total Annual Earnings	Earnings Multiplier (6/)	Indirect Earnings Impact	Total Earnings Impact (7/)
Phase I Retail	$328,121	1.5643	$185,159	$513,280
Phase II Retail	$1,099,290	1.5643	$620,329	$1,719,619

Source Notes

1/ Weighted average for all employees
2/ Disposable Income was 89.2% of Personal Income as of August 2004 (revised), Bureau of Economic Analysis
3/ Consumption Expenditures was 95.8% of Disposable Income as of August 2004 (revised), Bureau of Economic Analysis
4/ 1997 Capital Metro Employment Multiplier Estimates Per $1 Million Income for Services Sector, RIMS II Model
5/ Direct, Indirect and Induced Employment
6/ 1997 Capital Metro Earnings Multiplier for Retail Trade Sector, RIMS II Model
7/ Direct, Indirect, and Induced Earnings

Sources: Basile Baumann Prost & Associates, Bureau of Economic Analysis, Bureau of Labor Statistics

Table 11
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE

Income Tax Receipts - Construction Period
2005 Dollars

Period/Worker Category	BASELINE Estimated Number of FTE Jobs	Average Wage/Hour (1/)	Estimated Annual Wages Per FTE Job (2/)	Assumed Standard Deductions Per Filer (3/)	Estimated Individual Taxable Income (4/)	Estimated Total Taxable Income	Percent District Residents (5/)	BASELINE Realized Taxes DISTRICT (6/)
PHASE I								
Construction Workers - Project	190	$21.12	$43,923	$3,370	$40,553	$7,705,135	35%	$256,196
A&E, legal, marketing and promotion (7/)						$3,799,408	35%	$126,330
Subtotal	**190**					**11,504,542**		**$382,526**
PHASE II								
Construction Workers - Project	463	$21.12	$43,923	$3,370	$40,553	$18,776,197	35%	$624,309
A&E, legal, marketing and promotion (7/)						$28,423,320	35%	$945,075
Subtotal	**463**					**$47,199,517**		**$1,569,384**
Total	**653**					**$58,704,060**		**$1,951,910**

Source Notes
1/ See tables on preliminary economic impact of construction
2/ Annual wages for a full-time job are estimated by multiplying average wage by 2080 hours
3/ Assumes one Standard Deduction of $2,000, One Personal Exemption of $1,370
4/ Taxable income taken as Estimated Annual Wages - Assumed Standard Deductions
5/ Percent District residents based on comparable projects in region
6/ Income taxes for these taxable income ranges are estimated at 9.5% of taxable income > $20,000
7/ Labor income estimated at 1/3 of soft costs for A&E, legal, marketing and promotion, etc.

Sources: Basile Baumann Prost & Associates, The Cohen Companies, DC Office of Finance and Revenue

Table 12
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE

Income Tax Receipts - Annual Operations (At Build-Out)
2005 Dollars

Employee/Household Category	BASELINE Estimated Number of FTE Jobs / HH	Average Earnings/Hour (1/)	Estimated Annual Earnings Per FTE / Income Per HH	Assumed Deductions Per Filer / HH (2/)	Estimated Individual / HH Taxable Income (3/)	Estimated Total Taxable Income	Percent District Residents (4/)	BASELINE Realized Taxes DISTRICT (5/)
PHASE I								
Households - Market	174		$159,909	$44,135	$115,774	$20,144,664	100%	$1,913,743
Households - Affordable	28		$57,152	$15,774	$41,378	$1,158,585	100%	$110,066
On-Site Management/Parking	8	$14.75	$30,690	$8,470	$22,219	$177,756	50%	$8,443
Retail	14	$10.90	$22,666	$3,370	$19,296	$279,335	60%	$15,922
Subtotal	**224**					**$21,760,341**		**$2,048,174**
PHASE II								
Households - Market	450		$197,597	$54,537	$143,060	$64,377,086	100%	$6,115,823
Households - Affordable	50		$57,152	$15,774	$41,378	$2,068,902	100%	$196,546
Retail	49	$10.90	$22,666	$3,370	$19,296	$935,845	60%	$53,343
Subtotal	**549**					**$67,381,833**		**$6,365,712**
Total	**773**					**$89,142,173**		**$8,413,886**

Source Notes

1/ See tables on preliminary economic impact of operations (at build out)
2/ Residential On-Site Management: assumes deduction of 27.6% of gross income
Residential Households: assumes deduction for mortgage interest and property taxes and $3,370 in other deductions, or approx. 27.6% of gross income
Retail Employees: assumes standard deduction of $3,370
3/ Taxable income taken as Estimated Annual Wages - Assumed Standard Deductions
4/ Percent District residents estimated based on comparable projects in region
5/ Income taxes for these taxable income ranges are estimated at 9.5% of taxable income > $20,000

Sources: Basile Baumann Prost & Associates, DC Office of Finance and Revenue

Table 13
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE

Real Property Tax Impacts: Annual Operations (At Build-Out)
2005 Dollars

Use	Saleable SF / No. Units / Parking Spaces	Est. Market Value per Unit (1/)	Est. Market Value	Est. Taxable Value	Tax Rate per $100 (2/)	Est. Realized Taxes
PHASE I						
Residential-Market	174	$484,319	$84,271,550	$84,271,550	$0.96	$809,007
Residential-Affordable	28	$238,070	$6,665,952	$6,665,952	$1.85	$123,320
Retail	3,217	$327	$1,050,887	$1,050,887	$1.85	$19,441
Parking (residential)	177	$25,000	$4,425,000	$4,425,000	$0.96	$42,480
Subtotal			**$96,413,389**	**$96,413,389**		**$994,248**
PHASE II						
Residential-Market	450	$611,865	$275,339,350	$275,339,350	$0.96	$2,643,258
Residential-Affordable	50	$272,358	$13,617,923	$13,617,923	$1.85	$251,932
Retail	9,000	$327	$2,940,000	$2,940,000	$1.85	$54,390
Daycare Center	3,000	$140	$420,000	$420,000	$1.85	$7,770
Parking (residential)	528	$25,000	$13,200,000	$13,200,000	$0.96	$126,720
Subtotal			**$305,517,273**	**$305,517,273**		**$3,084,069**

Source Notes

1/ Estimated market values per unit figures provided by The Cohen Companies unless otherwise noted
Est. market value for residential-market estimated at $550 per square foot and for residential-affordable at $250 per square foot
Est. market value for retail based on income approach to valuation ($42 psf less 30% expense captalized at 9 percent)
Est market value for daycare center based on income approach to valuation ($18 psf less 30% expenses capitalized at 9%)
Market value for parking estimated at $25,000 sales price per parking space

2/ Rates are for fiscal year 2005 for District; information obtained from District Office of the Chief Financial Officer

Sources: Basile Baumann Prost & Associates, DC Office of the Chief Financial Officer, The Cohen Companies

Table 14
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE

Direct Sales Tax Impacts: Construction Period and Annual Operations (At Build-Out)
2005 Dollars

Construction Period			
	Direct Expenditures	Estimated Percent Made in District	Estimated District Sales Tax Revenues (2/)
Phase I - Regional Material Purchases (1/)	$14,322,419	10%	**$82,354**
Phase II - Regional Material Purchases	$34,840,150	10%	**$348,402**

Annual Operations (At Build Out)			
Use	Tax Rate	Total Taxable Sales (3/)	Total Tax Revenues District
PHASE I			
Specialty Retail	5.75%	$1,069,653	$61,505
Restaurant	10.00%	$1,069,653	$106,965
Subtotal		**$2,139,305**	**$168,470**
PHASE II			
Specialty Retail	5.75%	$2,992,500	$172,069
Restaurant	10.00%	$2,992,500	$299,250
Subtotal		**$5,985,000**	**$471,319**
Estimated Direct Sales Tax Revenue to District		**$8,124,305**	**$639,789**

Source Notes
1/ Regional Purchases are taken, per national averages, to represent 25% of contract construction work
2/ Utilizes 5.75% sales tax
3/ Total taxable sales based on sales per square foot estimates provided by The Cohen Companies

Sources: Basile Baumann Prost & Associates, The Cohen Companies, DC Office of Finance and Revenue

Table 15
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE

Indirect Sales Tax Impacts: Construction Period (Annually)
2005 Dollars

Work Related Impacts - Construction Workers	PHASE I	PHASE II
	FTE	FTE
Construction Workers	190	463
Total	**190**	**463**
Retail Expenditure Per Employee Per Year in DC	$500	$500
Total Retail Sales in District	$95,000	$231,500
Retail Sales (20% of sales)	*$19,000*	*$46,300*
Food and Drink Sales (80% of sales)	*$76,000*	*$185,200*
Estimated Indirect Sales Tax Revenue to District		
Retail Sales Tax (5.75% tax rate)	$1,093	$2,662
Restaurant Sales Tax (10% tax rate)	$7,600	$18,520
Estimated Indirect Sales Tax Revenue to District	**$8,693**	**$21,182**

Residential Related Impacts - Construction Workers							
	FTE	Total Consumption Expenditures	Percent District Residents (2/)	Number of District Residents	Consumption Expenditures for District Residents	Percent Retail Expenditures in District	Total Retail Sales
PHASE I	190	$7,131,475	35%	67	$2,496,016	50%	$1,248,008
PHASE II	463	$17,378,278	35%	162	$6,082,397	50%	$3,041,199
Total	**653**	**$24,509,752**		**229**	**$8,578,413**		**$4,289,207**

	PHASE I	PHASE II
Total Retail Sales in District	$1,248,008	$3,041,199
Retail Sales (20% of sales)	*$249,602*	*$608,240*
Food and Drink Sales (80% of sales)	*$998,406*	*$2,432,959*
Estimated Indirect Sales Tax Revenue to District		
Retail Sales Tax (5.75% tax rate)	$14,352	$34,974
Restaurant Sales Tax (10% tax rate)	$99,841	$243,296
Estimated Indirect Sales Tax Revenue to District	**$114,193**	**$278,270**

Source Notes
1/ Indirect sales tax revenue to District is off-site sales tax revenues generated as a result of purchases made by project occupants and employees in off-site District locations
2/ Estimated percent District residents based on 2000 Census *Journey to Work* commuting patterns for District workers and workers residing in the Washington, DC MSA

Sources: Basile Baumann Prost & Associates, The Cohen Companies, DC Office of Finance and Revenue, US Census Bureau, US Department of Transportation

Table 16
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE

Indirect Sales Tax Impacts: Annual Operations (At Build-Out) (1/)
2005 Dollars

Households	PHASE I		PHASE II	
	Market	Affordable	Market	Affordable
Number of Households	174	28	450	50
Household Consumption Expenditures	$23,776,714	$1,367,476	$75,984,168	$2,441,922
Percent Retail Expenditures in District	50%	50%	50%	50%
Total Retail Sales in District (2/)	$11,888,357	$683,738	$37,992,084	$1,220,961
Retail Sales (80% of sales)	*$9,510,686*	*$546,991*	*$30,393,667*	*$976,769*
Food and Drink Sales (20% of sales)	*$2,377,671*	*$136,748*	*$7,598,417*	*$244,192*
Estimated Indirect Sales Tax Revenue to District				
Retail Sales Tax (5.75% tax rate)	*$546,864*	*$31,452*	*$1,747,636*	*$56,164*
Restaurant Sales Tax (10% tax rate)	*$237,767*	*$13,675*	*$759,842*	*$24,419*
Estimated Indirect Sales Tax Revenue to District	**$784,632**	**$45,127**	**$2,507,478**	**$80,583**

Employees - Work Related Impacts	PHASE I	PHASE II
Employees	FTE	FTE
Residential Staffing	8	
Retail/Daycare Center	14	49
Total	**22**	**49**
Retail Expenditure Per Employee Per Year in DC	$500	$500
Total Retail Expenditures in District	$11,238	$24,250
Retail Sales (20% of sales)	*$2,248*	*$4,850*
Food and Drink Sales (80% of sales)	*$8,991*	*$19,400*
Estimated Indirect Sales Tax Revenue to District		
Retail Sales Tax (5.75% tax rate)	$129	$279
Restaurant Sales Tax (10% tax rate)	$899	$1,940
Estimated Indirect Sales Tax Revenue to District	**$1,028**	**$2,219**

Employees - Related Impacts	FTE	Total Consumption Expenditures	Percent District Residents (3/)	Percent Retail Expenditures in District (4/)	Total Retail Sales
Phase I					
Residential Staffing	8	$209,805	50%	45%	$47,206
Retail	14	$280,391	60%	45%	$75,706
Subtotal	**22**	**$490,196**			**$122,912**
Phase II					
Retail/Daycare Center	**49**	**$939,383**	**50%**	**45%**	**$211,361**
Subtotal	**93**	**$1,919,775**			**$457,184**
TOTAL	**116**	**$2,409,971**			**$580,096**

	PHASE I	PHASE II
Total Retail Expenditures in District	$122,912	$211,361
Retail Sales (20% of sales)	*$24,582*	*$42,272*
Food and Drink Sales (80% of sales)	$98,329	$169,089
Estimated Indirect Sales Tax Revenue to District		
Retail Sales Tax (5.75% tax rate)	$1,413	$2,431
Restaurant Sales Tax (10% tax rate)	$9,833	$16,909
Estimated Indirect Sales Tax Revenue to District	**$11,246**	**$19,340**

Source Notes
1/ Indirect sales tax revenue to District is off-site sales tax revenues generated as a result of purchases made by project occupants and employees in off-site District locatior
2/ Estimated retail and restaurant sales ratios based on statistics provided by National Restaurant Association and DC Office of Planning
3/ Estimated percent District residents based on 2000 Census *Journey to Work* commuting patterns for District workers and workers residing in the Washington, DC MSA
4/ Adjusted for work related expenditures made by project employees

Sources: Basile Baumann Prost & Associates, The Cohen Companies, DC Office of Finance and Revenue, US Census Bureau, US Department of Transportation

Table 17
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE

Estimated Corporate Franchise Tax Impacts: Annual Operations (At Build-Out)
2005 Dollars

	Estimated Total Taxable Income: District (1/)	Corporate Income Tax Rate: District	Estimated Franchise Taxes: District
PHASE I Project (Retail)	$21,393	9.975%	$2,134
PHASE II Project (Retail)	$59,850	9.975%	$5,970
TOTALS	**$81,243**		**$8,104**

Source Notes
1/ Calculated for retail operations. Taxable income estimated to be 1 percent of gross revenues

Sources: Basile Baumann Prost & Associates, The Cohen Companies, DC Office of Finance and Revenue

Table 18
Preliminary Evaluation of Economic Impact
Union Place PUD - 200 K Street, NE

Personal Property Tax Impacts: Annual Operations (At Build-Out)
2005 Dollars

	PHASE I	PHASE II
Total Estimated Project Real Property Value (Retail Only) (1/)	$1,050,887	$3,360,000
Assumed Ratio of Real Property to Personal Property (2/)	10%	10%
Estimated Personal Property Value	$105,089	$336,000
Adjusted Estimate--Personal Property Assessable (3/)	$78,817	$252,000
Tax Rate for Personal Property (4/)	$3.40	$3.40
Total Personal Property Taxes	**$2,680**	**$8,568**

Source Notes
1/ Based on market/assessed value of property and improvements of project components for retail only
2/ Based on ratio of estimated real property tax collections to personal property tax collections -- D.C. Office of Finance and Revenue
3/ 75% of personal property considered assessable (accounts for depreciation)
4/ Per $100 of assessed value

Sources: Basile Baumann Prost & Associates,The Cohen Companies, DC Office of Finance and Revenue