

## City Council Report

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**File ID:** 2019-00592

April 30, 2019

**Discussion Item 02**

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**Title:** Destination Sacramento Program

**Location:** Old Sacramento Waterfront, District 4

**Recommendation:** Adopt a Resolution: 1) establishing the Destination Sacramento Program multi-year operating project (MYOP) (I02185000); 2) transferring \$5,000,000 from available fund balance in the 2018 Transient Occupancy Tax Taxable Revenue Bond Fund (Fund 6331) to I02185000; and 3) directing staff to proceed with the project feasibility phase for the Destination Sacramento Program, starting with the waterfront.

OR:

**Recommendation:** Adopt a Resolution: 1) establishing the Destination Sacramento Program multi-year operating project (MYOP) (I02185000); 2) transferring \$5,000,000 from available fund balance in the 2018 Transient Occupancy Tax Taxable Revenue Bond Fund (Fund 6331) to I02185000; 3) committing all residual TOT Revenue Bond capacity, including that created by other funding sources and from the issuance of an additional series of TOT Revenue Bonds, to the Destination Sacramento Program as soon as it becomes available; and 4) directing staff to proceed with the project feasibility phase for the Destination Sacramento Program, starting with the waterfront.

**Contact:** Ellen Sullivan, Junior Development Project Manager, (916) 808-5758; Richard Rich, Riverfront Project Manager, (916) 808-2519, Office of Innovation and Economic Development

**Presenter:** Richard Rich, Riverfront Project Manager, (916) 808-2519, Office of Innovation and Economic Development

**Attachments:**

- 1-Description/Analysis
- 2-Waterfront Idea Makers Program Overview
- 3-Keyser Marston "Old Sacramento Waterfront Revenue Potential"
- 4-Resolution – Option A
- 5-Resolution – Option B

## Description/Analysis

**Issue Detail:** The FY2016/17 budget priorities approved by the Mayor and City Council included an initiative to invest in the Sacramento riverfront as an economic driver for the region's economy (Destination Sacramento). In December 2016, the Mayor and City Manager requested a plan to identify targets of opportunity to enhance the riverfront as a destination that would be a strategic asset for convention, visitor, business, and workforce attraction efforts by the City and other organizations.

On June 27, 2017, a presentation to the City Council offered a plan to leverage the city's existing riverfront assets and redevelop the Old Sacramento Waterfront (OSW) into a more vibrant entertainment district within its historic setting, creating a premiere riverfront destination. That plan focused on an initial phase of catalytic projects on city-owned riverfront properties. On January 23, 2018 City Council approved \$150,000 (Resolution No. 2018-0039) to proceed on three of the initial projects:

1. The formation of a joint operating partnership between the City, State Parks and private landowners (Operating Partnership Parties) to explore the formation of a single entity to operate the OSW district;
2. Prepare a concept design for a new activity zone in Waterfront Park; and
3. Prepare a concept design to rehabilitate the city's largely vacant North Public Market building.

### Progress:

Joint Operating Partnership - The Operating Partnership Parties retained Valley Vision to facilitate high level discussions between the parties on resolution of long-standing issues, goal setting and a process forward that resulted in a memorandum of understanding (MOU) approved by City Council on February 5, 2019 and formally executed by all parties on March 27, 2019. The Parties subsequently retained Economic Planning Systems to evaluate current sources and uses of operating funds to compare with optimal funding needs as determined by the parties, and to research best practices of similar benchmark districts for generation of additional operating revenue. The Parties continue to meet with the goal of forming a joint operating entity.

Concept Design - To leverage the approved concept design funding staff designed and implemented the Waterfront Idea Makers Program (WIM) to expand the range of available concepts. Staff issued a request for qualifications setting out the design areas which expanded beyond Waterfront Park and the North Public Market, activation goals for the expanded areas and the site's opportunities and constraints. Twelve teams submitted

qualifications and staff selected five teams that submitted design concepts, videos and order of magnitude projects estimates on March 11, 2019. In addition to the professional design teams, WIM also invited the public and children to submit ideas. The submissions are available for viewing at [www.cityofsacramento.org/wim](http://www.cityofsacramento.org/wim). All entrants were eligible to receive one of two People's Choice Awards based on a popular online voting. The People's choice award winners are also noted on the city website.

Outreach – Since its inception in 2017 the program has included stakeholder outreach and community participation. Early outreach to Old Sacramento merchants and owners, the California State Rail Museum and Sacramento History Museums and their boards, historic and preservation groups and civic stakeholders such as Downtown Sacramento Partnership, Greater Sacramento Economic Council, Visit Sacramento, Sacramento Metro Chamber of Commerce and Valley Vision, informed staff of key issues and goals. During the design process, those same stakeholder groups met with the five design teams to directly discuss their key issues. After receipt of the entries, staff held a public open house, posted all entries on the web and has made over a dozen presentations to stakeholder groups, soliciting reactions to the designs.

Program Evaluation and Selection - The concept designs and ideas generated through WIM were evaluated by staff and stakeholder outreach to select a program of potential projects that would meet selection criteria detailed in the RFQ. Most importantly, the projects must be implementable in terms of their cost, timeframe and eligibility for the TOT funding. Through this evaluation staff has identified and recommends three projects to be further explored in a feasibility phase, which will include TOT funding-eligibility analysis:

### 1. Sacramento Waterfront

Independently, the professional design teams each proposed to redevelop the city-owned property from the Sacramento River to Front Street (preserving the rail corridor and Embarcadero) and from Neasham Circle to J Street, creating an inviting open area along the waterfront that can be reshaped for public assembly, featuring pop-up market and festival spaces, water features, play areas, a stage area, public art, elevated viewing platforms, weather-protected seating, etc.

### 2. Sacramento History Museum Viewing Deck

The Sacramento History Alliance proposed an event deck on the roof of the Sacramento History Museum. Staff supports this concept and recommends it be explored as part of the feasibility phase as it enhances an existing public asset and creates an elevated viewing platform public event space at the museum.

### 3. Multi-Use Barge

A floating barge used for as an event space, as a stage, and for river docking, and that could, as technology develops, be utilized for public swimming. Similar concepts are currently being developed for the Charles River in Boston and the Hudson River in New York.

**Policy Considerations:** Implementation of this program will further the visions, goals, and objectives of the 2035 General Plan, the 2003 Sacramento Riverfront Master Plan as approved by the cities of Sacramento and West Sacramento and the Sacramento riverfront priorities set out by the Mayor and City Council. Further, the Destination Sacramento Program will support city investments in the Golden 1 Center and Convention Center Complex by creating a related and supporting asset that will aid the economic development efforts of the city and other civic organizations.

**Economic Impacts:** A renewed Sacramento waterfront destination can have a significant, beneficial impact on Sacramento's ability to 1) capture increased sales and transit occupancy tax revenues from new waterfront business, 2) encourage visitors' choice of Sacramento as a leisure and convention destination, and 3) market the region to new business relocations, and workforce attraction and retention.

A recent Revenue Potential Study Draft by Keyser Marston (Attachment 3) compared Old Sacramento's revenue generation against both regional averages and similar districts in San Diego (Old Town San Diego and Gaslamp Quarter) and Memphis (Beale Street) and found it underperforming in terms of room nights and sales tax generation. It concludes that if Old Sacramento Waterfront met those benchmarks, the district could produce between \$350,000 to \$1.1 million per year in additional TOT revenues and between \$500,000 to \$900,000 in sales tax revenues. Increased property taxes resulting from this economic activity would flow to the Innovation and Growth Fund. Finally, if new infill development were attracted to the districts' remaining undeveloped parcels, the district could add an additional \$340,000 in sales tax, 275 new jobs, and if a new hotel were developed, it could add \$940,000 in new TOT revenues.

**Environmental Considerations:** This report concerns concept design activities that will not have a potentially significant effect on the environment, and do not constitute a "project" as defined by Sections 15061(b)(3) and 15378(b)(4) of the CEQA Guidelines (Title 14 Cal. Code Reg. §15000 et seq.).

**Sustainability:** Not Applicable

**Commission/Committee Action:** Not Applicable

**Rationale for Recommendation:** Though the Old Sacramento waterfront is one of the most historically significant attractions in the Sacramento region, it has not reached its potential as a visitor attraction or marketing asset. The projects identified by WIM are a critical step in a four-pronged strategy to reactivate the Old Sacramento Waterfront. The WIM projects, combined with the creation of a joint operating partnership, select other projects and subsequent public and private development partnerships will create a more compelling destination for locals, business and leisure visitors and will create a unique asset for marketing the Sacramento region.

**Financial Considerations:** As part of the FY2019/20 Proposed Budget, staff requested approval of \$300,000 for the Sacramento Riverfront Project (I02180200) to vet the feasibility of the potential waterfront projects. Staff will report back to City Council on project design and funding and request approval to implement specific projects in Fall 2019. The establishment and funding of the Destination Sacramento Program ensures that the projects can move forward at the end of the feasibility phase, upon city council approval of the programs' content and funding.

Implementation of the Destination Sacramento Program will be funded by the 2018 Transient Occupancy Tax Taxable Revenue Bond Fund (Fund 6331) in the amount of \$5 million and will not impact the General Fund. The City has pledged TOT revenues to repay those bonds, which were issued in November 2018 for the Convention Center Complex (C3) project. In addition to the C3 project, a portion of the TOT revenue bonds may be used for projects that qualify under the City's TOT ordinances. The proposed resolution (both Resolution Option A and Option B) would transfer \$5,000,000 from the 2018 Transient Occupancy Tax Taxable Revenue Bond Fund (Fund 6331) to the Destination Sacramento Program (I02185000).

Additionally, the Mayor is proposing that the residual TOT revenue bond capacity after funding the costs of the C3 Project be allocated and committed to the Destination Sacramento Program. In summer 2019, the City expects to issue Sacramento Tourism and Infrastructure District (STID) bonds. The STID bonds, as well as other project funding sources, including the potential issuance of an additional series of TOT revenue bonds could generate up to \$42 million in excess of the amount needed to fully fund the C3 Project. This would allow for the funding of other eligible waterfront projects within the Destination Sacramento Program that qualify as allowable uses of TOT in accordance with section 3.28.180 of the City Code.

**Local Business Enterprise (LBE):** Not applicable.

## Waterfront Idea Makers Program Overview

Waterfront Idea Makers is a program that reflects the uniqueness and historical nature of the area, creates community excitement and collaboration, and results in numerous concepts to formulate a new vision for the Waterfront. The Program was created with a series of goals to ensure that the initiative resulted in a set of implementable ideas that meet the needs of the historic area.

Waterfront Idea Makers Program Goals:

- Activation
  - Increase the attraction of the Old Sacramento Waterfront as a regional destination.
- Reconnection
  - Enhance the District's connections to the surrounding amenities.
- Iconic Waterfront Destination
  - Connect the energy and relevance of Sacramento's history with today's audiences.
- Visitor Experience
  - Improve and enhance the visitor experience to the Old Sacramento waterfront.
- Interpretive Value
  - Make our river's historic environment more meaningful, relevant, and transformative.

## Program Components

The WIM Program consisted of four components to engage the community and ensure broad participation. The four components were: Professional Firms, Open Competition, Children's Competition and UC Davis participation.

### *Professional Firms*

Through a Request for Qualifications process, 5 teams were selected to create concept designs for the waterfront: Atlas Labs, LPA/Hargreaves/RSM, Stantec, Perkins Eastman, and The Hettema Group. Each firm received a \$10,000 stipend for their designs.

### *Open Competition*

The waterfront is such an important part of Sacramento, the Program included an Open Competition to give all citizens the opportunity to submit their ideas. The open competition submissions competed for a \$1,000 prize determined by popular vote.

Additionally, both the professional firm and open competition submissions competed for a \$5,000 people's choice award, again determined by popular vote.

### *Children's Competition*

The Program included a children's competition to hear directly from children what will attract them to the Waterfront. The children's competition awarded \$100 prizes for the top designs in 9 categories.

### *UCD Interns*

The final program component is the utilization of interns from UC Davis for the professional firms. Winter Quarter Design Studio students provided Waterfront background data to the 5 professional teams. Additionally, the Center for Regional Change provided four teams of students assigned to the firms participating the professional component of the program.

## **Stakeholder Meetings**

On January 28, 2019, the five professional firms met with three groups of Old Sacramento Waterfront stakeholders: Old Sacramento Waterfront Property Owners and Merchants, Museums and State Parks, and Civic Groups (Valley Vision, Metro Chamber, GSEC, DSP, etc.) to hear their concerns and future visions for the waterfront.

## **Public Engagement**

All submissions were due on March 11, 2019. On March 13th, there was a public open house in the Old Sacramento Waterfront where all the designs and ideas received were displayed and the public had the opportunity to vote on their favorite design. Over 350 people attended the event.

Between March 12th and March 20th, the concepts and ideas were displayed in [online gallery](#) and the voting portal was open. The designs received 9,529 votes with Perkins Eastman winning the People's Choice (2624 votes). Craig Segall won the Open Competition with his idea "Deck or Remove I-5" (419 votes). The online gallery continues to be viewed and to date there have been over 27,000 visits to the site.

## **Project Review and Vetting**

Beginning on March 11, 2019, Staff began reviewing the submittals against the WIM program goals and creating a menu of design options to vet with stakeholders, City Staff, and Councilmembers. The projects have been vetted and staff is bringing forward a list of projects that have been deemed to be implementable and fundable.



# KEYSER MARSTON ASSOCIATES

*DRAFT ASSESSMENT*

**OLD SACRAMENTO WATERFRONT  
CITY TAX REVENUE AND EMPLOYMENT POTENTIAL  
Sacramento, CA**

*Prepared for:*  
**City of Sacramento**

*Prepared by:*  
**Keyser Marston Associates, Inc.**

**April 2019**

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## **I. INTRODUCTION**

This report provides an assessment of the additional fiscal and economic benefits that could potentially be generated by Old Sacramento Waterfront to the City of Sacramento if the Waterfront was repositioned and expanded into a vital retail, restaurant, and entertainment district that celebrates its unique waterfront location. It has been prepared in response to the City's concern that the Waterfront is not functioning to its potential. With new investment, the Waterfront could be a significant asset to the City's convention business and efforts to attract new businesses to Sacramento.

A "case study" approach has been used to estimate the Waterfront's potential based on the level of visitors, taxable sales, and hotel room nights generated by other visitor-attracting districts that are in proximity to a convention center. The case studies that have been used in the analysis as benchmarks for the Waterfront's potential are: Old Town San Diego, the Gaslamp Quarter in San Diego, and Beale Street in Memphis.

### **A. Approach**

KMA analyzed the visitor draw and retail sales of the case study districts on a per square foot basis. KMA then applied these benchmarks to Old Sacramento Waterfront to estimate the magnitude of transient occupancy taxes (TOT) and retail sales taxes that the City would receive if Old Sacramento Waterfront were to attract out of town visitors and generate retail sales levels commensurate with case study districts. KMA also estimated the employment that would be generated if vacancy rates in Old Sacramento were reduced to the levels of case study districts.

KMA also evaluated the amount of new sales tax and TOT revenues and jobs that could be generated if vacant properties within the Waterfront were developed with new in-fill retail and hotel uses that achieved industry standard productivity levels for new development.

## II. FINDINGS AND CONCLUSIONS

### A. Existing Conditions of the Old Sacramento Waterfront

Old Sacramento Waterfront is a 28-acre district developed with 305,000 square feet of retail and restaurant use, 44 hotel rooms (the Delta King), 82 residential units, and several state-owned attractions, such as the State Railroad Museum. The district also includes approximately 294,000 square feet of other commercial space, primarily on upper floors of multilevel buildings, more than half of which is vacant.

**Exhibit 1: Existing Land Uses in Old Sacramento Waterfront**

	Gross Square Feet	Units/ Keys	% Vacant
Retail & Restaurants	305,000 sf		14%
Other Commercial Primarily on Upper Floors <sup>1</sup>	294,000 sf		52%
Residential	74,000 sf	82 units	
Hotel	32,000 sf	44 keys	
Attractions (museum, visitor center, etc.)	54,000 sf		
Parking	163,000 sf		

<sup>1</sup> Excludes 1 Capitol Mall. Sources: City of Sacramento and Costar.

While Old Sacramento Waterfront has the potential to become a major attraction, the district currently faces challenges drawing out of town visitors and achieving healthy retail sales levels. Based on the share of out of town visitors to Sacramento who report visiting the waterfront during their stay, Old Sacramento Waterfront currently receives less than 200,000 out of town visitors per year (day and overnight). Additionally, the district's retail and restaurant inventory is underperforming relative to local and regional sales benchmarks, with average taxable sales below \$200 per square foot. The district currently generates \$80,000 of annual TOT revenues from visitors to the district and \$590,000 of City sales tax from retail businesses within the district. The level of retail sales is significantly less than industry standards for retail properties and the levels of overnight visitors and hotel tax are significantly less than the levels achieved by the selected case study districts.

**Exhibit 2: Existing TOT and Sales Tax Revenues Generated by Old Sacramento Waterfront**



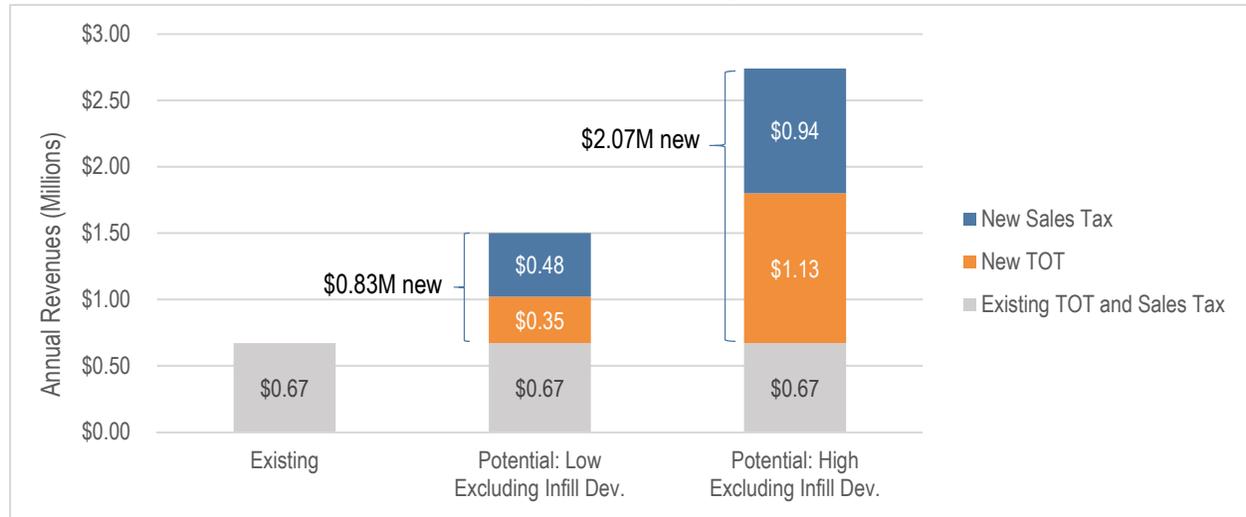
TOT revenues do not represent revenues generated by Delta King hotel (data withheld for confidentiality purposes).

## B. Potential Annual New Tax Revenue to the City of Sacramento

### 1. Potential Annual New Tax Revenue Generated by Enhancing District Performance

As shown in Exhibit 3, it is estimated that enhancing the performance of the Old Sacramento Waterfront consistent with benchmark districts could potentially generate from \$1.5 million to \$2.7 million of annual sales and TOT tax revenue to the City of Sacramento.

**Exhibit 3: Potential Tax Revenue Generated by Enhancing District Performance**



Source: KMA estimate

This amount of potential revenue reflects an increase of \$800,000 to \$2.1 million over the current level of \$670,000 of annual tax revenue. TOT revenues are estimated to account for \$400,000 to \$1.1 million of the increase in annual tax revenues while sales taxes represent \$500,000 to \$900,000 of the increase under low and high estimates respectively.

### 2. Potential Annual New Tax Revenue Generated by Infill Development

It is estimated that vacant properties within the Old Sacramento Waterfront District could physically accommodate the development of a 160-room hotel and approximately 68,000 square feet of new retail space.

Based on standard productivity levels for new hotel and retail space<sup>1</sup>, it is estimated that new infill development would generate approximately \$1.1 million of additional annual TOT and \$300,000 of additional annual sales tax revenues.

<sup>1</sup>Hotel and retail productivity levels are based on industry-standards for new development. The level of market support for new development has not been evaluated.

**Exhibit 4: Potential City Tax Revenues Generated by Infill Development**



Source: KMA estimate

**3. Total Potential New Tax Revenue from Combination of Enhanced Performance and Infill Development**

As shown, the total of potential new fiscal benefits to the City from transforming Old Sacramento into a vital retail, restaurant, and entertainment district ranges from approximately \$2.3 million per year to \$3.5 million per year, consisting of TOT and sales tax generated by enhancing the district’s current performance as well as revenues from new infill development.

**Exhibit 5: Total Potential City Tax Revenues Generated by Enhanced Performance and Infill Development**



Source: KMA estimate

### C. Potential New Jobs Created by Reducing Vacancies and New Infill Development

As shown in the following chart, it is estimated that the development of vacant properties in the district and reducing the vacancy rate of existing upper-floor commercial space could support up to 775 new jobs.

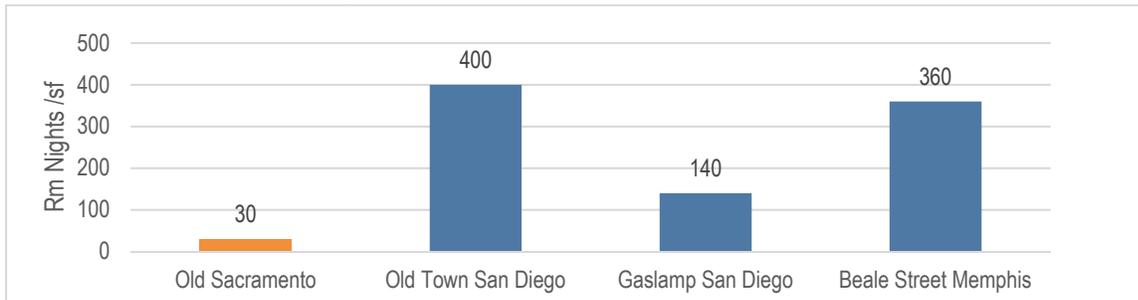
**Exhibit 6: Old Sacramento Waterfront Employment Potential**



### D. Comparison of Waterfront’s Current Performance to Benchmark Districts

As shown below, Old Sacramento Waterfront currently generates only 30 hotel room nights per 1,000 square feet of retail space, which is a small fraction of the relative number of room nights generated by the other districts.

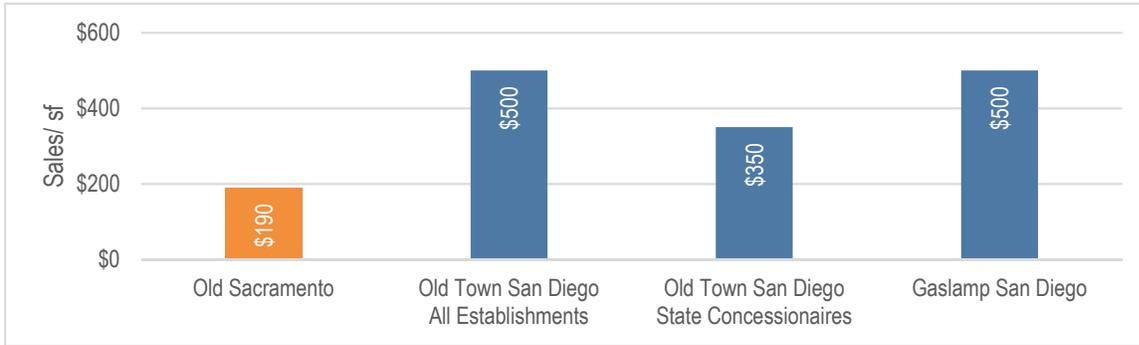
**Exhibit 7: Annual Room Nights Generated by Visitors Per 1,000 Square Feet of Retail**



Source: KMA extrapolation of local tourism authority data.

Similarly, Old Sacramento’s retail sales productivity rate of \$190 per square foot is less than 50% of the rate achieved by Old Town San Diego and Gaslamp retailers.

**Exhibit 7: Retail Sales Per Square Foot**



Source: KMA extrapolation of taxable sales data provided by the City of Sacramento and MuniServices and retail inventory data published by Costar. Note: Sales data not available for Beale Street, Memphis.

### **III. ANALYSIS OF POTENTIAL TAX REVENUE AND EMPLOYMENT GENERATED BY ENHANCING DISTRICT PERFORMANCE**

The following section evaluates the capacity of Old Sacramento Waterfront to create new fiscal and economic benefits if it were rebranded and positioned as a retail, restaurant, and entertainment district that becomes a major attraction for out of town visitors.

The assessment is based on an evaluation of three case study districts selected as benchmark comparisons to illustrate how Old Sacramento Waterfront might evolve as a retail, restaurant, and entertainment destination.

KMA analyzed the visitor draw and retail sales of the case study districts on a square foot basis and applied these benchmarks to Old Sacramento to estimate the magnitude of transient occupancy taxes and retail sales taxes that the City would receive if Old Sacramento Waterfront were to attract out of town visitors and generate retail sales levels commensurate with case study districts. KMA also estimated the potential employment that would be generated if vacancy rates in Old Sacramento were reduced to the levels of case study districts.

#### **A. Case Study Overview**

Case study districts are comprised of Old Town San Diego, San Diego's Gaslamp Quarter, and Beale Street in Memphis, Tennessee. A comparison of the three case study districts and their respective cities/ regions is provided below.

##### **1. Case Study Cities/ Regions**

Two of the case study districts are located in San Diego and the third case study is located in Memphis, Tennessee. San Diego receives twice as many annual out of town visitors as Sacramento, while Memphis receives fewer total out of town visitors, but more overnight visitors than Sacramento. More room nights are generated per out of town visitor in Memphis and San Diego, which is indicative of greater hotel demand by leisure travelers, who tend to support longer stays. The lodging market in both case study cities is supported by a convention center. San Diego's convention center is significantly larger than Sacramento's, while the convention center in Memphis is similar in size to Sacramento's.

## Exhibit 8: Characteristics of Case Study Cities / Regions

	<i>Old Sacramento Waterfront</i>	<i>Old Town San Diego</i>	<i>Gaslamp Quarter San Diego</i>	<i>Beale Street Memphis</i>
Resident population (50 miles)	3,839,000	3,358,000	3,358,000	1,479,000
Total annual visitors to county	15,300,000	35,774,000	35,774,000	11,800,000
Annual overnight visitors	5,609,000	17,998,000	17,998,000	7,552,000
<i>% of all county visitors</i>	37%	50%	50%	64%
Annual room nights in county	3,137,000	17,795,000	17,795,000	5,549,460
Room nights per overnight visitor	0.6	1.0	1.0	0.7
Lodging demand: comm. / leisure	81% / 19%	43% / 57%	43% / 57%	See note <sup>1</sup>
Convention center sf <sup>2</sup>	246,000 sf	820,000 sf	820,000 sf	262,000 sf

<sup>1</sup> Average length of stay and party size suggests that the lodging segmentation in Memphis is more leisure focused than in Sacramento. <sup>2</sup> Includes expansion of Sacramento Convention Center.

## 2. Case Study Districts

Like Old Sacramento Waterfront, case study districts are within a 20-minute walk or transit ride from their city's convention center. The retail inventory of Old Town San Diego and Beale Street is similar in size to Old Sacramento Waterfront, while the Gaslamp Quarter has significantly more retail/restaurant space and hotel rooms than other districts. The case study districts attract far more out of town visitors, particularly overnight visitors, than Old Sacramento Waterfront. Each case study district is estimated to attract between 1.5 and 2.0 million overnight visitors per year versus less than 100,000 annual overnight visitors to Old Sacramento Waterfront.

## Exhibit 9: Characteristics of Case Study Districts

	<i>Old Sacramento Waterfront</i>	<i>Old Town San Diego</i>	<i>Gaslamp Quarter San Diego</i>	<i>Beale Street Memphis</i>
Total acres	28 acres	70 acres	51 acres	80 acres
Travel time to convention center	20 mins	20 mins	5-10 mins	10 mins
Total visitors per year	**	6,150,000	8,500,000	5,000,000
Annual overnight visitors	80,000	1,980,000	1,620,000	1,960,000
<i>% of all district visitors</i>	**	32%	19%	39%
Retail sf in district	305,000 sf	289,000 sf	674,000 sf	326,000 sf
Hotel rooms in district	44 keys	623 keys	2,837 keys	347 keys

\*\* Total visitors could not be verified. Estimates range from 1.7 million to 6.5 million based on pedestrian headcounts.

## B. Transient Occupancy Tax

### 1. Case Study Benchmark: Room night Demand by Overnight Visitors

Compared to Old Sacramento Waterfront, case study districts attract significantly more overnight visitors relative to the district's square footage. Per square foot of retail, annual visitation by overnight visitors to case study districts ranges from 2.4 to 6.9 visitors per square foot, versus 0.3 overnight visitors per square foot in Old Sacramento Waterfront. The higher ratio of overnight visitors per square foot in Beale Street and Old Town San Diego indicates a stronger orientation toward out of town visitors compared to the Gaslamp Quarter, which draws a greater share of its visitors from the local population.

Overnight visitors motivated to initiate or extend their stays because of case study districts generate additional room night demand at hotels throughout the local market. The volume of overnight visitors to case study districts generates between 140 annual room nights per 1,000 square feet of retail (in the Gaslamp Quarter) to 400 annual room nights per 1,000 square feet of retail (in Old Town San Diego). In contrast, overnight visitors to Old Sacramento Waterfront are currently estimated support 30 annual room nights per 1,000 square feet of retail (or 0.03 room nights per square foot of retail).

**Exhibit 10: Room Night Demand Generated by Overnight Visitors**

	<i>Old Sacramento Waterfront</i>	<i>Old Town San Diego</i>	<i>Gaslamp San Diego</i>	<i>Beale Street Memphis</i>
<b>Overnight visitors</b>				
Overnight visitors	80,000	1,980,000	1,620,000	1,960,000
Share of total district visitors	2%	32%	19%	39%
Overnight visitors per retail sf	0.3/sf	6.9/sf	2.4/sf	6.0/sf
<b>Room nights by overnight visitors</b>				
Room nights generated per year	8,000	116,000	95,000	117,000
Room nights per retail sf	0.03/sf	0.40/sf	0.14/sf	0.36/sf
Room nights per 1,000 retail sf	30/ 1,000 sf	400/ 1,000 sf	140/ 1,000 sf	360/ 1,000 sf

<sup>1</sup> Data withheld to preserve confidentiality. See Technical Appendix for sources.

The estimate of room nights generated by overnight visitors assumes that approximately one quarter of overnight visitors to the districts are motivated to initiate or extend their stay for one night, based on the share of overnight visitors to Old Town San Diego who reported initiating or extending their stay specifically because of this attraction, per a 2007 survey. The estimate also reflects local market conditions regarding average party size and the share of overnight visitors who stay in hotels. (See the attached Table 4.)

### 2. TOT Revenue Potential of Old Sacramento Waterfront based on Benchmark

If Old Sacramento Waterfront's visitor draw were enhanced to achieve room night demand by overnight visitors in the range of case study districts (140 to 400 annual room nights per 1,000

square feet of retail), the City of Sacramento would receive **\$350,000 to \$1.1 million of new TOT revenues per year**. The estimate is based on the City's current TOT rate and the average citywide room rate of Sacramento hotels.

**Exhibit 11: Potential Annual TOT Revenues to City**

	<i>Existing</i>	<i>Potential: Low</i>	<i>Potential: High</i>
<b>Assumptions</b>			
Room nights per 1,000 square feet	30/ 1,000 sf	140/ 1,000 sf	400/ 1,000 sf
<b>City Revenues Per Year</b>			
Gross revenues, including existing	\$80,000	\$430,000	\$1,210,000
Net new (less existing)	-	\$350,000	\$1,130,000

Source: KMA

**C. Retail Sales Tax**

**1. Case study benchmark: Retail sales productivity**

Average retail sales productivity is significantly less in Old Sacramento Waterfront (\$190 per square foot) than in Old Town San Diego and the Gaslamp Quarter (\$500 per square foot) based on a comparison of taxable sales to each district's retail inventory. Sales productivity of concessionaires within the Old Town San Diego State Historic Park (primarily specialty retailers) is in the range of \$350 per square foot, based on state data last published in FY2014/15. Retail sales data was not available for Beale Street in Memphis.

**Exhibit 12: Retail Sales Productivity**

	<i>Old</i>			
	<i>Sacramento Waterfront</i>	<i>Old Town San Diego</i>	<i>Gaslamp San Diego</i>	<i>Beale Street Memphis</i>
Taxable retail sales per year	\$58.5 million	\$145.0 million	\$338.3 million	-
Annual retail sales per square foot	\$190/sf	\$500/sf	\$500/sf	-
Retail vacancy %	14%	3%	6%	2%

**2. Sales Tax Revenue Potential of Old Sacramento Waterfront based on Benchmarks**

If Old Sacramento Waterfront's retail inventory achieved taxable sales productivity levels in the range of case study districts (\$350 to \$500 per retail square foot), the City would receive **\$500,000 to \$900,000 of new sales tax revenues per year**. The estimate is based on the City's 1% general sales tax rate and the district's entire retail inventory (inclusive of currently vacant space). However, no taxable sales are assumed to be generated by upper floor commercial space that is not currently dedicated for retail or restaurant use.

**Exhibit 13: Potential Annual City Sales Tax Revenues to City**

	<i>Existing</i>	<i>Potential: Low</i>	<i>Potential: High</i>
<b>Assumptions</b>			
Retail sales per square foot	\$190/sf	\$350/sf	\$500/sf
<b>City Sales Tax Revenues Per Year</b>			
Gross Revenues, Including Existing	\$590,000	\$1,070,000	\$1,530,000
Net New Revenues (less existing)	-	\$480,000	\$940,000

Source: KMA

**D. Total Potential City Tax Revenues Generated by Enhancing District Performance**

As summarized in Exhibit 14, the total potential new tax revenues to the City from Old Sacramento achieving visitation and retail sales productivity levels commensurate with case study districts is estimated to be **\$800,000 to \$2.1 million per year**, consisting of new TOT revenues generated by overnight visitors and sales taxes generated by the district’s retail inventory.

**Exhibit 14: Total Potential Annual City Tax Revenues by Enhancing District Performance**

	<i>TOT</i>	<i>Sales Tax</i>	<i>Total</i>
<b>Net New City Revenues</b>			
Potential: Low	\$350,000	\$480,000	\$830,000
Potential: High	\$1,130,000	\$940,000	\$2,070,000
<b>Gross City Revenues</b>			
Existing	\$80,000	\$590,000	\$670,000
Potential: Low + Existing	\$430,000	\$1,070,000	\$1,500,000
Potential: High + Existing	\$1,210,000	\$1,530,000	\$2,740,000

Positioning Old Sacramento Waterfront as a major attraction would potentially have a positive effect on property values. Base property taxes generated by the district are currently pledged toward paying down the obligations of the Redevelopment Agency Successor Agency. However, increased property values could benefit the City of Sacramento’s Innovation & Growth Fund, which funds economic development programs.

**E. Potential Employment Created by Enhancing District Performance**

**1. Case Study Benchmark: Commercial Vacancy**

Retail vacancy rates in case study districts range from 2% to 6% versus 14% in Old Sacramento. In addition, the vacancy rate of other commercial space in Old Sacramento (52%) is significantly higher than the commercial vacancy rates of case study districts. Most of Old Sacramento’s vacant commercial space is located on the upper floors of multilevel buildings, and is not necessarily comparable to the building stock of case study districts.

**Exhibit 15: Commercial Vacancy Rates**

	<i>Old Sacramento Waterfront</i>	<i>Old Town San Diego</i>	<i>Gaslamp San Diego</i>	<i>Beale Street Memphis</i>
Retail vacancy %	14%	3%	6%	2%
Other commercial vacancy %	52%	6%	13%	12%

Source: Costar

**2. Employment potential of Old Sacramento Waterfront based on benchmark**

If vacancy rates for commercial space in Old Sacramento Waterfront were reduced to the levels of case study districts, the new tenants would potentially generate 400 to 500 new jobs within the district. The employment potential of currently vacant space is conditioned on there being adequate market demand for upper floor commercial space.

#### IV. ANALYSIS OF POTENTIAL TAX REVENUE AND EMPLOYMENT GENERATED BY ADDITIONAL INFILL DEVELOPMENT

The following section evaluates the magnitude of fiscal and economic benefits to the City from additional hotel room sales and retail sales if Old Sacramento Waterfront were to be expanded through infill development. The evaluation is based on an estimate prepared by City staff of Old Sacramento Waterfront’s capacity to accommodate additional retail and hotel development.

##### A. Old Sacramento Waterfront Development Capacity

While Old Sacramento Waterfront is largely built out, City staff identified opportunity sites totaling approximately 1.65 acres with the capacity to accommodate infill development, estimated to include 68,000 square feet of retail and 160 hotel rooms.

The estimated development capacity of Old Sacramento Waterfront is based on a high-level assessment of the physical capacity of vacant sites. No market or financial analysis has been conducted to verify that infill development is currently feasible.

##### Exhibit 16: Development Capacity of Old Sacramento Waterfront Opportunity Sites

	<i>Development Capacity</i>
Estimated new retail square feet	68,000 sf
Estimated new office square feet	5,700 sf
Estimated new hotel rooms	160 rooms
Total development acreage	1.65 acres
Floor area ratio	2.35 FAR

Source: City of Sacramento

##### B. Potential City Tax Revenues Generated by Infill Development

If the district’s estimated development capacity is realized, infill development in Old Sacramento Waterfront would have the potential generate an additional \$1.4 million per year of sales tax and TOT revenues to the City. The estimate is based on new development achieving retail sales productivity of \$500 per square foot and an average daily hotel room rate of \$200 based on standards required to support the costs of new development in Sacramento.

For purposes of this analysis, new hotel rooms are assumed to serve the City’s broader lodging market, as opposed to the demand generated specifically by visitors to district attractions.

##### Exhibit 17: Potential City Tax Revenues Generated by Infill Development

	<i>Annual City Revenues</i>
TOT by new hotel rooms	\$1,080,000
Sales tax by new retail development	<u>\$340,000</u>
Total City tax revenues	\$1,420,000

Source: KMA estimate

### **C. Potential Employment Generated by Infill Development**

Through the buildout of the district's estimated development capacity, infill development has the potential to create 275 permanent jobs assuming typical employment densities for retail, hotel, and office use.

## V. LIMITING CONDITIONS

1. The analysis contained in this document is based, in part, on data provided by the City of Sacramento, and other secondary sources such as state and local government agencies, industry associations, and other third parties. While KMA believes that these sources are reliable, we cannot guarantee their accuracy.
2. The estimate of potential fiscal and economic benefits is based on the district achieving hypothetical performance benchmarks with respect to room nights, retail sales, and commercial vacancy. The performance benchmarks reflect the productivity levels of selected case study districts, including Old Town San Diego, the Gaslamp Quarter in San Diego, and Beale Street in Memphis. KMA has not undertaken an assessment of market support for repositioning the Old Sacramento Waterfront and makes no representations or warranties that these performance benchmarks can be achieved.
3. The estimate of potential fiscal and economic benefits from infill development is based on the district's estimated development capacity as provided by the City of Sacramento. The analysis assumes that estimated development capacity is supported by the marketplace, is financially feasible, and will achieve industry standard productivity levels sufficient to support new development. KMA has not evaluated the level of market support for new development.
4. Given the hypothetical and conceptual nature of the analysis, the findings should be viewed as providing an order of magnitude indicator of potential fiscal and economic benefits.
5. No abstracting, excerpting, or summarization of this report may be made without first obtaining prior written consent from KMA. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client or used for any other purpose other than that for which it is prepared without first obtaining prior written consent from KMA.
6. KMA is not acting as a municipal advisor to the City of Sacramento and does not assume any fiduciary duty hereunder, including, without limitation, a fiduciary duty to the City pursuant to Section 15B of the Exchange Act with respect to the services provided hereunder and any information and material contained in KMA's work product.

## VI. TECHNICAL APPENDIX

The analysis of the capacity of Old Sacramento Waterfront to create new fiscal and economic benefits to the City of Sacramento is detailed in Tables 1 through 10 and Appendices A and C attached to this memorandum.

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Appendix C	Local and Regional Benchmarks	49

# Tables 1-4

## Old Sacramento & Case Studies

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Old Sacramento Revenue Potential  
Sacramento, CA  
4/23/2019

**Table 1**  
**Old Sacramento District Profile**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

**WORKING DRAFT**

**4/23/2019**

Source: City of Sacramento, RealQuest, Costar

<b>I. Land Area<sup>1</sup></b>		<b>Developed</b>	<b>Vacant</b>	<b>Total acres</b>	
Private <sup>4</sup>		7.3	0.5	7.7 acres	
City		2.8	3.9	6.8 acres	
State		7.2	1.2	8.4 acres	
Total Development Parcels		17.3	5.6	22.9 acres	
Not-Developable (Circulation/ ROW)	20%			~5.1 acres	
Total Gross Land Area				~28.0 acres	

<b>II. Building Area<sup>2</sup></b>		<b>Square Feet</b>	<b>Units/Keys</b>	<b>Availability %</b>	
Retail & Restaurants		305,000		14%	
Other Commercial (excl. 1 Capitol Mall)		294,000		52%	
Residential		74,000	82		
Hotel		32,000	44		
Attractions (Museum, Visitor Center, etc.)		54,000			
Parking		163,000			

<b>III. Retail Tenant Mix<sup>3</sup></b>		<b>Establishments</b>	<b>%</b>	<b>Occupied sf</b>	<b>%</b>
Retail		32	48%	128,000	49%
F&B		34	52%	134,000	51%
Total		66	100%	262,000	100%

<sup>1</sup> Appendix A-8

<sup>2</sup> Appendix A-2

<sup>3</sup> Appendix A-1

<sup>4</sup> Excludes Embassy suites parcel at 1.55 acres.

**Table 2**  
**Tourism District Case Study Summary**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

**WORKING DRAFT**

**4/23/2019**

	Old Sacramento	Old Town SD	Gaslamp Qtr.	Beale Street
<b>I. District overview<sup>1</sup></b>				
Total acres (approx)	28 ac	70 ac	51 ac	80 ac
Retail sf in district	305,000 sf	289,000 sf	674,000 sf	326,000 sf
Hotel rooms in district	44 keys	623 keys	2,837 keys	347 keys
Minutes to convention center	20 mins	20 mins	5-10 mins	10 mins
Retail/ restaurant business mix	48% / 52% mix	64% / 36% mix	23% / 77% mix	25% / 75% mix
<b>II. Annual visitors to district<sup>1</sup></b>				
Day trip visitors	100,000	1,960,000 32%	1,600,000 19%	1,100,000 22%
Overnight visitors	80,000	1,980,000 32%	1,620,000 19%	1,960,000 39%
Local visitors (implied)	**	<u>2,210,000</u> 36%	<u>5,280,000+</u> 62%	<u>1,940,000</u> 39%
Total visitors	**	6,150,000 100%	8,500,000+ 100%	5,000,000 100%
<b>III. District benchmarks<sup>1</sup></b>				
<b>Overnight visitors/ room nights</b>				
Share of county overnight visitors	1.4% share	11.0% share	9.0% share	26.0% share
Overnight visitors per retail sf	0.3 /sf	6.9 /sf	2.4 /sf	6.0 /sf
Room nights per retail sf	0.03 /sf	0.40 /sf	0.14 /sf	0.36 /sf
<b>Retail</b>				
Retail sales per sf	\$190 /sf	\$500 /sf	\$500 /sf	TBD
Retail available %	14% avail.	3% avail.	6% avail.	2% avail.
<b>Annual TOT per retail sf</b>				
By district hotels	Confidential	\$10.50 /sf	\$29.75 /sf	\$3.75 /sf
By overnight visitors to district	\$0.25 /sf	\$5.10 /sf	\$1.80 /sf	\$1.95 /sf

<sup>1</sup> See Table 3 for detail

\*\* Total visitors could not be verified. Estimates range from 1.7 million to 6.5 million based on pedestrian headcounts.

**Table 3**  
**Tourism District Case Study Comparison Detail**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

WORKING DRAFT

4/23/2019

	Old Sacramento <sup>1</sup>	Old Town SD <sup>2</sup>	Gaslamp Qtrr. <sup>3</sup>	Beale Street <sup>4</sup>
<b>I. Market overview</b>				
Resident population (50 mi)	3,839,000 res	3,358,000 res	3,327,000 res	1,479,000 res
Countywide day visitors	9,691,000 63%	17,776,000 50%	17,776,000 50%	4,248,000 36%
Countywide overnight visitors	<u>5,609,000</u> 37%	<u>17,998,000</u> 50%	<u>17,998,000</u> 50%	<u>7,552,000</u> 64%
Total visitors to county	15,300,000 100%	35,774,000 100%	35,774,000 100%	11,800,000 100%
Total room nights, county	3,137,000 /year	17,795,000 /year	17,795,000 /year	5,549,460 /year
Rm nights per overnight visitor	0.6	1.0	1.0	0.7
Lodging %: business / leisure <sup>5</sup>	81% / 19% mix	43% / 57% mix	43% / 57% mix	TBD
Convention center sf	183,100 sf	820,000 sf	820,000 sf	262,000 sf
Including expansion	246,000 sf	TBD sf	TBD sf	TBD sf
<b>II. District overview</b>				
Total acres (approx)	28 ac	70 ac	51 ac	80 ac
Total visitors to district	**	6,150,000 /year	8,500,000+ /year	5,000,000 /year
Local workers in district	3,868 emp	2,609 emp	6,338 emp	1,253 emp
Local residents in district	74 res	382 res	1,001 res	208 res
Retail sf in district	305,000 sf	289,000 sf	674,000 sf	326,000 sf
Hotel rooms in district	44 keys	623 keys	2,837 keys	347 keys
Retail/ restaurant estab.	66 firms	90 firms	168 firms	32 firms
Retail/ restaurant business mix	48% / 52% mix	64% / 36% mix	23% / 77% mix	25% / 75% mix
Minutes to convention center	20 mins	20 mins	5-10 mins	10 mins
<b>III. Retail performance</b>				
Retail vacancy %	14%	3%	6%	2%
Asking rent (NNN) psf	\$1.90 /sf	\$2.00 /sf	\$3.05 /sf	\$1.85 /sf
Taxable sales (\$ million)	\$58.5 million /year	\$145.0 million /year	\$338.3 million /year	TBD /year
Retail sales/ sf	\$190 /sf	\$500 /sf	\$500 /sf	TBD /sf
<b>IV. Annual visitors to district</b>				
<b>Number</b>				
Day trip visitors	100,000	1,960,000 32%	1,600,000 19%	1,100,000 22%
Overnight visitors	80,000	1,980,000 32%	1,620,000 19%	1,960,000 39%
Local visitors (implied)	**	<u>2,210,000</u> 36%	<u>5,280,000+</u> 62%	<u>1,940,000</u> 39%
Total visitors	**	6,150,000 100%	8,500,000+ 100%	5,000,000 100%
<b>Annual visitors per sf retail</b>				
Day trip visitors	0.3 /sf	6.8 /sf	2.4 /sf	3.4 /sf
Overnight visitors	0.3 /sf	6.9 /sf	2.4 /sf	6.0 /sf
Local visitors (implied)	**	<u>7.6</u> /sf	<u>7.8</u> /sf	<u>6.0</u> /sf
Total visitors	**	21.3 /sf	12.6 /sf	15.3 /sf
<b>V. District share of visitor market</b>				
Share of county day visitors	1.0% share	11.0% share	9.0% share	26.0% share
Share of county overnight	1.4% share	11.0% share	9.0% share	26.0% share
Share of local pop. (implied)	**	66% share	159% share	131% share
<b>VI. District hotel performance<sup>6</sup></b>				
Annual rm nights in district	Confidential	195,037 /year	849,114 /year	90,558 /year
Room rate		\$148 /rm	\$224 /rm	\$160 /rm
Hotel tax rate (TOT)		10.50% tax	10.50% tax	8.50% tax
Annual TOT revenue		\$3,030,000 /year	\$19,970,000 /year	\$1,230,000 /year
Annual TOT \$ per retail sf		\$10.50 /sf	\$29.75 /sf	\$3.75 /sf
<b>VII. TOT revenues generated by overnight visitors to district<sup>7</sup></b>				
Overnight visitors per year	80,000 /year	1,980,000 /year	1,620,000 /year	1,964,000 /year
Rm nights generated in City/year	6,000 /year	81,000 /year	67,000 /year	78,000 /year
Revenues per room	\$115 /rm	\$173 /rm	\$173 /rm	\$96 /rm
TOT rate <sup>8</sup>	12.0% tax	10.5% tax	10.5% tax	8.5% tax
TOT revenues per year	\$80,000 /year	\$1,470,000 /year	\$1,220,000 /year	\$640,000 /year
Annual TOT revenues/ sf retail	\$0.25 /sf	\$5.10 /sf	\$1.80 /sf	\$1.95 /sf

\*\* Total visitors could not be verified. Estimates range from 1.7 million to 6.5 million based on pedestrian headcounts.

<sup>1</sup> Appendix A-1

<sup>2</sup> Appendix B-1

<sup>3</sup> Appendix B-2

<sup>4</sup> Appendix B-3

<sup>5</sup> Lodging demand segmentation includes group (convention) travelers in commercial category.

<sup>6</sup> San Diego case studies based on custom STR reports. Beale Street based on downtown hotel performance.

<sup>7</sup> See Table 4

<sup>8</sup> Tax rate includes city and county components for Beale Street.

Table 4

WORKING DRAFT

**Estimate of TOT Revenues Generated by Visitors to Old Sacramento and Case Study Districts**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

4/23/2019

	Old Sacramento	Old Town SD	Gaslamp Quarter	Beale Street
Overnight Visitors Per Year <sup>1</sup>	80,000	1,980,000	1,620,000	1,964,000
% Staying in Hotel <sup>2,3</sup>	77%	57%	57%	76%
Total Staying in Hotel Per Year	61,000	1,126,000	921,000	1,497,000
Hotel Occupancy <sup>2,3</sup>	1.66	2.14	2.14	2.81
Hotel Stays	37,000	527,000	431,000	533,000
Room Nights	37,000	527,000	431,000	533,000
% Generated by Attraction	1.0 /stay <sup>4</sup> 22% share <sup>5</sup>	8,000	116,000	95,000
% staying in City <sup>6</sup>	72%	70%	70%	67%
City room nights	6,000	81,000	67,000	78,000
Hotel Revenues Per Room <sup>7</sup>	\$115	\$173	\$173	\$96
Hotel Room Revenues	\$690,000	\$14,030,000	\$11,610,000	\$7,520,000
TOT Tax Rate <sup>8</sup>	12.0%	10.5%	10.5%	8.5%
TOT Revenues	\$80,000	\$1,470,000	\$1,220,000	\$640,000

<sup>1</sup> Based on existing market conditions; Table 3

<sup>2</sup> Average for Sacramento overnight visitors per 2009-2011 Sacramento Visitor Profile prepared by DK Shifflett and Associates.

<sup>3</sup> Average for case studies per local tourism authorities.

<sup>4</sup> KMA conservatively attributes one room night per visitor party. Actual length of stay would be longer but not directly tied to attraction visit.

<sup>5</sup> A 2007 San Diego Convention and Visitors Bureau survey found that of tourists who visited parks (primarily Old Town and Balboa Park), 22 percent were motivated to visit San Diego because of parks. KMA assumes that each district motivates a similar share of visitors to initiate/ extend their stay.

<sup>6</sup> Based on each city's share of countywide hotel inventory.

<sup>7</sup> Current average for each city reflected in TOT receipts.

<sup>8</sup> Current tax rate for each city. Beale Street rate includes city and county components.

# Tables 5-10

## Economic Benefits Analysis

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Old Sacramento Revenue Potential  
Sacramento, CA  
4/23/2019

Table 5

WORKING DRAFT

Summary of Economic Benefits of Revitalizing Old Sacramento Based on Tourism District Case Studies  
 Old Sacramento Revenue Potential  
 Sacramento, CA

4/23/2019

	Current	Potential: Low	Potential: High
<b>I. Key Assumptions</b>			
<u>Retail performance</u>			
Retail sales PSF <sup>1</sup>	\$190	\$350	\$500
<u>Lodging demand<sup>2</sup></u>			
Room nights per 1,000 sf	26	140	400
<u>Vacancy rates<sup>3</sup></u>			
Retail	14%	6%	2%
Other commercial	52%	13%	6%
<b>II. Gross Economic Benefits</b>			
Retail sales taxes <sup>1</sup>	\$590,000	\$1,070,000	\$1,530,000
TOT revenue <sup>2</sup>	<u>\$80,000</u>	<u>\$430,000</u>	<u>\$1,210,000</u>
Total city revenues	\$670,000	\$1,500,000	\$2,740,000
<b>III. Net Economic Benefits</b>			
Retail sales taxes <sup>1</sup>	\$0	\$480,000	\$940,000
TOT revenue <sup>2</sup>	<u>\$0</u>	<u>\$350,000</u>	<u>\$1,130,000</u>
Total city revenues	\$0	\$830,000	\$2,070,000
New jobs- reduced vacancy <sup>3</sup>	0	400	500

<sup>1</sup> Table 6

<sup>2</sup> Table 7

<sup>3</sup> Table 9

Table 6

WORKING DRAFT

Sales Tax Revenue Potentially Generated by Existing Retail Space in Old Sacramento Based on Case Studies  
Old Sacramento Revenue Potential  
Sacramento, CA

4/23/2019

		Current	Potential: Low	Potential: High
Retail sf <sup>1</sup>		305,000	305,000	305,000
Taxable sales per sf <sup>2</sup>		\$190	\$350	\$500
Taxable sales		\$58,515,000	\$106,750,000	\$152,500,000
City sales tax revenues	1.0% tax	\$590,000	\$1,070,000	\$1,530,000
<i>Change versus base</i>			\$480,000	\$940,000

<sup>1</sup> Existing Old Sacramento retail inventory per Costar; Table 3

<sup>2</sup> Potential sales performance based on visitor district case studies; Table 3. Lower end estimate reflects FY14/15 sales performance of concessionaires at the Old Town State Historic Park; Appendix B-4

**Table 7**

**WORKING DRAFT**

**TOT Revenue Potentially Generated by Visitors to Old Sacramento Based on Case Studies  
Old Sacramento Revenue Potential  
Sacramento, CA**

**4/23/2019**

		Current	Potential: Low	Potential: High
District retail sf <sup>1</sup>		305,000	305,000	305,000
Room Nights Per 1,000 sf <sup>2</sup>		26	140	400
Total Annual Room Nights		8,000	42,700	122,000
Share Staying in City	72% share <sup>3</sup>	6,000	31,000	88,000
Hotel Room Revenues	\$115 rev/rm <sup>4</sup>	\$690,000	\$3,570,000	\$10,120,000
TOT Revenues	12% TOT <sup>5</sup>	\$80,000	\$430,000	\$1,210,000
<i>Change versus base</i>			<i>\$350,000</i>	<i>\$1,130,000</i>

<sup>1</sup> Based on existing Sacramento market conditions; Table 3

<sup>2</sup> Room night generation based on visitor case studies; Table 3

<sup>3</sup> Based on City share of countywide hotel inventory.

<sup>4</sup> Current city average reflected in TOT tax records.

<sup>5</sup> Current City tax rate.

**Table 8**  
**Jobs Potentially Generated by Reduced Vacancy in Old Sacramento Based on Case Studies**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

4/23/2019

	Current	Potential: Low	Potential: High
District retail sf <sup>1</sup>	305,000	305,000	305,000
Other commercial sf	294,000	294,000	294,000
Retail vacancy % <sup>2</sup>	14.0%	6.0%	2.0%
Other commercial vacancy % <sup>2</sup>	51.9%	13.0%	6.0%
Occupied retail sf	262,272	286,700	298,900
Occupied commercial sf	141,539	255,780	276,360
Change in occupied retail sf		24,428	36,628
Change in occupied commercial sf		114,241	134,821
Jobs per retail sf		500/sf	500/sf
Jobs per commercial sf		300/sf	300/sf
New jobs vs. base (rounded to nearest 100)		400	500

<sup>1</sup> Based on existing Sacramento market conditions; Table 3

<sup>2</sup> Vacancy based on case studies

**Table 9**

**WORKING DRAFT**

**TOT, Sales Tax, and Jobs Potentially Generated by New Infill Development in Old Sacramento  
Old Sacramento Revenue Potential  
Sacramento, CA**

**4/23/2019**

		Old Sacramento
<b>I. Estimated Development Potential<sup>1</sup></b>		
Estimated new retail sf		68,000 sf
Estimated new office sf		5,700 sf
Estimated new hotel rooms		160 rooms
<b>II. Retail Sales Tax Revenues</b>		
Taxable retail sales psf <sup>2</sup>		\$500 /sf
Total taxable retail sales	68,000 sf	\$34,000,000
Retail sales tax revenue to City	1% tax <sup>3</sup>	\$340,000 /year
<b>III. TOT Revenues</b>		
Hotel occupancy <sup>4</sup>		77%
Average daily rate <sup>4</sup>		\$200
Hotel revenues	160 keys	\$8,990,000
TOT revenue to City	12% tax <sup>3</sup>	\$1,080,000 /year
<b>IV. Employment</b>		
Retail employment	500 sf/emp <sup>5</sup>	135
Hotel employment	0.75 emp/rm <sup>5</sup>	120
Office employment	300 sf/emp <sup>5</sup>	<u>20</u>
Total new employment		275 permanent jobs

<sup>1</sup> Table 10

<sup>2</sup> Based on regional and local benchmarks for newer space. See Appendix C-1

<sup>3</sup> Current City tax rate.

<sup>4</sup> Estimated occupancy/ room rate required for a newly built hotel.

<sup>5</sup> KMA assumption based on experience with similar projects.

**Table 10**  
**Estimated Infill Development Potential in Old Sacramento**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

**WORKING DRAFT**

**4/23/2019**

			Private Land	City Land	State Land	Total Land
Total land sf vacant <sup>1</sup>			19,700	171,800	53,100	244,600
% to be developed (assumed) <sup>2</sup>			0%	17%	79%	29%
Net land sf to be developed			0	29,800	42,100	71,900
			Development			
Gross Building Area	2.35 FAR <sup>2</sup>		169,000	sf		
<u>Use Mix (sf)<sup>2</sup></u>						
Retail/F&B	40%		68,000	sf		
Office	3%		5,700	sf		
Hotel	56%		95,300	sf		
	100%		169,000	sf		
Hotel Rooms	600 sf/rm <sup>3</sup>		160	keys		

<sup>1</sup> Appendix A-7

<sup>2</sup> City of Sacramento estimate.

<sup>3</sup> KMA estimate

# Appendix A

## Old Sacramento Source Data

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Old Sacramento Revenue Potential  
Sacramento, CA  
4/23/2019

Old Sacramento Case Study Source Data  
 Old Sacramento Revenue Potential  
 Sacramento, CA

4/23/2019

	Old Sacramento	Reference/ Source
<b>I. Market Overview</b>		
Resident population (50 mi)	3,839,000	ESRI Business Analyst 2018
Day visitors - county	9,691,000	Appendix A-4
Overnight visitors - county	<u>5,609,000</u>	Appendix A-4
Total visitors - county	15,300,000	Appendix A-4
Total room nights - county	3,137,000	Appendix A-4
Lodging %: comm./ leisure	81% / 19%	TOT Forecast prepared by CBRE (2018); group travel included in commercial
Convention center sf	183,100	City of Sacramento
Including expansion	246,000	City of Sacramento
<b>II. District overview</b>		
Total acres (approx)	28	Google Earth
Total visitors	Not Verified	DT partnership estimates range up to 6.5 million; see Appendix A-8
Local workers	3,868	ESRI Business Analyst 2018
Local residents	74	ESRI Business Analyst 2018
Retail sf	305,000	Costar; see Appendix A-3
Hotel rooms in district	44	Delta King Hotel
Retail/ restaurant estabs.	66	Appendix A-5
Retail/ restaurant % mix	48% / 52%	Appendix A-5
Minutes to convention cntr.	20	Google Maps, on transit
<b>III. Retail performance</b>		
Retail vacancy %	14%	Costar; includes second floor space
Asking rent (NNN) psf	\$1.90	Costar
Taxable sales	\$58,515,000	Appendix A-6; includes general retail and food categories
Retail sales/ sf	\$190	Taxable sales divided by retail sf
Retail sales/ visitor	\$14	Taxable sales divided by total visitors
<b>IV. District hotel performance (confidential)</b>		
Annual rm nights in district		
Revenue per room		
Hotel tax rate (TOT)		
Annual TOT revenue		
Annual TOT \$ per retail sf		
<b>V. Visitor segmentation</b>		
Day visitors	100,000	Appendix A-8
Overnight visitors	80,000	Appendix A-8
Local visitors (implied)	**	Total visitors less out of town visitors
Total visitors	**	Appendix A-8
<b>VI. Visitor market capture</b>		
Day visitors %	1.0%	Visitors to attraction divided by total market
Overnight visitors %	1.4%	Visitors to attraction divided by total market
Local visitors (implied) %	**	Visitors to attraction divided by total market

\*\* Total visitors could not be verified. Estimates range from 1.7 million to 6.5 million based on pedestrian headcounts.

**Appendix A-2**  
**Old Sacramento Inventory Detail**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

**WORKING DRAFT**

**4/23/2019**

Source: City of Sacramento, RealQuest, Costar

	<b>Square Feet<sup>1</sup></b>	<b>Available<sup>1</sup></b>	<b>Available %</b>
<u>Retail and Restaurants</u>			
Storefronts <sup>2</sup>	304,704	42,687	14%
<u>Other Commercial</u>			
Above Storefronts <sup>2</sup>	240,712	117,798	49%
Standalone			
928 2nd St	17,591	0	0%
1110 2nd St	3,330	2,220	67%
1120 2nd St	13,217	13,217	100%
1200 Second Street	19,308	19,308	100%
<b>Total<sup>4</sup></b>	<b>294,158</b>	<b>152,543</b>	<b>52%</b>

	<b>Square Feet<sup>1</sup></b>	<b>Units<sup>3</sup></b>
<u>Residential</u>		
Above Storefronts <sup>2</sup>		
1022 2nd St	24,866	24 du
1019 Front St	7,510	10 du
Standalone		
1128 2nd St	36,260	39 du
120 I Street	5,221	9 du
<b>Total, Residential</b>	<b>73,857</b>	<b>82 du</b>

	<b>Square Feet<sup>1</sup></b>	<b>Rooms<sup>3</sup></b>
<u>Hotel<sup>4</sup></u>		
Delta King	31,800	44 keys

	<b>Square Feet<sup>1</sup></b>
<u>Attractions</u>	
State Park	41,912
City (101 I St & 123 J St)	11,641
<b>Total, Attractions</b>	<b>53,553</b>

	<b>Square Feet<sup>1</sup></b>
<u>Parking</u>	
135 Neasham Cir <sup>3</sup>	163,020

<sup>1</sup> Per City of Sacramento unless otherwise noted.

<sup>2</sup> See Appendix A-3 for allocation of space in mixed-use properties.

<sup>3</sup> Per Costar.

<sup>4</sup> Excluding 1 Capitol Mall and Embassy Suites.

Appendix A-3  
Allocation of Old Sacramento Mixed Use Inventory  
Old Sacramento Revenue Potential  
Sacramento, CA

WORKING DRAFT

4/23/2019

Source: City of Sacramento, RealQuest, Costar

APN	Situs Address	Total building <sup>1</sup>				Retail <sup>2</sup>				Nonretail <sup>3</sup>			Retail Mix <sup>4</sup>	
		Floors	Total sf	Avail. Sf	%	Floors	Total sf	Avail. Sf	%	Total sf	Avail. Sf	%	Retail%	F&B%
<b>Only Retail</b>														
006-0012-021	910 2nd St	2	9,862	0	0%	2	9,862	0	0%	0	0		0%	100%
006-0012-037	906 2nd St	2	7,143	0	0%	2	7,143	0	0%	0	0		0%	100%
006-0071-035	1013 Front St	1	10,907	0	0%	1	10,907	0	0%	0	0		0%	100%
006-0071-034	106 J St	2	11,257	0	0%	2	11,257	0	0%	0	0		0%	100%
006-0071-041	1017 Front St	2	12,240	0	0%	2	12,240	0	0%	0	0		50%	50%
006-0071-056	111 K St	3	9,364	0	0%	3	9,364	0	0%	0	0		100%	0%
006-0072-036	1112 2nd St	3	15,973	0	0%	3	15,973	0	0%	0	0		0%	100%
006-0073-045	1023 2nd St	3	4,400	0	0%	3	4,400	0	0%	0	0		0%	100%
006-0073-048	1019 2nd St	2	9,540	0	0%	2	9,540	0	0%	0	0		50%	50%
006-0075-003	1100 Front St	1	3,000	0	0%	1	3,000	0	0%	0	0		0%	100%
006-0075-004	1020 Front St	1	12,415	0	0%	1	12,415	0	0%	0	0		100%	0%
006-0136-025	1206 Front St	1	4,000	0	0%	1	4,000	0	0%	0	0		0%	100%
006-0360-001	116 I St	1	1,260	0	0%	1	1,260	0	0%	0	0		100%	0%
Subtotal			111,361	0	0%		111,361	0	0%	0	0		30%	70%
<b>Other Commercial Above</b>														
006-0012-014	113 J St	2	13,068	6,534	50%	1	6,534	0	0%	6,534	6,534	100%	100%	0%
006-0012-022	914 2nd St	3	27,900	27,900	100%	1	9,300	9,300	100%	18,600	18,600	100%	0%	0%
006-0012-023	916 2nd St	3	29,131	0	0%	1	9,710	0	0%	19,421	0	0%	0%	100%
006-0012-024	922 2nd St	4	7,761	7,761	100%	1	1,940	1,940	100%	5,821	5,821	100%	0%	0%
006-0012-030	117 J St	3	15,324	9,610	63%	1	5,108	3,203	63%	10,216	6,407	63%	0%	0%
006-0012-036	122 I St	3	7,195	0	0%	1	2,398	0	0%	4,797	0	0%	100%	0%
006-0071-025	101 K St	2	9,352	0	0%	1	4,676	0	0%	4,676	0	0%	50%	50%
006-0071-027	128 J St	2	8,163	0	0%	1	4,082	0	0%	4,082	0	0%	100%	0%
006-0071-032	1012 2nd St	4	13,140	6,570	50%	1	3,285	0	0%	9,855	6,570	67%	100%	0%
006-0071-033	114 J St	3	14,620	9,747	67%	1	4,873	0	0%	9,747	9,747	100%	100%	0%
006-0071-038	121 K St	2	9,974	0	0%	1	4,987	0	0%	4,987	0	0%	100%	0%
006-0071-043	1008 2nd St	3	15,128	5,043	33%	1	5,043	0	0%	10,085	5,043	50%	100%	0%
006-0071-045	122 J St	2	6,300	1,862	30%	1	3,150	0	0%	3,150	1,862	59%	100%	0%
006-0071-055	1028 2nd St	3	23,492	19,456	83%	1	7,831	6,485	83%	15,661	12,971	83%	50%	50%
006-0072-024	1115 Front St	3	21,534	8,000	37%	1	7,178	2,667	37%	14,356	5,333	37%	50%	50%
006-0072-032	126 K St	2	3,053	1,527	50%	1	1,527	0	0%	1,527	1,527	100%	100%	0%
006-0072-033	130 K St	3	12,716	8,478	67%	2	8,477	5,652	67%	4,239	2,826	67%	50%	50%
006-0072-034	1108 2nd St	2	6,000	3,000	50%	1	3,000	0	0%	3,000	3,000	100%	100%	0%
006-0072-039	108 K St	2	17,472	0	0%	1	8,736	0	0%	8,736	0	0%	50%	50%
006-0072-048	118 K St	3	27,000	9,000	33%	1	9,000	0	0%	18,000	9,000	50%	100%	0%
006-0072-049	106 K St	3	30,940	4,557	15%	1	10,313	0	0%	20,627	4,557	22%	100%	0%
006-0073-039	1001 2nd St	2	13,272	6,636	50%	1	6,636	0	0%	6,636	6,636	100%	0%	100%
006-0073-040	1009 2nd St	2	6,600	6,600	100%	1	3,300	3,300	100%	3,300	3,300	100%	0%	0%
006-0073-041	1015 2nd St	2	3,600	0	0%	1	1,800	0	0%	1,800	0	0%	100%	0%
006-0073-047	1019 2nd St	3	11,380	3,090	27%	2	7,587	0	0%	3,793	3,090	81%	50%	50%
006-0074-032	1117 2nd St	2	13,270	9,953	75%	1	6,635	4,976	75%	6,635	4,976	75%	50%	50%
006-0074-035	1107 2nd St	3	15,490	5,163	33%	1	5,163	5,163	100%	10,327	0	0%	100%	0%
006-0074-037	1111 2nd St <sup>5</sup>	3	10,000	0	0%	1	3,333	0	0%	6,667	0	0%	0%	100%
006-0136-002	1201 Front St	1	10,992	0	0%	1	10,992	0	0%	0	0	0%	100%	0%
006-0136-003	1207 Front St	2	6,880	0	0%	1	3,440	0	0%	3,440	0	0%	0%	100%
Subtotal			410,747	160,485	39%		170,035	42,687	25%	240,712	117,798	49%	68%	32%
<b>Residential Above</b>														
006-0071-053	1022 2nd St	4	33,154	0	0%	1	8,289	0	0%	24,866	0	0%	0%	100%
006-0071-057	1019 Front St	3	22,530	0	0%	2	15,020	0	0%	7,510	0	0%	50%	50%
Subtotal			55,684	0	0%		23,309	0	0%	32,376	0	0%	32%	68%
<b>Total Mixed Use</b>			<b>577,792</b>	<b>160,485</b>	<b>28%</b>		<b>304,704</b>	<b>42,687</b>	<b>14%</b>	<b>273,088</b>	<b>117,798</b>	<b>43%</b>	<b>49%</b>	<b>51%</b>

<sup>1</sup> As estimated by City of Sacramento for selected parcels, unless otherwise noted.

<sup>2</sup> Total sf allocated to retail based on estimated number of floors occupied by or marketed to retail tenants, per City of Sacramento survey.  
Vacant sf allocated to retail based on which floors were identified to have current vacancies.

<sup>3</sup> Nonretail sf represents difference between total building area and what has been designated as retail use.

<sup>4</sup> Approximate tenant mix based on occupied space, per City survey. If mix includes both F&B and retail tenants, a 50/50 split is assumed.

<sup>5</sup> Based on Costar, not included in City survey.

**Appendix A-4**

**WORKING DRAFT**

**Sacramento County Visitor Segmentation  
Old Sacramento Revenue Potential  
Sacramento, CA**

**4/23/2019**

Countywide Lodging Demand

City of Sacramento hotel rooms <sup>1</sup>		8,475	
Occupancy rate <sup>1</sup>		73%	
Total Room Nights - City of Sacramento		2,258,164	
City share of county inventory <sup>2</sup>		72%	
Estimated room nights - County		3,136,755	

Group / Commercial Overnight Visitors

Commercial Room Nights	81% city share <sup>3</sup>	2,540,772	a
Average Length of Stay <sup>4</sup>		1.07	b
Average Party Size <sup>4</sup>		1.60	c
Visitors Staying in Hotel	a/b*c	3,799,285	
Staying In Other Accommodations	10% share <sup>4</sup>	421,715	
Total Commercial Overnight Visitors		<u>4,221,000</u>	

Leisure Overnight Visitors

Leisure Room Nights	19% city share <sup>3</sup>	595,984	a
Average Length of Stay <sup>4</sup>		2.75	b
Average Party Size <sup>4</sup>		2.35	c
Visitors Staying in Hotel	a/b*c	509,295	
Staying In Other Accommodations	63% share <sup>4</sup>	878,705	
Total Leisure Overnight Visitors		<u>1,388,000</u>	

Total Overnight Visitors		5,609,000	
Day Visitors (Implied)		<u>9,691,000</u>	
Total Visitors Countywide <sup>5</sup>		15,300,000	

<sup>1</sup> Transient Occupancy Tax Forecast for City of Sacramento prepared by CBRE (2018)

<sup>2</sup> STR property list for Sacramento, County.

<sup>3</sup> Transient Occupancy Tax Forecast for City of Sacramento prepared by CBRE (2018). Assumes county segmentation is similar.

<sup>4</sup> 2009-2011 Sacramento Visitor Profile prepared by DK Shifflett and Associates

<sup>5</sup> Visit Sacramento

## Old Sacramento Retail, Restaurant, and Entertainment Establishments

## Old Sacramento Revenue Potential

Sacramento, CA

4/23/2019

Source: DataVu Business Directory

Establishment Name	Physical Address	Est. Jobs
<b><u>Retail</u></b>		
Candy Barrell	1006 2nd St	2
Leather Works	1014 2nd St	7
Clothing Hangup Boutique	1015 2nd St Lowr	18
Old City Kites	1017 Front St Ste B	2
Stage Nine	102 K St	9
Qismat	1021 Front St	6
American Legacy	1025 Front St Ste B	3
Mcgees Old Time Photos	103 K St	2
Sacramento Sports Souvenirs	1035 2nd St # D	3
Sacramento Sweets Co	1035 Front St	5
Rocky Mountain Chocolate	1039 2nd St	9
Super Silver Sacramento	1100 2nd St	8
Old Sac Shirts & Gifts	1104 2nd St	1
Peruvian Crafts	1105 Front St	3
Brooks Novelty Antiques	1107 Firehouse Aly	3
Old Sacramento Merchants	1112 Firehouse Aly	5
Old Sacramento Trading Post	1115 Front St Ste 1	2
Dog Gone Licious Boutique	1115 Front St Ste 3	5
Evangeline's Costume Mansion	113 K St	22
Seventeen Purses & A Milliionsunglasses	114 K St	5
Vegas Country Market	116 I St	2
Chefs Mercantile	116 K St	17
Christmas & Co	116 K St	4
Candy Heaven Inc	1201 Front St Ste 1	9
Candyland	122 I St	9
Sock City	123 K St	6
Visions of Eden	126 J St	6
Garden of Enchantment	126 K St	4
Ology	130 K St	1
Underground Tasting Room	900 2nd St	3
California Gifts	908 2nd St	6
Skalet Family Jewelers	935 Front St	4
<b>Total Establishments</b>	<b>32 estabs.</b>	<b>191 jobs</b>

**Eating & Drinking Facilities**

Delta King Pilothouse Restaurant	1000 Front St	110
Fat City Bar & Cafe	1001 Front St	132
Steamers	101 K St	17
Old Sacramento Merchants	1014 2nd St Ste 200	18
Turtles	1017 2nd St	20
Sky Ktv	1017 Front St	7
Old Sac General Store	1019 2nd St	5
Ten 22	1022 2nd St	23

## Old Sacramento Retail, Restaurant, and Entertainment Establishments

## Old Sacramento Revenue Potential

Sacramento, CA

4/23/2019

Source: DataVu Business Directory

Establishment Name	Physical Address	Est. Jobs
Fanny Anns Saloon	1023 2nd St	39
Ramona's Comida Mexicana	1023 Front St	23
Graciano's Chicago Deep Dish Pizza & Speake	1023 Front St Ste A	25
Old Sacramento Cafe	1026 2nd St Ste B	23
<i>Page 2 of 2</i>		
La Terraza	1027 2nd St	3
Base Coat Nail Bar	1028 2nd St	13
Sactown Sports Bar and Grill	106 J St	23
Jack In The Box	106 K St	28
Willies Burgers Old Sac	110 K St	18
Railroad Fish and Chips	1100 Front St Ste 100	23
River City Hot Dogs	1100 Front St Ste 130	23
Indo Cafe	1100 Front St Ste 150	3
Omallys Irish Pub	1109 2nd St	23
Rio City Cafe	1110 Front St	80
Firehouse Restaurant	1112 2nd St	70
Back Door Lounge	1112 Firehouse Aly	6
Meson San Agustin LLC	1115 Front St	18
Subway	1125 2nd St	7
Laughs Unlimited	1207 Front St Ste 16	13
Joe's Crab Shack	1210 Front St	100
Munchies	122 J St	4
Round Table Pizza	127 K St	15
Chefs Olive Mix	131 J St	5
Luis Jrs Mexican Food	900 2nd St	18
Dannys Mini Donuts	900 2nd St Ste D	23
River City Saloon	916 2nd St Lowr	20
<b>Total Establishments</b>	<b>34 estabs.</b>	<b>978 jobs</b>

**Attractions/ Entertainment**

Wells Fargo History Museum	1000 2nd St	6
Delta King Theater	1000 Front St	31
Sacramento History Museum	101 I St	11
Old Sacramento State Historic Park	111 I St	55
Suspect Mystery Comedy Theatre	112 J St	37
Old Sacramento Schoolhouse Museum	1200 Front St	1
California State Railroad Museum	125 I St	20
Artist Collaborative Gallery	129 K St	4
<b>Total Establishments</b>	<b>9 estabs.</b>	<b>165 jobs</b>

Appendix A-6

WORKING DRAFT

Taxable Retail and Food Sales in Old Sacramento and Citywide

Old Sacramento Revenue Potential

Sacramento, CA

4/23/2019

Source: City of Sacramento

	Old Sacramento			Citywide			Old Sac. %
	Food <sup>1</sup>	Gen Retail	Total <sup>2</sup>	Food <sup>1</sup>	Gen Retail	Total <sup>2</sup>	
2017	\$44,382,800	\$14,132,500	\$58,515,300	\$1,782,231,700	\$1,588,012,100	\$3,370,243,800	1.7%
2016	\$44,258,900	\$14,241,400	\$58,500,300	\$1,797,403,800	\$1,504,889,500	\$3,302,293,300	1.8%
2015	\$43,402,500	\$14,561,300	\$57,963,800	\$1,698,778,400	\$1,421,633,800	\$3,120,412,200	1.9%
2014	\$41,223,300	\$15,370,300	\$56,593,600	\$1,610,796,700	\$1,329,570,500	\$2,940,367,200	1.9%
2013	\$39,656,800	\$12,538,500	\$52,195,300	\$1,595,443,800	\$1,241,144,900	\$2,836,588,700	1.8%
2012	\$38,905,800	\$11,975,200	\$50,881,000	\$1,554,798,700	\$1,197,391,500	\$2,752,190,200	1.8%
2011	\$35,736,900	\$11,707,800	\$47,444,700	\$1,543,665,400	\$1,160,969,000	\$2,704,634,400	1.8%
2010	\$34,218,800	\$11,061,600	\$45,280,400	\$1,498,928,800	\$1,112,464,200	\$2,611,393,000	1.7%
2009	\$31,781,000	\$11,118,000	\$42,899,000	\$1,489,810,500	\$1,087,217,500	\$2,577,028,000	1.7%
2008	\$32,869,100	\$12,234,200	\$45,103,300	\$1,605,008,900	\$1,130,727,100	\$2,735,736,000	1.6%
2007	\$34,684,600	\$13,061,400	\$47,746,000	\$1,737,608,700	\$1,112,003,100	\$2,849,611,800	1.7%
2006	\$37,646,000	\$14,093,500	\$51,739,500	\$1,770,966,200	\$1,070,852,200	\$2,841,818,400	1.8%
2005	\$37,994,100	\$15,198,800	\$53,192,900	\$1,724,890,100	\$1,012,196,100	\$2,737,086,200	1.9%
2004	\$37,630,700	\$15,595,500	\$53,226,200	\$1,611,594,500	\$936,728,200	\$2,548,322,700	2.1%
2003	\$36,181,600	\$14,506,400	\$50,688,000	\$1,505,511,600	\$1,056,658,900	\$2,562,170,500	2.0%
2002	\$29,170,500	\$12,710,600	\$41,881,100	\$1,471,292,700	\$963,459,100	\$2,434,751,800	1.7%
2001	\$25,948,000	\$12,596,400	\$38,544,400	\$1,459,363,400	\$981,304,900	\$2,440,668,300	1.6%
2000	\$26,174,800	\$12,564,300	\$38,739,100	\$1,437,306,000	\$930,523,800	\$2,367,829,800	1.6%

Note: City of Sacramento provided sales tax revenues which were converted to taxable sales based on a 1% local tax rate.

<sup>1</sup> Food products category includes eating and drinking establishments and food stores.

<sup>2</sup> Total excluding business-to-business, transportation, construction, and miscellaneous taxable sales.

**Appendix A-7**  
**Old Sacramento Parcel Inventory**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

**WORKING DRAFT**

**4/23/2019**

Source: City of Sacramento

<b>APN</b>	<b>Address</b>	<b>Bldg #</b>	<b>Lot Sq Ft</b>	<b>Zoning</b>	<b>Vacant?</b>
<u>Private Owners</u>					
00600710340000	106 J ST	21	4,773	C-3	
00600710330000	114 J ST	22	4,009	C-3	
00601360080000	1 CAPITOL MALL # 310	63	6,841	C-3-SP	
00601360090000	1 CAPITOL MALL # 310	65	7,405	C-3-SP	
00601360210000	1 CAPITOL MALL # 310		8,712	C-3-SP	
00600120280000	928 2ND ST	14	5,350	C-3	
00600710430000	1008 2ND ST	27	5,370	C-3	
00600120300000	117 J ST # 201	15	1,475	C-3	
00600120310000	117 J ST	16	2,525	C-3	
00601360020000	1201 FRONT ST	62	6,730	C-3-SP	
00600120210000	910 2ND ST	8	4,978	C-3	
00600720430000	1128 2ND ST	57	12,663	C-3	
00600710560000	111 K ST	36	6,635	C-3	
00600120220000	914 2ND ST	9	9,082	C-3	
00600720240000	1115 FRONT ST	58	9,102	C-3	
00600720480000	118 K ST	48	6,229	C-3	
00600730470000	1019 2ND ST	79	4,263	C-3	
00600710350000	1013 FRONT ST	2	8,662	C-3	
00600120240000	922 2ND ST	11	5,338	C-3	
00600710570000	1019 FRONT ST	41	9,465	C-3	
00600720360000	1112 2ND ST	55	16,270	C-3	
00600720450000	1120 2ND ST	56	4,695	C-3	
00600720250000	1121 FRONT ST		19,705	C-3	Yes
00600710250000	101 K ST	37	8,357	C-3	
00600120230000	916 2ND ST	10	4,043	C-3	
00600730480000	1019 2ND ST	76	3,903	C-3	
00600740350000	1107 2ND ST	75	5,488	C-3	
00600720320000	126 K ST	50	1,482	C-3	
00600740320000	1117 2ND ST	71	6,237	C-3	
00600710410000	1017 FRONT ST	42	5,846	C-3	
00600710530000	1022 2ND ST	29	11,408	C-3	
00601360070000	1 CAPITOL MALL # 310		12,841	C-3-SP	
00601360220000	1 CAPITOL MALL # 310		24,157	C-3-SP	
00600720350000	1110 2ND ST	53	1,394	C-3	
00600710450000	122 J ST	23	2,727	C-3	
00600730390000	1001 2ND ST	82	6,882	C-3	
00600730400000	1009 2ND ST	81	2,740	C-3	
00600120360000	122 I ST	6	1,931	C-3	
00600120370000	906 2ND ST	7	5,522	C-3	
00600720300000	FIREHOUSE ALY		1,210	C-3	
00600720310000	FIREHOUSE ALY		755	C-3	
00600720330000	130 K ST	51	2,330	C-3	
00600720340000	1108 2ND ST	52	1,972	C-3	
00600730450000	1023 2ND ST	77	1,372	C-3	
00600730410000	1015 2ND ST	80	1,401	C-3	
00600710320000	1012 2ND ST	28	5,504	C-3	

**Appendix A-7**  
**Old Sacramento Parcel Inventory**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

**WORKING DRAFT**

**4/23/2019**

Source: City of Sacramento

APN	Address	Bldg #	Lot Sq Ft	Zoning	Vacant?
<i>Page 2 of 3</i>					
00601360030000	1207 FRONT ST	67	6,806	C-3-SP	
00600710550000	1028 2ND ST	30	6,685	C-3	
00600710380000	121 K ST	33	5,727	C-3	
00600720390000	108 K ST	45	7,304	C-3	
00600720490000	106 K ST	44	13,044	C-3	
00600740370000	1111 2ND ST	73	3,528	C-3	
00600710270000	128 J ST	24	3,922	C-3	
			<hr/>		
			336,795		19,705
<u>City</u>					
00200100240000	CAMELLIA PL		8,000	MIXED	
00600110100000	101 I ST	1	11,217	C-3	
00600120250000	FIREHOUSE ALY		1,742	C-3	
00600120290000	123 J ST	15	2,838	C-3	Yes
00600710210000	FRONT ST		207	C-3	
00600710240000	FIREHOUSE ALY		694	C-3	
00600710260000	2ND ST		436	C-3	
00600710390000	FRONT ST		1,742	C-3	
00600710480000	2ND ST		2,761	C-3	
00600710490000	118 J ST		2,558	C-3	Yes
00600710510000	FRONT ST		805	C-3	
00600710520000	2ND ST		1,132	C-3	
00600710540000	2ND ST		757	C-3	
00600720400000	100 K ST		2,178	C-3	
00600720440000	FIREHOUSE ALY		1,700	C-3	
00600740380000	1109 2ND ST		1,856	C-3	
00600750030000	1100 FRONT ST	85	81,022	C-3	Yes
00600750040000	1020 FRONT ST	86	49,658	C-3	Yes
00601330100000	CAPITOL MALL		1,057	C-3	
00601330210000	CAPITOL MALL		36,469	C-3	
00601360190000	135 NEASHAM CR		28,314	C-3-SP	
00601360200000	FRONT ST		8,712	C-3-SP	
00601360230000	1210 FRONT ST		10,890	C-3-SP	
00601360240000	FRONT ST		436	C-3-SP	
00601360250000	1206 FRONT ST	100	35,719	C-3-SP	Yes
00600730490000	2ND ST		1,795	C-3	
			<hr/>		
			294,695		171,795
<u>State</u>					
00200100280000	CAMELLIA PL		13,547	MIXED	
00600110030000	111 I ST	2	7,949	C-3	
00600110040000	101 I ST		5,848	C-3	
00600110050000	125 I ST	4	23,740	C-3	
00600110060000	I ST		127,631	MIXED	
00600110090000	FRONT ST		54,450	C-3	
00600120010000	100 I ST		10,890	C-3	Yes
00600120140000	113 J ST	96	13,068	C-3	Yes

**Appendix A-7**  
**Old Sacramento Parcel Inventory**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

**WORKING DRAFT**

**4/23/2019**

Source: City of Sacramento

<b>APN</b>	<b>Address</b>	<b>Bldg #</b>	<b>Lot Sq Ft</b>	<b>Zoning</b>	<b>Vacant?</b>
<i>Page 3 of 3</i>					
00600120150000	921 FRONT ST	19	12,632	C-3	Yes
00600120160000	915 FRONT ST	92	8,276	C-3	Yes
00600120170000	907 FRONT ST		8,276	C-3	Yes
00600150010000	100 J ST	87	74,488	C-3	
00600710220000	1000 2ND ST	26	3,485	C-3	
00600750020000	1000 FRONT ST	91	1,742	F	
			<b>366,022</b>		<b>53,142</b>
Total Land Square Feet			997,512		244,642
Total Acres			22.9		5.6

## Estimated Annual Visitors and Visitor Segmentation in Old Sacramento

## Old Sacramento Revenue Potential

Sacramento, CA

4/23/2019

**Total Visitors to Old Sacramento (Including Local)**

	Very Low	Low	Mid	High	Very High
Total Old Sacramento Visitors <sup>1</sup>	530,000	1,700,000	3,300,000	4,300,000	6,500,000
Implied Retail Spend Per Visitor <sup>2</sup>	\$110	\$34	\$18	\$14	\$9

**Out of Town Visitors to Old Sacramento**

Segment	Total Population <sup>3</sup>	Visitors: Low Range <sup>4</sup>		Visitors: High Range <sup>5</sup>	
		Capture%	Visitors	Capture%	Visitors
Commercial Overnight Visitors	4,221,000	1.0%	40,000	3.0%	130,000
Leisure Overnight Visitors	1,388,000	3.0%	40,000	6.0%	80,000
Day Visitors	9,691,000	1.0%	100,000	6.0%	580,000
Total Out of Town Visitors	15,300,000	1.2%	180,000	5.2%	790,000
<i>Total Overnight Visitors (assumed)</i>	<i>5,609,000</i>	<i>1.4%</i>	<i>80,000</i>	<i>3.7%</i>	<i>210,000</i>

<sup>1</sup> Very low = visitors to State Park only. Low = annual pedestrian foot traffic on Front Street. Remaining estimates published by Downtown Sacramento Partnership on website/ in annual reports.

<sup>2</sup> Based on taxable sales; Appendix A-6. Taxable retail spending per visitor in Old Town San Diego is in the \$20-\$25 range.

<sup>3</sup> Appendix A-4

<sup>4</sup> Based on share of out of town visitors who visit riverfront; Appendix A-9

<sup>5</sup> Based on share of out of town visitors who visit historic sites; Appendix A-9

## Share of City of Sacramento Visitors Who Participated in Select Tourism Activities

## Old Sacramento Revenue Potential

## Sacramento, CA

4/23/2019

Source: 2009-2011 Sacramento Visitor Profile prepared by DK Shifflett and Associates

	Sacramento Day	Sacramento Business	Sacramento Overnight Leisure
<u>Most Related to Old Sacramento</u>			
Parks (national/state, etc.)	3.0%	3.0%	4.0%
Beach/Waterfront	1.0%	1.0%	3.0%
Historic Sites	6.0%	3.0%	6.0%
<u>Other Tourism Activities</u>			
Touring/Sightseeing	7.0%	4.0%	9.0%
Shopping	6.0%	4.0%	8.0%
Concerts/Theatre/Dance etc.	6.0%	2.0%	7.0%
Gambling (slots, cards, horses, etc.)	2.0%	0.0%	6.0%
Nightlife (bar, nightclub, etc.)	4.0%	5.0%	5.0%
Museums, Art Exhibits etc.	5.0%	2.0%	5.0%
Culinary/Dining Experience	4.0%	4.0%	4.0%
Festivals/Fairs (state, craft, etc.)	8.0%	7.0%	4.0%
Movies	0.0%	0.0%	2.0%
Theme/Amusement/Water Parks	4.0%	2.0%	2.0%
Extreme/Adventure Sports	1.0%	0.0%	1.0%
Boating/Sailing	0.0%	0.0%	1.0%
<u>Personal Activities</u>			
Real Estate (buy/sell)	3.0%	2.0%	2.0%
Visit Friends/Relatives (general visit)	7.0%	5.0%	17.0%
Medical/Health/Doctor Visit	1.0%	0.0%	2.0%
Wedding	0.0%	0.0%	3.0%
Holiday Celebration (Thanksgiving, July 4th etc.)	1.0%	0.0%	3.0%

**Appendix A-10**  
**Annual Attendance at Sacramento Attractions**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

**WORKING DRAFT**

**4/23/2019**

Source: Visit Sacramento

<b>Attraction</b>	<b>2016 Attendance</b>
<u>Old Sacramento</u>	
1849 Scene	73,976
California Auto Museum	60,066
California State Railroad Museum <sup>1</sup>	320,753
Central Pacific Passenger Station	88,793
Old Sacramento Schoolhouse	0
Old Sacramento Visitor Center	41,988
Sacramento History Museum	60,998
Wells Fargo History Museum	107,200
Total, Old Sacramento <sup>2</sup>	<u>753,774</u>
<u>Elsewhere</u>	
Aerospace Museum of CA	42,548
California Agriculture Museum	39,121
California Museum	131,573
California State Capitol Museum	612,753
California State Indian Museum	29,824
California State Library	0
Crocker Art Museum	269,844
D&J Salvatori Pharmacy	108
Esquire IMAX	166,209
Explorit Science Center	0
Fairytales Town	258,687
Governor's Mansion	0
Leland Stanford Mansion SHP	25,172
Maidu Museum & Historic Site	0
Museum of Medical History	0
Powerhouse Science Center-Discovery Campus	72,219
Roseville Utility Exploration Center	31,776
Sacramento Children's Museum	0
Sacramento Historic City Cemetery	0
Sacramento Zoo	532,322
Sojourner Truth Multi-Cultural Art Museum	0
Sutter's Fort	111,822
Verge Center for the Arts	0
Total, elsewhere	<u>2,323,978</u>
Total, all locations	3,077,752

<sup>1</sup> 44% of RHM visitors are reported to be local, per 2014 OSHP General Plan.

<sup>2</sup> Very likely to include duplication among various local attractions.

# **Appendix B**

## **Visitor District Case Studies Source Data**

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**Old Sacramento Revenue Potential  
Sacramento, CA  
4/23/2019**

Old Town San Diego Case Study Source Data  
 Old Sacramento Revenue Potential  
 Sacramento, CA

4/23/2019

	Old Town SD	Source/ Reference
<b>I. Market Overview</b>		
Resident population (50 mi)	3,358,000	ESRI Business Analyst 2018
Day visitors - county	17,776,000	2018 SDTA Visitor Industry Summary
Overnight visitors - county	<u>17,998,000</u>	2018 SDTA Visitor Industry Summary
Total visitors - county	35,774,000	2018 SDTA Visitor Industry Summary
Total room nights - county	17,795,000	2018 SDTA Visitor Industry Summary
Lodging %: comm./ leisure	43% / 57%	extrapolation of 2017 STDA Tourism Survey
Convention center sf	820,000	San Diego Convention Center Corp
Including expansion	TBD	Expansion plans in process
<b>II. District overview</b>		
Total acres (approx)	70	Google Earth based on Old Town Community Plan (excl Presidio Park)
Total visitors	6,150,000	Based on State park visitors
Local workers	2,609	ESRI Business Analyst 2018
Local residents	382	ESRI Business Analyst 2018
Retail sf	289,000	Costar; adjusted to exclude non-retail uses on upper levels
Hotel rooms in district	623	STR Inventory List
Retail/ restaurant estabs.	90	DataVu Business Directory
Retail/ restaurant % mix	64% / 36%	DataVu Business Directory
Minutes to convention cntr.	20	Google Maps, on transit
<b>III. Retail performance</b>		
Retail vacancy %	3%	Costar
Asking rent (NNN) psf	\$2.00	Costar
Taxable sales	\$145,044,000	MuniServices (2018)
Retail sales/ sf	\$500	Taxable sales divided by retail sf
Retail sales/ visitor	\$24	Taxable sales divided by total visitors
<b>IV. District hotel performance</b>		
Annual rm nights in district	195,037	STR
Revenue per room	\$148	STR
Hotel tax rate (TOT)	10.50%	City of San Diego
Annual TOT revenue	\$3,030,000	Room revenue * tax rate
Annual TOT \$ per retail sf	\$10.50	TOT divided by retail sf
<b>V. Visitor segmentation</b>		
Day visitors	1,960,000	extrapolation of 2017 SDTA visitor survey
Overnight visitors	1,980,000	extrapolation of 2017 SDTA visitor survey
Local visitors (implied)	<u>2,210,000</u>	Difference between total visitors and out of town visitors
Total visitors	6,150,000	Based on State park visitors
<b>VI. Visitor market capture</b>		
Day visitors %	11%	2017 SDTA visitor survey; assumes day capture is same as overnight
Overnight visitors %	11%	2017 SDTA visitor survey
Local visitors (implied) %	66%	Visitors to attraction divided by total market

**Gaslamp Quarter Case Study Source Data**  
**Old Sacramento Revenue Potential**  
**Sacramento, CA**

4/23/2019

	Gaslamp Quarter	Source/ Reference
<b>I. Market Overview</b>		
Resident population (50 mi)	3,327,000	ESRI Business Analyst 2018
Day visitors - county	17,776,000	2018 SDTA Visitor Industry Summary
Overnight visitors - county	<u>17,998,000</u>	2018 SDTA Visitor Industry Summary
Total visitors - county	35,774,000	2018 SDTA Visitor Industry Summary
Total room nights - county	17,795,000	2018 SDTA Visitor Industry Summary
Lodging %: comm./ leisure	43% / 57%	extrapolation of 2017 STDA Tourism Survey
Convention center sf	820,000	San Diego Convention Center Corp
Including expansion	TBD	Expansion plans in process
<b>II. District overview</b>		
Total acres (approx)	51	Google Earth
Total visitors	8,500,000+	Gaslamp Quarter 2015; estimates range to 10m
Local workers	6,338	ESRI Business Analyst 2018
Local residents	1,001	ESRI Business Analyst 2018
Retail sf	674,000	Costar; adjusted to exclude non-retail uses on upper levels
Hotel rooms in district	2,837	STR Inventory List
Retail/ restaurant estabs.	168	DataVu Business Directory
Retail/ restaurant % mix	23% / 77%	DataVu Business Directory
Minutes to convention cntr.	5-10	Google Maps, on foot
<b>III. Retail performance</b>		
Retail vacancy %	6%	Costar; includes second floor space
Asking rent (NNN) psf	\$3.05	Costar
Taxable sales	\$338,290,000	MuniServices (2018)
Retail sales/ sf	\$500	Taxable sales divided by retail sf
Retail sales/ visitor	\$40	Taxable sales divided by total visitors
<b>IV. District hotel performance</b>		
Annual rm nights in district	849,114	STR
Revenue per room	\$224	STR
Hotel tax rate (TOT)	10.50%	City of San Diego
Annual TOT revenue	\$19,970,000	Room revenue * tax rate
Annual TOT \$ per retail sf	\$29.75	TOT divided by retail sf
<b>V. Visitor segmentation</b>		
Day visitors	1,600,000	extrapolation of 2017 SDTA visitor survey
Overnight visitors	1,620,000	extrapolation of 2017 SDTA visitor survey
Local visitors (implied)	<u>5,280,000+</u>	Difference between total visitors and out of town visitors
Total visitors	8,500,000+	Gaslamp Quarter 2015; estimates range to 10m
<b>VI. Visitor market capture</b>		
Day visitors %	9%	2017 SDTA visitor survey; assumes day capture is same as overnight
Overnight visitors %	9%	2017 SDTA visitor survey
Local visitors (implied) %	159%	Visitors to attraction divided by total market

	Beale Street	Source/ Reference
<b>I. Market Overview</b>		
Resident population (50 mi)	1,479,000	ESRI Business Analyst 2018
Day visitors - county	4,248,000	Visit Memphis
Overnight visitors - county	<u>7,552,000</u>	Visit Memphis
Total visitors - county	11,800,000	Visit Memphis
Total room nights - county	5,549,460	Metropolitan Memphis Hotel & Lodging Association
Lodging %: comm./ leisure	TBD	
Convention center sf	262,000	Visit Memphis
Including expansion	TBD	
<b>II. District overview</b>		
Total acres (approx)	80	Google Earth
Total visitors	5,000,000	Beale Street BID
Local workers	1,253	ESRI Business Analyst 2018
Local residents	208	ESRI Business Analyst 2018
Retail sf	326,000	Costar
Hotel rooms in district	347	Costar
Retail/ restaurant estabs.	32	Beale Street BID
Retail/ restaurant % mix	25% / 75%	Beale Street BID
Minutes to convention cntr.	10	Google maps, on transit
<b>III. Retail performance</b>		
Retail vacancy %	2%	Costar
Asking rent (NNN) psf	\$1.85	Costar - for overall downtown due to limited availability in district
Taxable sales	TBD	
Retail sales/ sf	TBD	
Retail sales/ visitor	TBD	
<b>IV. District hotel performance</b>		
Annual rm nights in district	90,558	Extrapolated from Metropolitan Memphis Hotel & Lodging Association
Revenue per room	\$160	Extrapolated from Metropolitan Memphis Hotel & Lodging Association
Hotel tax rate (TOT)	8.50%	Includes City (3.5%) and County (5%) lodging tax. Excludes sales tax.
Annual TOT revenue	\$1,230,000	Room revenues * tax
Annual TOT \$ per retail sf	\$3.75	TOT divided by retail sf
<b>V. Visitor segmentation</b>		
Day visitors	1,100,000	extrapolation of Visit Memphis survey data <sup>1</sup>
Overnight visitors	1,960,000	extrapolation of Visit Memphis survey data <sup>1</sup>
Local visitors (implied)	<u>1,940,000</u>	Difference between total visitors and out of town visitors
Total visitors	5,000,000	Beale Street BID
<b>VI. Visitor market capture</b>		
Day visitors %	26%	Visitors to attraction divided by total market
Overnight visitors %	26%	Visitors to attraction divided by total market
Local visitors (implied) %	131%	Visitors to attraction divided by total market

<sup>1</sup> Per Visit Memphis, 34% of attraction-goers visit Beale Street. KMA reduced this share by 25% to account for visitors who did not visit attractions during their stay. The resulting segmentation of local and out of town visitors to Beale Street is consistent with a 2017 survey of Beale Street Music Festival attendees, which found that about 60% of attendees were from outside the county.

Appendix B-4

WORKING DRAFT

Gross Receipts of Old Town San Diego Concessionaires (FY14/15)

Old Sacramento Revenue Potential

Sacramento, CA

4/23/2019

Source: California State Parks

Concessionaire	Retail	F&B	Total	Est. Sq. Ft. <sup>1</sup>	\$/SF
Wallach & Goldman Square	\$391,286	\$656,190	\$1,047,476	4,000	\$262
Captain Fitch's Mercantile	\$304,880	\$24,815	\$329,695	2,000	\$165
Cousin's Old Town Candy Shop	\$1,139,248		\$1,139,248	2,600	\$438
El Centro Artesano	\$719,609	\$66,523	\$786,132	2,300	\$342
Gum Saan (Specialty Retail)	\$227,235		\$227,235	800	\$284
Miner's Gems & Minerals	\$589,484		\$589,484	1,500	\$393
Old Town Family Hospitality Corp. <sup>2</sup>	\$4,514,389	\$12,260,077	\$16,774,466	46,400	\$362
Racine & Laramie (Tobacco Shop)	\$838,186		\$838,186	2,500	\$335
Rust General Store/ Calif. Indian Market	\$625,105		\$625,105	1,500	\$417
San Diego House (historic retail store)	\$362,191		\$362,191	1,000	\$362
Tafoya and Sons	\$357,428		\$357,428	1,000	\$357
Tinsmith Old Town, Inc.	\$191,555		\$191,555	1,600	\$120
Toby's Candle Company	\$567,848		\$567,848	1,200	\$473
Toler, Inc.	\$574,155		\$574,155	1,500	\$383
<i>Total</i>	<i>\$11,402,599</i>	<i>\$13,007,605</i>	<i>\$24,410,204</i>	<i>69,900</i>	<i>\$349</i>

<sup>1</sup> Based on state property database, concessions RFPs, Costar, and Loopnet.com

<sup>2</sup> Operator of three largest eating & drinking establishments in the Old Town State Historic Park.

# **Appendix C**

## **Local and Regional Retail Benchmarks**

---

**Old Sacramento Revenue Potential**  
**Sacramento, CA**  
**4/23/2019**

Appendix C-1

WORKING DRAFT

Old Sacramento Retail Performance versus Selected Local and Regional Benchmarks

Old Sacramento Revenue Potential

Sacramento, CA

4/23/2019

	Old Sacramento <sup>1</sup>	Midtown <sup>2</sup>	Pavilions Shopping Cntr. <sup>3</sup>	U.S. West Malls, per ICSC <sup>4</sup>
<b>I. Retail Inventory</b>				
Retail sf (est.)	305,000	853,399	76,719	
% available	14%	TBD	5%	
<b>II. Retail Composition</b>				
Retail share of sf	49%	59%		
F&B share of sf	<u>51%</u>	<u>41%</u>		
Total	100%	100%		
<b>III. Retail sales</b>				
Retail taxable sales	\$14,133,000	\$40,853,000		
Food taxable sales	<u>\$44,383,000</u>	<u>\$216,714,000</u>		
Total included sales	\$58,516,000	\$257,567,000	\$39,433,566	
Sales per sf	\$190	\$300+	\$514	\$600
City sales capture	1.7%	7.6%	1.2%	

<sup>1</sup> Appendix A-1 & Appendix A-6

<sup>2</sup> MuniServices. Excludes other taxable sales categories (transportation, B2B). The City notes that some of these categories may include sales by local retailers. Including these categories, taxable sales would approach \$400/sf.

<sup>3</sup> Based on property listing published by Gallelli Real Estate in July 2018. Sales figure reflects gross rather than taxable sales.

<sup>4</sup> Gross Sales Productivity for Non-Anchor Tenants in U.S. West Malls in 2017, per the International Council of Shopping Centers.

## **RESOLUTION NO. 2019-XXXX**

Adopted by the Sacramento City Council

### **DESTINATION SACRAMENTO PROGRAM MULTI-YEAR OPERATING PROJECT (MYOP) (I02185000) AND FUND TRANSFER**

#### **BACKGROUND**

- A. The dissolution of Redevelopment Agencies in 2011 resulted in the loss of an important source of funding for economic development projects within the city of Sacramento.
- B. The FY2016/17 budget priorities approved by the Mayor and City Council included an initiative to invest in the Sacramento Riverfront as an economic driver for the region's economy.
- C. The City has pledged Transit Occupancy Tax (TOT) revenues to repay the bonds issued in November 2018 for the Convention Center Complex (C3) project.
- D. Proceeds from the TOT revenue bonds that were issued in November 2018 may be utilized for the Destination Sacramento Program in the amount of \$5,000,000 from the 2018 Transient Occupancy Tax Taxable Revenue Bond Fund (Fund 6331).
- E. Investment in a renewed waterfront could represent a major boost to Sacramento's business and leisure visitations.
- F. A renewed Old Sacramento Waterfront would contribute significantly to the region's overall economic competitiveness by stimulating business growth, supporting additional downtown housing opportunities, and attracting and retaining a creative workforce.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The Destination Sacramento Program multi-year operating project (MYOP) (I02185000) is established.
- Section 2. \$5,000,000 from available fund balance in the 2018 Transient Occupancy Tax Taxable Revenue Bond Fund (Fund 6331) is transferred to I02185000.

Section 3. Staff is directed to proceed with the project feasibility phase for the Destination Sacramento Program, starting with the waterfront. All projects will be subject to Council approval of estimated costs and content.

## **RESOLUTION NO. 2019-XXXX**

Adopted by the Sacramento City Council

### **DESTINATION SACRAMENTO PROGRAM MULTI-YEAR OPERATING PROJECT (MYOP) (I02185000) AND FUND TRANSFER**

#### **BACKGROUND**

- A. The dissolution of Redevelopment Agencies in 2011 resulted in the loss of an important source of funding for economic development projects within the city of Sacramento.
- B. The FY2016/17 budget priorities approved by the Mayor and City Council included an initiative to invest in the Sacramento waterfront as an economic driver for the region's economy.
- C. The City has pledged Transit Occupancy Tax (TOT) revenues to repay the bonds issued in November 2018 for the Convention Center Complex (C3) project.
- D. Proceeds from the TOT revenue bonds that were issued in November 2018 will be utilized for the Destination Sacramento Program in the amount of \$5,000,000 from the 2018 Transient Occupancy Tax Taxable Revenue Bond Fund (Fund 6331).
- E. Proceeds from Sacramento Tourism and Infrastructure District (STID) bonds that are expected to be issued in the summer of 2019, as well as other project funding sources including the potential issuance of an additional series of TOT Revenue Bonds, are expected to be up to \$42 million in excess of the amount needed to fully fund the C3 Project, thus allowing for the funding of other eligible waterfront projects within the Destination Sacramento Program that meet allowable uses of TOT in accordance with section 3.28.180 of the City Code. All projects will be subject to Council approval of content and funding.
- F. Investment in a renewed waterfront could represent a major boost to Sacramento's business and leisure visitations.
- G. A renewed Old Sacramento Waterfront would contribute significantly to the region's overall economic competitiveness by stimulating business growth, supporting additional downtown housing opportunities, and attracting and retaining a creative workforce.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The Destination Sacramento Program multi-year operating project (MYOP) (I02185000) is established.
- Section 2. \$5,000,000 from available fund balance in the 2018 Transient Occupancy Tax Taxable Revenue Bond Fund (Fund 6331) is transferred to I02185000.
- Section 3. After funding the costs of the C3 Project, all residual TOT Revenue Bond capacity, including that created by other funding sources and from the issuance of an additional series of TOT Revenue Bonds described in Background section E, shall be transferred to the Destination Sacramento Program as soon as it becomes available. The parameters of the potential issuance of the additional series of TOT Revenue Bonds shall be consistent with the parameters of the 2018 TOT Revenue Bonds – maintaining a targeted minimum balance of the Community Center Fund of at least \$8 million per year and maintaining necessary debt service coverage ratios.
- Section 4. Staff is directed to proceed with the project feasibility phase for the Destination Sacramento Program, starting with the waterfront. All projects will be subject to Council approval of estimated costs and content.