

MALIBU ECONOMIC SERVICES

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Prepared for
City of Malibu

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EXECUTIVE SUMMARY

This report analyzes the economic feasibility of commercial development in Malibu and summarizes the economic impacts of alternative development intensities on vacant commercial property. It also looks at the economic return of redeveloping existing parcels. The report is divided into two main sections. The first section is an assessment of the demand for retail and office space. The second section is an economic feasibility analysis of alternative development scenarios. This section closes with suggestions for increasing the amount of office space and broadening the mix of retail within Malibu.

RETAIL AND OFFICE SPACE DEMAND

Malibu households spend \$276 million annually on retail purchases. Of that, \$86 million is spent at business establishments located in Malibu. Another \$189 million is spent outside of Malibu, most often in Santa Monica, Los Angeles and in the San Fernando Valley. This sales leakage could support an additional 618,000 square feet of retail space in Malibu.

The results of the 2007 Malibu Household Survey suggest that residents are unhappy with Malibu's current mix of retail shopping opportunities. They were especially concerned that existing retailers cater primarily to visitors and very high income households. In particular, residents would like to see a hardware/home improvement store, a general merchandise store selling household goods and a specialty food store located in Malibu.

Although residents would like a better selection of basic retail products and services, their interests are not necessarily in more "formula" retail stores (i.e. major chain stores), particularly big-box establishments. However, Malibu is unlikely to attract many formula retail businesses due to the high retail rents and labor rates as well as limited space and restrictive FARs. Malibu's most effective option for addressing issues with formula retail businesses would be to adopt a set of design guidelines for all commercial areas.

There are 1,479 businesses in Malibu of which 900 are located at a residential address. The total businesses together generate about \$1.2 billion in sales. Of the 900 home-based businesses, 510 are

in business and personal services, 139 are in industrial, mostly construction, another 170 are retail businesses and 81 are miscellaneous.

The high rents, low vacancy rates (less than five percent) and the very high number of home-based businesses suggest a very strong demand for office space in Malibu. According to real estate brokers, office suites with 2,500 to 4,000 square feet that would accommodate four to five employees are most in demand. Potential tenants for new office space would be businesses in three key business services: motion picture services; business consulting services; and, management consulting services.

POTENTIAL FOR NEW COMMERCIAL DEVELOPMENT

Malibu currently has 253 acres of commercial and industrial land with approximately 1.26 million square feet of existing commercial and industrial building space. As noted above, vacancy rates range between zero and five percent.

For this report, one large vacant parcel was used to assess the impacts of alternative Floor Area Ratios (FAR) and combinations of retail and office space. This analysis suggests that to attract community-serving retailers, new commercial development would need to include a combination of retail and office space at both market and below-market rents. In addition, the City would have to increase its commercial FAR to at least .60. The City currently allows only a .15 FAR, with conditional increases up to .20. The .20 FAR can work if the land price for a particular site is low enough, or in the case where an existing commercial property is redeveloped by an existing owner who has a low land basis in the property.

In summary, given its very high land prices, if Malibu wishes to meet residents' need for additional retail space, the City will need to allow a mixture of space that includes both below market and market rate retail rents combined with market rate office space in order to attract developers to the City of Malibu. This could be implemented by offering density bonuses (increased FARs) in return for deed restrictions limiting a portion of new space to below-market commercial rents.

In terms of fiscal impacts of the alternatives analyzed above, retail development generates the greatest net positive impact on the City budget, while office generates the least positive impact.

Residential uses also generate a positive impact due to the very high value of homes in Malibu.

IMPLEMENTATION RECOMMENDATIONS

DEVELOPMENT STANDARDS

The City of Malibu should give highest priority to revising the development standards to allow expansion of existing and development of new retail and office space. This study demonstrates that there is a substantial market demand for additional retail and office space. The current FARs of .15 and .20 do not allow existing Malibu businesses to improve or expand their current facilities to meet their business growth needs. In addition, the current FARs do not allow for the types of community-serving retail stores that residents desire.

BUSINESS RETENTION AND EXPANSION PROGRAM

Once the City has made it possible for existing businesses to improve or expand their current facilities, Malibu should consider establishing a Business Retention and Expansion Program.

Typical elements of a BRE program include, but not limited to:

- Soliciting input from businesses to identify their needs for facility improvement or expansion either through one-on-one meetings with business owners or a survey;
- Assisting businesses with required City and other government agency permits;
- Working with targeted businesses, including those that have a large impact on the City's tax base, to address workforce, regulatory or expansion needs to ensure that they remain in Malibu;
- Establish an on-going program of monitoring market and employment trends, including tracking sales tax and employment data of local businesses in order to identify emerging business competitiveness issues;
- Keep an inventory of available retail, office and industrial space.

Studies have shown that business retention and expansion activities represent the most cost effective means for communities to improve economic opportunities and job quality in their local economy. This type of program places emphasis on

nurturing businesses that are members of the community and have proven track record of meeting the needs of local residents and the local workforce while enhancing the fiscal stability of the community. Such a program could be designed as part of developing an Economic Element for the City's General Plan.

DEMAND FOR RETAIL AND OFFICE SPACE

MALIBU RETAIL MARKET ANALYSIS

The retail market analysis in this section estimates the household demand for retail goods, and compares this to the sales patterns of Malibu retail stores. This information provides a baseline estimate of how Malibu's retail stores currently attract local and regional retail spending. It identifies which store categories comprise Malibu's strongest regional shopping attractors, and which categories have shortcomings that can potentially be addressed with new retail store attraction.

This analysis will provide a background context from which discussion of policy options can begin. Some of the findings from the Retail Market Analysis are summarized below.

- There are approximately 8,900 households and 13,600 residents in Malibu. The average annual household income is \$224,000.
- Malibu households generate \$276 million in retail sales annually. Of this, \$86 million is spent at Malibu retail establishments and the remaining \$189 million is spent outside of Malibu. Shops on the Westside capture 18 percent of total spending, Thousand Oaks captures 32 percent, and eight percent goes to Ventura County communities such as Oxnard and Ventura.
- Malibu retail businesses draw customers from local households and from visitors. Retailers generate \$234 million annually. About \$87 million comes from Malibu households and the remaining \$147 million comes from shoppers from surrounding communities, tourists and overnight visitors.
- The retail leakage of \$189 million represents a short-term expansion opportunity for Malibu's retail base. The current retail leakage could support another 120,000 square feet in the building materials and home furnishings group; another 277,000 square feet in the general merchandise retail group, another 23,000 in the grocery and specialty food retail group and 198,000 square feet in other types of retail.
- Findings from the 2007 Malibu household survey suggest a majority of residents would like a greater range of retail shops

located within Malibu. Out of 1,002 responses, the most often requested store types were: hardware/home improvement store (626 mentions); specialty grocery store (731 mentions); household goods store (147 mentions); and restaurant (187 mentions).

- This analysis demonstrates a demand for additional retail space in Malibu. However, land availability, development regulations, especially the restrictive .15 FAR, and very high rents and land prices, limit Malibu's ability to satisfy its community-serving retail demand.

RETAIL MARKET ANALYSIS OVERVIEW

This retail market analysis consists of two main parts: an estimate of household retail spending and a comparison of overall spending potential and sales at Malibu retail establishments.

The household retail spending totals are calculated from an analytical model that ADE developed in-house. This model estimates spending for 40 different store types and 100 product categories. The taxable sales data is an annual total listed by retail category. The businesses listed in the analysis encompass all of the retail businesses operating in the City of Malibu. The retail sales data comes directly from the California State Board of Equalization sales tax allocation records, and the data was audited by the City of Malibu Finance Department. Because certain retail items, such as food and prescription drugs, are not taxable, the analysis includes a conversion that calculates nontaxable sales.

As described later in this section, retail leakage represents the gap between household spending by Malibu households and retail sales by local retail establishments. This leakage represents an existing shortfall, as well as an opportunity for both retail expansion and possible attraction.

MALIBU'S RETAIL SETTING

Malibu's retail market encompasses the entire City of Malibu, primarily ZIP code 92065, which has a total of just under 8,900 households.¹ Based on data from the U.S. Census and the Malibu Household Survey, the estimated annual income for households in the retail market area is approximately \$224,000. According to

¹ Household count comes from the Postal Service delivery statistics for ZIP code 92065, which encompasses some of the surrounding unincorporated areas outside of the Malibu city limits.

the 2005 California Department of Finance, the City of Malibu itself has a population of just over 13,600 residents.

In addition, Malibu has an annual influx of over 1.5 million visitors and tourists who provide further market support for local retail stores².

LOCAL HOUSEHOLD SPENDING

Based on data from ADE's retail demand model, the estimated annual retail spending by Malibu households totals about \$276 million, as shown in Table 1. It should be noted that not all of this spending occurs in Malibu because neighboring communities provide retail offerings not available locally.

Household spending by Malibu households is distributed across the full range of retail store categories. The three largest retail store spending categories are department/discount stores, new car dealers, and grocery stores, with about \$28 million, \$63 million, and \$42 million of annual spending, respectively. Other retail store categories with more than \$20 million of annual spending by Malibu households include specialty retail, gasoline service stations, apparel/clothing, and eating places/restaurants.

² Malibu Chamber of Commerce, 2007.

**TABLE 1
MALIBU HOUSEHOLD RETAIL SPENDING DISTRIBUTION AND LEAKAGE, 2007**

Retail Group	Total Household Spending (90265 ZIP Code)	Retail Spending at Malibu Stores	Leakage of Retail Spending	Square Footage Potential
Total	\$275,987,086	\$86,597,661	\$189,389,425	618,626
Apparel Store Group	\$15,810,866	\$9,013,723	\$6,797,143	82,056
General Merchandise Group	\$51,553,442	\$7,758,564	\$43,794,878	277,525
Department Stores	\$28,444,469	\$0	\$28,444,469	165,490
Drug Stores/Other General Merchandise*	\$23,108,973	\$7,758,564	\$15,350,409	112,035
Specialty Retail Group	\$17,695,502	\$3,577,975	\$14,117,527	64,363
Gifts/Florists*	\$1,810,353	\$821,423	\$988,930	6,536
Music/Books/Stationery/Office Supplies*	\$5,037,175	\$983,861	\$4,053,314	22,764
Jewelry	\$1,505,365	\$576,107	\$929,258	2,051
Misc. Specialty Retail/Sporting Goods/Photographic*	\$9,342,609	\$1,196,584	\$8,146,025	33,010
Food, Eating and Drinking Group	\$68,252,180	\$51,318,897	\$16,933,283	59,401
Grocery Stores	\$42,292,548	\$34,957,048	\$7,335,500	19,751
Specialty Food Stores	\$1,295,798	\$56,637	\$1,239,162	3,555
Liquor Stores	\$2,187,156	\$938,393	\$1,248,763	4,496
Eating Places	\$22,476,677	\$15,366,819	\$7,109,858	31,599
Building Materials and Home Furnishings Group	\$29,107,091	\$3,512,193	\$25,594,898	119,894
Home Furnishings/Electronics/Used Merchandise*	\$16,989,630	\$2,473,786	\$14,515,844	62,706
Nurseries & Garden Supply Stores	\$2,451,184	\$89,956	\$2,361,228	14,174
Home Improvement	\$9,666,277	\$948,450	\$8,717,827	43,014
Automotive Group	\$93,568,006	\$11,416,310	\$82,151,695	15,387
New Cars & RVs	\$62,734,312	\$0	\$62,734,312	n/a
Used Car Dealers	\$4,525,051	\$0	\$4,525,051	n/a
Gasoline Service Stations	\$22,714,383	\$11,416,310	\$11,298,073	n/a
Mobile Homes & Trailers	\$18,526	\$0	\$18,526	n/a
Auto Parts & Accessories	\$1,621,806	\$0	\$1,621,806	10,148
Boats & Motorcycles	\$1,953,929	\$0	\$1,953,929	5,238

Source: ADE, based on Malibu Household Survey and ADE retail demand model. Retail model developed from 2002 US Retail Census, and the 2003 Bureau of Labor Statistics Household Expenditure Surveys. Data adjusted for inflation using CPI.

Notes: Spending and sales do not include non-store retail establishments, which include mail order, home shopping, and direct selling. The market area is defined as the City of Malibu, zip code 90265. This table only reflects retail demand by local households, and does not account for where the spending occurs.

MALIBU RETAIL SALES

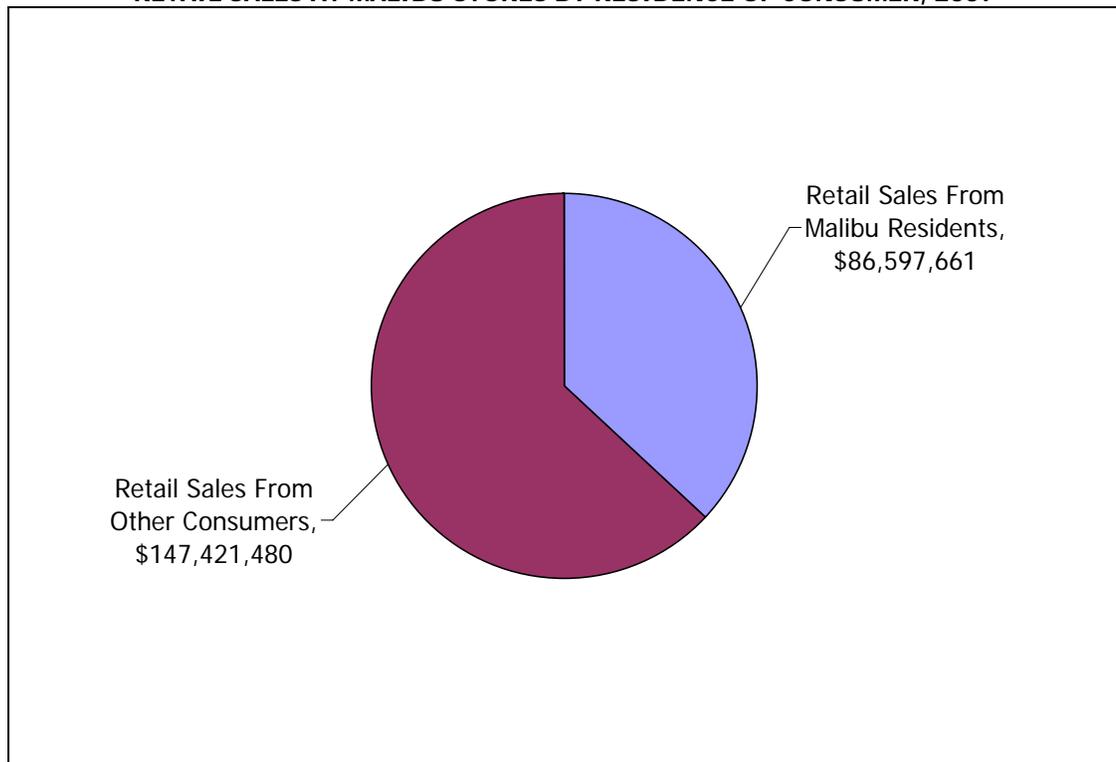
In addition to the amount that local households spend at retail stores, the other component that defines the local retail market is the retail sales generated by local stores. Sales tax data from the State Board of Equalization was used to calculate the retail store sales by store category for the City of Malibu. The City's Finance Department provided an audited record of this data, from which ADE estimated the taxable retail sales. After adjusting the sales tax data to account for nontaxable item sales, the annual retail sales by businesses in the City of Malibu total, approximately \$234 million, of which \$87 million came from Malibu market area households. (See Figure 1) The remaining \$147 million came from other consumer groups, such as shoppers from neighboring communities, tourists, other overnight visitors, and business-to-business sales. While Malibu' households contribute significantly

to spending within the City, Malibu also draws significant spending from outside of the community because of the strong tourist attraction to Malibu beaches.

By far the largest group of retail sales is concentrated in the food, eating and drinking group. These businesses generated over \$131 million in sales in 2007, which accounts for more than half of the total retail sales in Malibu. Within this category, restaurants and other eating places have the greatest amount of sales, at nearly \$70 million. Grocery stores account for another \$59 million.

The apparel store group generates \$26 million in sales, while the combined sales for specialty retail stores total \$22 million.

FIGURE 1
RETAIL SALES AT MALIBU STORES BY RESIDENCE OF CONSUMER, 2007



Source: ADE, data from State Board of Equalization, Malibu Household Shopping Survey, and Malibu Business Survey

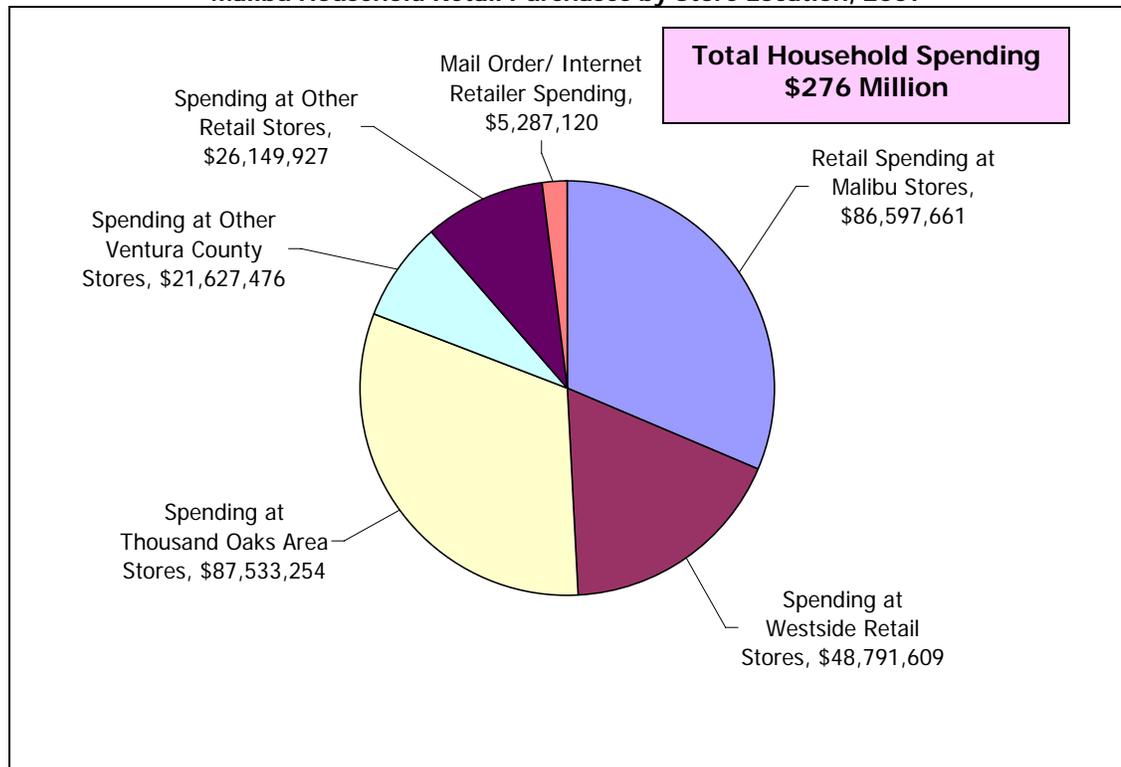
RETAIL LEAKAGE

Retail leakage represents the mismatch between household spending by Malibu residents and the retail sales by Malibu retail establishments. Leakage indicates both an existing shortcoming in regards to existing household demand remaining unmet by local retailers, as well as an opportunity because unmet retail demand can create potential for new stores as well as expansions for existing stores. The sales leakage trend identified in the analysis shows that there is opportunity for store expansions in every retail category.

Malibu households spent \$276 million on merchandise in 2007. Findings from the 2007 Malibu Household Survey and the 2000 Business Survey allowed for the allocation of purchases by store location. Approximately 31 percent (\$86 million) of those purchases were made at Malibu stores. The remaining \$189 million is spent outside of Malibu, and considered retail leakage.

This retail leakage is distributed across a wide geographic area, and can differ considerably depending on the retail category. As a total, about 18 percent of Malibu market area resident purchases were made at stores on the Westside; 32 percent were made in the Thousand Oaks area; other Ventura County communities such as Oxnard and Ventura accounted for eight percent of purchases; other areas such as the San Fernando Valley and downtown Los Angeles accounted for nine percent of purchases; and about two percent of purchases came through remote retail vendors such as internet sites or mail order outlets.

FIGURE 2
Malibu Household Retail Purchases by Store Location, 2007



Source: ADE, data from State Board of Equalization, Malibu Household Shopping Survey, and Malibu Business Survey

This significant amount of spending outside of Malibu is on goods that households typically purchase locally, such as groceries, clothing and hardware. In the 2007 survey of Malibu households, residents strongly expressed their desire for specific store types. Of the 8,900 surveys mailed to Malibu households in the 90265 zip code, 1002 completed surveys were returned for a response rate of 11 percent.

On the survey (see Appendix A for the survey form that households received), households were asked to list their four most-desired store types. Where respondents answered with a specific store brand, ADE grouped these brand names into their respective retail groups. In all, there were 731 mentions of a specialty grocery store, including 323 mentions for a Trader Joes and 239 mentions for a Whole Foods market. There were 626 mentions for a hardware/lumber/home improvement/garden store. Malibu residents also want a greater variety in choices for eating out. There were 187 mentions for restaurants; respondents named about 80 different brands of restaurants that they would like to see. Other frequently mentioned retail store types included clothing stores (168 mentions) and household goods stores (147 mentions). In addition, there were 72 mentions using the labels, “affordable,” “discount,” “cheaper,” “reasonably priced,” or “less expensive.” See Appendices A and B for detailed listing of Household Survey responses.

MALIBU 2000 BUSINESS SURVEY

In 2000, ADE conducted a business survey as part of a broader economic study of the City. In addition to questions about the respondents’ employment trends, business climate issues, expansion plans, and marketing approaches, the survey asked businesses to geographically identify where their customers come from. For the retail analysis, this resulted in a detailed description of Malibu’s market area with different store types. In addition to identifying where household spending in Malibu originates, the survey also identified the degree to which local retailers capture their sales from business-to-business transactions and commuter spending.

RETAIL LEAKAGE BY STORE TYPE

Malibu households generate a spending leakage of approximately \$189 million. In other words, Malibu residents spend approximately \$189 million in areas or cities other than Malibu. This leakage represents a short-term expansion and attraction opportunity for Malibu’ retail base, because local household spending is the one area that Malibu has the most control over by addressing areas of unmet demand. However, the opportunity to support new retail development can be constrained by other factors even if unmet retail demand can support new establishments.

Ultimately, the type of retail stores attracted to a community will greatly depend on what the residents want, and whether these stores fit in with the vision for the community.

For example, while the largest retail leakage occurs with auto dealers, about \$63 million, locating one in Malibu is very unlikely³. While this retail leakage can support an automobile dealership in Malibu, the market for attracting automobile dealerships is limited. This is because auto dealerships generally require large flat tracts of land or substantial vertical construction such as parking structures. Moreover, new auto dealerships are generally clustered into auto malls or along busy corridors in order to feature multiple car brands. These types of aggregations will require substantially more market support than the Malibu market area currently provides.

Another large leakage category is general merchandise stores. In this category, only about \$8 million, or 15 percent, of the total \$51 million in spending by Malibu households remains in Malibu. This category includes department stores, drug stores, variety stores, “dollar” stores, and warehouse clubs. This category also provides substantial market support for attracting new retail stores. However, while many general merchandise store types such as variety stores and drug stores are easily integrated into existing shopping center footprints, the highest grossing general merchandise store types such as discount stores and warehouse clubs require large flat tracts of land, with stores that are often more than 200,000 square feet. In addition, communities throughout California are increasingly sensitive to the considerable impacts that large-scale general merchandise stores can create with existing merchants in a community.

The types of retail stores most likely to fit with Malibu’s land constraints and needs include building materials and home furnishings, grocery stores and restaurants.

The building materials and home furnishings group represents a leakage of \$25.6 million. Of the total \$93 million spent on housewares, electronics and building supply and maintenance goods by Malibu households, only \$3.5 million was spent at stores located in Malibu.

³ Approximately \$29 million of this spending goes to dealerships in the Thousand Oaks area, while another \$16 million goes to dealerships on the Westside.

The retail leakage of \$8.5 million in grocery and specialty food stores and the \$7.1 million in restaurants will support 23,000 additional square feet of grocery space and 31,000 square feet of restaurant space.

The retail leakage in these categories also represents unmet demand that is more than enough to support new or expanded retail establishments.

FORMULA RETAIL BUSINESSES

Formula retail businesses may include shops, restaurants, fast food eateries, visitor accommodations, service stations and other establishments that are required to adopt standardized services, methods of operation, decor, uniforms, architecture or other features or trademarks specific to the business⁴.

A number of cities have adopted ordinances regulating formula businesses, for example where standardized building designs conflict with local architectural guidelines or other aspects of the character of local business districts. For the most part, these ordinances usually do not prevent a chain store from coming in, but they do require that the incoming business conform to local design and other guidelines so as to blend in with the architecture of other local buildings.

APPROACHES

Policy approaches for addressing formula retail businesses are community specific. As described in Table 2, communities have experimented with a variety of approaches. Some choose to place a cap on the number of formula businesses allowed in their communities rather than banning them outright. For example, Carmel-by-the-Sea was first to prohibit fast food, drive-in and formula food establishments. Arcata will allow only nine formula restaurants in their City. Other communities choose a neighborhood-by-neighborhood approach, such as in San Francisco, which restricts formula businesses to specific areas of the communities leaving parts of the community untouched by these formula type businesses. For most of these communities, the regulating the number, location, size and design of formula retail businesses is crucial to maintaining the community's existing character.

⁴ Hometown Advantage

POLICY OPTIONS FOR MALIBU

The types of retail establishments in Malibu has been limited to those that cater to tourists and very high-income households. These are the only type of retail businesses that earn profit margins high enough to pay the very high rents for very limited retail space in Malibu. This is due to Malibu’s highly desired location, its limited supply of flat, developable land appropriate for commercial development, the very restrictive .15 FAR, and the high number of tourists that visit annually (about 1.5 million).

Developing policies to limit formula retail businesses may not be necessary in the City of Malibu for the following reasons:

- Malibu residents desire some of the formula retail stores in order to have more affordable choices in shopping;
- Limited availability of mostly flat commercially-zoned land;
- Very high land prices and commercial rents;
- Very high labor costs; and
- Restrictive FARs.

Results of the household survey on retail spending suggests that Malibu residents want shops that sell general household items, clothing and food—the types of goods they purchase on a regular basis—that are conveniently located in Malibu and reasonably priced. In fact, many of the respondents to the survey listed brand names to describe the types of stores they wanted most (see Appendix B). This would suggest that Malibu residents would not desire an outright ban on formula retail, since chain stores are often more likely to offer reasonably-priced goods.

The analysis completed in the following sections of this report also suggest that due to the very limited supply of developable land and the relatively low Floor Area Ratio requirements, it is very unlikely that formula retail businesses, including big box retailers such as Costco, Wal-Mart and others, would want to locate in Malibu as their required returns on investment could not be achieved given the amount of developable land required, high rents, development costs and labor costs in the area.

As for big-box retail, their size requires them to draw from a market area ranging up to 60 miles. In addition, big-box retailers are often anchor stores within a larger retail center with a mix of stores. Limited access into Malibu, combined with limited

developable land at a competitive price would dissuade most, if not all, big box retailers from locating in Malibu.

**TABLE 2
FORMULA RETAIL POLICIES IN OTHER CALIFORNIA COMMUNITIES**

Cities	Adopted	Policy	Formula Business Limitation	Community Specific Application
Arcata	June 5, 2002	Ordinance No. 1333	No more than nine formula restaurants citywide	To limit the current number of formula restaurants in the commercial and industrial zone districts of the city
Calistoga	February 6, 1996	Ordinance No. 519	Formula visitor accommodations, retail and restaurants	Regulating formula businesses including food establishments, and adopting development standards appropriate to maintain the historic, rural character within Calistoga
Carmel- by-the-Sea	mid 1980's	Formula Restaurant Ban: excerpt from 17.06.036	Prohibits fast foods, drive-in, and formula food establishments	Permit shall be required in the CC and SC Districts. The use is prohibited in other Districts. Use shall not exhibit the characteristics of a drive-in, formula or fast food establishment as defined in Section 17.06.040 etc.
Coronado	December 1, 2000	Coronado's Formula Restaurants Ordinance and Coronado's Formula Retail Ordinance	Trademark formula restaurants and retail stores to be limited	Regulate the number, location and operation of formula retail and fast food restaurants in order to maintain the City's unique village character; required permits, height specifications, and approval.
Ojai	July 31, 2007	Ojai Municipal Code adding Section 10-2.1713: Formula Retail Business Ordinance	Trademark formula retail stores to be limited	Regulatory approach discretionary by number and location.
San Francisco	January 8, 2005	SEC. 703.4. Conditional Use Authorization for Formula Retail Uses.	Trademark formula retail stores to be limited	All of SF except Union Square and Fisherman Wharf shopping areas.
Sausalito	July 15, 2003	Ordinance 10.44.240 Formula Retail	Trademark formula retail stores to be limited	Conditional Permit Required to be allowed in Central Commercial, Shopping Center, and Neighborhood Commercial Districts.
Solvang	May 23, 1994	Ordinance No. 94-151	No new standard formula restaurants to be added	Preclude the development of new formula restaurants in the Village.

Source: ADE, data from Hometown Advantage: New Rules, City of Ojai, City of Sausalito

Impact of Increasing Existing FARs

A later section of this report analyzes the potential economic return to developers of commercial space at alternative FARs and combinations of office and retail space. The analysis suggests that to achieve the residents' desire for a broader range of retail shops, the City would need to increase the FAR for commercial development up to .60.

The question is, will increasing the FAR to .60 make it more likely that formula retail businesses would locate in Malibu? The answer depends on the size of the retail establishment. If the retailer does not need a lot of flat land, and could operate in a

multi-story configuration, it may be possible. However, since most big-box retailers are one or two-story buildings, require about 100,000 square feet or more, plus adequate parking, even at a 0.60 FAR, there would not be enough land to support a one to two-story big-box retail structure. An additional constraint of wide turn around requirements for big-box retailer trucks lowers the possibility of big-box retailers to develop in Malibu.

To maintain its unique character, it may be more effective for Malibu to develop and adopt a set of design guidelines. Design guidelines are used by communities throughout the United States to ensure that all new commercial development conforms to an agreed-upon set of requirements for height, bulk, lot coverage, architectural style, façade, signage and landscaping requirements. Use of design guidelines rather than formula retail business restrictions would enable a range of retail stores to locate in Malibu, and at the same time maintain Malibu's unique character.

KEY RETAIL ISSUES

- Malibu's retail leakage of \$189 million presents opportunities to attract the types of stores that Malibu residents want. In total, this retail leakage would support an additional 618,000 square feet of space in six broad categories listed in Table 1. Of these, the types of stores most likely to succeed in Malibu include a hardware store, a general merchandise store and specialty grocery store.
- Retail leakage of nearly \$26 million in the Building Materials and Home Furnishings Group would support about 120,000 square feet of retail space.
- Retail leakage of nearly \$44 million in the General Merchandise Group would support another 277,000 square feet of this type of retail.
- The retail leakage of \$8.5 million in grocery and specialty food stores will support 23,000 additional square feet of space, which may not support an additional store built to current standards, but which could support a smaller store.
- While the demand exists for these additional store types, the very high development costs and lease rates, combined with very restrictive Floor Area Ratios (FAR) of .15 may dissuade the types of retailers that residents want from locating in Malibu. Satisfying residents' demand for such stores will

require an increase in the allowable FAR from .15 or .20 to .60.

MALIBU OFFICE MARKET ANALYSIS

As a newly incorporated city in Los Angeles County, the City of Malibu lacks historical data focused exclusively on the City prior to its incorporation in 1991. To compensate, ADE applied various methodologies to gather information about the City of Malibu's office market. Information was gathered from the Census Bureau, Beitler Commercial Realty Services, Malibu Area Realty, D&B Business Database, and interviews with real estate brokers.

Analysis of Demand

Demand for office space is a function of economic growth in the broader region and the share of regional job growth that Malibu can capture. Malibu's capture rate is dependent upon the growth of its existing businesses and the rate of new business formations by entrepreneurs located in Malibu. For this purpose, ADE has looked at local employment growth rates since the 2000 Census as well as an analysis of Malibu's employed residents and of home-based businesses.

According to the Southern California Association of Governments (SCAG), there were 7,498 jobs in Malibu in 2000. Until the Census of 2010, current employment can only be estimated. There are a few sources of estimates: SCAG; Bureau of Labor Statistics County Business Patterns and Dun and Bradstreet. SCAG estimated that in 2005, there were 7,645 jobs in Malibu. However, according to Dun and Bradstreet, there are currently 9,652 jobs in Malibu. This represents a total growth of 2154 jobs, or 29 percent in eight years. Similarly, County Business Patterns estimated that in 2004, there were slightly more, 10,100 jobs, within ZIP code 90265, which encompasses a much larger area than the City.

According to the 2000 Census, there were 6,411 employed residents in Malibu. Table 3, below, tabulates employment by industry and Table 4 tabulates employment by occupation. Sixty-one percent of these were jobs typically located within offices, including: Information; Finance, Insurance, and Real Estate; Professional, Scientific and Management; and, Education, Health and Social Services. Likewise, 80 percent of all jobs were in

white-collar occupations including Management, Professional, and Sales occupations.

**TABLE 3
MALIBU EMPLOYED RESIDENTS BY INDUSTRY, 2000**

Industry Group	Employed Residents
Agriculture, forestry, fishing and hunting, and mining:	65
Construction	337
Manufacturing	248
Wholesale trade	174
Retail trade	444
Transportation and warehousing, and utilities:	102
Professional, information, finance, and related services	2,737
Information	756
Finance, insurance, real estate and rental and leasing:	947
Professional, scientific, management, administrative, and waste management services:	1,034
Educational, health and social services:	1,188
Arts, entertainment, recreation, accommodation and food services:	601
Other services (except public administration)	417
Public administration	98
Total	6,411

Source: ADE, data from US Census

**TABLE 4
MALIBU EMPLOYED RESIDENTS BY OCCUPATION, 2000**

Occupational Group	Employed Residents
Management, professional, and related occupations	4,213
Service occupations	806
Sales and office occupations	1,431
Farming, fishing, and forestry occupations	0
Construction, extraction, and maintenance occupations	245
Production, transportation, and material moving occupations	235
Total	6,411

Source: ADE, data from US Census

HOME-BASED BUSINESSES

Dun and Bradstreet estimates that there are currently 1,479 businesses located in Malibu. Of these, ADE estimates that approximately 900 businesses are operating from a home address. This constitutes almost two-thirds of total businesses. According to the 2000 Census, the City of Malibu had 882 people working from home, an indication of residents operating businesses from the home. Consequently, 900 home-based businesses in 2007 account for a slight but reasonable increase in the population

working from home and the number of businesses operating from residences.

Table 5 below indicates the distribution of home-based businesses by type of business: office, retail, industrial, and miscellaneous.

**TABLE 5
CITY OF MALIBU ANALYSIS OF HOME-BASED BUSINESSES**

Home-based Business by Category	Percent Distribution	Number of Establishments
Home-based Office	56.7%	510
Home-based Retail	18.9%	170
Home-based Industrial	15.4%	139
Home-based Misc.	9.0%	81
	100.0%	900

Source: ADE, data from Dun & Bradstreet

Note: 900 of the 1,479 businesses identified in Malibu are home-based businesses.

HOME-BASED OFFICE BUSINESSES

Business that customarily occupy office space account for over half of all businesses in the City. More significantly, of the 900 home-based businesses in the City of Malibu, over 56 percent of these home-based businesses are the type that would customarily locate in an office. One reason for the exceptionally large share of businesses located in homes is the limited and costly office space available in commercial districts in Malibu. Table 6 below further divides home-based businesses into specific industries by percentage of those establishments operating from the home.

**TABLE 6
CITY OF MALIBU DETAILED ANALYSIS OF HOME-BASED BUSINESSES,
2007**

Home-based Business by Category	Percent Distribution	Number of Establishments
Home-based Office		
Business Consulting and Services	30.0%	153
Motion Picture Video Production	12.5%	64
Real Estate Services	9.4%	48
Architectural and Engineering Services	4.9%	25
Management Consulting Services	11.2%	57
Legal Services -General Practice Attorneys	2.5%	13
Travel, Amusement and Recreational Services	7.6%	39
Health and Social Services	12.2%	62
Other Miscellaneous Office Services	9.6%	49
	100.0%	510
Home-based Industrial		
Construction Related Services	54.7%	76
General Industrial	30.2%	42
Farms and Agriculture	9.4%	13
Other Miscellaneous Industrial	5.8%	8
	100.0%	139
Home-based Retail		
General Retail	41.8%	71
Retail Services	4.1%	7
Retail Manufacturing	18.8%	32
Retail Wholesale	24.7%	42
Other Miscellaneous Retail	10.6%	18
	100.0%	170
Home-based Misc.		
Non-classifiable establishments	100.0%	81

Source: ADE, data from Dun & Bradstreet

Note: 900 of the total 1,479 businesses identified in Malibu are home-based businesses.

OFFICE EXPANSION OPPORTUNITIES

Businesses in the City Of Malibu

In the City of Malibu there are 1,479 businesses with a total sales volume of over \$1.23 billion. ADE has compared the total annual sales volume and number of business establishments between the commercial categories. Businesses that typically locate in an office produce the highest sales volume within the City of Malibu totaling \$310.7 million: office-based businesses also comprise the largest share of establishments in the City.

**TABLE 7
DISTRIBUTION OF BUSINESSES IN MALIBU BY CATEGORY**

Business in Malibu by Category	Percent Distribution	Number of Establishments	Annual Revenue
Office	54.1%	800	\$310,700,000
Retail	17.6%	260	\$125,100,000
Industrial	21.2%	313	\$138,400,000
Miscellaneous	7.2%	106	\$600,000
Subtotal	99.8%		
Jaxxs	0.07%		
Total	99.9%	1,479	\$1,236,600,000

Source: ADE, based on data from Dun and Bradstreet

Note: 900 of total 1,479 businesses identified in Malibu are home-based businesses.

ANALYSIS OF EXISTING BUSINESSES BY BUSINESS CATEGORY

Table 7 above tabulates overall business revenues by category: office, industrial, retail, and other. Businesses that typically occupy office space, such as Business Services, had the greatest share of total revenues in 2007, \$310 million.

Office-based Businesses

Out of the 1,479 businesses operating within the City of Malibu, 800 of these businesses are office based. As shown in Table 8, which tabulates the office businesses by industry and sales, Malibu has a wide variety of office-based businesses ranging from motion picture development to data processing to travel services, even though the city is primarily residential. ADE has organized the business data into nine industry categories:

- Motion picture services
- Business consulting & services
- Management consulting & services
- Real estate services
- Architectural/engineering and surveying services
- Health & social services
- Travel/amusement & recreation services
- Legal services
- Other miscellaneous services

**TABLE 8
MALIBU OFFICE-BASED BUSINESSES, 2007**

Business Type	No. of Businesses	Annual Sales
Motion Picture Services	66	\$14,000,000
Business Consulting & Services	171	\$45,700,000
Management Consulting & Services	112	\$46,500,000
Real Estate Services	85	\$47,700,000
Architectural, Engineering and Surveying Services	33	\$31,000,000
Health & Social Services	88	\$28,400,000
Travel, Amusement & Recreation Services	60	\$10,500,000
Legal Services - General Practice Attorneys	25	\$4,600,000
Other Miscellaneous Services	160	\$82,300,000
	800	\$310,700,000

Source: ADE, data from Dun & Bradstreet ⁵

The three industries described below could be attracted to new office development in the City of Malibu.

Motion Pictures Services: There are 66 motion pictures- related businesses in the City of Malibu. The data indicates that the total annual sales for the motion and video production industry is \$14 million. Although many of Malibu residents are already directly or indirectly associated with this industry, there appears to be demand for additional office space for motion picture and video production companies wishing to expand in or re-locate to Malibu.

Business Consulting and Services: There are 171 business consulting and service businesses, which includes insurance agents, brokers and services. The business consulting services industry gain \$45.7 million dollars annually.

Management Consulting and Services: There are 112 management consulting firms in the City of Malibu. The management consulting services industry gain \$46.5 million dollars annually.

Home-based Businesses

Table 9 below indicates the distribution of home-based businesses by industry.

⁵ Since revenue for Jaxxs far surpasses any other business in its category, it was listed separately so as to not overstate the category's significance in Malibu. See Table 8 above.

TABLE 9
MALIBU OFFICE-BASED BUSINESS OPERATING FROM HOMES, 2007

Office Category	Home-based Businesses	Total Businesses	Percent of Total
Motion Picture Services	64	66	97%
Business Consulting & Services	153	171	89%
Management Consulting & Services	57	112	51%
Real Estate Services	48	85	56%
Architectural, Engineering and Surveying Services	25	33	76%
Health & Social Services	62	88	70%
Travel, Amusement & Recreation Services	39	60	65%
Legal Services - General Practice Attorneys	13	25	52%
Other Miscellaneous Services	49	160	31%
Total	510	800	64%

Source: ADE, data from Dun & Bradstreet

The potential for office space development in Malibu is high given the extremely limited supply of office space in the City. In addition, given the diverse nature of the office type businesses located in this area, future office space should be extremely flexible to accommodate a wide range of business uses. Furthermore, future office space in Malibu should cater to smaller businesses because of the high number of home-based businesses as indicated in Table 9.

MALIBU OFFICE MARKET

The office market in the City of Malibu differs greatly from other office markets in several ways. First, office space is very expensive, ranging from \$4 to \$5 a square foot. Small office suites that can accommodate 4 or 5 employees and ranging in size from 2,500 to 4,000 square feet are in most demand and the physical condition of existing office space varies substantially.

Furthermore, many of Malibu's businesses are located in the proprietor's home because available commercial office space for small businesses infrequently becomes available. One of the commercial brokers in Malibu stated that the latest office space available between 2,000 to 4,000 square feet was almost a year ago and there were 30 applications for it.

MALIBU'S EXISTING SUPPLY OF OFFICE SPACE

For purposes of this analysis, we have grouped existing commercial areas into three districts:

- Topanga Canyon to Malibu Pier
- Civic Center to Coral Canyon Road
- Kanan-Dume to Trancas

District 1 – Topanga Canyon to Malibu Pier

This area comprises the southern strip of Malibu, towards the Pacific Palisades. There are 112,600 square feet of office space and 111,583 square feet of retail/office combination space available here. This southern strip of Malibu has a three percent vacancy rate. The office rent is lower relative to the rest of Malibu, probably due to the older nature of improvements.

District 2 – Civic Center to Coral Canyon Road

Previously, in the 2002 Economic Plan, this District extended up to Puerco Road. However, for the purpose of this analysis, ADE has extended the area to incorporate all office developments along the Malibu Coast between the Civic Center and Coral Canyon Road. Although the Civic Center area is located centrally and is a major focus in the City of Malibu, it lacks office space, though there is open land nearby. The Civic Center area has 82,245 square feet of office space and 55,849 square feet of retail/office combination space.

District 3 – Kanan-Dume to Trancas

Located on the Northern strip of Malibu, the Trancas area's commercial space is limited to a small grocery market adjacent to a small business center. This area has 67,279 square feet of office space and 72,737 square feet of retail/office combination space. Unlike the southern strip of Malibu where the Pacific Highway is often congested, this northern portion of Malibu is an option for developing more office space due to its convenient location near the highway and beach, and less traffic congestion. While this area does not have vacant lots available for commercial development, the Trancas market could be redeveloped to provide additional office and retail services for Malibu.

SUMMARY

The high office rents for office space reflects the lack of available office space in the City of Malibu. The vacancy rate for the City of Malibu is extremely low, ranging from close to zero percent to five percent. The high growth rate in employment combined with the exceptionally large number of home-based businesses and the very low vacancy rates would suggest a strong demand for additional office space, in suites ranging from 2,500 to 4,000 square feet. New office space would appeal to local businesses, especially home-based businesses in the City of Malibu wanting more flexible and functional office space. Three industry categories that could be targeted as occupants of new office space include: Motion Picture Services; Business Consulting and Services; and, Management Consulting.

POTENTIAL FOR NEW COMMERCIAL DEVELOPMENT

COMMERCIAL SITE ANALYSIS

OVERVIEW

The City of Malibu, located on a 21-mile stretch of Pacific coastline between Santa Monica and Oxnard, is a highly desirable place to work, live and play. As such, its land prices are among the highest in the United States. The steep hills and canyons that make up most of Malibu, while perfect for home owners wanting a view of the Pacific Ocean, are not conducive to commercial development. The high land prices combined with the steep terrain have limited the amount of commercial space available to businesses.

EXISTING SPACE IN MALIBU

While commercial space is spread throughout Malibu, the majority of retail, office, industrial, and lodging space is located along the Pacific Coast Highway (PCH). The PCH is a heavily-traveled roadway, making it an unsuitable location for a centralized, pedestrian-oriented commercial district.

Table 10 below summarizes the existing available commercial space by category: retail, office, industrial and lodging. The table includes data on land parcels, including business type, company name, parcel size and building area.⁶

**TABLE 10
CITY OF MALIBU: TOTAL EXISTING ACREAGE AND SQUARE FEET, 2007**

Land Use	Acres	Building Sq. Ft.	Percent Distribution	2007 Employment
Retail	75.1	432,290	34.1%	1,977
Retail/ Office Combo	33.3	240,169	19.0%	-
Office	58.1	274,445	21.7%	5,175
Industrial	69.8	250,780	19.8%	1,852
Lodging	16.3	68,904	5.4%	146
Total	252.6	1,266,588	100.0%	9,150

Source: ADE, data from Dataquick

⁶ Parcel data comes from the Dataquick land database.

DISTRIBUTION OF EXISTING COMMERCIAL SPACE BY CATEGORY

Although the available commercial space in the City of Malibu is extremely limited, there are large vacant commercially-zoned parcels near City Hall on Civic Center Way. The development of these vacant parcels will shape the future of Malibu’s entire retail and office sector due to their collective size relative to the current existing retail space. The vacant parcels near Civic Center Way that are zoned commercial total 1,100,762 square feet or, about 25 acres. (See Appendix C for maps and APNs of each of the parcels in this area.) In addition to their size, their location makes them more suitable as a central commercial district than the scattered commercial areas along the PCH.

DETAILED SITE ANALYSIS BY DISTRICT

Similar to the retail and office analyses described earlier in this report, ADE has grouped the existing commercial space into three districts: Topanga Canyon to Malibu Pier, Civic Center to Coral Canyon Road, and Kanan-Dume to Trancas.

Tables 11, 12 and 13, below, describe the available retail, office, and industrial space by district.

District 1 – Topanga Canyon to Malibu Pier

District 1 stretches from the south towards the town center of Malibu. The existing retail and office space along this stretch include some small office space mixed in with residential areas especially near the southern section of the City. However, farther north towards the town center, there appears to be additional stand alone office space, as well as some office/retail combo space.

**TABLE 11
DISTRICT 1: EXISTING ACREAGE AND SQUARE FEET**

	Acres	Building Sq. Ft.	Percent of Total
Retail	27.2	73,044	20.4%
Retail/ Office Combo	9.0	111,583	31.1%
Office	38.4	112,277	31.3%
Industrial	3.3	1,424	0.4%
Lodging	6.4	60,150	16.8%
Total	84.3	358,478	100.0%

Source: ADE, Data Quick

There are currently three vacant parcels in this district, one is zoned commercial and the other two are zoned community visitor.

APN 4452-021-006 (please refer to Appendix C for maps of each parcel) is zoned for commercial use. This site would be suitable as office space because of its location near to existing office space in the area, the narrow entrance into the space, as well as the difficulty of establishing efficient parking for the site.

Both APN 4452-019-001 and APN 4452-020-007 (see Appendix C) are zoned community visitor (CV) and are located inland from the PCH between APN 4452-021-006 and Cross Creek Road.

District 2 – Civic Center to Coral Canyon Road

District 2 is centrally located near the City Hall and comprises both retail and office space. This district encompasses 48 percent of all current commercial space and 99 percent of all vacant commercial land in the City of Malibu. Office spaces are mostly used for public and semi-public purposes. There is retail space located directly to the South and to the East of City Hall. These include: The Ralph’s Shopping Center; The Country Mart; and the Cross Creek Plaza. The Country Mart contains both retail and office space in a farmer’s market setting.

**TABLE 12
DISTRICT 2: EXISTING ACREAGE AND SQUARE
FEET, 2007**

	Acres	Building Sq. Ft.	Percent of Total
Retail	23.5	210,511	34.8%
Retail/ Office Combo	15.1	55,849	9.2%
Office	15.1	94,889	15.7%
Industrial	65.7	244,424	40.4%
Lodging	3.6	n/a	n/a
Total	122.9	605,673	100.0%

Source: ADE, Data Quick

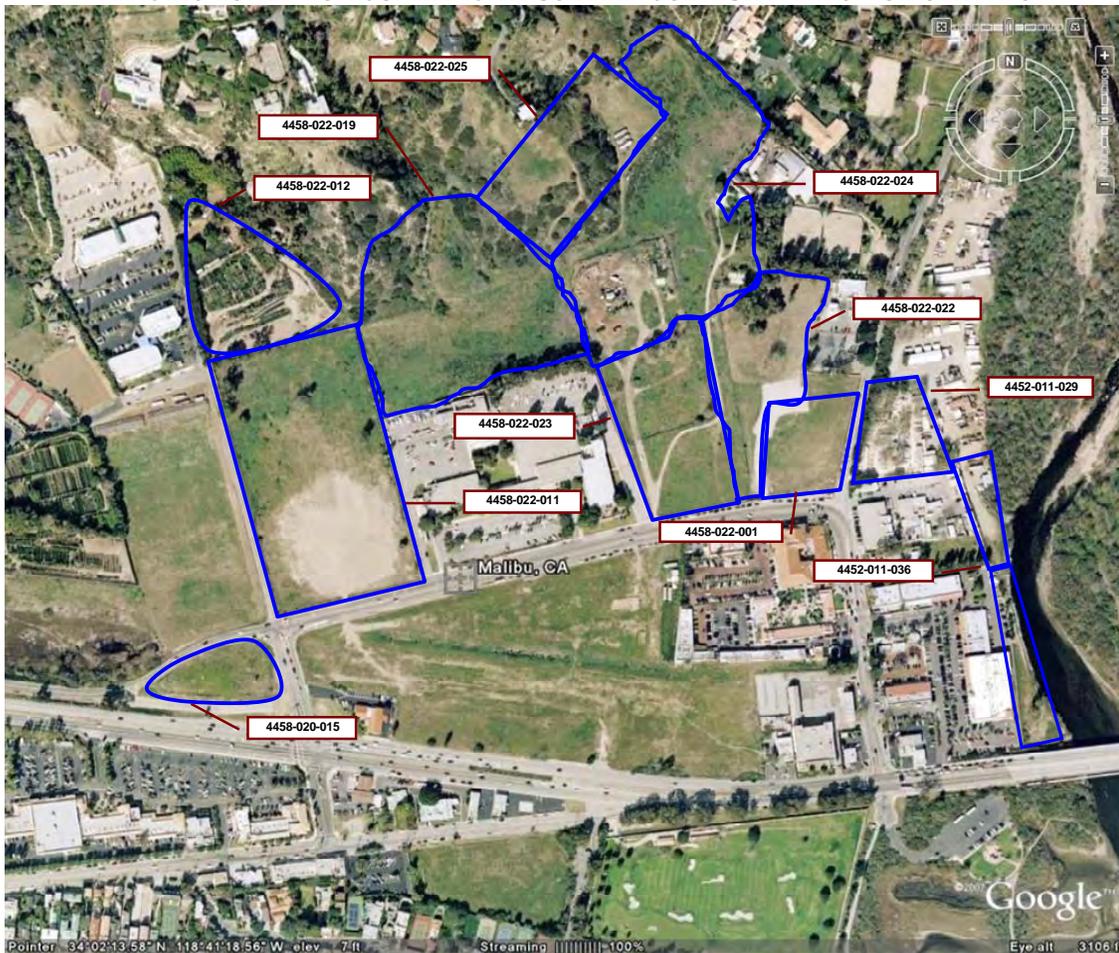
Though the bulk of Malibu’s existing and future available retail and office space is located here, development potential is limited. Our retail leakage study found that there is an unmet retail need of over 618,000 square feet of retail space which can be supported in Malibu alone. In addition, the commercial office

market analysis found that there is also a high demand for office space.

The parcels zoned for commercial use (shown in Figure 3 and in Appendix B) are: APN 4458-020-015, APN 4458-022-011, APN 4458-022-012, APN 4458-022-019, and APN 4458-022-024.

APN 4452-011-036, APN 4452-011-029, APN 4458-022-001, APN 4458-022-022, and APN 4458-022-023 are zoned community visitor serving.

**FIGURE 3
PARCELS ZONED FOR COMMERCIAL USE AND COMMUNITY VISITOR SERVING**



Source: ADE, City of Malibu Planning Dept., Los Angeles County Assessor's Office, Google Earth

The proposed La Paz development will occupy both APNs 4458-022-023, and 4458-022-024. The La Paz development will have approximately 68,997 square-feet of retail space, a little over 20,000 square-feet of office space and a 20,000 square-foot City Hall.

Future Lodging

There are current plans to build a 146-room hotel on parcels APN 4458-028-015, APN 4458-028-019, APN 4458-030-007 which are also zoned CV-1.⁷ (Figure 4).

FIGURE 4
PARCELS ZONED FOR COMMERCIAL SPACE – FUTURE HOTEL SITE



Source: ADE, City of Malibu Planning Dept., Los Angeles County Assessor's Office, Google Earth

⁷ Needs CCC Approval.

Beaurivage Lodging

There are plans for APN 4459-008-001 and APN 4459-008-900 to add lodging consisting of 26- room Bed and Breakfast to the existing Beaurivage Restaurant, Figure 5.⁸

**FIGURE 5
PLANNED LODGING FOR EXISTING BEAURIVAGE RESTAURANT**



Source: ADE, City of Malibu Planning Dept., Los Angeles County Assessor's Office, Google Earth

DISTRICT 3 – KANAN-DUME TO TRANCAS

District 3 comprises both existing retail and office space. Kanan-Dume comprises some retail and office space, while Trancas has a market as well as office/retail space adjacent and perpendicular to the Trancas market.

**TABLE 13
DISTRICT 3: EXISTING ACREAGE AND SQUARE FEET**

	Acres	Building Sq. Ft.	Percent of Total
Retail	24.3	148,735	49.2%
Retail/ Office Combo	9.2	72,737	24.1%
Office	4.6	67,279	22.2%
Industrial	0.8	4,932	1.6%
Lodging	6.4	8,754	2.9%
Total	45.4	302,437	100.0%

Source: ADE, Data Quick

⁸ Needs CCC Approval.

There is little vacant space available for development in district three. Parcels 4460-029-025 and 4460-030-42 are both zoned community visitor serving. (Please refer to Appendix C for maps of these two parcels). The Trancas market could be redeveloped to support future retail or office needs.

Vacant Commercial Land

The City of Malibu currently has over 25 acres of vacant commercial land within these three districts. These 25 acres built out at a floor area ratio (FAR) of .60⁹ will add approximately 666,991 square feet of commercial space for retail or office use.

SUMMARY

Parcels APN 4458-020-015, APN 4458-022-011, APN 4458-022-012, and APN 4458-022-019 are most suitable for future retail space (See Figures 3 and 4). Parcel APN 4452-021-006 could be used mostly for office space because of its narrow shape and proximity to existing office and residential space (See Appendix C). In addition, the Trancas market, if redeveloped, could accommodate additional office and retail space.

PROFORMA ANALYSIS

OVERVIEW

ADE's retail leakage study indicates that the City of Malibu can potentially support another 618,600 square feet of retail space. However, with the current floor area ratio (FAR) of .15, the type of commercial development that residents want as indicated in the household survey results (see first section of this report devoted to Retail Market Analysis), is not likely. Commercial development might be feasible at a .45 FAR at current retail and office market rents. ADE assessed the effects that lower rents would have on economic return on investment. The findings of our analysis indicated that it would be difficult to attract

⁹ Floor Area Ratio (FAR), usually a development standard within community zoning codes, sets the total amount of building space allowed on a particular lot as a share of the size of the lot. For instance, an FAR of .25 means that a lot that is 100 square meters could allow a building that is total of 25 square meters in area. An FAR of 1.0 would mean that a 100 square meter building would be allowed. Typically, industrial buildings have low FARs, such as .25 and apartment or office buildings in central cities, for instance Paris or Manhattan, would have much higher FARs of 1.5.

community-serving retail with those return on investment rates unless the City of Malibu increased its allowable FAR.

Table 14, below summarizes our analysis of the existing available vacant commercial space of approximately 35 acres at four alternative FARs.

**TABLE 14
MAXIMUM ALLOWABLE FLOOR AREA AT ALTERNATIVE FAR REQUIREMENTS**

Lot APN ¹⁰	Address	Zone	Parcel Size	Current FAR (.15)	Alternative (.20) FAR	Alternative (.45) FAR	Alternative (.60) FAR
4452-004-036	Vacant Lot	CC	28,750	4,313	5,750	12,938	17,250
4452-021-006	Vacant Lot	CC	10,890	1,634	2,178	4,901	6,534
4458-022-011	Vacant Lot	CC	421,661	63,249	84,332	189,747	252,997
4458-022-012	Vacant Lot	CC	280,962	42,144	56,192	126,433	168,577
4458-022-019	Vacant Lot	CC	369,389	55,408	73,877	166,225	221,633
La Paz							
4458-022-024							
4458-022-023	2 Vacant Lots	CC/CN	384,199	57,630	76,840	172,890	230,519
Hotel							
4458-028-015							
4458-030-007							
4458-028-015	3 Vacant Lots	CG	48,351	7,253	9,670	21,758	29,011
Total			1,544,202	231,630	308,839	694,891	926,521

Source: ADE, City of Malibu

Table 15 below summarizes ADE's analysis of the existing available vacant commercial space at various FARs excluding the La Paz development and future lodging, reducing the total vacant area to 25 acres. The total allowable square feet of space at the various FARs indicates the future developable potential of retail and office space.

**TABLE 15
MAXIMUM ALLOWABLE FLOOR AREA AT ALTERNATIVE FAR REQUIREMENTS**

APN	Address	Zone	Parcel Size	Current F.A.R. (.15)	Alternative (.20) FAR	Alternative (.45) FAR	Alternative (.60) FAR
4452-004-036	Vacant Lot	CN	28,750	4,313	5,750	12,938	17,250
4452-021-006	Vacant Lot	CC	10,890	1,634	2,178	4,901	6,534
4458-022-011	Vacant Lot	CC	421,661	63,249	84,332	189,747	252,997
4458-022-012	Vacant Lot	CC	280,962	42,144	56,192	126,433	168,577
4458-022-019	Vacant Lot	CC	369,389	55,408	73,877	166,225	221,633
Total			1,111,652	166,748	222,329	500,243	666,991

Source: ADE, City of Malibu. Note: Excludes La Paz development and lodging.

Table 15 above indicates that the .60 FAR will support the anticipated unmet retail needs of about 618,600 square feet.

¹⁰ APN Assessor's Parcel Number is used to identify specific lots located in commercially-zoned districts.

Additionally, the remaining 117,988 square feet available space at .60 FAR can be developed as office space. If the La Paz development proceeds, it will add approximately 68,997 square feet of retail and 20,000 square feet of office space. Once this project is completed, the total unmet need would be 546,000 square feet of retail.

Table 16 below summarizes the potential future retail space based on the various FARs excluding the new La Paz development retail square feet of 68,997.

**TABLE 16
FUTURE RETAIL POTENTIAL 25.52 ACRES**

			Total Sq. ft.	La Paz Development Retail Sq. ft.	% of Met Potential [a]	Unmet Potential
@	0.15	FAR	166,748	68,997	38.1%	(382,881)
@	0.20	FAR	222,329	68,997	47.0%	(327,300)
@	0.25	FAR	277,913	68,997	56.1%	(271,716)
@	0.45	FAR	500,243	68,997	92.0%	(49,386)
@	0.60	FAR	666,991	68,997	119.0%	117,988

Source: ADE

Note: [a] Divides total sq. ft. column into 618,626 unmet retail potential.

DEVELOPABLE LAND BY DISTRICT

District 1 – Topanga Canyon to Malibu Pier

There is a small portion of available commercial vacant land in this district. Parcel 4452-021-006, which is 10,890 square feet can be developed into mostly office space given its location away from the rest of the vacant commercial land and limited parking area.

District 2 – Civic Center to Coral Canyon Road

The bulk of available community commercial (CC) vacant land is located within this district. APN 4458-022-011 comprises the largest parcel available for commercial development.

**TABLE 17
DISTRICT 2: VACANT COMMERCIAL PARCELS**

APN	Address	Zone	Parcel Size
4452-004-036	Vacant Lot	CV	28,750
4458-022-011	Vacant Lot	CC	421,661
4458-022-012	Vacant Lot	CC	280,962
4458-022-019	Vacant Lot	CC	369,389
Total			1,100,762

Source: ADE, City of Malibu Planning Department

District 3 – Kanan-Dume to Trancas

There is no available commercial vacant land in this district.

PRO-FORMA ANALYSIS OF APN 4458-022-011

For the purposes of evaluating the economic impacts of developing the vacant parcels, ADE created pro-formas for parcel 4458-022-011, (see Figure 6) as a reference analysis for overall development capacity in the City of Malibu.

TABLE 18
SAMPLE DEVELOPMENT APN 4458-022-011

Land Value	\$8,571,667
Parcel Size	421,661
Max. Allowable F.A.R. (.15)	63,249 sq. ft.
(.20) F.A.R.	84,332 sq. ft.
(.25) F.A.R.	105,415 sq. ft.
(.45) F.A.R.	189,747 sq. ft.
(.60) F.A.R.	252,997 sq. ft.

Source: ADE, City of Malibu Planning Department, Data Quick

FIGURE 6
AN AERIAL PHOTO OF PARCEL 4458-022-011



Source: ADE, City of Malibu Planning Dept., Los Angeles County Assessor's Office, Google Earth

The pro-forma analysis for parcel APN 4458-022-011 assumes competitive rental rates and target costs based on the size and square footage of the potential retail or office space. The pro-forma results vary depending on the specific rates and costs, including rents, vacancy rates, land costs, total operating and property management costs as well as construction costs. Please refer to Appendix D for the complete analysis.

Table 19 below, summarizes 24 distinct pro-forma analyses of parcel 4458-022-011 under four different scenarios: 100 percent retail; 70/30 retail-office combination; 90/10 retail-office combination; and 100 percent office. Each scenario is analyzed using five alternative FARs: .15 (current); .20 (allowed on conditional basis); .25; .45; and .60. The pro-formas using FAR .20 analyze a redevelopment option and assume demolition of existing buildings and zero land costs. The 24 original pro-formas are in Appendix D of this report.

**TABLE 19
ECONOMIC IMPACT ANALYSIS OF ALTERNATIVE FARs AND COMBINATIONS OF
RETAIL AND OFFICE SPACE**

**TABLE 19A
100% RETAIL**

	Retail Supportable Sq. Ft.	Office Supportable Sq. Ft.	Cost Target	Return on Investment
@ .15 FAR	62,900	0	\$20,312,126.35	2.96%
@ .20 FAR	126,800	0	\$23,773,938.00	19.06% [G]
@ .25 FAR	105,300	0	\$28,178,299.05	4.49%
@ .45 FAR	189,650	0	\$43,872,844.45	5.28%
@ .60 FAR	253,350	0	\$55,680,503.50	7.18%

**TABLE 19B
1ST BLEND SCENARIO - 70% RETAIL, 30% OFFICE**

	Retail Supportable Sq. Ft.	Office Supportable Sq. Ft.	Cost Target	Return on Investment
@ .15 FAR	49,200	13,700	\$19,767,184.56	3.30%
@ .20 FAR	100,800	26,100	\$22,801,335.00	32.87% [G]
@ .25 FAR	82,800	22,400	\$27,272,929.40	5.83%
@ .45 FAR	145,800	43,050	\$42,120,119.08	12.27%
@ .60 FAR	199,800	52,400	\$53,466,536.35	14.48%

**TABLE 19C
2ND BLEND SCENARIO - 90% RETAIL, 10% OFFICE**

	Retail Supportable Sq. Ft.	Office Supportable Sq. Ft.	Cost Target	Return on Investment
@ .15 FAR	58,800	4,350	\$20,166,131.74	3.21%
@ .20 FAR	115,800	10,550	\$23,429,500.00	31.98% [G]
@ .25 FAR	97,200	7,500	\$27,843,074.71	5.95%
@ .45 FAR	177,000	12,500	\$43,373,560.65	9.71%
@ .60 FAR	228,600	25,000	\$54,835,925.10	14.06%

**TABLE 19D
ALL OFFICE - 100% OFFICE**

	Retail Supportable Sq. Ft.	Office Supportable Sq. Ft.	Cost Target	Return on Investment
@ .15 FAR	0	63,250	\$18,033,859.01	5.47%
@ .20 FAR	0	126,800	\$19,224,578.00	63.63% [G]
@ .25 FAR	0	105,050	\$24,320,720.15	8.34%
@ .45 FAR	0	189,700	\$36,955,342.44	14.99%
@ .60 FAR	0	253,050	\$46,423,334.15	19.34%

Source: ADE

Notes: [A] Assumes Loan Amount based on Estimated Project Value

[B] Based on Saylor, Commercial Square Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.

[C] ADE, Beiliter Comm'l Realty Services, Retail Rental Rates Reduced to Accommodate Desired Tenants

[D] ADE, Los Angeles County Office of the Assessor and Data Quick

[E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section

[F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

[G] Parcel 4458-022-011; current FAR is .15; ADE analyzed the economic effects of 6 alternative FARs under four distinct scenarios: 100% retail; 70% retail & 30% office; 90% retail & 10% office; and 100% office.

The estimated low return on investment is due mostly to Malibu's very high land prices. Though high rents would help mitigate these low returns, such high rents would prevent Malibu residents from attaining the community-serving retail and services they need. In light of Malibu residents' desire for community-serving retail and services, ADE reduced the retail rental rates resulting in low returns on investment. In order to attract retail businesses and services that the residents of Malibu want, lower rents are essential to the success of these businesses in the City of Malibu.

In most cases, a mixture of high and low rents would mitigate the low return on investment realized by the low rents required by community-serving retail. In the pro-forma analyses, ADE first ran the analysis assuming competitive, market rate office rents, which increases return on investment. This first run still resulted in rates of return too low to attract investment from developers. For the second run of the pro-forma analysis (which is included as Appendix D), ADE assumed a mixture of current and low retail rents combined with market-rate office space to mitigate the low return on investment resulting from the community-serving retail. Even at a FAR of .60, the retail scenarios do not reach 20 percent return on investment. The City's current FAR at .15 is definitely not a viable ratio in terms of attracting community-serving retail.

To address this issue, the City could adopt a policy to allow higher FARs in return for deed restrictions that would maintain below-market rents and a certain proscribed business mix in portions of the project.

Pro-Forma Calculations

Site and Soft Costs –The site and soft cost total does not include land costs, however it does include: site development costs, architecture and engineering costs, development costs, and overhead development costs per square feet of developed space. This amount varies from one development to another.

Hard Construction Costs –The construction costs are estimated to be \$84.00 per square feet of retail space, and \$58.00 per square feet of office space.

Rental Rates –The rental rates are the current market rents for both office and retail space. However, ADE has adjusted some of

the retail rents to reflect the need to retain and attract more desirable retail businesses and anchors such as specialty grocery and a hardware store.

Net Operating Income – The net operating income is calculated by simply subtracting the annual operating expenses from the annual gross income. Note: The net operating income can change at anytime depending on the rental rates, mix of uses, and size. ADE has provided a sample of potential rental rates, mix of uses and size of space, however these numbers are subject to change depending on the developer.

Cap Rate –The cap rate is usually calculated by dividing net operating income by the market value of the project, however because the value of the potential developable space is not yet determined, ADE divided the net operating income by the estimated project cost budget given the assumption that the development will yield a value at least equal to the cost of development. Furthermore, the retail rents at a lower rate will not yield a high net operating income which assumes more loss than gain which will result in an overall lower value for the project as a whole because of the lower returns.

Return on Investment –The return on investment is simply calculated by dividing the potential cash return on the investment by the equity needed.

Total Return on Investment –Reflects the potential cash return on investment and appreciation of 3.5 percent divided by the equity needed at time of investment.

FISCAL IMPACT OF ALTERNATIVE DEVELOPMENT PATTERNS

APPROACH TO THE ANALYSIS

CITY BUDGET

The City of Malibu Adopted Budget, 2006-2007 is the source document for examining the current City revenues and expenditures, and projecting the impact of the development project on City revenues and expenditures.

The analysis begins with a review of the city's 2006-2007 General Fund Budget, which includes revenues of \$17.7 million and

expenditures of \$16.9 million. After making adjustments to remove “one-time” general fund revenues and expenditures, the operating budget is used in combination with estimates of current population and employment in the City of Malibu to determine per capita revenue factors and per employee cost factors for use in projecting the general fund revenues and service expenditures impacts of potential developments.

The fiscal analysis addresses the effect of land use, including related population and business activity, on municipal operating costs and revenues. In the present report, such costs are primarily estimated on an average basis. As the City moves forward with projections of the effects of potential future land uses, it will be important to consider the existing capacity in the city’s service system and determine whether or not the incremental, or marginal, cost of serving new development is the same as the average cost of serving existing development. That analysis will likely depend to some degree on the location of the proposed new development in addition to the type of land use.

BUDGET OVERVIEW

The total budgeted expenditures according to the 2006-2007 budget for the City of Malibu are \$30.9 million. Estimated General Fund revenues for the current fiscal year are \$17.7 million, while expenditures are estimated at \$16.9 million (Tables 20 and 21, left columns¹¹). The top three revenue categories – property tax (\$6.0 million), sales tax (\$2.2 million), and utility user’s tax (\$2.0 million) – account for nearly 60 percent of total General Fund revenues. On the expenditure side, police (\$5.0 million), planning (\$3.7 million), and public works (\$1.9 million) account for over 60 percent of all service costs (Table 21).

The Gas Tax fund is funded from the State based on primarily population in each city. According to State law, these funds must be accounted for separately and used exclusively for repair, construction, and maintenance of the street and highway system. City of Malibu has a total of 2006-07 Gas Tax revenues of approximately only \$250,000.

¹¹ The columns for Adjustments and Net Basis in Tables 1 and 2 have been calculated by ADE and are explained in the Budget Adjustments section below.

TABLE 20
2006-07 BUDGET REVENUES INCLUDED IN FISCAL ANALYSIS

REVENUES	BUDGET	ADJUSTMENTS	NET BASIS
Property Tax (City Share)	\$6,045,371	\$0	\$6,045,371
Sales & Use Tax	\$2,182,000	\$0	\$2,182,000
Transient Occupancy Tax	\$800,000	\$0	\$800,000
Documentary Transfer Tax	\$650,000	\$0	\$650,000
Utility User's Tax	\$2,000,000	\$0	\$2,000,000
Franchise Fees	\$440,000	\$0	\$440,000
Parking Tax	\$150,000	\$0	\$150,000
Development Permits	\$2,522,500	\$2,522,500	\$0
Permitting Fees	\$1,602,795	\$1,602,795	\$0
Public Facilities	\$45,000	\$0	\$45,000
Public Safety	\$269,500	\$0	\$269,500
Engineering	\$150,000	\$150,000	\$0
Recreation	\$424,725	\$20,000	\$404,725
Investment Income	\$240,000	\$0	\$240,000
FEMA/OES Reimbursements	\$93,750	\$93,750	\$0
Motor Vehicle-in-lieu	\$85,900	\$0	\$85,900
MISCELLANEOUS REVENUE	\$45,250	\$45,250	\$0
GENERAL FUND SUBTOTAL	\$17,746,791	\$4,434,295	\$13,312,496
Prior Year Balance	\$41,201		\$41,201
Gas Tax	\$250,000	\$0	\$250,000
SUBTOTAL	\$18,037,992	\$4,434,295	\$13,603,697

Source: ADE

TABLE 21
2006-07 BUDGET EXPENDITURES INCLUDED IN FISCAL ANALYSIS

EXPENDITURES	BUDGET	ADJUSTMENTS	NET BASIS
City Council	\$563,664	\$0	\$563,664
Administration	\$907,680	\$0	\$907,680
City Attorney	\$665,200	\$0	\$665,200
General Government	\$1,622,101	\$207,045	\$1,415,056
Finance	\$766,974	\$0	\$766,974
Public Safety	\$79,665	\$0	\$79,665
Fire	\$2,500	\$0	\$2,500
Police	\$5,028,703	\$0	\$5,028,703
Planning	\$3,724,154	\$2,706,500	\$1,017,654
Public Works	\$1,738,766	\$1,500,750	\$238,016
Parks and Recreation	\$1,396,223	\$20,000	\$1,376,223
Senior Center	\$90,160	\$0	\$90,160
GENERAL FUND SUBTOTAL	\$16,585,790	\$4,434,295	\$12,151,495
Gas Tax	\$300,000	\$50,000	\$250,000
SUBTOTAL	\$16,885,790	\$4,484,295	\$12,401,495
TOTAL NET	\$1,152,202	(\$50,000)	\$1,202,202

Source: ADE

Table 22 shows the trends for the major City revenues for the past several years. Property Taxes have shown significant growth due to the high value of the residential real estate market in Malibu. Sales taxes, which are generated by retail commercial land uses, have grown at a much slower rate.

**TABLE 22
REVENUE SUMMARY 1999/2000 - PRESENT**

Fiscal Year	Property Tax	Documentary Transfer Tax	Utility User Tax	Transient Occupancy Tax	Franchise Fees	Sales Tax	Parking Tax	Totals
1999-2000	2,248,392	396,966	1,533,016	852,333	381,865	1,787,128		7,199,700
2000-2001	2,543,096	380,633	1,740,966	835,602	406,959	1,919,187	95,770	7,922,213
2001-2002	2,849,035	405,868	2,058,766	851,926	449,284	1,965,821	111,388	8,692,088
2002-2003	3,109,254	477,868	2,171,921	829,967	473,763	2,266,986	131,175	9,460,934
2003-2004	3,487,533	708,288	1,855,000	876,885	435,036	2,251,702	124,786	9,739,230
2004-2005	4,102,480	584,996	2,331,164	915,827	520,276	2,285,092	120,823	10,860,658
2005-2006	4,557,496	721,818	2,029,795	804,138	505,079	1,848,896	149,192	10,616,414
2006-2007 Proj.	4,785,371	564,644	2,296,389	675,066	440,000	2,182,000	238,685	11,182,155
2007-2008 Bud.	5,168,201	650,000	2,200,000	800,000	450,000	2,450,000	185,000	11,903,201
	25,210,335	3,707,614	12,884,269	4,901,883	2,824,154	13,284,676	949,661	63,762,592

Source: City of Malibu Finance Director.

BUDGET ADJUSTMENTS

Some adjustments were made to the original budget figures, as shown in Tables 20 and 21, in order to account for budget items that are not annually recurring. On the revenue side, these include development permits and permitting fees, used for zoning and building activities, and construction-related permits. On the cost side, the value of development-related fees and permits are deducted from the budgets of the planning and public works departments. These adjustments are made for development-related costs and revenues because they typically occur at the building, planning and construction phase and do not represent an ongoing cost of government services once the buildings are completed.

The total estimated General Fund Budget after adjustments (i.e. net revenue) is approximately \$13.3 million for 2006-07. Adjusted General Fund Expenditures are \$12.1 million.

FISCAL IMPACT OF EXISTING LAND USES

The fiscal analysis estimates the fiscal impact of land uses on the annual operating budget for the City. As shown in Table 23, retail development has the highest net benefit for the City budget, at \$1.25 million per year, followed closely by single-family residential development at just over \$1 million per year. In many

cities, residential development requires more in municipal costs than it generates in revenue. But in Malibu, the high property values generate significant property taxes that generally cover the costs for services, except for mobile homes.

**TABLE 23
EXISTING LAND USE FISCAL IMPACT**

REVENUES	Total	Single Family	Apartments	Mobile-Home	Retail	Retail/Office Combo	Lodging	Office	Public and Semi-Public Facilities	Industrial
Property Tax (City Share)	\$6,032,907	\$4,997,229	\$791,932	\$149,519	\$30,433	\$21,135	\$4,851	\$28,981	\$0	\$8,827
Sales & Use Tax	\$2,181,879	\$0	\$0	\$0	\$1,707,546	\$474,334	\$0	\$0	\$0	\$0
Transient Occupancy Tax	\$800,046						\$800,046			
Documentary Transfer Tax	\$648,538	\$537,202	\$85,133	\$16,073	\$3,272	\$2,272	\$521	\$3,115	\$0	\$949
Utility User's Tax	\$2,000,018	\$1,015,109	\$185,126	\$139,810	\$126,865	\$44,617	\$10,530	\$65,980	\$278,409	\$133,572
Franchise Fees	\$440,004	\$223,324	\$40,728	\$30,758	\$27,910	\$9,816	\$2,317	\$14,516	\$61,250	\$29,386
Parking Tax	\$150,001	\$76,133	\$13,884	\$10,486	\$9,515	\$3,346	\$790	\$4,948	\$20,881	\$10,018
Public Facilities	\$45,000	\$22,840	\$4,165	\$3,146	\$2,854	\$1,004	\$237	\$1,485	\$6,264	\$3,005
Public Safety	\$269,502	\$136,786	\$24,946	\$18,839	\$17,095	\$6,012	\$1,419	\$8,891	\$37,516	\$17,999
Recreation	\$404,736	\$275,937	\$50,323	\$38,005	\$7,780	\$2,736	\$646	\$4,046	\$17,073	\$8,191
Investment Income (% of Tot. Rev.)	\$177,073	\$99,477	\$16,382	\$5,762	\$25,934	\$7,595	\$10,946	\$1,866	\$6,070	\$3,042
Motor Vehicle-in-lieu	\$85,903	\$65,073	\$11,867	\$8,962	\$0	\$0	\$0	\$0	\$0	\$0
Gas Tax Fund	\$250,002	\$126,889	\$23,141	\$17,476	\$15,858	\$5,577	\$1,316	\$8,247	\$34,801	\$16,697
TOTAL REVENUES	\$13,485,610	\$7,449,109	\$1,224,486	\$421,361	\$1,959,203	\$572,867	\$832,303	\$133,827	\$427,462	\$214,990
EXPENDITURES										
City Council	\$563,669	\$286,090	\$52,175	\$39,403	\$35,755	\$12,574	\$2,968	\$18,595	\$78,465	\$37,645
Administration	\$907,688	\$460,697	\$84,018	\$63,451	\$57,576	\$20,249	\$4,779	\$29,944	\$126,353	\$60,620
City Attorney	\$665,206	\$337,625	\$61,573	\$46,501	\$42,195	\$14,840	\$3,502	\$21,945	\$92,599	\$44,426
General Government	\$1,415,068	\$718,218	\$130,982	\$98,920	\$89,760	\$31,568	\$7,450	\$46,682	\$196,982	\$94,506
Finance	\$766,981	\$389,281	\$70,994	\$53,615	\$48,651	\$17,110	\$4,038	\$25,302	\$106,766	\$51,223
Public Safety	\$79,666	\$40,434	\$7,374	\$5,569	\$5,053	\$1,777	\$419	\$2,628	\$11,090	\$5,321
Fire	\$2,500	\$1,269	\$231	\$175	\$159	\$56	\$13	\$82	\$348	\$167
Police	\$5,028,747	\$2,552,340	\$465,473	\$351,532	\$318,983	\$112,183	\$26,476	\$165,896	\$700,018	\$335,848
Planning	\$1,017,663	\$516,515	\$94,197	\$71,139	\$64,552	\$22,702	\$5,358	\$33,572	\$141,662	\$67,965
Public Works	\$238,018	\$120,806	\$22,032	\$16,639	\$15,098	\$5,310	\$1,253	\$7,852	\$33,133	\$15,896
Parks and Recreation	\$1,376,259	\$938,294	\$171,118	\$129,230	\$26,454	\$9,303	\$2,196	\$13,758	\$58,053	\$27,852
Senior Center	\$90,163	\$68,300	\$12,456	\$9,407	\$0	\$0	\$0	\$0	\$0	\$0
Gas Tax Fund	\$250,002	\$126,889	\$23,141	\$17,476	\$15,858	\$5,577	\$1,316	\$8,247	\$34,801	\$16,697
TOTAL EXPENDITURES	\$12,401,630	\$6,429,869	\$1,172,622	\$885,581	\$704,236	\$247,672	\$58,453	\$366,257	\$1,545,469	\$741,470
NET (COST)/REVENUE	\$1,083,980	\$1,019,241	\$51,865	(\$464,219)	\$1,254,967	\$325,195	\$773,850	(\$232,430)	(\$1,118,007)	(\$526,480)

Source: ADE

Non-residential uses that do not generate sales taxes, such as most office and industrial space, actually show a negative fiscal impact in Table 23¹². These uses generally create higher paying jobs, however, so the overall economic effect may well be positive even though the direct tax revenues are insufficient to cover City service costs. The public uses in Table 23 include Pepperdine University, which is in County jurisdiction but has indirect fiscal effects on City services.

ANALYSIS OF COMMERCIAL DEVELOPMENT SCENARIOS

The previous site analysis provided pro forma studies of various commercial development scenarios that combine retail and office space at differing development intensities. The analysis indicated what level of development intensity is needed to make commercial projects financially viable for development interests. The fiscal analysis will indicate the City's cost revenue position for a selection of these scenarios. In the fiscal analysis, we have focused on the development scenarios that yield a 60 percent site coverage (0.6 FAR), since those appear to be most likely to result in feasible developments.

From a fiscal standpoint, the essential issue is the amount of sales tax that each scenario generates. As shown in Table 24, the property tax does not vary a great deal even between the 100 percent retail and the 100 percent office scenarios, because all of the scenarios include similar amounts of building space. However, the portion of the that space devoted to retail sales has a direct bearing on the sales tax that will be generated by the development, which represents almost 90 percent of total revenues generated by the 100 percent retail alternative.

If we assume the office development generates no sales tax (while this is not always true, it is most often the case), it actually shows a negative impact on City finances. These results should be qualified a bit, however. The reason that office space often has a negative fiscal impact is precisely because it often does not generate sales tax but it does create a lot of employment, which has traffic impacts that result in higher traffic enforcement for the Police Department, higher emergency calls for the Fire Department, and possibly higher street maintenance costs.

¹² It is possible that these uses do generate some sales taxes. Further analysis is needed to quantify this in Malibu.

However, in Malibu, a potential benefit of office space in the City might be to reduce out-commute traffic for those who currently work outside the City. Depending on the location of the office development and the characteristics of the workforce, it may be a benefit for the City rather than have a negative impact.

**TABLE 24
FISCAL COMPARISON OF SELECTED COMMERCIAL DEVELOPMENT SCENARIOS**

REVENUES	100% Retail	70% Retail/ 30% Office	90% Retail/ 10% Office	100% Office
Property Tax (City Share)	\$39,239	\$37,640	\$38,351	\$32,601
Sales & Use Tax	\$1,000,733	\$697,333	\$896,571	\$0
Transient Occupancy Tax	\$0	\$0	\$0	\$0
Documentary Transfer Tax	\$4,218	\$4,046	\$4,123	\$3,505
Utility User's Tax	\$33,223	\$38,294	\$34,647	\$60,836
Franchise Fees	\$7,309	\$8,425	\$7,622	\$13,384
Parking Tax	\$2,492	\$2,872	\$2,598	\$4,563
Public Facilities	\$748	\$862	\$780	\$1,369
Public Safety	\$4,477	\$5,160	\$4,669	\$8,198
Recreation	\$2,037	\$2,348	\$2,125	\$3,731
Investment Income	\$14,618	\$10,668	\$13,250	\$1,807
Motor Vehicle-in-lieu	\$0	\$0	\$0	\$0
Gas Tax Fund	\$4,153	\$4,787	\$4,331	\$7,604
SUBTOTAL	\$1,113,245	\$812,434	\$1,009,065	\$137,596
EXPENDITURES				
City Council	\$9,363	\$10,792	\$9,765	\$17,146
Administration	\$15,078	\$17,379	\$15,724	\$27,610
City Attorney	\$11,050	\$12,736	\$11,523	\$20,234
General Government	\$23,506	\$27,094	\$24,513	\$43,043
Finance	\$12,740	\$14,685	\$13,287	\$23,330
Public Safety	\$1,323	\$1,525	\$1,380	\$2,423
Fire	\$42	\$48	\$43	\$76
Police	\$83,533	\$96,284	\$87,114	\$152,963
Planning	\$16,905	\$19,485	\$17,629	\$30,955
Public Works	\$3,954	\$4,557	\$4,123	\$7,240
Parks and Recreation	\$6,928	\$7,985	\$7,224	\$12,685
Senior Center	\$0	\$0	\$0	\$0
Gas Tax Fund	\$4,153	\$4,787	\$4,331	\$7,604
EXPENDITURES SUBTOTAL	\$188,574	\$217,358	\$196,657	\$345,310
NET (COST)/REVENUE	\$924,671	\$595,077	\$812,408	(\$207,713)

Source: ADE

ANALYSIS OF COMMERCIAL REDEVELOPMENT .20 FAR SCENARIO

The earlier site analysis provided pro forma studies of various commercial development scenarios that combine retail and office space at a 60 percent site coverage (0.6 FAR). This analysis addresses the option of redevelopment of existing developed lots and assumes the existing owner will develop and, as a result, the land costs will be lower. Lower land costs will increase the return on investment. The fiscal analysis indicates the City's cost

revenue position for this redevelopment scenario. In this fiscal analysis, we have focused on the redevelopment of the existing Trancas Market at a 20 percent site coverage (0.2 FAR).

From a fiscal standpoint, similar to the 0.6 FAR development scenario above, the essential issue is that the sales tax generates almost 90% of total revenues. The Trancas redevelopment scenario at 0.2 FAR indicates substantially higher annual net revenue for the 100 percent retail redevelopment scenario versus the blend scenarios and 100 percent office scenario shown in Table 25 below.

TABLE 25
FISCAL ANALYSIS EXISTING TRANCAS CENTER REDEVELOPMENT SCENARIOS

REVENUES	100% Retail	70% Retail/ 30% Office	90% Retail/ 10% Office	100% Office
Property Tax (City Share)	\$19,639	\$18,974	\$19,294	\$16,336
Sales & Use Tax	\$500,860	\$398,160	\$457,410	\$0
Transient Occupancy Tax	\$0	\$0	\$0	\$0
Documentary Transfer Tax	\$2,111	\$2,040	\$2,074	\$1,756
Utility User's Tax	\$16,628	\$19,493	\$17,722	\$30,484
Franchise Fees	\$3,658	\$4,288	\$3,899	\$6,707
Parking Tax	\$1,247	\$1,462	\$1,329	\$2,286
Public Facilities	\$374	\$439	\$399	\$686
Public Safety	\$2,241	\$2,627	\$2,388	\$4,108
Recreation	\$1,020	\$1,195	\$1,087	\$1,869
Investment Income	\$7,316	\$6,002	\$6,757	\$905
Motor Vehicle-in-lieu	\$0	\$0	\$0	\$0
Gas Tax Fund	\$2,078	\$2,437	\$2,215	\$3,811
SUBTOTAL	\$557,172	\$457,117	\$514,573	\$68,948
EXPENDITURES				
City Council	\$4,686	\$5,494	\$4,995	\$8,591
Administration	\$7,546	\$8,847	\$8,043	\$13,835
City Attorney	\$5,530	\$6,483	\$5,894	\$10,139
General Government	\$11,765	\$13,792	\$12,539	\$21,568
Finance	\$6,377	\$7,475	\$6,796	\$11,690
Public Safety	\$662	\$776	\$706	\$1,214
Fire	\$21	\$24	\$22	\$38
Police	\$41,808	\$49,012	\$44,558	\$76,648
Planning	\$8,461	\$9,919	\$9,017	\$15,511
Public Works	\$1,979	\$2,320	\$2,109	\$3,628
Parks and Recreation	\$3,467	\$4,065	\$3,695	\$6,357
Senior Center	\$0	\$0	\$0	\$0
Gas Tax Fund	\$2,078	\$2,437	\$2,215	\$3,811
EXPENDITURES SUBTOTAL	\$94,380	\$110,643	\$100,589	\$173,030
NET (COST)/REVENUE	\$462,792	\$346,474	\$413,984	(\$104,082)

Source: ADE

APPENDIX A: MALIBU HOUSEHOLD SURVEY

MALIBU HOUSEHOLD SURVEY RESULTS

The Malibu Household Shopping Survey was distributed to every residential address in the 90265 ZIP code, with a total of over 8,900 survey forms distributed. This survey generated 1,002 responses, for a total response rate of approximately 11 percent, which is within the expected response range for a typical mailout survey.

The survey asked multiple questions regarding the respondent's shopping patterns, such as their primary shopping destination for specific store types, their assessment of existing retail options in Malibu, and the types of retail spaces that they would like to see in Malibu. The survey form that was distributed to local households is attached at the end of this appendix.

Question 1 asked survey respondents to identify their primary shopping destination by store type and location. These results were integrated into the Retail Market Analysis section of this report. Question 3 asked respondents to identify the types of stores that they would like to see located in Malibu. These results were summarized in the Retail Market Analysis section, and presented in detail in Appendix B. The results for the other survey questions are summarized below.

ASSESSMENT OF MALIBU RETAIL STORES

Asking respondents to assess the quality of stores in Malibu, the respondents generally had a positive or neutral view of existing stores. About 41 percent of respondents said that they liked the quality of Malibu's stores, while 42 percent were neutral.

TABLE B-1
ASSESSMENT OF MALIBU RETAIL STORE QUALITY

Malibu Store Quality	Survey Result
Like	40.7%
Neutral	42.0%
Dislike	17.3%
Total Responses	907

Source: Applied Development Economics, data from Malibu Household Shopping Survey

Survey respondents generally viewed the store selection in Malibu negatively, with 61 percent of responses indicating that they did not like their existing retail store selection. Only 12 percent of the respondents said that they like the existing store selection.

TABLE B-2
ASSESSMENT OF MALIBU RETAIL STORE SELECTION

Malibu Store Selection	Survey Result
Like	12.1%
Neutral	26.6%
Dislike	61.3%
Total Responses	917

Source: Applied Development Economics, data from Malibu Household Shopping Survey

Retail product selection was also viewed negatively. About 48 percent of survey respondents indicated that they did not like the current product selection in Malibu retail stores, while only 15 percent indicated that they like the product selection.

TABLE B-3
ASSESSMENT OF MALIBU PRODUCT SELECTION

Malibu Product Selection	Survey Result
Like	14.5%
Neutral	37.3%
Dislike	48.2%
Total Responses	912

Source: Applied Development Economics, data from Malibu Household Shopping Survey

Survey respondents generally viewed the parking situation for Malibu retail stores positively with 45 percent of respondents saying that they generally like the store parking in Malibu. About 27 percent view the parking situation negatively.

TABLE B-4
ASSESSMENT OF MALIBU STORE PARKING

Malibu Store Parking	Survey Result
Like	45.2%
Neutral	28.2%
Dislike	26.6%
Total Responses	920

Source: Applied Development Economics, data from Malibu Household Shopping Survey

Current store hours for Malibu retail stores were generally viewed positively with only 10 percent of respondents saying that they dislike the business hours maintained by local retailers. Nearly 48 percent of survey respondents indicated that they like the current store hours, with 42 percent generally neutral about the store hours.

**TABLE B-5
ASSESSMENT OF MALIBU STORE HOURS**

Malibu Store Hours	Survey Result
Like	47.8%
Neutral	42.2%
Dislike	10.0%
Total Responses	902

Source: Applied Development Economics, data from Malibu Household Shopping Survey

Survey respondents generally viewed prices charged by Malibu retailers very negatively. Only seven percent of survey respondents had a positive view of Malibu store prices, while 62 percent indicated that they did not like the store prices.

**TABLE B-6
ASSESSMENT OF MALIBU STORE PRICES**

Malibu Store Prices	Survey Result
Like	7.1%
Neutral	31.4%
Dislike	61.5%
Total Responses	925

Source: Applied Development Economics, data from Malibu Household Shopping Survey

PLACE OF WORK

The largest group of respondents indicated that they work in Malibu or otherwise work at home, with over 46 percent of the total responses. Another 30 percent of the respondents indicated that they work on the Westside or elsewhere in Los Angeles County. Only about seven percent of respondents work in the Thousand Oaks area or elsewhere in Ventura County. In addition, nearly 12 percent of respondents indicated that they are currently retired.

**TABLE B-7
PLACE OF WORK
(SURVEY RESPONDENTS)**

Primary Place of Work	Survey Result
Malibu/Home	46.1%
Westside	19.8%
Thousand Oaks Area	4.8%
Other Ventura County	2.3%
Other Los Angeles County	11.6%
Other Location	3.9%
Retired	11.5%
Total Responses	921

Source: Applied Development Economics, data from Malibu Household Shopping Survey

HOUSEHOLD SIZE AND AGE DISTRIBUTION

The majority of households (61 percent) responding to the survey were comprised of two persons or less. Only about 24 percent of the survey responses came from households with four persons or more.

**TABLE B-8
HOUSEHOLD SIZE DISTRIBUTION**

Persons Per Household (Survey Respondents)	
One-Person Household	15.1%
Two-Person Household	45.5%
Three-Person Household	15.3%
Four-Person Household	15.8%
Five or More Persons	8.3%
Total Responses	977

Source: Applied Development Economics, data from Malibu Household Shopping Survey

In general, the households in the survey response consisted of residents aged 35 and over, with approximately 69 percent of the total persons counted in the survey. In the survey sample, the percentage of residents under 18 years of age (20 percent) nearly equaled the 65 and over percentage (19 percent).

**TABLE B-9
HOUSEHOLD AGE DISTRIBUTION**

Persons In Household by Age Group (Survey Respondents)	
Younger than 10 Years Old	9.7%
10 to 17 Years Old	10.7%
18 to 24 Years Old	6.3%
25 to 34 Years Old	4.9%
35 to 64 Years Old	49.3%
65 Years Old and Over	19.2%
Total Persons Counted in Survey	2,514

Source: Applied Development Economics, data from Malibu Household Shopper Survey

INCOME DISTRIBUTION

The income distribution among the survey respondents showed about half of the respondents with an annual household income between \$70,000 and \$250,000. Households earning \$500,000 or more accounted for about 18 percent of the responses, while households earning less than \$70,000 accounted for 12 percent of the responses.

**TABLE B-10
ANNUAL HOUSEHOLD INCOME**

Annual Household Income (Survey Respondents)	
Under \$30,000	1.5%
\$30,000 to \$49,999	4.3%
\$50,000 to \$69,999	6.0%
\$70,000 to \$99,999	10.7%
\$100,000 to \$149,999	20.1%
\$150,000 to \$249,999	20.3%
\$250,000 to \$499,999	19.3%
\$500,000 to \$999,999	9.4%
\$1 million and Over	8.4%
Total Responses	870

Source: Applied Development Economics, data from Malibu Household Shopping Survey

MALIBU HOUSEHOLD SHOPPING SURVEY

The City of Malibu is interested in learning more about how its shopping areas can better serve local and regional patrons. This survey is part of a strategic plan that will help identify retail needs for the community. The consulting firm Applied Development Economics will tabulate the results and responses will remain strictly confidential. After you complete the survey, simply refold this form with the return address facing the front, seal it, and drop it in the mail.

1) Where do you *normally* shop for the following goods/services? (Please indicate *one location only* in each category.)

Retail Category	Malibu Colony Plaza (Ralph's)	Other Malibu Stores (specify)	Westside (Santa Monica, Brentwood, Westwood, West L.A.)	Thousand Oaks Area (Agoura, Westlake Village)	Other Ventura County (Oxnard, Ventura, Camarillo)	Other City or Major Shopping Area (specify)	Mail Order Internet (specify)
A. Groceries							
B. Specialty Food (ethnic, fresh							
C. Household Items							
D. Hardware/Home							
E. Books/Music							
F. Video							
G. Jewelry/Gifts							
H. Drugs/Prescriptions							
I. Restaurants (not fast food)							
J. Fast Food/Take-out							
K. Furniture/Home Furnishings							
L. Sporting Goods							
M. Auto Parts							
N. New/Used Autos							
O. Gas Stations							
P. Barber/Beauty Salon							
Q. Veterinary Services							
R. Other Personal Services (repair,							
S. Banking							
T. Professional Services (law,							
U. Health Services							

2. Please tell us what you like and dislike about shopping in Malibu:

	Like	Neutral	Dislike		Like	Neutral	Dislike
A) Store Quality	___	___	___	D) Parking	___	___	___
B) Store Selection	___	___	___	E) Store Hours	___	___	___
C) Product Selection	___	___	___	F) Prices	___	___	___

Other comments: _____

3. What additional stores would make you shop more often in Malibu? (Fill in blanks)

A) _____ B) _____ C) _____ D) _____

4. In which area do you work? A) Malibu _____ B) Westside _____ C) Thousand Oaks Area _____ D) Other Ventura Co. _____ E) Other Los Angeles Co. (specify) _____ F) Other (specify) _____

5. How many persons are in your household (include yourself)? _____

Persons in household by age: younger than age 10 _____ 10-17 years _____ 18-24 years _____ 25-34 years _____ 35-64 years _____ 65 years and over _____

6. Which of the following best describes your annual household income? Under \$30,000 _____ \$30,000 to \$49,999 _____ \$50,000 to \$69,999 _____ \$70,000 to \$99,999 _____ \$100,000 to \$149,999 _____ \$150,000 to \$249,999 _____ \$250,000 to \$500,000 _____ \$500,000 to \$999,999 _____ \$1 million and over (specify) _____

APPENDIX B: STORE TYPES THAT WOULD MAKE RESIDENTS SHOP MORE OFTEN IN MALIBU (HOUSEHOLD SURVEY QUESTION 3)

Store	Total Mentions
99 Cent	4
Adamson Hotel	1
Additional stores	1
affordable stores	1
AMC movies	1
Antique Shops	1
Any stores with reasonable prices	1
Anything for Teens to do!!	1
Anything more than what we have	1
Apple store	1
Arco	1
Art store	10
Art store - Color Me Mine	1
Arts/Culture	1
Auto parts	17
Auto parts - Kragen's	1
Auto repair	2
Auto repair - BMW auto repair	1
Auto repair - Pep Boys	2
Bakery	16
Bakery - Bagel Shop	1
Bakery - Cheesecake Factory	3
Bakery - European Bakery	2
Bakery - French bakery	1
Bakery - Fresh bakery	2
Bakery - Good	4
Bakery - Noah Bagels	1
Bank	1
BCBG	1
Beauty - Super Cuts	1
Beauty salon	8
Beauty salon - Fantastic Sams	1
Beauty supply	1
Bike shop	3
Bio diesel fuel	1
Black market white house	1
Bookstore	23
Bookstore - Barnes & Noble	22
Bookstore - Bigger	3
Bookstore - Borders	8
Bookstore - Dietrich's	2

Store	Total Mentions
Bookstore - Discount	1
Bookstore - Dutton Books	1
Bookstore - Larger	5
Bookstore - Used books	1
Boutique	2
Boutique - Cheaper	1
Boutique - Designer	1
Boutiques - Cheaper	1
Boutiques - High-end	1
Carwash	11
Carwash - Affordable	4
Carwash - Drive through	2
Cheaper anything	1
Cheaper gas	3
cheaper kids stores	1
Citi Bank	1
Clothes - simple	1
Clothing	8
Clothing - 3 Day Suits	1
Clothing - Abercrombie and Fitch	2
Clothing - Affordable	20
Clothing - Affordable kids	4
Clothing - Affordable Teens	1
Clothing - Ann Taylor	3
Clothing - Anthropology	5
Clothing - Arden B	1
Clothing - Armani	1
Clothing - Baby Gap	1
Clothing - Banana republic	4
Clothing - Better selection	1
Clothing - Bloomingdale	1
Clothing - Chico's	6
Clothing - Children's	6
Clothing - Coldwater Creek	2
Clothing - Competitive	1
Clothing - Conservative	1
Clothing - Consignment	1
Clothing - Department store	11
Clothing - Discount	1
Clothing - Discount	1
Clothing - Diverse	1

Store	Total Mentions
Clothing - Dress maker	1
Clothing - Forever 21	2
Clothing - GAP	14
Clothing - Gucci	1
Clothing - Inexpensive clothing	3
Clothing - J Crew	4
Clothing - JC Penny's	1
Clothing - Kids	5
Clothing - Kohl's	1
Clothing - Lingerie	2
Clothing - Louis Vuitton	1
Clothing - Lower priced	2
Clothing - Lower priced accessories	1
Clothing - Macy's	10
Clothing - Men's clothing	5
Clothing - Mervyns	1
Clothing - Moderate	2
Clothing - Neiman Marcus	3
Clothing - Nordstroms	8
Clothing - Old Navy	3
Clothing - Practical	1
Clothing - Real	1
Clothing - Regular	2
Clothing - Robinsons	1
Clothing - Ross Dress for Less	1
Clothing - Saks 5th Ave	3
Clothing - Sears	1
Clothing - TJ Maxx	4
Clothing - Tops	1
Clothing - Urban Outfitters	2
Clothing - User friendly	1
Coffee other than Starbucks	2
Convenience store in West Malibu	1
Co-op	1
Cultber	1
Deli	8
Deli - Good	3
Deli - Jerry's Deli	1
Deli - Mort's Deli	1
Deli - Sandwich shop	1
Discount stores	2
Driving range	1
Drugstore	1
Drugstore - Better	1
Drugstore - Holistic pharmacy	1
Drugstore - Homeopathic pharmacy	2
Drugstore - Long's	2
Drugstore - Not CVS	1
Drugstore - Quality pharmacy	1

Store	Total Mentions
Drugstore - Sav-on	1
Electronics - Best Buy	7
Electronics - Circuit City	1
Electronics store	2
Fabric	2
Family friendly stores	1
Farmer's Market	24
Fewer high-end stores	1
Front Runner	1
Furniture	5
Furniture - Restoration Hardware	2
Furniture - Sur La Table	2
Furniture - Unique stores	1
Garden	19
Garden - Nursery	8
Garden - Smith & Hawken	1
Gas station	2
Gas station - Cheaper	6
Gathering place with a large fountain	1
General Mall	1
General Repair Store	2
General store	3
Gifts	3
Gifts - Cheaper	2
Goodwill store	1
Greens living	1
Grocery	6
Grocery	3
Grocery - 24hr	1
Grocery - 99 Ranch Market	1
Grocery - Affordable	3
Grocery - Albertsons	7
Grocery - Better	7
Grocery - Bristol Farms	21
Grocery - Competitive	1
Grocery - Cooke's Market	2
Grocery - Ethnic markets	3
Grocery - Fancy food	1
Grocery - Food Co-Op	1
Grocery - Fresh produce	5
Grocery - Gelsons	53
Grocery - Good	3
Grocery - Gourmet	3
Grocery - Haynes Market	1
Grocery - Health food	10
Grocery - High-end	1
Grocery - High-end	2
Grocery - How's	1
Grocery - Italian grocery	4

Store	Total Mentions
Grocery - Middle Eastern	1
Grocery - More	1
Grocery - Natural goods	1
Grocery - New	2
Grocery - Organic food	8
Grocery - Pavilions	3
Grocery - Pt. Dume	1
Grocery - Quality	2
Grocery - Real butcher	1
Grocery - Specialty foods	7
Grocery - Trader Joe's	323
Grocery - Von's	4
Grocery - Whole Foods	239
Grocery - Wild Oats	5
Gym - 24 hr fitness	2
Gym - Better	1
Gym - Gymboree	1
Gym - Gymnastics studio	1
Hallmark	2
Handyman	1
Hardware	390
Hardware	46
Hardware - ACE Hardware	2
Hardware - Good Competitive	1
Hardware - Larger	1
Hardware - OSH	5
Hardware - Paint	1
Hardware - True Value Hardware	1
Health club	1
Health club - larger	1
Home Improvement	17
Home Improvement - Building Supply	4
Home Improvement - Do It Center	12
Home Improvement - Home Depot	32
Home Improvement - Lowe's	11
Household goods	16
Household Goods - Bed Bath & Beyond	15
Household goods - Container Store	1
Household goods - Cost Plus	2
Household goods - Costco	36
Household goods - Crate & Barrel	3
Household goods - K-Mart	1
Household goods - Sam's Club	1
Household goods - Smart & Final	1
Household goods - Target	80
Household goods - Wal-Mart	10
IKEA	1
Independent stores	2

Store	Total Mentions
Inexpensive retail	1
Interior design	2
Jewelers	1
JoAnns	1
Juicy	1
Kid's play area	1
Kinko's	3
Kitchen supply	4
Landscaping - High-end	1
Lassens	2
Linen & Things	1
Lumber	60
Lumber	1
Lumber	12
Lumber - Anawalt Lumber	2
Magazine stand	1
Medical - Dentists	1
Medical - Dermatologists	1
Medical - Hospital/ clinic	1
Medical - Medical and Dental specialists	1
Medical - Pt. Dume area family doctor	1
Mom & Pop stores	3
More services	1
More variety	1
Movie theater	6
Mrs. Winston's	1
Music	15
Music - Classic Music	2
Music - Guitar	1
Music - Guitars	1
Nail salon	4
New Frontiers	1
No more high end label stores	1
Non Rodeo Drive	1
Non-chain retail boutique stores	1
Notions	1
Office supply	15
Other Market	1
Painquotidiens	1
Personal items	1
Pet Smart	2
Pet store	3
Petco	1
Professional services	1
Reasonably priced markets	1
Regular jewelry shop	1
Repair shop	1

Store	Total Mentions
Restaurant	21
Restaurant - "Follow your heart"	1
Restaurant - "Pierview Type"	1
Restaurant - A Votre Sante	1
Restaurant - Affordable	2
Restaurant - Alice's	1
Restaurant - any, not Italian	1
Restaurant - Applebee's	1
Restaurant - Baja Fresh	4
Restaurant - Bar & Grill	2
Restaurant - Bar with pier view	1
Restaurant - Bar/nightlife	1
Restaurant - BBQ	1
Restaurant - Better	5
Restaurant - Better and more	1
Restaurant - Breakfast café	1
Restaurant - Burgers	1
Restaurant - CA Pizza Kitchen	4
Restaurant - Café	4
Restaurant - Carl's Jr	1
Restaurant - Casual	1
Restaurant - Casual burgers at the beach	1
Restaurant - Casual dining/bar	3
Restaurant - Cheaper	1
Restaurant - Chili's	1
Restaurant - Chinese	4
Restaurant - Chipotle	2
Restaurant - Coffee shop	3
Restaurant - Daily Grill	1
Restaurant - Decent	2
Restaurant - Decent coffee shop	1
Restaurant - Diner	3
Restaurant - El Pollo Loco	1
Restaurant - Family	9
Restaurant - Family buffet	1
Restaurant - Fast food	2
Restaurant - Fish	1
Restaurant - Fornarina	1
Restaurant - French Bistro	1
Restaurant - Gino's Pizzeria	1
Restaurant - Good	2
Restaurant - Good ethnic	2
Restaurant - Granitas	2
Restaurant - Grill	1
Restaurant - High-end	2
Restaurant - Hometown Buffet	1
Restaurant - Houston's Restaurant	1
Restaurant - Ice cream/Yogurt	2

Store	Total Mentions
Restaurant - In & Out Burger	4
Restaurant - Indian	5
Restaurant - Informal	1
Restaurant - Internet coffee house in MCP	1
Restaurant - Internet coffee shop	2
Restaurant - Jamba Juice	4
Restaurant - Japanese	3
Restaurant - Kentucky Fried Chicken	1
Restaurant - La Salsa	1
Restaurant - Less high-end	1
Restaurant - Low priced, healthy	2
Restaurant - Macaroni Grill	2
Restaurant - Maria's Italian	1
Restaurant - Marie Callendar's	2
Restaurant - McDonald's	1
Restaurant - Mexican	1
Restaurant - Mexican	2
Restaurant - mid priced	3
Restaurant - More	2
Restaurant - More	11
Restaurant - New	1
Restaurant - Nice café	1
Restaurant - Non Starbucks coffee shop	2
Restaurant - Olive Garden	1
Restaurant - Open ones	1
Restaurant - P.F. Chang's	5
Restaurant - Panda Express	1
Restaurant - Panda Panda	1
Restaurant - Panera Bread	2
Restaurant - Peet's Coffee	4
Restaurant - Peruvian	1
Restaurant - Pick Up Styk	1
Restaurant - Pinkberry Yogurt	2
Restaurant - Pollo Loco	1
Restaurant - Quality	3
Restaurant - Quizno's	1
Restaurant - Reasonably priced	1
Restaurant - Red Lobster	1
Restaurant - Souplantation	3
Restaurant - South American	1
Restaurant - Steakhouse	3
Restaurant - Takeout food	2
Restaurant - Vegetarian	4
Restaurant at Trancas	1
Restaurant w/ live acts	1
Restaurant with organic food	1
Retail - Cheaper	1

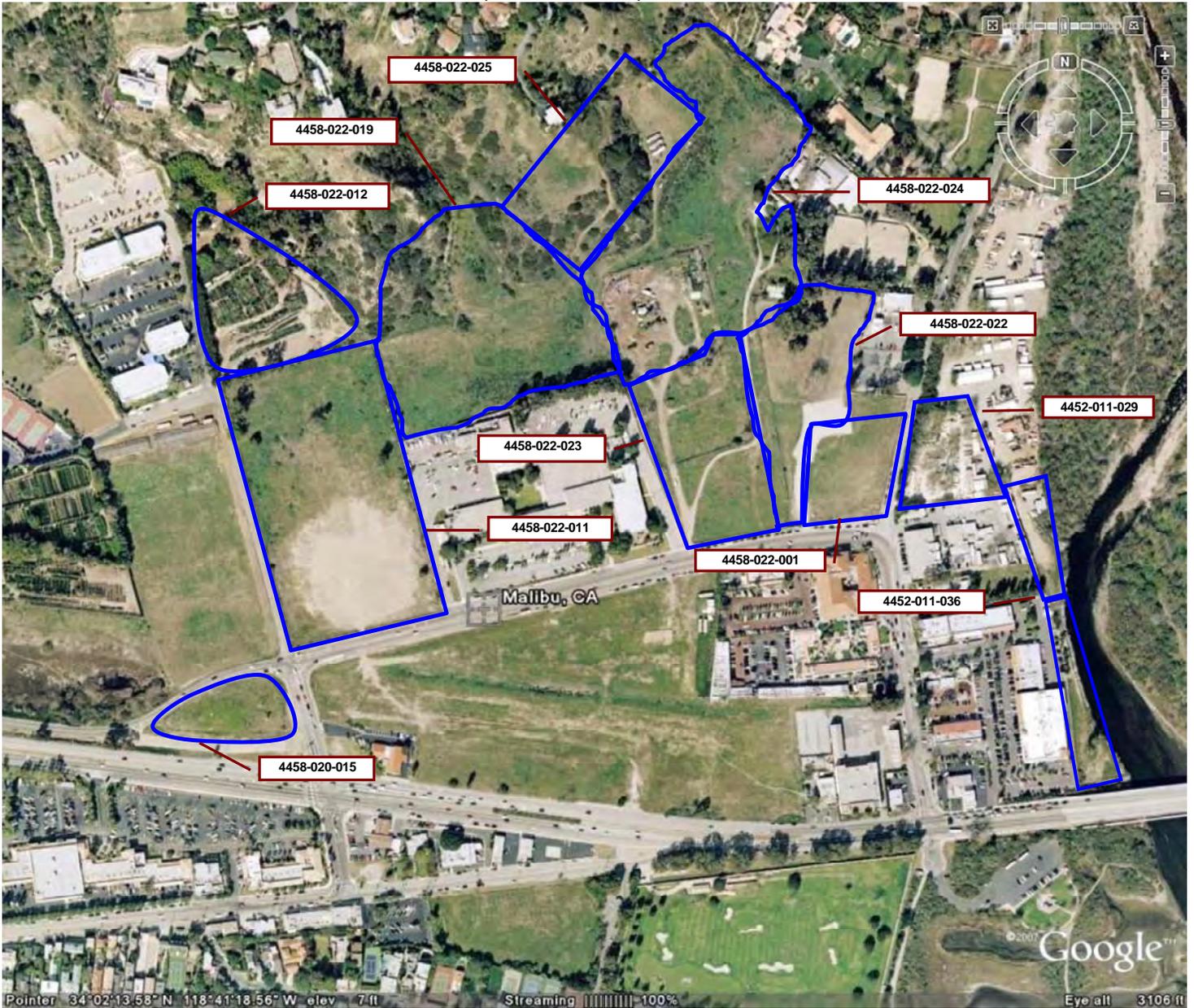
Store	Total Mentions
Retail - Fashion (less)	1
Retail - High-end cosmetics	1
Retail - Pier 1	1
Retail - Pottery Barn	3
Retail - Sheets	1
Sees Candy	1
Shoes	13
Shoes - Affordable	1
Shoes - Kids	5
Shoes - Nike	1
Shoes - Nine west	1
Shopping center scaled for Malibu	1
Small appliance	1
Small department store	1
Small individual owned stores	1
Small mall	1
Small personal stores	1
Small stores	1
Specialty home	1
Specialty shops	1
Sporting goods	38
Sporting goods - Any	1
Sporting Goods - Big 5	1
Sporting goods - REI	1
Sporting goods - Ski shop	1
Sporting goods – Sport Mart	1
Sporting goods - Sports Authority	1
Sporting goods - Sports Chalet	2
Sporting goods - Steve Madden	1
Sporting goods - Swim store	1
Sporting goods - Tennis shop	1
Staples	4
Stationery store	4
Stop shopping	1
Stores - Longer hours	1
Sundries	1
Too many Starbucks	1
Toys	3
Union Bank of CA	1
Upgraded library	1
Video	45
Video - Blockbuster	15
Vietnamese nail salon	1
Vintage eco-clothing	1
Wal-Greens	2
Walking shoes	1
WAMU	1
Wider choice	1
Williams Sonoma	1

Store	Total Mentions
Wine Bar	4
Grand Total	2484

APPENDIX C: COMMERCIAL PARCELS – AERIAL VIEW

FIGURE 7

APN 4458-022-012, 4458-020-015, 4458-022-019, 4458-022-023, 4458-022-011, 4458-022-024, 4458-022-022, 4458-022-001, 4452-011-036, 4452-011-029



Source: ADE, City of Malibu Planning Office, LA County Assessor's Office, Google Earth

FIGURE 8
APN 4458-030-007, 4458-028-015, 4458-028-019



Source: ADE, City of Malibu Planning Office, LA County Assessor's Office, Google Earth

FIGURE 9
APN 4459-008-001 AND 4459-008-900



Source: ADE, City of Malibu Planning Office, LA County Assessor's Office, Google Earth

FIGURE 10
APN 4452-019-001



Source: ADE, City of Malibu Planning Office, LA County Assessor's Office, Google Earth

FIGURE 11
APN 4452-021-006



Source: ADE, City of Malibu Planning Office, LA County Assessor's Office, Google Earth

FIGURE 12
APN 4460-029-025



Source: ADE, City of Malibu Planning Office, LA County Assessor's Office, Google Earth

FIGURE 13
APN 4460-030-042



Source: ADE, City of Malibu Planning Office, LA County Assessor's Office, Google Earth

APPENDIX D: PRO-FORMA ANALYSIS

Economic Evaluation
Retail Pro forma @ .15 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses				
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%	\$
2	Retail	1700	850	\$ 4.50	\$ 91,800	\$ -	\$ -	\$ -	Manag. Per unit	5%	\$ 1,015,606
2	Retail	2400	1200	\$ 4.95	\$ 142,560	\$ -	\$ -	\$ -	Repair per Unit	\$ 125.00	\$ 2,000
8	Retail	19200	2400	\$ 5.35	\$ 1,232,640	\$ -	\$ -	\$ -	Utilities per Unit	\$ 6,000.00	\$ 96,000
2	Retail	9600	4800	\$ 3.45	\$ 397,440	\$ -	\$ -	\$ -	Acct'g per month	\$ 5,200.00	\$ 62,400
2	Retail	30000	15000	\$ 2.95	\$ 1,062,000	\$ -	\$ -	\$ -	Legal lump sum	\$ 50,000.00	\$ 50,000
16	TOTAL	62900	349						Programs/mon.	\$ 100.00	\$ 1,200
Total Gross Income						\$ 2,926,440		\$ -	Insur. Per Unit	\$ 50,000.00	\$ 800,000
Less Vacancy (or Brokers Fees)					3.00%	\$ (87,793)		\$ -	Landscape/Mon.	\$ 5,000.00	\$ 60,000
Net Revenue						\$ 2,838,647		\$ -	Reserves/Unit	5%	\$ 141,932
									Total		\$ 2,229,139

Income/ Revenue			
Gross Income / year		\$ 2,838,647	
Operating expenses		\$ 2,229,139	
Net income / year		\$ 609,508	
Commercial Rent/year		\$ 2,838,647	
Cap rate	3.00		
Multiplier			
Project value		\$ 1,828,958	
Loan to Value	75.00%		
Loan Amount*		\$ 1,371,718	[A]
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service		113331	
Cash return		496177	
Return on Investment (ROI) %		0.026	
Depreciation S.L. 30 yr.		60965	
Appreciation @ 3.5%		64014	
Total ROI		0.029576492	
Construction time (yr)		10	

Cost Target @ .15 FAR		[B]
Development Costs	\$ 6,456,859	
Hard Construction Costs	\$ 5,283,600	
Land Cost [D]	\$ 8,571,667	
Total project budget	\$ 20,312,126	
Equity Needed	\$ 18,940,408	

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
2	Retail	850	\$ 84.00	\$ 71,400	\$ 142,800
2	Retail	1200	\$ 84.00	\$ 100,800	\$ 201,600
8	Retail	2400	\$ 84.00	\$ 201,600	\$ 1,612,800
2	Retail	4800	\$ 84.00	\$ 403,200	\$ 806,400
2	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 2,520,000
Total Area		62900			
Parking Open * included in development costs				\$ -	
TOTAL					\$ 5,283,600

Site and Soft Costs		
Land	\$ 20.33	[E]
Site development	\$ 8.23	
Architectural & Eng	\$ 13.64	
Development Costs	\$ 40.78	
Overhead Developr	\$ 39.43	
Misc.	\$ -	
Subtotal		
Total	\$ 102.09	

Development Costs	
Build'g (2%)	\$ 5
Engineering	\$ 28
Sub-div.	\$ -
Water	\$ 8
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 41

Financing Costs	
@ .15 FAR	63,249
@ .25 FAR	105,415

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation

Retail Pro forma @.20 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses		
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes
2	Retail	2600	850	\$ 4.50	\$ 91,800	\$ -	\$ -	\$ -	5%
5	Retail	6000	1200	\$ 4.95	\$ 356,400	\$ -	\$ -	\$ -	Manag. Per unit \$ 5%
10	Retail	24000	2400	\$ 5.35	\$ 1,540,800	\$ -	\$ -	\$ -	Repair per Unit \$ 125.00
4	Retail	19200	4800	\$ 3.45	\$ 794,880	\$ -	\$ -	\$ -	Utilities per Unit \$ 6,000.00
5	Retail	75000	15000	\$ 2.95	\$ 2,655,000	\$ -	\$ -	\$ -	Acct'g per month \$ 5,200.00
26	TOTAL	126800	-128						Legal lump sum \$ 50,000.00
Total Gross Income						\$ 5,438,880			Programs/mon. \$ 100.00
Less Vacancy (or Brokers Fees)					3.00%	\$ (163,166)		6.00%	Insur. Per Unit \$ 50,000.00
Net Revenue						\$ 5,275,714			Landscape/Mon. \$ 5,000.00
									Reserves/Unit 5%
									Total

Income/ Revenue		
Gross Income / year		\$ 5,275,714
Operating expenses		\$ 3,085,333
Net income / year		\$ 2,190,381
Commercial Rent/year		\$ 5,275,714
Cap rate	9.21	
Project value		\$ 20,180,793
Loan to Value	75.00%	
Loan Amount*		\$ 15,135,595 [A]
Debt service		
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		1250497
Cash return		939884
Return on Investment (ROI) %		0.109
Depreciation S.L. 30 yr.		672693
Appreciation @ 3.5%		706328
Total ROI		0.190570311
Construction time (yr)	10	

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
2	Retail	850	\$ 84.00	\$ 71,400	\$ 142,800
5	Retail	1200	\$ 84.00	\$ 100,800	\$ 504,000
10	Retail	2400	\$ 84.00	\$ 201,600	\$ 2,016,000
4	Retail	4800	\$ 84.00	\$ 403,200	\$ 1,612,800
5	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 6,300,000
Total Area		125900			
Parking Open * included in development costs			\$ -		
TOTAL					\$ 10,575,600

Site and Soft Costs		
Land	\$ -	[E]
Site development	\$ 8.23	
Architectural & En	\$ 13.64	
Development Cost	\$ 40.78	
Overhead Develop	\$ 39.43	
Misc.	\$ -	
Subtotal		
Total	\$ 102.09	

Development Costs		
Build'g (2%)	\$ 5	
Engineering	\$ 28	
Sub-div.	\$ -	
Water	\$ 8	
P&Rec	\$ -	
Other Fees	\$ -	
Total	\$ 41	

Cost Target @.20 FAR		
Development Costs	\$ 12,931,491	
Hard Construction Costs	\$ 10,575,600	
Demolition Cost [D]	\$ 266,846	
Total project budget	\$ 23,773,938	
Equity Needed	\$ 8,638,343	

Financing Costs		
@ .20 FAR	126,672	

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accomodate Desired Tenants
 - [D] ADE, Inc., Saylor, Commercial Demolition Sqaure Foot Building Costs of \$11.09 per sq. ft. @.93 (Major Cities Cost Index)
 - [E] Not included in Total Site and Soft Square Footage Costs because Total Land Cost is tabulated in the Cost Target Section

Economic Evaluation
Retail Pro forma @.25 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses				
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%	
6 Retail		5100	850	\$ 4.50	\$ 275,400	\$ -	\$ -	\$ -	Manag. Per unit	5%	\$ 1,408,915
6 Retail		7200	1200	\$ 4.95	\$ 427,680	\$ -	\$ -	\$ -	Repair per Unit		\$ 239,586
12 Retail		28800	2400	\$ 5.35	\$ 1,848,960	\$ -	\$ -	\$ -	Utilities per Unit	\$ 125.00	\$ 3,875
4 Retail		19200	4800	\$ 3.45	\$ 794,880	\$ -	\$ -	\$ -	Acct'g per month	\$ 6,000.00	\$ 186,000
3 Retail		45000	15000	\$ 2.95	\$ 1,593,000	\$ -	\$ -	\$ -	Legal lump sum	\$ 5,200.00	\$ 62,400
31 TOTAL		105300	775						Programs/mon.	\$ 100.00	\$ 1,200
Total Gross Income						\$ 4,939,920		\$ -	Insur. Per Unit	\$ 50,000.00	\$ 1,550,000
Less Vacancy (or Brokers Fees)					3.00%	\$ (148,198)		\$ -	Landscape/Mon.	\$ 5,000.00	\$ 60,000
Net Revenue						\$ 4,791,722		\$ -	Reserves/Unit	5%	\$ 239,586
									Total		\$ 3,561,976

Income/ Revenue			
Gross Income / year		\$ 4,791,722	
Operating expenses		\$ 3,561,976	
Net income / year		\$ 1,229,746	
Commercial Rent/year		\$ 4,791,722	
Cap rate	Multiplier	4.36	
Project value		\$ 5,366,811	
Loan to Value	75.00%		
Loan Amount*		\$ 4,025,108	[A]
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service		332553	
Cash return		897193	
Return on Investment (ROI) %		0.037	
Depreciation S.L. 30 yr.		178893	
Appreciation @ 3.5%		187838	
TOTAL ROI		0.044922918	
Construction time (yr)		10	

Cost Target @.25 FAR		[B]
Development Costs	\$ 10,761,432	
Hard Construction Costs	\$ 8,845,200	
Land Cost [D]	\$ 8,571,667	
Total project budget	\$ 28,178,299	
Equity Needed	\$ 24,153,191	

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
6 Retail		850	\$ 84.00	\$ 71,400	\$ 428,400
6 Retail		1200	\$ 84.00	\$ 100,800	\$ 604,800
12 Retail		2400	\$ 84.00	\$ 201,600	\$ 2,419,200
4 Retail		4800	\$ 84.00	\$ 403,200	\$ 1,612,800
3 Retail		15000	\$ 84.00	\$ 1,260,000	\$ 3,780,000
Total Area		105300	\$ -		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 8,845,200

Site and Soft Costs		
Land	\$ 20.33	[E]
Site development	\$ 8.23	
Architectural & Eng	\$ 13.64	
Development Costs	\$ 40.78	
Overhead Developr	\$ 39.43	
Misc.	\$ -	
Subtotal		
Total	\$ 102.09	

Development Costs	
Build'g (2%)	\$ 5
Engineering	\$ 28
Sub-div.	\$ -
Water	\$ 8
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 41

Financing Costs	
@ .15 FAR	63,249
@ .25 FAR	105,415

Source: ADE, Inc.
Notes:
[A] Assumes Loan Amount based on Estimated Project Value
[B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
[C] ADE, Inc., Beliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
[D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
[E] Not included in Total Site and Soft Square Footage Costs because Total Land Cost is tabulated in the Cost Target Section

Economic Evaluation
Retail Pro forma @.45 FAR

Income Goals		Rental	[C]	Ownership	Operating Expenses					
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales per SF	Taxes	5%	\$
17	Retail	14450	850	\$ 4.50	\$ 780,300	\$ -	\$ -	Manag. Per unit	5%	\$ 2,193,642
12	Retail	14400	1200	\$ 4.95	\$ 855,360	\$ -	\$ -	Repair per Unit	\$	125.00 \$ 7,500
12	Retail	28800	2400	\$ 5.35	\$ 1,848,960	\$ -	\$ -	Utilities per Unit	\$	6,000.00 \$ 360,000
15	Retail	72000	4800	\$ 3.45	\$ 2,980,800	\$ -	\$ -	Acct'g per month	\$	5,200.00 \$ 62,400
4	Retail	60000	15000	\$ 2.95	\$ 2,124,000	\$ -	\$ -	Legal lump sum	\$	50,000.00 \$ 50,000
60	TOTAL	189650	97					Programs/mon.	\$	100.00 \$ 1,200
Total Gross Income					\$ 8,589,420		\$ -	Insur. Per Unit	\$	50,000.00 \$ 3,000,000
Less Vacancy (or Brokers Fees)				3.00%	\$ (257,683)		\$ -	Landscape/Mon.	\$	5,000.00 \$ 60,000
Net Revenue					\$ 8,331,737		\$ -	Reserves/Unit	\$	5% \$ 416,587
								Total		\$ 6,151,329

Income/ Revenue			
Gross Income / year		\$	8,331,737
Operating expenses		\$	6,151,329
Net income / year		\$	2,180,408
Commercial Rent/year		\$	8,331,737
Cap rate	Multiplier	4.97	
Project value		\$	10,836,271
Loan to Value	75.00%		
Loan Amount*		\$	8,127,203
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service			671466
Cash return			1508942
Return on Investment (ROI) %			0.042
Depreciation S.L. 30 yr.			361208
Appreciation @ 3.5%			379269
TOTAL ROI			0.052823541
Construction time (yr)			10

Cost Target @.45 FAR		[B]
Development Costs	\$	19,370,577
Hard Construction Costs	\$	15,930,600
Land Costs [D]	\$	8,571,667
Total project budget	\$	43,872,844
Equity Needed	\$	35,745,641

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
17	Retail	850	\$ 84.00	\$ 71,400	\$ 1,213,800
12	Retail	1200	\$ 84.00	\$ 100,800	\$ 1,209,600
12	Retail	2400	\$ 84.00	\$ 201,600	\$ 2,419,200
15	Retail	4800	\$ 84.00	\$ 403,200	\$ 6,048,000
4	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 5,040,000
Total Area		189650	\$ -		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 15,930,600

Site and Soft Costs	
Land	\$ 20.33
Site development	\$ 8.23
Architectural & Eng	\$ 13.64
Development Costs	\$ 40.78
Overhead Developr	\$ 39.43
Misc.	\$ -
Subtotal	
Total	\$ 102.09

Development Costs	
Build'g (2%)	\$ 5
Engineering	\$ 28
Sub-div.	\$ -
Water	\$ 8
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 41

Financing Costs	
@ .15 FAR	63,249
@ .45 FAR	189,747

Source: ADE, Inc.
Notes: [A] Assumes Loan Amount based on Estimated Project Value
[B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
[C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
[D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
[E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
[F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Retail Pro forma @.60 FAR

Income Goals		Rental	[C]	Ownership	Operating Expenses				
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales per SF	Taxes	
15	Retail	12750	850	\$ 4.50	\$ 688,500	\$ -	\$ -	5%	Manag. Per unit
18	Retail	21600	1200	\$ 4.95	\$ 1,283,040	\$ -	\$ -	5%	Repair per Unit
20	Retail	48000	2400	\$ 5.35	\$ 3,081,600	\$ -	\$ -		Utilities per Unit
20	Retail	96000	4800	\$ 3.45	\$ 3,974,400	\$ -	\$ -		Acct'g per month
5	Retail	75000	15000	\$ 2.95	\$ 2,655,000	\$ -	\$ -		Legal lump sum
78	TOTAL	253350	-353						Programs/mon.
Total Gross Income					\$ 11,682,540		\$ -		Insur. Per Unit
Less Vacancy (or Brokers Fees)					3.00%	(350,476)	6.00%	\$ -	Landscape/Mon.
Net Revenue						\$ 11,332,064		\$ -	Reserves/Unit
									5%
									Total

Income/ Revenue		
Gross income / year		\$ 11,332,064
Operating expenses		\$ 7,901,978
Net income / year		\$ 3,430,085
Commercial Rent/year		\$ 11,332,064
Cap rate	6.16	
Project value		\$ 21,130,351
Loan to Value	75.00%	
Loan Amount*		\$ 15,847,764 [A]
Debt service		
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		1309336
Cash return		2120749
Return on Investment (ROI) %		0.053
Depreciation S.L. 30 yr.		704344
Appreciation @ 3.5%		739562
TOTAL ROI		0.071808054
Construction time (yr)		10

Cost Target @.60 FAR [B]		
Development Costs		\$ 25,827,436
Hard Construction Costs		\$ 21,281,400
Land Costs [D]		\$ 8,571,667
Total project budget		\$ 55,680,504
Equity Needed		\$ 39,832,740

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
15	Retail	850	\$ 84.00	\$ 71,400	\$ 1,071,000
18	Retail	1200	\$ 84.00	\$ 100,800	\$ 1,814,400
20	Retail	2400	\$ 84.00	\$ 201,600	\$ 4,032,000
20	Retail	4800	\$ 84.00	\$ 403,200	\$ 8,064,000
5	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 6,300,000
Total Area		253350	\$ -		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 21,281,400

Site and Soft Costs		
Land	\$	20.33
Site development	\$	8.23
Architectural & Eng	\$	13.64
Development Costs	\$	40.78
Overhead Develop	\$	39.43
Misc.	\$	-
Subtotal		
Total	\$	102.09

Development Costs	
Build'g (2%)	\$ 5
Engineering	\$ 28
Sub-div.	\$ -
Water	\$ 8
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 41

Financing Costs	
@ .15 FAR	63,249
@ .45 FAR	252,997

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Retail Pro forma @.75 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses			
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	
26	Retail	22100	850	\$ 4.50	\$ 1,193,400	\$ -	\$ -	\$ -	Manag. Per unit	5%
26	Retail	31200	1200	\$ 4.95	\$ 1,853,280	\$ -	\$ -	\$ -	Repair per Unit	\$ 125.00
24	Retail	57600	2400	\$ 5.35	\$ 3,697,920	\$ -	\$ -	\$ -	Utilities per Unit	\$ 6,000.00
24	Retail	115200	4800	\$ 3.45	\$ 4,769,280	\$ -	\$ -	\$ -	Acct'g per month	\$ 5,200.00
6	Retail	90000	15000	\$ 2.95	\$ 3,186,000	\$ -	\$ -	\$ -	Legal lump sum	\$ 50,000.00
106	TOTAL	316100	746						Programs/mon.	\$ 100.00
Total Gross Income						\$ 14,699,880		\$ -	Insur. Per Unit	\$ 50,000.00
Less Vacancy (or Brokers Fees)					3.00%	\$ (440,996)		\$ -	Landscape/Mon.	\$ 5,000.00
Net Revenue						\$ 14,258,884		\$ -	Reserves/Unit	5%
										Total

Income/ Revenue

Gross Income / year		\$ 14,258,884
Operating expenses		\$ 10,206,212
Net income / year		\$ 4,052,671
Commercial Rent/year		\$ 14,258,884
Cap rate	6.01	
Project value		\$ 24,365,144
Loan to Value	65.00%	
Loan Amount*		\$ 15,837,344
Debt service		
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		1308475
Cash return		2744196
Return on Investment (ROI) %		0.053
Depreciation S.L. 30 yr.		812171
Appreciation @ 3.5%		852780
TOTAL ROI		0.069748012
Construction time (yr)	10	

Cost Target @.75 FAR [B]

Development Costs	\$ 32,284,295
Hard Construction Costs	\$ 26,552,400
Land Costs [D]	\$ 8,571,667
Total project budget	\$ 67,408,363
Equity Needed	\$ 51,571,019

Hard construction costs

Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
26	Retail	850	\$ 84.00	\$ 71,400	\$ 1,856,400
26	Retail	1200	\$ 84.00	\$ 100,800	\$ 2,620,800
24	Retail	2400	\$ 84.00	\$ 201,600	\$ 4,838,400
24	Retail	4800	\$ 84.00	\$ 403,200	\$ 9,676,800
6	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 7,560,000
Total Area		316100	\$ -		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 26,552,400

Site and Soft Costs

Land	\$ 20.33
Site development	\$ 8.23
Architectural & Eng	\$ 13.64
Development Costs	\$ 40.78
Overhead Develop	\$ 39.43
Misc.	\$ -
Subtotal	
Total	\$ 102.09

Development Costs

Build'g (2%)	\$ 5
Engineering	\$ 28
Sub-div.	\$ -
Water	\$ 8
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 41

Financing Costs

@ .15 FAR	63,249
@ .45 FAR	316,246

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

**Economic Evaluation
Blend Pro forma @.15 FAR**

Income Goals		Rental		[C]	Ownership		Operating Expenses			
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%
2	Retail	4800	2400	\$ 5.35	\$ 308,160	\$ -	\$ -	\$ -	Manag. Per Unit	5%
3	Retail	14400	4800	\$ 3.45	\$ 596,160	\$ -	\$ -	\$ -	Repair per Unit	\$ 125.00
2	Retail	30000	15000	\$ 2.95	\$ 1,062,000	\$ -	\$ -	\$ -	Utilities per Unit	\$ 6,000.00
2	Office	3700	1850	\$ 4.50	\$ 199,800	\$ -	\$ -	\$ -	Acct'g per month	\$ 5,200.00
4	Office	10000	2500	\$ 5.00	\$ 600,000	\$ -	\$ -	\$ -	Legal lump sum	\$ 50,000.00
13	TOTAL	62900	349						Programs/mon.	\$ 100.00
Total Gross Income					\$ 2,766,120		\$ -		Insur. Per Unit	\$ 50,000.00
Less Vacancy (or Brokers Fees)				3.00%	\$ (82,984)		\$ -		Landscape/Mon.	\$ 5,000.00
Net Revenue					\$ 2,683,136		\$ -		Reserves/Unit	5%
									Total	

Income/ Revenue

Gross Income / year		\$ 2,683,136
Operating expenses		\$ 2,025,741
Net income / year		\$ 657,395
Commercial Rent/year		\$ 2,683,136
Cap rate	Multiplier	3.33
Project value		\$ 2,186,293
Loan to Value	75.00%	
Loan Amount*		\$ 1,639,720
Debt service		
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		135473
Cash return		521922
Return on Investment (ROI) %		0.029
Depreciation S.L. 30 yr.		72876
Appreciation @ 3.5%		76520
TOTAL ROI		0.033013033
Construction time (yr)		10

Cost Target @.15 FAR

Development Costs	\$ 6,268,117
Hard Construction Costs	\$ 4,927,400
Land Cost [D]	\$ 8,571,667
Total project budget	\$ 19,767,185
Equity Needed	\$ 18,127,465

Hard construction costs

Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
2	Retail	2400	\$ 84.00	\$ 201,600	\$ 403,200
3	Retail	4800	\$ 84.00	\$ 403,200	\$ 1,209,600
2	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 2,520,000
2	Office	1850	\$ 58.00	\$ 107,300	\$ 214,600
4	Office	2500	\$ 58.00	\$ 145,000	\$ 580,000
Total Area		62900			
Parking Open * included in development costs					
TOTAL					\$ 4,927,400

Site and Soft Costs

Land	\$ 20.33	[E]
Site development	\$ 6.53	
Architectural & Eng	\$ 12.49	
Development Costs	\$ 42.80	
Overhead Developr	\$ 37.29	
Misc.	\$ -	
Subtotal		
Total	\$ 99.10	

Development Costs

Build'g (2%)	\$ 4.10
Engineering	\$ 30.40
Sub-div.	\$ -
Water	\$ 8.30
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 43

Financing Costs

@ .15 FAR	63,249
@ .25 FAR	105,415

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Bellter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation

Blend 70/30 Pro forma @.20 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses			
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	
5	Retail	12000		2400	\$5.35	\$770,400	\$ -	\$0	\$0	5%
6	Retail	28800		4800	\$3.45	\$1,192,320	\$ -	\$0	\$0	5%
4	Retail	60000		15000	\$2.95	\$2,124,000	\$ -	\$0	\$0	
6	Office	11100		1850	\$4.50	\$599,400	\$ -	\$0	\$0	
6	Office	15000		2500	\$5.00	\$900,000	\$ -	\$0	\$0	
27	TOTAL	126900		-228						
Total Gross Income						\$5,586,120		\$0		Insur. Per Unit \$50,000.00
Less Vacancy (or Brokers Fees)				3.00%		-\$167,584	6.00%	\$0		Landscape/Mon. \$5,000.00
Net Revenue						\$5,418,536		\$0		Total

Income/ Revenue

Gross Income / year		\$5,418,536
Operating expenses		\$3,099,969
Net income / year		\$2,318,568
Commercial Rent/year		\$5,418,536
Cap rate Multiplier	10.17	
Project value		\$23,576,501
Loan to Value	75.00%	
Loan Amount*		\$17,682,376 [A]
Debt service		
	\$ 2,318,568	
	#DIV/0!	
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		1460911
Cash return		857657
Return on Investment (ROI) %		0.168
Depreciation S.L. 30 yr.		785883
Appreciation @ 3.5%		825178
TOTAL ROI		0.32874542
Construction time (yr)	10	

Cost Target @.20 FAR

Development Costs	\$12,553,488
Hard Construction Costs	\$9,981,000
Demolition Cost [D]	\$266,846
Total project budget	\$22,801,335
Equity Needed	\$5,118,959

Hard construction costs

Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
5	Retail	2400	\$84.00	\$201,600	\$1,008,000
6	Retail	4800	\$84.00	\$403,200	\$2,419,200
4	Retail	15000	\$84.00	\$1,260,000	\$5,040,000
6	Office	1850	\$58.00	\$107,300	\$643,800
6	Office	2500	\$58.00	\$145,000	\$870,000
Total Area		126900			
Parking Open * included in development costs				\$0	
TOTAL					\$9,981,000

Site and Soft Costs

Land	\$ - [E]
Site development	\$6.53
Architectural & En	\$12.49
Development Cost	\$42.80
Overhead Develop	\$37.29
Misc.	\$0.00
Subtotal	
Total	\$99.10

Development Costs

Build'g (2%)	\$4.10
Engineering	\$30.40
Sub-div.	\$0.00
Water	\$8.30
P&Rec	\$0.00
Other Fees	\$0.00
Total	\$42.80

Financing Costs

@ .20 FAR	126,672
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Source: ADE, Inc.

Notes: [A] Assumes Loan Amount based on Estimated Project Value

[B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.

[C] ADE, Inc., Beiliter Comm'l Realty Services, Retail Rental Rates Reduced to Accommodate Desired Tenants

[D] ADE, Inc., Saylor, Commercial Demolition Square Foot Building Costs of \$11.09 per sq. ft. @.93 (Major Cities Cost Index)

[E] Not included in Total Site and Soft Square Footage Costs because Total Land Cost is tabulated in the Cost Target Section

[F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Blend Pro forma @.25 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses				
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%	\$
6	Retail	14400	2400	\$ 5.35	\$ 924,480	\$ -	\$ -	\$ -	Manag. Per unit	5%	\$ 1,363,646
8	Retail	38400	4800	\$ 3.45	\$ 1,589,760	\$ -	\$ -	\$ -	Repair per Unit		\$ 236,478
2	Retail	30000	15000	\$ 2.95	\$ 1,062,000	\$ -	\$ -	\$ -	Utilities per Unit		\$ 3,250
4	Office	7400	1850	\$ 4.50	\$ 399,600	\$ -	\$ -	\$ -	Acct'g per month		\$ 6,000.00
6	Office	15000	2500	\$ 5.00	\$ 900,000	\$ -	\$ -	\$ -	Legal lump sum		\$ 8,320.00
26	TOTAL	105200	215						Programs/mon.		\$ 50,000.00
Total Gross Income					\$ 4,875,840		\$ -		Insur. Per Unit		\$ 100.00
Less Vacancy (or Brokers Fees)				3.00%	\$ (146,275)		\$ -		Landscap/Mon.		\$ 50,000.00
Net Revenue					\$ 4,729,565		\$ -		Reserves/Unit	5%	\$ 5,000.00
											\$ 236,478
										Total	\$ 3,270,415

Income/ Revenue			
Gross Income / year		\$	4,729,565
Operating expenses		\$	3,270,415
Net income / year		\$	1,459,150
Commercial Rent/year		\$	4,729,565
Cap rate	Multiplier	5.35	
Project value		\$	7,806,712
Loan to Value	75.00%		
Loan Amount*		\$	5,855,034
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service			483741
Cash return			975409
Return on Investment (ROI) %			0.046
Depreciation S.L. 30 yr.			260223
Appreciation @ 3.5%			273235
TOTAL ROI			0.058299114
Constructuion time (yr)			10
Cost Target @.25 FAR	[B]		
Development Costs		\$	10,446,862
Hard Construction Costs		\$	8,254,400
Land Cost [D]		\$	8,571,667
Total project budget		\$	27,272,929
Equity Needed		\$	21,417,896

Hard construction costs

Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
6	Retail	2400	\$ 84.00	\$ 201,600	\$ 1,209,600
8	Retail	4800	\$ 84.00	\$ 403,200	\$ 3,225,600
2	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 2,520,000
4	Office	1850	\$ 58.00	\$ 107,300	\$ 429,200
6	Office	2500	\$ 58.00	\$ 145,000	\$ 870,000
Total Area		105200	\$ 73.60		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 8,254,400

Site and Soft Costs

Land	\$	20.33	[E]
Site development	\$	6.53	
Architectural & Eng	\$	12.49	
Development Costs	\$	42.80	
Overhead Developr	\$	37.29	
Misc.	\$	-	
Subtotal			
Total	\$	99.10	

Development Costs

Build'g (2%)	\$	4.10
Engineering	\$	30.40
Sub-div.	\$	-
Water	\$	8.30
P&Rec	\$	-
Other Fees	\$	-
Total	\$	43

Financing Costs

@ .15 FAR	63,249
@ .25 FAR	105,415

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Blend Pro forma @.45 FAR

Income Goals		Rental	[C]	Ownership	Operating Expenses						
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales per SF	Taxes	5%	\$	2,106,006
18	Retail	43200		2400	\$ 5.35	\$ 2,773,440	\$ -	\$ -	\$ -	\$ -	\$ 451,088
12	Retail	57600		4800	\$ 3.45	\$ 2,384,640	\$ -	\$ -	\$ -	\$ -	\$ 6,375
3	Retail	45000		15000	\$ 2.95	\$ 1,593,000	\$ -	\$ -	\$ -	\$ -	\$ 306,000
3	Office	5550		1850	\$ 4.50	\$ 299,700	\$ -	\$ -	\$ -	\$ -	\$ 99,840
15	Office	37500		2500	\$ 5.00	\$ 2,250,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
51	TOTAL	188850		897							\$ 1,200
Total Gross Income						\$ 9,300,780		\$ -			\$ 2,550,000
Less Vacancy (or Brokers Fees)					3.00%	\$ (279,023)		\$ -	6.00%		\$ 60,000
Net Revenue						\$ 9,021,757		\$ -			\$ 451,088
										Total	\$ 5,630,509

Income/ Revenue			
Gross Income / year		\$	9,021,757
Operating expenses		\$	5,630,509
Net income / year		\$	3,391,248
Commercial Rent/year		\$	9,021,757
Cap rate	Multiplier	8.05	
Project value		\$	27,304,200
Loan to Value	75.00%		
Loan Amount*		\$	20,478,150
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service			1691897
Cash return			1699351
Return on Investment (ROI) %			0.079
Depreciation S.L. 30 yr.			910139
Appreciation @ 3.5%			955647
TOTAL ROI			0.122678204
Construction time (yr)			10

Cost Target @.45 FAR		[B]
Development Costs	\$	18,804,352
Hard Construction Costs	\$	14,744,100
Land Costs [D]	\$	8,571,667
Total project budget	\$	42,120,119
Equity Needed	\$	21,641,969

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
18	Retail	2400	\$ 84.00	\$ 201,600	\$ 3,628,800
12	Retail	4800	\$ 84.00	\$ 403,200	\$ 4,838,400
3	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 3,780,000
3	Office	1850	\$ 58.00	\$ 107,300	\$ 321,900
15	Office	2500	\$ 58.00	\$ 145,000	\$ 2,175,000
Total Area		188850	\$ 73.60		
			\$ -		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 14,744,100

Site and Soft Costs		
Land	\$	20.33
Site development	\$	6.53
Architectural & Eng	\$	12.49
Development Costs	\$	42.80
Overhead Developr	\$	37.29
Misc.	\$	-
Subtotal		
Total	\$	99.10

Development Costs		
Build'g (2%)	\$	4.10
Engineering	\$	30.40
Sub-div.	\$	-
Water	\$	8.30
P&Rec	\$	-
Other Fees	\$	-
Total	\$	43

Financing Costs		
@ .15 FAR		63,249
@ .45 FAR		189,747

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Services, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Blend Pro forma @.60 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses			
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%
16	Retail	38400		2400	\$ 5.35	\$ 2,465,280	\$ -	\$ -	Manag. Per unit	5%
18	Retail	86400		4800	\$ 3.45	\$ 3,576,960	\$ -	\$ -	Repair per Unit	\$ 125.00
5	Retail	75000		15000	\$ 2.95	\$ 2,655,000	\$ -	\$ -	Utilities per Unit	\$ 6,000.00
4	Office	7400		1850	\$ 4.50	\$ 399,600	\$ -	\$ -	Acct'g per month	\$ 8,320.00
18	Office	45000		2500	\$ 5.00	\$ 2,700,000	\$ -	\$ -	Legal lump sum	\$ 50,000.00
61	TOTAL	252200		797					Programs/mon.	\$ 100.00
Total Gross Income						\$ 11,796,840		\$ -	Insur. Per Unit	\$ 50,000.00
Less Vacancy (or Brokers Fees)					3.00%	\$ (353,905)		\$ -	Landscape/Mon.	\$ 5,000.00
Net Revenue						\$ 11,442,935		\$ -	Reserves/Unit	5%
										Total

Income/ Revenue

Gross Income / year	\$	11,442,935
Operating expenses	\$	6,880,139
Net income / year	\$	4,562,796
Commercial Rent/year	\$	11,442,935
Cap rate	Multiplier	8.53
Project value	\$	38,938,579
Loan to Value	75.00%	
Loan Amount*	\$	29,203,934
Debt service		
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		2412818
Cash return		2149978
Return on Investment (ROI) %		0.089
Depreciation S.L. 30 yr.		1297952
Appreciation @ 3.5%		1362850
TOTAL ROI		0.144783671
Construction time (yr)		10

Hard construction costs

Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
16	Retail	2400	\$ 84.00	\$ 201,600	\$ 3,225,600
18	Retail	4800	\$ 84.00	\$ 403,200	\$ 7,257,600
5	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 6,300,000
4	Office	1850	\$ 58.00	\$ 107,300	\$ 429,200
18	Office	2500	\$ 58.00	\$ 145,000	\$ 2,610,000
Total Area		252200	\$ 73.60		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 19,822,400

Site and Soft Costs

Land	\$	20.33
Site development	\$	6.53
Architectural & Eng	\$	12.49
Development Costs	\$	42.80
Overhead Develop	\$	37.29
Misc.	\$	-
Subtotal		
Total	\$	99.10

Development Costs

Build'g (2%)	\$	4.10
Engineering	\$	30.40
Sub-div.	\$	-
Water	\$	8.30
P&Rec	\$	-
Other Fees	\$	-
Total	\$	43

Financing Costs

@ .15 FAR	63,249	\$17,143,335
@ .60 FAR	252,997	\$17,143,335

Cost Target @.60 FAR

Development Costs	\$	25,072,469
Hard Construction Costs	\$	19,822,400
Land Costs [D]	\$	8,571,667
Total project budget	\$	53,466,536
Equity Needed	\$	24,262,602

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Blend Pro forma @.75 FAR

Income Goals		Rental	[C]	Ownership	Operating Expenses					
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales per SF	Taxes	5%	\$
22	Retail	52800	2400	\$ 5.35	\$ 3,389,760	\$ -	\$ -	Manag. Per unit	5%	\$ 3,237,543
22	Retail	105600	4800	\$ 3.45	\$ 4,371,840	\$ -	\$ -	Repair per Unit		\$ 125.00 \$ 10,000
6	Retail	90000	15000	\$ 2.95	\$ 3,186,000	\$ -	\$ -	Utilities per Unit		\$ 6,000.00 \$ 480,000
10	Office	18500	1850	\$ 4.50	\$ 999,000	\$ -	\$ -	Acct'g per month		\$ 8,320.00 \$ 99,840
20	Office	50000	2500	\$ 5.00	\$ 3,000,000	\$ -	\$ -	Legal lump sum		\$ 50,000.00 \$ 50,000
80	TOTAL	<u>316900</u>	-654					Programs/mon.		\$ 100.00 \$ 1,200
Total Gross Income					\$ 14,946,600		\$ -	Insur. Per Unit		\$ 50,000.00 \$ 4,000,000
Less Vacancy (or Brokers Fees)					\$ (448,398)	3.00%	\$ -	Landscape/Mon.		\$ 5,000.00 \$ 60,000
Net Revenue					\$ 14,498,202		\$ -	Reserves/Unit	5%	\$ 724,910
								Total		\$ 8,663,493

Income/ Revenue		
Gross Income / year	\$	14,498,202
Operating expenses	\$	8,663,493
Net income / year	\$	5,834,709
Commercial Rent/year	\$	14,498,202
Cap rate	Multiplier	9.01
Project value		\$ 52,576,653
Loan to Value	75.00%	
Loan Amount*		\$ 39,432,490
Debt service		
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		3257897
Cash return		2576812
Return on Investment (ROI) %		0.102
Depreciation S.L. 30 yr.		1752554
Appreciation @ 3.5%		1840183
TOTAL ROI		0.174458145
Construction time (yr)		10

Cost Target @.75 FAR		[B]
Development Costs	\$	31,340,586
Hard Construction Costs	\$	24,838,600
Land Costs [D]	\$	8,571,667
Total project budget	\$	64,750,854
Equity Needed	\$	25,318,364

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
22	Retail	2400	\$ 84.00	\$ 201,600	\$ 4,435,200
22	Retail	4800	\$ 84.00	\$ 403,200	\$ 8,870,400
6	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 7,560,000
10	Office	1850	\$ 58.00	\$ 107,300	\$ 1,073,000
20	Office	2500	\$ 58.00	\$ 145,000	\$ 2,900,000
Total Area				\$ 73.60	
				\$ -	
Parking Open * included in development costs				\$ -	
TOTAL					\$ 24,838,600

Site and Soft Costs	
Land	\$ 20.33
Site development	\$ 6.53
Architectural & Eng	\$ 12.49
Development Costs	\$ 42.80
Overhead Developr	\$ 37.29
Misc.	\$ -
Subtotal	
Total	\$ 99.10

Development Costs	
Build'g (2%)	\$ 4.10
Engineering	\$ 30.40
Sub-div.	\$ -
Water	\$ 8.30
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 43

Financing Costs	
@ .15 FAR	63,249
@ .75 FAR	316,246

Source: ADE, Inc.
Notes: [A] Assumes Loan Amount based on Estimated Project Value
[B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
[C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
[D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
[E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
[F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Blend Pro forma @1.25 FAR

Income Goals		Rental	[C]	Ownership	Operating Expenses					
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%
36	Retail	86400	2400	\$ 5.35	\$ 5,546,880	\$ -	\$ -	\$ -	Manag. Per unit	5%
36	Retail	172800	4800	\$ 3.45	\$ 7,153,920	\$ -	\$ -	\$ -	Repair per Unit	\$ 125.00
10	Retail	150000	15000	\$ 2.95	\$ 5,310,000	\$ -	\$ -	\$ -	Utilities per Unit	\$ 6,000.00
12	Office	22200	1850	\$ 4.50	\$ 1,198,800	\$ -	\$ -	\$ -	Acct'g per month	\$ 8,320.00
38	Office	95000	2500	\$ 5.00	\$ 5,700,000	\$ -	\$ -	\$ -	Legal lump sum	\$ 50,000.00
132	TOTAL	526400	676						Programs/mon.	\$ 100.00
Total Gross Income					\$ 24,909,600		\$ -		Insur. Per Unit	\$ 50,000.00
Less Vacancy (or Brokers Fees)					3.00%	\$ (747,288)	6.00%	\$ -	Landscape/Mon.	\$ 5,000.00
Net Revenue									Reserves/Unit	5%
					\$ 24,162,312		\$ -		Total	

Income/ Revenue		
Gross Income / year		\$ 24,162,312
Operating expenses		\$ 13,926,474
Net income / year		\$ 10,235,838
Commercial Rent/year		\$ 24,162,312
Cap rate	10.04	
Project value		\$ 102,741,803
Loan to Value	75.00%	
Loan Amount*		\$ 77,056,352
Debt service		
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		6366366
Cash return		3869471
Return on Investment (ROI) %		0.155
Depreciation S.L. 30 yr.		3424726
Appreciation @ 3.5%		3595963
TOTAL ROI		0.299575704
Construction time (yr)		10

Cost Target @ 1.25 FAR		[B]
Development Costs	\$ 52,234,311	
Hard Construction Costs	\$ 41,170,400	
Land Costs [D]	\$ 8,571,667	
Total project budget	\$ 101,976,378	
Equity Needed	\$ 24,920,025	

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
	36 Retail	2400	\$ 84.00	\$ 201,600	\$ 7,257,600
	36 Retail	4800	\$ 84.00	\$ 403,200	\$ 14,515,200
	10 Retail	15000	\$ 84.00	\$ 1,260,000	\$ 12,600,000
	12 Office	1850	\$ 58.00	\$ 107,300	\$ 1,287,600
	38 Office	2500	\$ 58.00	\$ 145,000	\$ 5,510,000
Total Area			526400	\$ 73.60	
Parking Open * included in development costs				\$ -	
TOTAL					\$ 41,170,400

Site and Soft Costs	
Land	\$ 20.33
Site development	\$ 6.53
Architectural & Engineering	\$ 12.49
Development Costs	\$ 42.80
Overhead Development 30%	\$ 37.29
Misc.	\$ -
Subtotal	
Total	\$ 99.10

Development Costs	
Build'g (2%)	\$ 4.10
Engineering	\$ 30.40
Sub-div.	\$ -
Water	\$ 8.30
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 43

Financing Costs	
@ .15 FAR	63,249
@ .75 FAR	527,076

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

**Economic Evaluation
Blend Pro forma @.15 FAR**

Income Goals		Rental		[C]	Ownership		Operating Expenses			
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%
4	Retail	9600	2400	\$ 5.35	\$ 616,320	\$ -	\$ -	\$ -	Manag. Per Unit	5%
4	Retail	19200	4800	\$ 3.45	\$ 794,880	\$ -	\$ -	\$ -	Repair per Unit	\$ 125.00
2	Retail	30000	15000	\$ 2.95	\$ 1,062,000	\$ -	\$ -	\$ -	Utilities per Unit	\$ 6,000.00
1	Office	1850	1850	\$ 4.50	\$ 99,900	\$ -	\$ -	\$ -	Acct'g per month	\$ 5,200.00
1	Office	2500	2500	\$ 5.00	\$ 150,000	\$ -	\$ -	\$ -	Legal lump sum	\$ 50,000.00
12	TOTAL	63150		99					Programs/mon.	\$ 100.00
Total Gross Income					\$ 2,723,100		\$ -		Insur. Per Unit	\$ 50,000.00
Less Vacancy (or Brokers Fees)				3.00%	\$ (81,693)		\$ -		Landscape/Mon.	\$ 5,000.00
Net Revenue					\$ 2,641,407		\$ -		Reserves/Unit	5%
									Total	

Income/ Revenue

Gross Income / year		\$ 2,641,407
Operating expenses		\$ 1,987,477
Net income / year		\$ 653,930
Commercial Rent/year		\$ 2,641,407
Cap rate	Multiplier	3.24
Project value		\$ 2,120,508
Loan to Value	75.00%	
Loan Amount*		\$ 1,590,381
Debt service		
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		131397
Cash return		522533
Return on Investment (ROI) %		0.028
Depreciation S.L. 30 yr.		70683
Appreciation @ 3.5%		74218
TOTAL ROI		0.032125279
Construction time (yr)		10

Cost Target @.15 FAR

Development Costs	\$ 6,402,964
Hard Construction Costs	\$ 5,191,500
Land Cost [D]	\$ 8,571,667
Total project budget	\$ 20,166,132
Equity Needed	\$ 18,575,750

Hard construction costs

Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
4	Retail	2400	\$ 84.00	\$ 201,600	\$ 806,400
4	Retail	4800	\$ 84.00	\$ 403,200	\$ 1,612,800
2	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 2,520,000
1	Office	1850	\$ 58.00	\$ 107,300	\$ 107,300
1	Office	2500	\$ 58.00	\$ 145,000	\$ 145,000
Total Area		63150			
Parking Open * included in development costs					
TOTAL					\$ 5,191,500

Site and Soft Costs

Land	\$ 20.33
Site development	\$ 7.66
Architectural & Eng	\$ 13.26
Development Costs	\$ 41.60
Overhead Developr	\$ 38.72
Misc.	\$ -
Subtotal	
Total	\$ 101.23

Development Costs

Build'g (2%)	\$ 4.70
Engineering	\$ 28.80
Sub-div.	\$ -
Water	\$ 8.10
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 42

Financing Costs

@ .15 FAR	63,249
@ .25 FAR	105,415

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Bellter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation

Blend 90/10 Pro forma @.20 FAR

Income Goals		Rental	[C]	Ownership	Operating Expenses					
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%
9	Retail	21600	2400	\$ 5.35	\$ 1,386,720	\$ -	\$ -	\$ -	Manag. Per unit	5%
4	Retail	19200	4800	\$ 3.45	\$ 794,880	\$ -	\$ -	\$ -	Repair per Unit	\$ 125.00
5	Retail	75000	15000	\$ 2.95	\$ 2,655,000	\$ -	\$ -	\$ -	Utilities per Unit	\$ 6,000.00
3	Office	5550	1850	\$ 4.50	\$ 299,700	\$ -	\$ -	\$ -	Acct'g per month	\$ 5,200.00
2	Office	5000	2500	\$ 5.00	\$ 300,000	\$ -	\$ -	\$ -	Legal lump sum	\$ 50,000.00
23 TOTAL		126350	322						Programs/mon.	\$ 100.00
Total Gross Income					\$ 5,436,300		\$ -		Insur. Per Unit	\$ 50,000.00
Less Vacancy (or Brokers Fees)				3.00%	\$ (163,089)		\$ -		Landscape/Mon.	\$ 5,000.00
Net Revenue					\$ 5,273,211		\$ -		Reserves/Unit	5%
									Total	

Income/ Revenue		
Gross Income / year		\$ 5,273,211
Operating expenses		\$ 2,899,611
Net income / year		\$ 2,373,600
Commercial Rent/year		\$ 5,273,211
Cap rate	Multiplier	10.13
Project value		\$ 24,046,518
Loan to Value	75.00%	
Loan Amount*		\$ 18,034,889
Debt service		
	\$ 2,373,600	
	#DIV/0!	
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		1490036
Cash return		883565
Return on Investment (ROI) %		0.164
Depreciation S.L. 30 yr.		801551
Appreciation @ 3.5%		841628
TOTAL ROI		0.319799309
Construction time (yr)		10

Cost Target @.20 FAR		
Development Costs		\$ 12,823,554
Hard Construction Costs		\$ 10,339,100
Demolition Cost [D]		\$ 266,846
Total project budget		\$ 23,429,500
Equity Needed		\$ 5,394,611

Hard construction costs

Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
9	Retail	2400	\$ 84.00	\$ 201,600	\$ 1,814,400
4	Retail	4800	\$ 84.00	\$ 403,200	\$ 1,612,800
5	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 6,300,000
3	Office	1850	\$ 58.00	\$ 107,300	\$ 321,900
2	Office	2500	\$ 58.00	\$ 145,000	\$ 290,000
Total Area		126350			
Parking Open * included in development costs			\$ -	\$ -	
TOTAL					\$ 10,339,100

Site and Soft Costs

Land	\$ -	[E]
Site developmen	\$ 7.66	
Architectural & E	\$ 13.26	
Development Co.	\$ 41.60	
Overhead Develc	\$ 38.72	
Misc.	\$ -	
Subtotal		
Total	\$ 101.23	

Development Costs

Build'g (2%)	\$ 4.70
Engineering	\$ 28.80
Sub-div.	\$ -
Water	\$ 8.10
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 42

Financing Costs

@ .20 FAR	126,672
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Source: ADE, Inc.

Notes: [A] Assumes Loan Amount based on Estimated Project Value

[B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.

[C] ADE, Inc., Beilert Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants

[D] ADE, Inc., Saylor, Commercial Demolition Sqaure Foot Building Costs of \$11.09 per sq. ft. @.93 (Major Cities Cost Index)

[E] Not included in Total Site and Soft Square Footage Costs because Total Land Cost is tabulated in the Cost Target Section

[F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Blend Pro forma @.25 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses				
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%	\$
10	Retail	24000	2400	\$ 5.35	\$ 1,540,800	\$ -	\$ -	\$ -	Manag. Per unit	5%	\$ 1,392,154
9	Retail	43200	4800	\$ 3.45	\$ 1,788,480	\$ -	\$ -	\$ -	Repair per Unit	\$	125.00 \$ 3,000
2	Retail	30000	15000	\$ 2.95	\$ 1,062,000	\$ -	\$ -	\$ -	Utilities per Unit	\$	6,000.00 \$ 144,000
0	Office	0	1850	\$ 4.50	\$ -	\$ -	\$ -	\$ -	Acct'g per month	\$	8,320.00 \$ 99,840
3	Office	7500	2500	\$ 5.00	\$ 450,000	\$ -	\$ -	\$ -	Legal lump sum	\$	50,000.00 \$ 50,000
24	TOTAL	104700	715						Programs/mon.	\$	12.00 \$ 144
Total Gross Income						\$ 4,841,280		\$ -	Insur. Per Unit	\$	50,000.00 \$ 1,200,000
Less Vacancy (or Brokers Fees)					3.00%	\$ (145,238)		\$ -	Landscape/Mon.	\$	5,000.00 \$ 60,000
Net Revenue						\$ 4,696,042		\$ -	Reserves/Unit	5%	\$ 234,802
										Total	\$ 3,183,940

Income/ Revenue			
Gross Income / year		\$	4,696,042
Operating expenses		\$	3,183,940
Net income / year		\$	1,512,102
Commercial Rent/year		\$	4,696,042
Cap rate	Multiplier	5.43	
Project value		\$	8,211,923
Loan to Value	75.00%		
Loan Amount*		\$	6,158,942
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service			508849
Cash return			1003252
Return on Investment (ROI) %			0.046
Depreciation S.L. 30 yr.			273730
Appreciation @ 3.5%			287417
TOTAL			0.059521386
Constructuion time (yr)			10

Cost Target @.25 FAR		[B]
Development Costs	\$	10,671,607
Hard Construction Costs	\$	8,599,800
Land Cost [D]	\$	8,571,667
Total project budget	\$	27,843,075
Equity Needed	\$	21,684,133

Hard construction costs

Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
10	Retail	2400	\$ 84.00	\$ 201,600	\$ 2,016,000
9	Retail	4800	\$ 84.00	\$ 403,200	\$ 3,628,800
2	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 2,520,000
0	Office	1850	\$ 58.00	\$ 107,300	\$ -
3	Office	2500	\$ 58.00	\$ 145,000	\$ 435,000
Total Area		104700	\$ 73.60		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 8,599,800

Site and Soft Costs

Land	\$	20.33	[E]
Site development	\$	7.66	
Architectural & Eng	\$	13.26	
Development Costs	\$	41.60	
Overhead Developr	\$	38.72	
Misc.	\$	-	
Subtotal			
Total	\$	101.23	

Development Costs

Build'g (2%)	\$	4.70
Engineering	\$	28.80
Sub-div.	\$	-
Water	\$	8.10
P&Rec	\$	-
Other Fees	\$	-
Total	\$	42

Financing Costs

@ .15 FAR	63,249
@ .25 FAR	105,415

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Blend Pro forma @.45 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses			
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%
15	Retail	36000		2400	\$ 5.35	\$ 2,311,200	\$ -	\$ -	\$ -	5%
20	Retail	96000		4800	\$ 3.45	\$ 3,974,400	\$ -	\$ -	\$ -	5%
3	Retail	45000		15000	\$ 2.95	\$ 1,593,000	\$ -	\$ -	\$ -	5%
0	Office	0		1850	\$ 4.50	\$ -	\$ -	\$ -	\$ -	5%
5	Office	12500		2500	\$ 5.00	\$ 750,000	\$ -	\$ -	\$ -	5%
43	TOTAL	189500		247						5%
Total Gross Income						\$ 8,628,600		\$ -		
Less Vacancy (or Brokers Fees)					3.00%	\$ (258,858)		\$ -	6.00%	
Net Revenue						\$ 8,369,742		\$ -		Total

Income/ Revenue			
Gross Income / year		\$	8,369,742
Operating expenses		\$	5,211,580
Net income / year		\$	3,158,162
Commercial Rent/year		\$	8,369,742
Cap rate	Multiplier	7.28	
Project value		\$	22,995,544
Loan to Value		75.00%	
Loan Amount*		\$	17,246,658
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service			1424912
Cash return			1733250
Return on Investment (ROI) %			0.066
Depreciation S.L. 30 yr.			766517
Appreciation @ 3.5%			804844
TOTAL			0.097144834
Construction time (yr)			10

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
15	Retail	2400	\$ 84.00	\$ 201,600	\$ 3,024,000
20	Retail	4800	\$ 84.00	\$ 403,200	\$ 8,064,000
3	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 3,780,000
0	Office	1850	\$ 58.00	\$ 107,300	\$ -
5	Office	2500	\$ 58.00	\$ 145,000	\$ 725,000
Total Area		189500	\$ 73.60		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 15,593,000

Site and Soft Costs		
Land	\$	20.33
Site development	\$	7.66
Architectural & Eng	\$	13.26
Development Costs	\$	41.60
Overhead Develop	\$	38.72
Misc.	\$	-
Subtotal		
Total	\$	101.23

Development Costs		
Build'g (2%)	\$	4.70
Engineering	\$	28.80
Sub-div.	\$	-
Water	\$	8.10
P&Rec	\$	-
Other Fees	\$	-
Total	\$	42

Financing Costs		
@ .15 FAR		63,249
@ .45 FAR		189,747

Cost Target @.45 FAR		[B]
Development Costs	\$	19,208,893
Hard Construction Costs	\$	15,593,000
Land Costs [D]	\$	8,571,667
Total project budget	\$	43,373,561
Equity Needed	\$	26,126,902

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Blend Pro forma @.60 FAR

Income Goals		Rental	[C]	Ownership	Operating Expenses					
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%
24	Retail	57600	2400	\$ 5.35	\$ 3,697,920	\$ -	\$ -	\$ -	Manag. Per unit	5%
20	Retail	96000	4800	\$ 3.45	\$ 3,974,400	\$ -	\$ -	\$ -	Repair per Unit	\$ 125.00
5	Retail	75000	15000	\$ 2.95	\$ 2,655,000	\$ -	\$ -	\$ -	Utilities per Unit	\$ 6,000.00
0	Office	0	1850	\$ 4.50	\$ -	\$ -	\$ -	\$ -	Acct'g per month	\$ 8,320.00
10	Office	25000	2500	\$ 5.00	\$ 1,500,000	\$ -	\$ -	\$ -	Legal lump sum	\$ 50,000.00
59	TOTAL	253600							Programs/mon.	\$ 100.00
Total Gross Income					\$ 11,827,320		\$ -		Insur. Per Unit	\$ 50,000.00
Less Vacancy (or Brokers Fees)				3.00%	\$ (354,820)		\$ -		Landscape/Mon.	\$ 5,000.00
Net Revenue					\$ 11,472,500		\$ -		Reserves/Unit	5%
									Total	

Income/ Revenue			
Gross Income / year		\$	11,472,500
Operating expenses		\$	6,837,836
Net income / year		\$	4,634,664
Commercial Rent/year		\$	11,472,500
Cap rate	Multiplier	8.45	
Project value		\$	39,171,604
Loan to Value	75.00%		
Loan Amount*		\$	29,378,703
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service			2427257
Cash return			2207407
Return on Investment (ROI) %			0.087
Depreciation S.L. 30 yr.			1305719
Appreciation @ 3.5%			1371006
TOTAL			0.140565731
Construction time (yr)			10

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
24	Retail	2400	\$ 84.00	\$ 201,600	\$ 4,838,400
20	Retail	4800	\$ 84.00	\$ 403,200	\$ 8,064,000
5	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 6,300,000
0	Office	1850	\$ 58.00	\$ 107,300	\$ -
10	Office	2500	\$ 58.00	\$ 145,000	\$ 1,450,000
Total Area		253600	\$ 73.60		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 20,652,400

Site and Soft Costs		
Land	\$	20.33
Site development	\$	7.66
Architectural & Eng	\$	13.26
Development Costs	\$	41.60
Overhead Develop	\$	38.72
Misc.	\$	-
Subtotal		
Total	\$	101.23

Development Costs		
Build'g (2%)	\$	4.70
Engineering	\$	28.80
Sub-div.	\$	-
Water	\$	8.10
P&Rec	\$	-
Other Fees	\$	-
Total	\$	42

Financing Costs		
@ .15 FAR		63,249
@ .60 FAR		252,997

Cost Target @.60 FAR		[B]
Development Costs	\$	25,611,858
Hard Construction Costs	\$	20,652,400
Land Costs [D]	\$	8,571,667
Total project budget	\$	54,835,925
Equity Needed	\$	25,457,222

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Blend Pro forma @.75 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses		
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes
27	Retail	64800		2400	\$ 5.35	\$ 4,160,160	\$ -	\$ -	5%
27	Retail	129600		4800	\$ 3.45	\$ 5,365,440	\$ -	\$ -	Manag. Per unit 5%
6	Retail	90000		15000	\$ 2.95	\$ 3,186,000	\$ -	\$ -	Repair per Unit \$ 125.00
1	Office	1850		1850	\$ 4.50	\$ 99,900	\$ -	\$ -	Utilities per Unit \$ 6,000.00
12	Office	30000		2500	\$ 5.00	\$ 1,800,000	\$ -	\$ -	Acct'g per month \$ 8,320.00
73	TOTAL	316250		-4					Legal lump sum \$ 50,000.00
Total Gross Income						\$ 14,611,500			Programs/mon. \$ 100.00
Less Vacancy (or Brokers Fees)					3.00%	\$ (438,345)			Insur. Per Unit \$ 50,000.00
Net Revenue						\$ 14,173,155			Landscape/Mon. \$ 5,000.00
							6.00%		Reserves/Unit 5%
									Total

Income/ Revenue			
Gross Income / year		\$	14,173,155
Operating expenses		\$	8,332,992
Net income / year		\$	5,840,163
Commercial Rent/year		\$	14,173,155
Cap rate	Multiplier	8.81	
Project value		\$	51,426,053
Loan to Value		75.00%	
Loan Amount*		\$	38,569,539
Debt service			
Points		3.0%	
Interest		7.25%	
Years		30	
Annual debt service			3186601
Cash return			2653562
Return on Investment (ROI) %			0.096
Depreciation S.L. 30 yr.			1714201
Appreciation @ 3.5%			1799912
TOTAL			0.160463285
Constructuion time (yr)			10

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
27	Retail	2400	\$ 84.00	\$ 201,600	\$ 5,443,200
27	Retail	4800	\$ 84.00	\$ 403,200	\$ 10,886,400
6	Retail	15000	\$ 84.00	\$ 1,260,000	\$ 7,560,000
1	Office	1850	\$ 58.00	\$ 107,300	\$ 107,300
12	Office	2500	\$ 58.00	\$ 145,000	\$ 1,740,000
Total Area		316250	\$ 73.60		
Parking Open * included in development costs			\$ -		
TOTAL					\$ 25,736,900

Site and Soft Costs	
Land	\$ 20.33
Site development	\$ 7.66
Architectural & Eng	\$ 13.26
Development Costs	\$ 41.60
Overhead Developr	\$ 38.72
Misc.	\$ -
Subtotal	
Total	\$ 101.23

Development Costs	
Build'g (2%)	\$ 4.70
Engineering	\$ 28.80
Sub-div.	\$ -
Water	\$ 8.10
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 42

Financing Costs	
@ .15 FAR	63,249
@ .75 FAR	316,246

Cost Target @.75 FAR [B]	
Development Costs	\$ 32,014,822
Hard Construction Costs	\$ 25,736,900
Land Costs [D]	\$ 8,571,667
Total project budget	\$ 66,323,390
Equity Needed	\$ 27,753,850

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

**Economic Evaluation
Office Pro forma @.15 FAR**

Income Goals		Rental		[C]	Ownership	Operating Expenses					
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%	\$
1	Office	850		850	4.00	\$ 40,800	\$ -	\$ -	Manag. Per unit	5%	\$ 901,693
2	Office	2400		1200	4.00	\$ 115,200	\$ -	\$ -	Repair per Unit		\$ 174,279
15	Office	36000		2400	5.00	\$ 2,160,000	\$ -	\$ -	\$ 125.00		\$ 3,000
4	Office	14400		3600	4.50	\$ 777,600	\$ -	\$ -	Utilities per Unit	\$ 6,000.00	\$ 144,000
2	Office	9600		4800	4.50	\$ 518,400	\$ -	\$ -	Acct'g per month	\$ 5,200.00	\$ 62,400
									Legal lump sum	\$ 20,000.00	\$ 20,000
									Programs/mon.	\$ 12.00	\$ 144
24	TOTAL	63250		-1					Insur. Per Unit	\$ 50,000.00	\$ 1,200,000
Total Gross Income						\$ 3,612,000		\$ -	Landscape/Mon.	\$ 5,000.00	\$ 60,000
Less Vacancy (or Brokers Fees)					3.50%	\$ (126,420)		\$ -	Reserves/Unit	5%	\$ 174,279
Net Revenue						\$ 3,485,580		\$ -	Total		\$ 2,565,516

Income/ Revenue			
Gross Income / year		\$	3,485,580
Operating expenses		\$	2,565,516
Net income / year		\$	920,064
Commercial Rent/year		\$	3,485,580
Cap rate	Multiplier	5.10	
Project value		\$	4,694,047
Loan to Value		75.00%	
Loan Amount*		\$	3,520,535
Debt service			
	Points	3.0%	
	Interest	7.25%	
	Years	30	
Annual debt service			290865
Cash return			629199
Return on Investment (ROI) %			0.043
Depreciation S.L. 30 yr.			156468
Appreciation @ 3.5%			164292
TOTAL ROI			0.054673239
Construction time (yr)			10

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
1	Office	850	\$ 58.00	\$ 49,300	\$ 49,300
2	Office	1200	\$ 58.00	\$ 69,600	\$ 139,200
15	Office	2400	\$ 58.00	\$ 139,200	\$ 2,088,000
4	Office	3600	\$ 58.00	\$ 208,800	\$ 835,200
2	Office	4800	\$ 58.00	\$ 278,400	\$ 556,800
Total Area		63250			
Parking Open * included in development costs				\$ -	
TOTAL					\$ 3,668,500

Site and Soft Costs			
Land		\$	20.33 [E]
Site development		\$	2.55
Architectural & Eng		\$	9.81
Development Costs		\$	46.96
Overhead Develop		\$	32.28
Misc.		\$	-
Subtotal			
Total		\$	91.60

Development Costs			
Build'g (2%)		\$	2
Engineering		\$	36
Sub-div.		\$	-
Water		\$	9
P&Rec		\$	-
Other Fees		\$	-
Total		\$	47

Cost Target @.15 FAR [B]			
Development Costs		\$	5,793,692
Hard Construction Costs		\$	3,668,500
Land Cost [D]		\$	8,571,667
Total project budget		\$	18,033,859
Equity Needed		\$	14,513,324

Financing Costs			
@ .15 FAR			63,249
@ .25 FAR			105,415

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation

Office Pro forma @.20 FAR

Income Goals		Rental	[C]	Ownership	Operating Expenses	
# of Units	Type	Total Sq. Ft Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales per SF
8	Office	6800	850	\$ 4.00	\$ 326,400	\$ -
8	Office	9600	1200	\$ 4.00	\$ 460,800	\$ -
22	Office	52800	2400	\$ 5.00	\$ 3,168,000	\$ -
8	Office	28800	3600	\$ 4.50	\$ 1,555,200	\$ -
6	Office	28800	4800	\$ 4.50	\$ 1,555,200	\$ -
52	TOTAL	126800	-128			
Total Gross Income					\$ 7,065,600	\$ -
Less Vacancy (or Brokers Fees)				3.50%	\$ (247,296)	6.00%
Net Revenue					\$ 6,818,304	\$ -

Operating Expenses		
Taxes		5%
Manag. Per unit		5%
Repair per Unit	\$ 125.00	
Utilities per Unit	\$ 6,000.00	
Acct'g per month	\$ 5,200.00	
Legal lump sum	\$ 20,000.00	
Programs/mon.	\$ 12.00	
Insur. Per Unit	\$ 50,000.00	
Landscape/Mon.	\$ 5,000.00	
Reserves/Unit		5%
Total		

Income/ Revenue		
Gross Income / year		\$ 6,818,304
Operating expenses		\$ 4,363,188
Net income / year		\$ 2,455,116
Commercial Rent/year		\$ 6,818,304
Cap rate	Multiplier 12.77	
Project value		\$ 31,353,585
Loan to Value	50.00%	
Loan Amount*		\$ 15,676,792 [A]
Debt service		
	\$2,455,116	
	#DIV/0!	
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		1295211
Cash return		1159905
Return on Investment (ROI) %		0.327
Depreciation S.L. 30 yr.		1045119
Appreciation @ 3.5%		1097375
TOTAL ROI		0.636250687
Constructuion time (yr)		10

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
8	Office	850	\$ 58.00	\$ 49,300	\$ 394,400
8	Office	1200	\$ 58.00	\$ 69,600	\$ 556,800
22	Office	2400	\$ 58.00	\$ 139,200	\$ 3,062,400
8	Office	3600	\$ 58.00	\$ 208,800	\$ 1,670,400
6	Office	4800	\$ 58.00	\$ 278,400	\$ 1,670,400
Total Area		126800			
Parking Open * included in development costs				\$ -	
TOTAL					\$ 7,354,400

Site and Soft Costs		
Land	\$ -	[E]
Site development	\$ 2.55	
Architectural & En	\$ 9.81	
Development Cos	\$ 46.96	
Overhead Develo	\$ 32.28	
Misc.	\$ -	
Subtotal		
Total	\$ 91.60	

Development Costs		
Build'g (2%)	\$ 2	
Engineering	\$ 36	
Sub-div.	\$ -	
Water	\$ 9	
P&Rec	\$ -	
Other Fees	\$ -	
Total	\$ 47	

[B] Cost Target @.20 FAR	
Development Costs	\$ 11,603,331
Hard Construction Costs	\$ 7,354,400
Demolition Cost [D]	\$ 266,846
Total project budget	\$ 19,224,578
Equity Needed	\$ 3,547,785

Financing Costs	
@ .20 FAR	126,672

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Saylor, Commercial Demolition Sqaure Foot Building Costs of \$11.09 per sq. ft. @.93 (Major Cities Cost Index)
 - [E] Not included in Total Site and Soft Square Footage Costs because Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

Economic Evaluation
Office Pro forma @.25 FAR

Income Goals		Rental		[C]	Ownership		Operating Expenses				
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%	
5	Office	4250	850	\$ 4.00	\$ 204,000	\$ -	\$ -	\$ -	Manag. Per unit	5%	
6	Office	7200	1200	\$ 4.00	\$ 345,600	\$ -	\$ -	\$ -	Repair per Unit	\$ 125.00	
20	Office	48000	2400	\$ 5.00	\$ 2,880,000	\$ -	\$ -	\$ -	Utilities per Unit	\$ 6,000.00	
6	Office	21600	3600	\$ 4.50	\$ 1,166,400	\$ -	\$ -	\$ -	Acct'g per month	\$ 8,320.00	
5	Office	24000	4800	\$ 4.50	\$ 1,296,000	\$ -	\$ -	\$ -	Legal lump sum	\$ 32,000.00	
42	TOTAL	105050	365						Programs/mon.	\$ 12.00	
Total Gross Income						\$ 5,892,000		\$ -	Insur. Per Unit	\$ 50,000.00	
Less Vacancy (or Brokers Fees)					3.50%	\$ (206,220)		\$ -	Landscape/Mon.	\$ 5,000.00	
Net Revenue						\$ 5,685,780		\$ -	Reserves/Unit	5%	
										Total	\$ 4,049,559

Income/ Revenue			
Gross Income / year		\$ 5,685,780	
Operating expenses		\$ 4,049,559	
Net income / year		\$ 1,636,221	
Commercial Rent/year		\$ 5,685,780	
Cap rate	Multiplier 6.73		
Project value		\$ 11,007,976	
Loan to Value	75.00%		
Loan Amount*		\$ 8,255,982	[A]
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service		682106	
Cash return		954115	
Return on Investment (ROI) %		0.059	
Depreciation S.L. 30 yr.		366932	
Appreciation @ 3.5%		385279	
TOTAL ROI		0.083374784	
Construction time (yr)		10	

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
5	Office	850	\$ 58.00	\$ 49,300	\$ 246,500
6	Office	1200	\$ 58.00	\$ 69,600	\$ 417,600
20	Office	2400	\$ 58.00	\$ 139,200	\$ 2,784,000
6	Office	3600	\$ 58.00	\$ 208,800	\$ 1,252,800
5	Office	4800	\$ 58.00	\$ 278,400	\$ 1,392,000
Total Area		105050			
Parking Open * included in development costs				\$ -	
TOTAL					\$ 6,092,900

Site and Soft Costs		
Land	\$	20.33 [E]
Site development	\$	2.55
Architectural & Eng	\$	9.81
Development Costs	\$	46.96
Overhead Developr	\$	32.28
Misc.	\$	-
Subtotal		
Total	\$	91.60

Development Costs		
Build'g (2%)	\$	2
Engineering	\$	36
Sub-div.	\$	-
Water	\$	9
P&Rec	\$	-
Other Fees	\$	-
Total	\$	47

Cost Target @.25 FAR [B]		
Development Costs	\$	9,656,153
Hard Construction Costs	\$	6,092,900
Land Cost [D]	\$	8,571,667
Total project budget	\$	24,320,720
Equity Needed	\$	16,064,738

Financing Costs		
@ .15 FAR		63,249
@ .25 FAR		105,415

Source: ADE, Inc.
Notes: [A] Assumes Loan Amount based on Estimated Project Value
[B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
[C] ADE, Inc., Bellter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
[D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
[E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
[F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

**Economic Evaluation
Office Pro forma @.45 FAR**

Income Goals		Rental		[C]	Ownership		Operating Expenses				
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%	\$
10	Office	8500	850	\$ 4.00	\$ 408,000	\$ -	\$ -	\$ -	Manag. Per unit	5%	\$ 1,921,678
16	Office	19200	1200	\$ 4.00	\$ 921,600	\$ -	\$ -	\$ -	Repair per Unit		\$ 503,614
25	Office	60000	2400	\$ 5.00	\$ 3,600,000	\$ -	\$ -	\$ -	\$ 125.00		\$ 9,500
15	Office	54000	3600	\$ 4.50	\$ 2,916,000	\$ -	\$ -	\$ -	Utilities per Unit	\$ 6,000.00	\$ 456,000
10	Office	48000	4800	\$ 4.50	\$ 2,592,000	\$ -	\$ -	\$ -	Acct'g per month	\$ 8,320.00	\$ 99,840
76	TOTAL	189700	47						Legal lump sum	\$ 32,000.00	\$ 32,000
Total Gross Income					\$ 10,437,600				Programs/mon.	\$ 100.00	\$ 1,200
Less Vacancy (or Brokers Fees)					\$ (365,316)	6.00%	\$ -		Insur. Per Unit	\$ 50,000.00	\$ 3,800,000
Net Revenue					\$ 10,072,284		\$ -		Landscape/Mon.	\$ 5,000.00	\$ 60,000
									Reserves/Unit	5%	\$ 503,614
									Total		\$ 6,883,832

Income/ Revenue			
Gross Income / year		\$ 10,072,284	
Operating expenses		\$ 6,883,832	
Net income / year		\$ 3,188,452	
Commercial Rent/year		\$ 10,072,284	
Cap rate	Multiplier	8.63	
Project value		\$ 27,509,490	
Loan to Value	75.00%		
Loan Amount*		\$ 20,632,117	[A]
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service		1704618	
Cash return		1483834	
Return on Investment (ROI) %		0.091	
Depreciation S.L. 30 yr.		916982	
Appreciation @ 3.5%		962832	
TOTAL ROI		0.149888667	
Construction time (yr)		10	

Cost Target @.45 FAR		[B]
Development Costs	\$ 17,381,075	
Hard Construction Costs	\$ 11,002,600	
Land Costs [D]	\$ 8,571,667	
Total project budget	\$ 36,955,342	
Equity Needed	\$ 16,323,225	

Hard construction costs					
Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
10	Office	850	\$ 58.00	\$ 49,300	\$ 493,000
16	Office	1200	\$ 58.00	\$ 69,600	\$ 1,113,600
25	Office	2400	\$ 58.00	\$ 139,200	\$ 3,480,000
15	Office	3600	\$ 58.00	\$ 208,800	\$ 3,132,000
10	Office	4800	\$ 58.00	\$ 278,400	\$ 2,784,000
Total Area		189700			
Parking Open * included in development costs				\$ -	
TOTAL					\$ 11,002,600

Site and Soft Costs		
Land	\$ 20.33	
Site development	\$ 2.55	
Architectural & Eng	\$ 9.81	
Development Costs	\$ 46.96	
Overhead Developr	\$ 32.28	
Misc.	\$ -	
Subtotal		
Total	\$ 91.60	

Development Costs	
Build'g (2%)	\$ 2
Engineering	\$ 36
Sub-div.	\$ -
Water	\$ 9
P&Rec	\$ -
Other Fees	\$ -
Total	\$ 47

Financing Costs	
@ .15 FAR	63,249
@ .45 FAR	189,747

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

**Economic Evaluation
Office Pro forma @.60 FAR**

Income Goals		Rental		[C]	Ownership		Operating Expenses				
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%	
21	Office	17850	850	\$ 4.00	\$ 856,800	\$ -	\$ -	\$ -	Manag. Per unit	5%	
18	Office	21600	1200	\$ 4.00	\$ 1,036,800	\$ -	\$ -	\$ -	Repair per Unit	125.00	
38	Office	91200	2400	\$ 5.00	\$ 5,472,000	\$ -	\$ -	\$ -	Utilities per Unit	6,000.00	
18	Office	64800	3600	\$ 4.50	\$ 3,499,200	\$ -	\$ -	\$ -	Acct'g per month	8,320.00	
12	Office	57600	4800	\$ 4.50	\$ 3,110,400	\$ -	\$ -	\$ -	Legal lump sum	32,000.00	
107	TOTAL	253050		\$ -53					Programs/mon.	100.00	
Total Gross Income					\$ 13,975,200		\$ -		Insur. Per Unit	50,000.00	
Less Vacancy (or Brokers Fees)				3.50%	\$ (489,132)		\$ -	6.00%	Landscape/Mon.	5,000.00	
Net Revenue					\$ 13,486,068		\$ -		Reserves/Unit	5%	
									Total		\$ 9,193,885

Income/ Revenue			
Gross Income / year		\$	13,486,068
Operating expenses		\$	9,193,885
Net income / year		\$	4,292,183
Commercial Rent/year		\$	13,486,068
Cap rate	Multiplier	9.25	
Project value		\$	39,684,427
Loan to Value	75.00%		
Loan Amount*		\$	29,763,320
Debt service			
Points	3.0%		
Interest	7.25%		
Years	30		
Annual debt service			2459034
Cash return			1833149
Return on Investment (ROI) %			0.110
Depreciation S.L. 30 yr.			1322814
Appreciation @ 3.5%			1388955
TOTAL ROI			0.193403417
Construction time (yr)			10

[A]

Hard construction costs

Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
21	Office	850	58.00	\$ 49,300	\$ 1,035,300
18	Office	1200	58.00	\$ 69,600	\$ 1,252,800
38	Office	2400	58.00	\$ 139,200	\$ 5,289,600
18	Office	3600	58.00	\$ 208,800	\$ 3,758,400
12	Office	4800	58.00	\$ 278,400	\$ 3,340,800
Total Area		253050			
Parking Open * included in development costs				\$ -	
TOTAL					\$ 14,676,900

Site and Soft Costs

Land	\$	20.33
Site development	\$	2.55
Architectural & Eng	\$	9.81
Development Costs	\$	46.96
Overhead Developr	\$	32.28
Misc.	\$	-
Subtotal		
Total	\$	91.60

Development Costs

Build'g (2%)	\$	2
Engineering	\$	36
Sub-div.	\$	-
Water	\$	9
P&Rec	\$	-
Other Fees	\$	-
Total	\$	47

Financing Costs

@ .15 FAR	63,249
@ .60 FAR	252,997

Cost Target @.60 FAR		[B]
Development Costs	\$	23,174,767
Hard Construction Costs	\$	14,676,900
Land Costs [D]	\$	8,571,667
Total project budget	\$	46,423,334
Equity Needed	\$	16,660,014

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

**Economic Evaluation
Office Pro forma @.75 FAR**

Income Goals		Rental		[C]	Ownership		Operating Expenses				
# of Units	Type	Total Sq. Ft.	Size in S.F.	Rent / MO	Rent / yr.	Price	Total Sales	per SF	Taxes	5%	\$
22	Office	18700	850	\$ 4.00	\$ 897,600	\$ -	\$ -	\$ -	Repair per Unit	\$ 125.00	\$ 16,375
22	Office	26400	1200	\$ 4.00	\$ 1,267,200	\$ -	\$ -	\$ -	Utilities per Unit	\$ 6,000.00	\$ 786,000
50	Office	120000	2400	\$ 5.00	\$ 7,200,000	\$ -	\$ -	\$ -	Acct'g per month	\$ 8,320.00	\$ 99,840
22	Office	79200	3600	\$ 4.50	\$ 4,276,800	\$ -	\$ -	\$ -	Legal lump sum	\$ 32,000.00	\$ 32,000
15	Office	72000	4800	\$ 4.50	\$ 3,888,000	\$ -	\$ -	\$ -	Programs/mon.	\$ 100.00	\$ 1,200
131	TOTAL	316300	-54						Insur. Per Unit	\$ 50,000.00	\$ 6,550,000
Total Gross Income					\$ 17,529,600		\$ -		Landscape/Mon.	\$ 5,000.00	\$ 60,000
Less Vacancy (or Brokers Fees)				3.50%	\$ (613,536)		\$ -	6.00%	Reserves/Unit	5%	\$ 845,803
Net Revenue					\$ 16,916,064		\$ -		Total		\$ 11,185,494

Income/ Revenue

Gross Income / year	\$	16,916,064
Operating expenses	\$	11,185,494
Net income / year	\$	5,730,570
Commercial Rent/year	\$	16,916,064
Cap rate Multiplier	10.25	
Project value	\$	58,761,954
Loan to Value	75.00%	
Loan Amount*	\$	44,071,465
Debt service		
Points	3.0%	
Interest	7.25%	
Years	30	
Annual debt service		3641168
Cash return		2089402
Return on Investment (ROI) %		0.177
Depreciation S.L. 30 yr.		1958731
Appreciation @ 3.5%		2056668
TOTAL ROI		0.350943708
Construction time (yr)		10

[A]

Cost Target @.25 FAR [B]

Development Costs	\$	28,968,459
Hard Construction Costs	\$	18,345,400
Land Costs [D]	\$	8,571,667
Total project budget	\$	55,885,526
Equity Needed	\$	11,814,061

[B]

Hard construction costs

Units	Type	Size in S.F.	Cost / SF / unit	Total cost / unit in \$	Total cost of all units
22	Office	850	\$ 58.00	\$ 49,300	\$ 1,084,600
22	Office	1200	\$ 58.00	\$ 69,600	\$ 1,531,200
50	Office	2400	\$ 58.00	\$ 139,200	\$ 6,960,000
22	Office	3600	\$ 58.00	\$ 208,800	\$ 4,593,600
15	Office	4800	\$ 58.00	\$ 278,400	\$ 4,176,000
Total Area		316300			
Parking Open * included in development costs				\$ -	
TOTAL					\$ 18,345,400

Site and Soft Costs

Land	\$	20.33
Site development	\$	2.55
Architectural & Eng	\$	9.81
Development Costs	\$	46.96
Overhead Developr	\$	32.28
Misc.	\$	-
Subtotal		
Total	\$	91.60

Financing Costs

@ .15 FAR	63,249
@ .75 FAR	316,246

Development Costs

Build'g (2%)	\$	2
Engineering	\$	36
Sub-div.	\$	-
Water	\$	9
P&Rec	\$	-
Other Fees	\$	-
Total	\$	47

Source: ADE, Inc.

- Notes:
- [A] Assumes Loan Amount based on Estimated Project Value
 - [B] Based on Saylor, Commercial Saure Foot Building Costs @.93 (Major Cities Cost Index) and 2006 Retail Development Cost by A&B in Valencia, CA.
 - [C] ADE, Inc., Beiliter Comm'l Realty Sevices, Retail Rental Rates Reduced to Accommodate Desired Tenants
 - [D] ADE, Inc., Los Angeles County Office of the Assessor and DataQuick
 - [E] Amount not included in Total Site and Soft square footage costs, amount is included in the Total Land Cost is tabulated in the Cost Target Section
 - [F] La Paz Center will add 72,673 square feet of retail space and 20,286 of office space

APPENDIX E: COMMERCIAL FAR

**TABLE 26
MAXIMUM ALLOWABLE FLOOR AREA BY PARCEL, MALIBU, 2007**

Zone	APN	Address	Building Size	Parcel Size	Max. Allowable SF .15 F.A.R.	Existing SF	Existing F.A.R.
CV-1	4450-004-029	20356 Pacific Coast Highway	4236	11949	1792.35	7713	64.55%
CV-1	4450-004-028	20422 Pacific Coast Highway	0	14327	2149.05	14327	100.00%
CV-1	4450-010-028	21150 Pacific Coast Highway	15635	76230	11434.5	60595	79.49%
CN	4450-025-038	3966 Las Flores Canyon	1450	20099	3014.85	18649	92.79%
CN	4450-025-039	3950 Las Flores Canyon	1469	11696	1754.4	10227	87.44%
CN	4451-020-013	21201 Las Flores Canyon	484	8246	1236.9	7762	94.13%
CN	4451-021-001	21217 Pacific Coast Highway	1420	1529	229.35	109	7.13%
CV-1	4451-001-029	21216 Pacific Coast Highway	1624	15525	2328.75	13901	89.54%
CN	4451-021-005	21235 Pacific Coast Highway	4230	8899	1334.85	4669	52.47%
CN	4451-021-006	21247 Pacific Coast Highway	5280	8956	1343.4	3676	41.05%
CN	4451-022-042	21323 Pacific Coast Highway	3900	13547	2032.05	9647	71.21%
CN	4451-022-043	21337 Pacific Coast Highway	1404	17568	2635.2	16164	92.01%
CN	4451-022-057	21355 Pacific Coast Highway	5460	10899	1634.85	5439	49.90%
CN	4451-022-050	21361 Pacific Coast Highway	2900	8830	1324.5	5930	67.16%
CC	4451-008-800	22211 Pacific Coast Highway	0	9148	1372.2	9148	100.00%
CC	4451-008-014	22227 Pacific Coast Highway	2509	10454	1568.1	7945	76.00%
CC	4451-008-004	22235 Pacific Coast Highway	2762	12632	1894.8	9870	78.13%
CC	4451-008-003	22241 Pacific Coast Highway	3102	11326	1698.9	8224	72.61%
CC	4451-008-002	22253 Pacific Coast Highway	2048	18731	2809.65	16683	89.07%
CC	4452-024-005	22333 Pacific Coast Highway	16022	54450	8167.5	38428	70.57%
CV-1	4452-023-012	22445 Pacific Coast Highway	1290	2779	416.85	1489	53.58%
CV-1	4452-023-013	22449 Pacific Coast Highway	1500	14937	2240.55	13437	89.96%
CV-1	4452-023-011	22455 Pacific Coast Highway	5100	25265	3789.75	20165	79.81%
CV-1	4452-023-010	22467 Pacific Coast Highway	1206	24829	3724.35	23623	95.14%
CV-1	4452-023-009	22483 Pacific Coast Highway	6760	24829	3724.35	18069	72.77%
CV-1	4452-023-017	22523 Pacific Coast Highway	3487	40511	6076.65	37024	91.39%
CV-1	4452-023-007	22525 Pacific Coast Highway	3900	13068	1960.2	9168	70.16%
CV-1	4452-023-001	22535 Pacific Coast Highway	480	4791	718.65	4311	89.98%
CV-1	4452-023-002	22541 Pacific Coast Highway	5142	62291	9343.65	57149	91.75%
CC	4452-023-003	22549 Pacific Coast Highway	420	11761	1764.15	11341	96.43%
CC	4452-023-004	22601 Pacific Coast Highway	19885	81021	12153.15	61136	75.46%
CC	4452-023-015	22605 Pacific Coast Highway	2894	19602	2940.3	16708	85.24%
CC	4452-023-016	22611 Pacific Coast Highway	838	6534	980.1	5696	87.17%
CC	4452-022-006	22625 Pacific Coast Highway	3814	9583	1437.45	5769	60.20%
CC	4452-022-005	22653 Pacific Coast Highway	4698	27878	4181.7	23180	83.15%
CC	4452-022-004	22619 Pacific Coast Highway	1433	62726	9408.9	61293	97.72%
CC	4452-022-007	22661 Pacific Coast Highway	0	10934	1640.1	10934	100.00%
CC	4452-022-003	22669 Pacific Coast Highway	756	38768	5815.2	38012	98.05%
CC	4452-022-015	22725 Pacific Coast Highway	3054	54001	8100.15	50947	94.34%
CC	4452-022-010	22729 Pacific Coast Highway	1000	18374	2756.1	17374	94.56%

**TABLE 26
MAXIMUM ALLOWABLE FLOOR AREA BY PARCEL, MALIBU, 2007**

Zone	APN	Address	Building Size	Parcel Size	Max. Allowable SF .15 F.A.R.	Existing SF	Existing F.A.R.
CC	4452-022-017	22741 Pacific Coast Highway		21000	3150		0.00%
CC	4452-022-014	22761 Pacific Coast Highway	28980	64033	9604.95	35053	54.74%
CC	4452-021-009	22775 Pacific Coast Highway	4384	10498	1574.7	6114	58.24%
CC	4452-021-008	22809 Pacific Coast Highway	15222	61036	9155.4	45814	75.06%
CC	4452-021-004	22821 Pacific Coast Highway	2144	33541	5031.15	31397	93.61%
CC	4452-021-006	Vacant Lot	0	10890	1633.5	10890	100.00%
CC	4452-021-002	22837 Pacific Coast Highway	3600	20647	3097.05	17047	82.56%
CC	4452-020-031	22853 Pacific Coast Highway	906	11757	1763.55	10851	92.29%
CV-1	4452-019-011	22917 Pacific Coast Highway	24739	69696	10454.4	44957	64.50%
CV-1	4452-019-010	22935 Pacific Coast Highway	1298	8272	1240.8	6974	84.31%
CV-1	4452-019-009	22941 Pacific Coast Highway	2700	5222	783.3	2522	48.30%
CV-1	4452-019-008	22931 Pacific Coast Highway	3298	18731	2809.65	15433	82.39%
CV-1	4452-019-005	22965 Pacific Coast Highway	0	48352	7252.8	48352	100.00%
CV-1	4452-019-004	22969 Pacific Coast Highway	7184	29621	4443.15	22437	75.75%
CV-1	4452-019-003	23017 Pacific Coast Highway	1371	34848	5227.2	33477	96.07%
CV-1	4452-019-002	23033 Pacific Coast Highway	4628	58806	8820.9	54178	92.13%
CV-1	4452-019-001	Vacant Lot	0	35279	5291.85	35279	100.00%
CV-2	4452-005-031	22878 Pacific Coast Highway	22165	24829	3724.35	2664	10.73%
CV-2	4452-005-030	Vacant Lot	0	13504	2025.6	13504	100.00%
CV-2	4452-005-020	22860 Pacific Coast Highway	712	14375	2156.25	13663	95.05%
CV-1	4452-004-032	22800 Pacific Coast Highway	4618	13939	2090.85	9321	66.87%
CC	4452-004-033	22772 Pacific Coast Highway	7155	13939	2090.85	6784	48.67%
CC	4452-004-058	22766 Pacific Coast Highway	0	744	111.6	744	100.00%
CC	4452-004-035	22752 Pacific Coast Highway	9166	29185	4377.75	20019	68.59%
CC	4452-004-036	Vacant Lot	0	28750	4312.5	28750	100.00%
CC	4452-004-037	22716 Pacific Coast Highway	3174	21344	3201.6	18170	85.13%
CC	4452-004-038	22706 Pacific Coast Highway	0	9578	1436.7	9578	100.00%
CC	4452-004-042	22706 Pacific Coast Highway	7732	25265	3789.75	17533	69.40%
CV-1	4452-011-036	Vacant Lot	0	106450	15967.5	106450	100.00%
CV-1	4452-011-033	23387 Pacific Coast Highway	1731	22651	3397.65	20920	92.36%
CV-1	4452-011-039	3900 Cross Creek Road	3956	35544	5331.6	31588	88.87%
CV-1	4452-011-803	3808 Cross Creek Road	0	18987	2848.05	18987	100.00%
CV-1	4452-011-035	3806 Cross Creek Road	0	104108	15616.2	104108	100.00%
CV-1	4452-011-029	Vacant Lot	0	78669	11800.35	78669	100.00%
CV-1	4452-011-037	3728 Cross Creek Road	0	29960	4494	29960	100.00%
CG	4452-012-024	3738 Cross Creek Road	3330	270943	40641.45	267613	98.77%
CV-1	4458-020-010	23410 Civic Center Way	35230	94630	14194.5	59400	62.77%
CV-1	4458-020-014	3835 Cross Creek Road	6637	113256	16988.4	106619	94.14%
CV-1	4458-020-007	Vacant Lot	0	2575875	386381.25	2575875	100.00%
CV-1	4458-020-016	23641 Pacific Coast Highway	0	23641	3546.15	23641	100.00%
CG	4458-020-015	Vacant Lot	0	48351	7252.65	48351	100.00%
CV-1	4458-022-001	Vacant Lot	0	108464	16269.6	108464	100.00%
CV-1	4458-022-022	Vacant Lot	0	154638	23195.7	154638	100.00%
CV-1	4458-022-023	Vacant Lot	0	280090	42013.5	280090	100.00%
CG	4458-022-003	3661 Cross Creek Road	1971	143312	21496.8	141341	98.62%

**TABLE 26
MAXIMUM ALLOWABLE FLOOR AREA BY PARCEL, MALIBU, 2007**

Zone	APN	Address	Building Size	Parcel Size	Max. Allowable SF .15 F.A.R.	Existing SF	Existing F.A.R.
CC	4458-022-024	Vacant Lot	0	384199	57629.85	384199	100.00%
CC	4458-022-025	3700 La Paz Lane	0	155073	23260.95	155073	100.00%
CC	4458-022-019	Vacant Lot	0	369389	55408.35	369389	100.00%
CC	4458-022-012	Vacant Lot	0	280962	42144.3	280962	100.00%
CC	4458-022-011	Vacant Lot	0	421661	63249.15	421661	100.00%
CC	4458-022-012	23801 Stuart Ranch Road	0	280962	42144.3	280962	100.00%
CC	4458-021-172	23825 Stuart Ranch Road	37359	265280	39792	227921	85.92%
CC	4458-021-173	Parking Lot	40528	115869	17380.35	75341	65.02%
CC	4458-021-005	23833 Stuart Ranch Road	1514	445183	66777.45	443669	99.66%
CC	4458-021-002	23847 Stuart Ranch Road	3900	125453	18817.95	121553	96.89%
CC	4458-021-003	3542 Coast View Drive	2144	304484	45672.6	302340	99.30%
CC	4458-021-106	23901 Civic Center Way	895	1598	239.7	703	43.99%
CC	4458-019-010	23841 Malibu Road	36120	639025	95853.75	602905	94.35%
CC	4458-001-003	23664 Malibu Road	0	28314	4247.1	28314	100.00%
CC	4458-002-019	23700 Malibu Road	5400	17250	2587.5	11850	68.70%
CC	4458-002-018	23730 Malibu Road	3224	5550	832.5	2326	41.91%
CV-2	4458-028-015	Vacant Lot	0	683021	102453.15	683021	100.00%
CV-2	4458-030-007	Vacant Lot	0	460	69	460	100.00%
CV-2	4458-028-019	Vacant Lot	0	410335	61550.25	410335	100.00%
CN	4458-032-009	24903 Pacific Coast Highway	0	59672	8950.8	59672	100.00%
CN	4458-032-008	24911 Pacific Coast Highway	1859	75359	11303.85	73500	97.53%
CN	4458-032-007	24955 Pacific Coast Highway	20122	67949	10192.35	47827	70.39%
CN	4458-032-006	25001 Pacific Coast Highway	2712	57059	8558.85	54347	95.25%
CN	4458-032-014	25019 Pacific Coast Highway	7200	81457	12218.55	74257	91.16%
CN	4458-032-013	3946 Puerco Canyon Road	4058	72745	10911.75	68687	94.42%
CN	4459-009-001	25653 Pacific Coast Highway	672	42253	6337.95	41581	98.41%
CV-1	4459-008-900	Vacant Lot	0	125017	18752.55	125017	100.00%
CV-1	4459-008-001	Vacant Lot	0	213880	32082	213880	100.00%
CC	4459-005-011	26101 Pacific Coast Highway	0	13504	2025.6	13504	100.00%
CV-1	4460-030-036	27400 Pacific Coast Highway	589	3828	574.2	3239	84.61%
CV-1	4460-029-025	Vacant Lot	0	10105	1515.75	10105	100.00%
CV-1	4460-030-042	Vacant Lot	0	32016	4802.4	32016	100.00%
CN	4466-019-001	28700 Pacific Coast Highway	404	9583	1437.45	9179	95.78%
CN	4466-019-900	28722 Pacific Coast Highway	0	21775	3266.25	21775	100.00%
CN	4466-019-003	28920 Pacific Coast Highway	4615	192100	28815	187485	97.60%
CN	4467-035-067	28955 Pacific Coast Highway	12316	19118	2867.7	6802	35.58%
CN	4466-019-004	28990 Pacific Coast Highway	20940	70132	10519.8	49192	70.14%
CN	4466-021-001	29138 Pacific Coast Highway	224	6534	980.1	6310	96.57%
CN	4466-021-029	29160 Heathercliff Road	30629	69696	10454.4	39067	56.05%
CN	4466-021-003	29170 Heathercliff Road	4016	17424	2613.6	13408	76.95%
CN	4466-021-004	29178 Heathercliff Road	6484	15682	2352.3	9198	58.65%
CN	4466-021-026	6500 Dume Drive	1687	2317	347.55	630	27.19%
CC	4468-010-014	29145 Heather Cliff	1713	13068	1960.2	11355	86.89%
CC	4468-010-015	29169 Heather Cliff	5670	56192	8428.8	50522	89.91%
CC	4468-010-017	29211 Heather Cliff	31547	108926	16338.9	77379	71.04%

**TABLE 26
MAXIMUM ALLOWABLE FLOOR AREA BY PARCEL, MALIBU, 2007**

Zone	APN	Address	Building Size	Parcel Size	Max. Allowable SF .15 F.A.R.	Existing SF	Existing F.A.R.
CC	4468-010-028	29221 Heather Cliff	1450	2844	426.6	1394	49.02%
CN	4468-011-005	29350 Pacific Coast Highway	13167	99317	14897.55	86150	86.74%
CV-1	4468-013-012	6506 Westward Beach Road	2907	86694	13004.1	83787	96.65%
CN	4469-022-001	29575 Pacific Coast Highway	18626	42253	6337.95	23627	55.92%
						AVG	83.76%

F.A.R. - Floor Area Ratio
 SF - Square Footage
 APN - Assessor Parcel Number
 AVG - Average

Data Source: City GIS and Los Angeles County Assessor