



D Taussig Letter

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December 16, 2014

John A. Gebhardt, Principal
SEG Advisors
21255 Burbank Blvd.
Suite 140
Woodland Hills, CA 91367

Subject: Sales Tax Revenue Under Proposed Whittier Conservancy's Alternative Plan

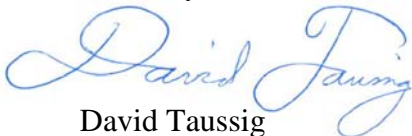
Dear Mr. Gebhardt:

Our firm, David Taussig and Associates ("DTA"), has reviewed your opinion letter dated December 16, 2014 regarding the Whittier Conservancy's proposed alternative entertainment and dining concept. We have also reviewed the Conservancy's comment letter on the draft EIR dated November 29, 2014. We are cognizant and understand your professional opinion that the Conservancy's proposed alternative plan is completely infeasible and would never come to fruition.

However, consistent with our discussions, we have undertaken a sales tax performance analysis of the Conservancy's proposed alternative plan based on the types of tenants that you believe would have any interest in taking that space (ignoring of course the extremely high cost barriers to entry that render the Conservancy's plan infeasible from the start). Our sales tax performance analysis is set forth hereto as Exhibit "A". As you can see, the Whittier Conservancy's plan would produce approximately 79.2% less in sales tax revenues for the City of Whittier ("City") than the proposed Project. In raw numbers the proposed Project is forecast to produce approximately \$358,810 in annual recurring sales tax revenues for the City, while the Conservancy's alternative plan (assuming one ignores the fact that it will never be feasible in the real world) would produce approximately \$74,520 in recurring annual sales taxes.

Please contact me if you have any questions or concerns regarding the foregoing.

Sincerely,



David Taussig
President

Exhibit A

City of Whittier Commercial Corridor - FRED Nelles Site

Annual Sales Tax Revenues Based on Sega Associates Development Projections under the Conservancy Plan

Product	Use	Square Foot	Estimated	Estimated Total	% Taxable	Estimated	Estimated Sales Tax Revenue at	Applied	Sales Tax at applied	Comments
		Measure	Sales PSF	Sales		Taxable Sales	1.00%	%	%	
C1	Shops	11,570	\$ -	\$ -	80%	\$ -	\$ -	100%	\$ -	Building is buried at back of site, no adjacent parking.
C2	Shops	13,477	\$ -	\$ -	80%	\$ -	\$ -	100%	\$ -	Building is buried at back of site, no adjacent parking.
C3	Retail	55,209	\$ 50.00	\$ 2,760,450	80%	\$ 2,208,360	\$ 22,084	90%	\$ 19,875	Building is buried, minimal parking.
C4	Retail	25,151	\$ 50.00	\$ 1,257,550	100%	\$ 1,257,550	\$ 12,576	90%	\$ 11,318	
C5	Shops	9,462	\$ 200.00	\$ 1,892,400	80%	\$ 1,513,920	\$ 15,139	95%	\$ 14,382	
C6	Retail/restaurant	6,545	\$ 200.00	\$ 1,309,000	100%	\$ 1,309,000	\$ 13,090	95%	\$ 12,436	
C7	Retail/Restaurant	6,545	\$ 200.00	\$ 1,309,000	100%	\$ 1,309,000	\$ 13,090	95%	\$ 12,436	
C8	Service Retail/ Medical	6,545	\$ -	\$ -	100%	\$ -	\$ -	90%	\$ -	No parking.
C9	Destination use / Non-retail	26,870	\$ -	\$ -	70%	\$ -	\$ -	95%	\$ -	No parking.
Historic 1	Restaurant	11,333	\$ 75.00	\$ 849,975	100%	\$ 849,975	\$ 8,500	95%	\$ 8,075	
Historic 2	Fitness	11,320	\$ -	\$ -	100%	\$ -	\$ -	95%	\$ -	
Historic 3	Restaurant	5,871	\$ 100.00	\$ 587,100	100%	\$ 587,100	\$ 5,871	95%	\$ 5,577	
Historic 4	Office	8,230	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	
Historic 5	Restaurant	3,759	\$ 100.00	\$ 375,900	100%	\$ 375,900	\$ 3,759	95%	\$ 3,571	
Historic 6/New retail	Office	1,935	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	no parking
Historic 7	Admin	5,277	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	
Historic 8	Admin	12,385	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	
Total		221,484	46.69	\$ 10,341,375		\$ 9,410,805	\$ 94,108		\$ 87,670	Total Sales Tax Projection
									\$ (13,150)	Retail Displacement Rate
									\$ 74,520	Net Sales Tax Proceeds

Note:

Buildings C1 & C2: Would work for Public/civic/office/library/specialty events that do not generate sales taxes. Not feasible as retail due no no adjacent parking, no visibility (view blocked by other buildings) and distance from Whittier Boulevard.

Building C9: Building location not suitable for retail. No parking and poor visibility.