Pacific Gateway
Economic Impact Analysis

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March 2023

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SAN JOAQUIN COUNTY
PACIFIC GATEWAY ECONOMIC BENEFITS ANALYSIS

INTRODUCTION

This summary report estimates key economic benefits to San Joaquin County's economy resulting from development of the proposed Pacific Gateway, a 1,623-acre primarily industrial park planned in Unincorporated San Joaquin County. The northernmost boundary of the site is approximately one mile south of the City of Tracy's city limits. Pacific Gateway development plans include 27.66 million square feet of industrial space that includes supporting office space, plus a supporting Business Park, Retail space, and a Veterans of Foreign Wars (VFW) Hall, as shown in Table 1. In addition, 67 acres of Pacific Gateway is slated for the future home of the University of Silicon Andhra (University), an existing private four-year university currently located in the San Francisco Bay Area. The University envisions development of just over 1.4 million square feet of academic space.

Pacific Gateway as a whole, inclusive of the University Campus, is estimated to total 29.3 million square feet of space, and will be developed in stages over the course of an estimated 30 years. The property is divided into four different districts, to be developed sequentially. An exception is the development of the University District, which will overlap the timing of the other districts. The Initial Phase of development will include 2.8 million square feet of industrial space in the East District along with two components in the East District – the VFW Hall and the University's Medical School.

Table 1. Pacific Gateway, Size and Construction Schedule

District	Use	Total Square Feet	Years of Construction (1) Start	End	Years
Initial Phase					
East District	Industrial	2,800,000	2026	2029	3
University District	VFW Hall	10,000	2026	2029	3
University District	Medical School	140,100	2026	2029	3
Total		**2,950,100**	**2026**	**2029**	**3**
Balance of East District					
East District	Industrial	6,340,000	2029	2037	8
Total Development					
East District	Industrial	9,140,000	2026	2037	11
West District	Industrial	8,190,000	2037	2044	7
Central District	Industrial	10,330,000	2044	2056	12
University District	VFW Hall	10,000	2026	2027	1
	Business Park	93,654	2028	2032	4
	Retail	83,354	2028	2035	7
		27,847,008	2026	2056	30
University District	University Campus	1,442,600	2026	2045	20
Total		**29,289,608**	**2026**	**2056**	**30**

Sources: Ridgeline Property Group; and Page Architects.
(1) The overall construction schedule will be determined over time, but these working assumptions were developed to support economic impact analysis of project construction.

After completion of the Initial Phase, which is estimated to require three years, another eight years is anticipated to develop the balance of the East District, comprising another 6,340,000 square feet of industrial space.

The University of Silicon Andhra plans phased development as well, with the Medical School planned in the Initial Phase and numerous academic buildings planned in subsequent phases, including buildings to support biotechnology/health sciences, linguistics, performing arts, and vocational studies, among other educational pursuits. The Medical School building comprises approximately 10% of the 1.4 million square feet of planned University Campus development. The total development horizon of the University Campus will be determined over time; however, for the sake of this analysis, full development of the University Campus is assumed to transpire over a 20-year time period. The Industrial Park, University Campus, Retail spaces, and Business Park will be phased independent of each other based on market demand for each unique use.

ALH Urban & Regional Economics (ALH Economics) obtained summary information about Pacific Gateway from Ridgeline Property Group (RPG) and key parties involved in the project's planned development to support the preparation of select preliminary estimates and projections of the economic benefits to San Joaquin County during construction and upon occupancy stabilization. These benefits were prepared for Pacific Gateway's industrial core and other ancillary land uses, plus the planned University Campus. ALH Economics reviewed the provided information for reasonableness.

SCOPE OF ANALYSIS

Detailed analysis prepared by ALH Economics and documented in a series of linked spreadsheets provides key estimates and projections on the following topics, both for the industrial and commercial employment-generating uses at Pacific Gateway and the University Campus.

- Construction period job impacts and associated local economic benefits;
- Project employment;
- Annual economic impacts from business spending and household spending of Project employees living locally; and
- Annual economic impacts from University spending and spending of students living locally; and
- Annual combined economic impacts of Pacific Gateway and the University.

For Pacific Gateway and the University, construction and operating impacts were estimated for the Initial Phase of development, the balance of the East District, and total development. The impacts were estimated separately and then combined, to show the full combined impacts of both major developments at completion of each of these milestones. The fully annotated spreadsheets documenting the analysis are maintained in ALH Economics' files.

ECONOMIC IMPACT ANALYSIS OVERVIEW

The impact of an economic stimulus (i.e., new or expanding business, real estate development, new educational institution, etc.) on the local economy is greater than the total of the spending on construction or the payroll and spending associated with the project's operational components. This is because a portion of the money spent by the developer (construction), or the Project's tenants (operations), is spent again in the local economy by the employees and vendor businesses. Employees

use their salaries and wages to purchase goods and services from other businesses. Businesses make local vendor purchases and hire employees, who also spend their salaries and wages throughout the local economy. A chain reaction of indirect and induced spending continues, with subsequent rounds of additional spending gradually diminished through savings, taxes, and expenditures made outside the immediate region. This economic ripple effect is measured by what is known as an "Input-Output" economic model, which uses a series of "multipliers" to provide estimates of the portion of each dollar of "input," or direct spending, that is re-spent in the local economy in terms of "indirect and induced output," or additional spending, labor income, and employment. For the purpose of this analysis, Pacific Gateway and the University of Silicon Andhra comprise the direct economic stimuli, or project, at the center of the economic impact analysis.

The secondary impacts of supplier expenditures and employee spending are called multiplier effects. Multiplier effects are a way of representing the larger economic effects on the local economy. The multiplier effects translate an increase in ***output*** (defined as cost of intermediate inputs + employee compensation + proprietor income + taxes in production and imports) into a corresponding increase in jobs and labor income. In essence, the multiplier effect represents the recycling of local spending. This recycling process creates new business opportunities.

The types of economic impacts typically measured by multipliers are as follows:

- ***Direct impacts*** refer to impacts from the economic activities associated with the project, i.e., just the project's jobs, associated employee earnings, and output stemming from project spending (be it individual businesses occupying a development or a large institution).

- ***Indirect impacts*** measure output (gross sales), jobs, and labor income associated with the local business and organizations that **support** the project's activities. Indirect impacts are the changes in inter-industry purchases as they respond to new demands of directly affected industries. Said another way, Indirect impacts reflect the spending related to construction and ongoing operations of the project tenants, as well as spending by suppliers purchasing goods and services from second-, third-, and fourth-generation suppliers in order to meet the demand generated by the project.

Induced impacts accrue when employees of project businesses or institutions and indirect industry employees spend their wages on local goods and services. These expenditures in turn stimulate other sectors in the local economy. Induced impacts typically reflect changes in spending from households as income increases or decreases due to changes in production. The jobs and labor income at local retail and service establishments that result from these consumer purchases are considered induced employment and labor income impacts.

There are several input-output models used by economists to estimate multiplier effects. ALH Economics used the IMPLAN input-output model to develop the estimates of project output, jobs, and labor income impacts. The IMPLAN model examines inter-industry relationships in the different scale economies. For the Pacific Gateway project analysis, ALH Economics relied on IMPLAN to provide estimates of indirect and induced output, employment, and income impacts based on multipliers for San Joaquin County.

IMPLAN multipliers indicate the ratio of direct impacts to indirect and induced impacts, or total impacts. For example, an output multiplier of 1.25 indicates that $1.00 dollar of direct spending (output) generates an additional $0.25 in indirect and induced spending within the subject geography. Put

differently, a spending multiplier of 1.25 can be interpreted as indicating that $1.00 of direct spending generates total spending of $1.25. In the case of employment impacts, the multipliers measure the number of total jobs supported by every 1 direct job, e.g., an employment multiplier of 1.6 indicates that every one direct job generates 0.6 indirect and induced jobs.

CONSTRUCTION PERIOD IMPACTS

The project's construction period economic benefits to San Joaquin County are summarized below, for the Initial Phase, the balance of the East District, and total development. Initial Phase development includes 2.8 million square feet of East District industrial space, the University Medical School, and the University District VFW Hall. All other project components are assumed to be built later, during subsequent phases.

The project's non-recurring construction impacts in San Joaquin County are estimated to be quite significant, as laid out in Table 2. Highlights of these findings are summarized below:

Initial Phase Construction

- Based on the estimated amount of construction costs, and a 3-year construction timeframe, the Initial Phase of development is anticipated to support an average of 917 full-time equivalent direct construction and related jobs in San Joaquin County per year, with related jobs including a range of other occupations, such as architectural and engineering services, legal, planning, marketing, and leasing commissions, etc. These jobs will account for a total of $218 million in construction and related worker earnings in San Joaquin County, averaging $72.8 million every year for 3 years.

- In all of San Joaquin County, the Initial Phase construction activity is estimated to result in a total increase in economic activity, or the value of goods and services (output), of nearly $600,000, approximately 3,676 direct, indirect, and induced jobs, and $272 million in payroll (or labor income) during the construction period. Annualized, these countywide figures total approximately $192 million in economic activity, 1,225 jobs, and $91 million in earnings.

- On average, the output multiplier for the Initial Phase construction impacts throughout San Joaquin County is 1.34. This means that for every $1 million of construction expenditures, an additional $400,000 in economic activity is generated in the County's economy. Similarly, a 1.39 jobs multiplier means that for every direct construction job created in the County, an additional 0.39 jobs are supported at other County businesses.

Table 2. Combined Construction Impact, Pacific Gateway including University of Silicon Andhra
San Joaquin County, 2022 Dollars

	Direct Impact			Total Impact		
District	Jobs	Labor Income	Output	Jobs	Labor Income	Output
Initial Phase (3-Year Construction Period)						
East District (Industrial) (1)	2,088	$163,567,790	$306,355,302	2,804	$205,283,637	$431,673,946
University District (VFW) (2)	20	$1,554,742	$2,911,963	27	$1,951,259	$4,103,140
University District (Med School)	642	$53,261,354	$104,788,302	846	$65,212,954	$140,489,566
Total	2,750	$218,383,885	$414,055,566	3,676	$272,447,850	$576,266,653
Annual Average	917	$72,794,628	$138,018,522	1,225	$90,815,950	$192,088,884
Balance of East District (8-Year Construction Period following Initial Phase)						
East District (Industrial) (2)	4,728	$370,364,209	$693,675,933	6,348	$464,820,807	$977,433,150
Total	4,728	$370,364,209	$693,675,933	6,348	$464,820,807	$977,433,150
Annual Average	591	$46,295,526	$86,709,492	794	$58,102,601	$122,179,144
Initial Phase and Balance of East District (11-Year Construction Period)						
Total	**7,478**	**$588,748,095**	**$1,107,731,499**	**10,025**	**$737,268,658**	**$1,553,699,803**
Annual Average	**935**	**$73,593,512**	**$138,466,437**	**1,253**	**$92,158,582**	**$194,212,475**
All Districts (30-Year Construction Period)						
East District	6,816	$533,931,999	$1,000,031,234	9,152	$670,104,445	$1,409,107,097
West District	6,031	$472,423,860	$884,829,185	8,097	$592,909,451	$1,246,780,142
Central District	5,404	$423,320,723	$792,861,163	7,256	$531,283,195	$1,117,191,396
Total Industrial Districts	18,251	$1,429,676,582	$2,677,721,582	24,505	$1,794,297,090	$3,773,078,635
University District (4)	6,400	$529,324,741	$1,037,547,427	8,439	$648,666,497	$1,394,251,326
Total (All Districts)	**24,651**	**$1,959,001,323**	**$3,715,269,009**	**32,944**	**$2,442,963,587**	**$5,167,329,960**
Annual Average	**822**	**$65,300,044**	**$123,842,300**	**1,098**	**$81,432,120**	**$172,244,332**

Sources: IMPLAN; and ALH Urban & Regional Economics.
(1) The Initial Phase of Pacific Gateway industrial construction comprises 2.8 million square feet.
(2) The non-University Campus portion of the University District includes a Veterans of Foreign Wars (VFW) Hall in the Intial Phase.
(3) The balance of East District industrial space comprises 6,340,000 square feet, assumed to be developed after the Initial Phase.
(4) Includes non-University Campus development of Veterans of Foreign Wars (VFW) Hall, Business Park, and Retail, as well as the University of Silicon Andhra.

Initial Phase and Balance of East District Construction

- After the Initial Phase is developed, the Balance of East District is anticipated to be built over the next 8 years. Thus, an 11-year period is estimated for build out of the Initial Phase and the East District.
- The impacts associated with the Balance of East District will begin upon completion of the Initial Phase, thus they are sequential to the Initial Phase. However, to simplify the presentation, the impacts of each construction effort are averaged over the 11-year period. Thus, the direct economic impacts of the Initial Phase and the Balance of the East District are estimated to comprise 935 annual construction jobs, $74 million in annual employee earnings, and $138 million in annual output.
- Inclusive of all multiplier impacts, construction of the Initial Phase and Balance of East District over 11 years is estimated to result in total impacts of 1,100 jobs per year, $81 million in employee earnings, and $172 million in economic output.

Total Project Construction

- The entire development horizon for Pacific Gateway and the University is estimated to extend over 30 years. The estimated construction costs of later phases greatly exceed the Initial Phase and Balance of East District construction costs, especially with respect to the University. As a result, on an annual average basis over 30 years, the entire project construction effort is estimated to support 822 direct and related construction jobs in San Joaquin County. These jobs are forecast to generate almost $2.0 billion in total earnings, averaging $65 million per year over all 30 years. The direct construction impacts also include an estimated $3.7 billion in output, averaging $124 million per year.

- Throughout San Joaquin County, the entire project's construction activity is estimated to result in a $5.2 billion increase in economic activity, approximately 33,000 direct, indirect, and induced jobs, and close to $2.5 billion in payroll (or labor income) during the construction period. These countywide figures annually average approximately $172 million in economic activity, 1,100 jobs, and $81 million in earnings. These annual amounts are estimated to occur every year for the project's 30-year development period.

- As with the Initial Phase construction, the overall construction multipliers are 1.39 for output and 1.34 for jobs.

ANNUAL OPERATIONAL ECONOMIC IMPACTS

Pacific Gateway (Excluding the University)

Pacific Gateway's ongoing operational impacts are grouped into direct impacts plus countywide indirect and induced impacts. Direct impacts include the Pacific Gateway business employment, labor income (payroll), and output (value of goods and services produced). Estimated permanent employment is shown in Table 3, assuming a conservative 5% vacancy rate, while overall operational impacts are shown in Table 4. The impacts of local business spending are reflected in indirect impacts and the impacts of employee household spending are reflected in induced impacts.

- Pacific Gateway excluding the University is anticipated to employ approximately 26,600 people upon completion and occupancy stabilization, with an average wage of $66,700 (Table 3). Most of the jobs will be in the warehousing/distribution sector, as approximately 90% of the industrial space is anticipated to be occupied by businesses engaged in logistics.

- After development of just the Initial Phase, including 2.8 million square feet of East District industrial space and the VFW Hall in the University District, employment is estimated at approximately 3,000, or 11% of the Pacific Gateway total. This employment will increase to 9,814 after Balance of East District completion, or 37% of the total.

- The approximately 26,600 total Pacific Gateway workers are estimated to have a combined annual payroll (or labor income) of almost $1.8 billion (Table 4). Of this, $200 million will be earned by the Initial Phase employees and $657 million will be earned by the Initial Phase and Balance of East District employees. These jobs will be located in San Joaquin County. In all

likelihood many of these workers will also live in San Joaquin County, but many may live in surrounding counties.

Table 3. Pacific Gateway (Excludes University Campus)
Permanent Jobs by District at Build Out (1)

Development District and Industry Type	Total Square Feet	Total Employees (1)
East District	**10,330,000**	**9,814**
Warehousing/Distribution		8,832
Light Manufacturing		981
West District	**9,140,000**	**8,683**
Warehousing/Distribution		7,815
Light Manufacturing		868
Central District	**8,190,000**	**7,781**
Warehousing/Distribution		7,002
Light Manufacturing		778
University District (2)	**83,354**	**295**
VFW Hall (3)		0
Business Park		137
Retail		158
Total All Districts	**27,743,354**	**26,572**
Initial Phase Development (2)	2,810,000	3,006
Balance of East District (4)	6,340,000	6,807
Initial Phase and Balance of East District	9,150,000	9,814
Average Wage (5)		**$66,748**

Sources: ALH Urban & Regional Economics.

(1) The analysis conservatively assumes a 5% vacancy factor based on historic Central Valley occupancy rates for industrial space.

(2) The University District only includes a business park, supporting retail space, and the VFW Hall. The VFW Hall is anticipated to be developed in the Initial Phase, concurrent with 2.8 million square feet of East District industrial space and the Medical School. Employee counts for the University Campus are shown in a separate table.

(3) The analysis assumes no permanent employees at the VFW Hall.

(4) The balance of East District industrial space comprises 6,340,000 square feet, assumed to be developed after the Initial Phase.

(5) Deduced from Table 4.

- The direct annual value of goods and services produced by all of the Pacific Gateway tenants is estimated at nearly $4.0 billion (Table 4). Of this, nearly $450 million is attributable to the Initial Phase and $1.5 billion is attributable to Initial Phase and Balance of East District development.

- Pacific Gateway's total impact on economic activity in San Joaquin County is estimated at $5.9 billion, including the direct output impacts of the tenant businesses and the indirect and induced impacts at other local businesses. In total, Pacific Gateway could directly and indirectly support approximately 38,500 jobs and an estimated $2.5 billion in payroll earnings in San Joaquin County, based on the development assumptions used in this analysis (Table 4). Of these impacts, the Initial Phase impacts will comprise approximately $664 million in economic activity (output), 4,400 jobs, and nearly $280 million in payroll earnings. Adding in the Balance of East District impacts will total $2.1 billion in output, nearly 14,250 jobs, and approximately $910 million in payrolls earnings.

Table 4. Annual Tenant Operations Impacts, Pacific Gateway (Excluding University Campus), San Joaquin County, 2022 dollars

	Direct Impact			Total Impact		
District	Jobs	Labor Income	Output	Jobs	Labor Income	Output
Initial Phase (1)	3,006	$201,208,159	$448,029,002	4,364	$278,596,153	$664,228,833
Balance of East District (2)	6,807	$455,592,760	$1,014,465,669	9,881	$630,821,289	$1,504,003,857
Total	**9,814**	**$656,800,919**	**$1,462,494,671**	**14,245**	**$909,417,441**	**$2,168,232,690**
All Districts						
East District	9,814	$656,800,919	$1,462,494,671	14,245	$909,417,441	$2,168,232,690
West District	8,683	$581,138,471	$1,294,017,550	12,604	$804,653,961	$1,918,455,643
Central District	7,781	$520,735,676	$1,159,519,008	11,294	$721,019,249	$1,719,053,798
University District (3)	295	$14,958,033	$30,924,769	383	$19,962,874	$45,196,366
Total	**26,572**	**$1,773,633,099**	**$3,946,955,999**	**38,527**	**$2,455,053,525**	**$5,850,938,496**

Source: ALH Urban & Regional Economics.
(1) The Initial Phase includes 2.8 million square feet of East District industrial space and the University District VFW Hall.
(2) The balance of East District industrial space comprises 6,340,000 square feet, assumed to be developed after the Initial Phase.
(3) The University District includes a Business Park, retail space, and the VFW Hall. Operations impacts for the University Campus are shown in a separate table.

- In summary, the direct annual ongoing impacts of just Initial Phase development of Pacific Gateway are estimated to total approximately 3,000 jobs, $200 million in annual earnings, and $450 million of economic activity. Taking into account all indirect and induced impacts, the Initial Phase total impacts are estimated to comprise about 4,400 jobs, $280 million in earnings, and $664 million in economic activity.

UNIVERSITY OF SILICON ANDHRA FINDINGS

Similar to Pacific Gateway, the University's ongoing operational impacts are grouped into direct impacts plus countywide indirect and induced impacts. Direct impacts include the University employment, labor income (payroll), and output (value of goods and services produced). Estimated permanent employment and student enrollment is shown in Table 5, while overall operational impacts are shown in Table 6. Indirect impacts include the impacts of University spending in the local economy, while induced impacts include the impacts of employee household spending and all student household spending impacts.

- The University is anticipated to employ 300 faculty and staff upon full development (Table 5). Student enrollment is estimated to total 5,000, with 80% of students assumed to live in San

Joaquin County.[1] The Initial Phase of the University leads with development of the Medical School, which is anticipated to have 57 faculty and staff and 325 students.

Table 5. University of Silicon Andhra
Number of Employees and Students

Development Phase and Student Type	Faculty & Staff	Students
Medical School (Initial Phase)	**57**	**325**
Full-Time		325
Part-Time		0
Subsequent Phases	**243**	**4,675**
Full-Time		2,375
Part-Time		1,800
On-Line		500
Total All Phases	**300**	**5,000**
Percent Living in San Joaquin County (1)		80%

Sources: University of Silicon Andhra; and ALH Urban & Regional Economics.
(1) This factor is only relevant to the University's student population.

- The annual ongoing economic impacts of the University's operations are presented in Table 6. This indicates that Initial Phase development of the Medical School is anticipated to result in direct impacts of the aforementioned 57 jobs, $2.4 million in employee earnings, and $4.1 million in increased economic activity in San Joaquin County. When considering indirect and induced impacts, plus the impacts of student spending, the total Initial Phase impacts increase to 88 jobs, $4.0 million in wages, and $10.8 million in economic activity.

- When fully built out and operational, the University's direct impacts are forecasted to total 300 jobs, $12.8 million in employee earnings, and $21.7 million in increased economic activity in San Joaquin County. With all economic impacts taken into consideration, these impacts are anticipated to grow to approximately 585 jobs, $27.1 million in employee earnings, and $86.0 million in annual economic activity.

[1] This 80% estimate was provided by a representative of the University of Silicon Andhra.

Table 6. University of Silicon Andhra, Annual Economic Impact
University Operations and Student Spending, San Joaquin County, 2022 Dollars

	Direct Impact			Indirect Impact		
University Phase	Jobs	Labor Income	Output	Jobs	Labor Income	Output
Medical School (Initial Phase)	57	$2,440,445	$4,122,065	4	$194,276	$677,622
Subsequent Phases	243	$10,404,002	$17,573,013	16	$828,229	$2,888,809
Total Annual Impacts	**300**	**$12,844,447**	**$21,695,077**	**20**	**$1,022,505**	**$3,566,431**

	Induced Impact			Total Impact		
University Phase	Jobs	Labor Income	Output	Jobs	Labor Income	Output
Medical School (Initial Phase)	27	$1,376,816	$6,023,874	88	$4,011,537	$10,823,560
Subsequent Phases	239	$11,874,814	$54,761,946	498	$23,107,045	$75,223,768
Total Annual Impacts	**267**	**$13,251,630**	**$60,785,820**	**586**	**$27,118,581**	**$86,047,328**

Sources: IMPLAN; and ALH Urban & Regional Economics.

TOTAL PACIFIC GATEWAY OPERATIONAL ECONOMIC IMPACT FINDINGS

The operational economic impact estimates for Pacific Gateway and the University were combined in one summary table to present the overall annual impacts of all planned property development. As shown in Table 7, the Initial Phase development of Pacific Gateway and the University is estimated to result in a total annual economic impact of approximately 4,450 jobs in San Joaquin County, annual employee earnings totaling approximately $283 million, and overall annual economic activity in the County of $675 million. With the addition of the Balance of East District, these total annual impacts increase to 14,300 jobs, $913 million in employee earnings, and nearly $2.2 billion in economic activity.

Table 7. Annual Tenant Operations Impacts, Pacific Gateway and University of Silicon Andhra
San Joaquin County, 2022 Dollars

	Direct Impact			Total Impact		
District	Jobs	Labor Income	Output	Jobs	Labor Income	Output
Initial Phase	**3,063**	**$203,648,604**	**$452,151,067**	**4,452**	**$282,607,689**	**$675,052,393**
East District (1)	3,006	$201,208,159	$448,029,002	4,364	$278,596,153	$664,228,833
University District (VFW)	0	$0	$0	0	$0	$0
University District (Med School)	57	$2,440,445	$4,122,065	88	$4,011,537	$10,823,560
Balance of East District (2)	**6,807**	**$455,592,760**	**$1,014,465,669**	**9,881**	**$630,821,289**	**$1,504,003,857**
Initial Phase and Balance of East District	**9,871**	**$659,241,364**	**$1,466,616,736**	**14,333**	**$913,428,978**	**$2,179,056,250**
Total All Districts	**26,735**	**$1,786,477,546**	**$3,968,651,077**	**39,113**	**$2,482,172,106**	**$5,936,985,824**
East District	9,814	$656,800,919	$1,462,494,671	14,245	$909,417,441	$2,168,232,690
West District	8,683	$581,138,471	$1,294,017,550	12,604	$804,653,961	$1,918,455,643
Central District	7,781	$520,735,676	$1,159,519,008	11,294	$721,019,249	$1,719,053,798
University District	458	$27,802,481	$52,619,847	970	$47,081,455	$131,243,694

Source: ALH Urban & Regional Economics.
(1) The Initial Phase includes 2.8 million square feet of East District industrial space.
(2) The balance of East District industrial space comprises 6,340,000 square feet, assumed to be developed after the Initial Phase.

After all planned construction is completed, the total annual economic impact is estimated to comprise approximately 39,100 jobs, nearly $2.5 billion in employee earnings, and almost $6.0 billion in countywide economic activity.

SUMMARY AND CONCLUSIONS

In summary, construction of Pacific Gateway, including the University Campus, is estimated to generate significant economic impacts in San Joaquin County. Initial Phase development of approximately 11% of the industrial park and the University of Silicon Andhra Medical School is forecast to support 1,225 jobs per year for 3 years, as well as generate $91 million annually in construction and related worker earnings, and $192 million annually in economic activity in San Joaquin County. Adding in the Balance of East District industrial space changes these figures annually over 11 years to almost 800 jobs, $58 million in earnings, and $122 million in economic activity.

Over the entire 30-year development horizon for Pacific Gateway and the University Campus, the annual impacts are approximately 1,100 jobs, $82 million in employee earnings, and $173 million in economic activity. Thus, development of this project will serve as a strong economic engine in San Joaquin County for decades. Overall, for each construction job, another 0.34 jobs are estimated to be formed in the County. And for each $1.0 million in construction dollars spent in the County, another $400,000 in economic activity will be generated.

Once complete, the project will continue to have significant economic impacts. And until all construction is complete, the ongoing impacts will be **in addition** to the construction impacts. Based on the current development program, the first major portions of the development will be complete in 2037, with construction continuing until 2056. Therefore, for close to 20 years, the County will benefit from both construction and operations impacts, with the operations impacts ramping up with each successive year of product completion and occupation.

When complete, the Initial Phase and Balance of East District development is estimated to support approximately 14,300 jobs in San Joaquin County, annual employee earnings totaling approximately $913 million, and overall annual economic activity in the County of $2.2 billion. Adding in the construction impacts for subsequent development suggests the annual economic impact will total 15,540 jobs, $1.0 billion in employee earnings, and nearly $2.4 billion in economic activity. These impacts will then increase substantially once the next major Pacific Gateway District and more development of the University is complete.

Once all construction is finished, and the project is fully operational, the annual impacts are forecast to increase to approximately 39,100 jobs, nearly $2.5 billion in employee earnings, and almost $6.0 billion in countywide economic activity. Thus, Pacific Gateway and the University Campus will be strong and significant contributors to San Joaquin County's economy, fueling countywide growth.

The preceding findings are sensitive to the selection of a range of assumptions. In preparing the preceding analysis, ALH Economics attempted to select reasonable values for each of these assumptions, all of which are documented in the ALH Economics project files. If different assumptions or values are selected, however, the economic impact values would be different than estimated herein.

This summary report is subject to the following Assumptions and General Limiting Conditions.

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.