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RETAIL MARKET OPPORTUNITY AND
FEASIBILITY ANALYSIS FOR A SITE IN
HAYWARD, CALIFORNIA

WORKING DRAFT
NOVEMBER, 2016

PREPARED FOR:
BAPD



Executive Summary

To: BAPD
From: The Concord Group
Date: November 11, 2016
Re: Strategic Feasibility Analysis for Commercial Site in Hayward, California

Bay Area Property Developers (“BAPD” or “Client”) is evaluating the feasibility and public benefit of the retail component of a mixed-use development in Hayward, California. At this time, BAPD requires The Concord Group (“TCG”) to provide a strategic retail market opportunity and feasibility analysis for the site gauging the economic viability of the existing retail assets. Additionally, BAPD has also asked TCG to provide a high level summary of the economic benefit created by the project. ***Please reference Exhibit III-0 for a list of key terms associated with this analysis.***

The following memorandum and technical appendices outline TCG’s findings and conclusions:

Subject Recommendations

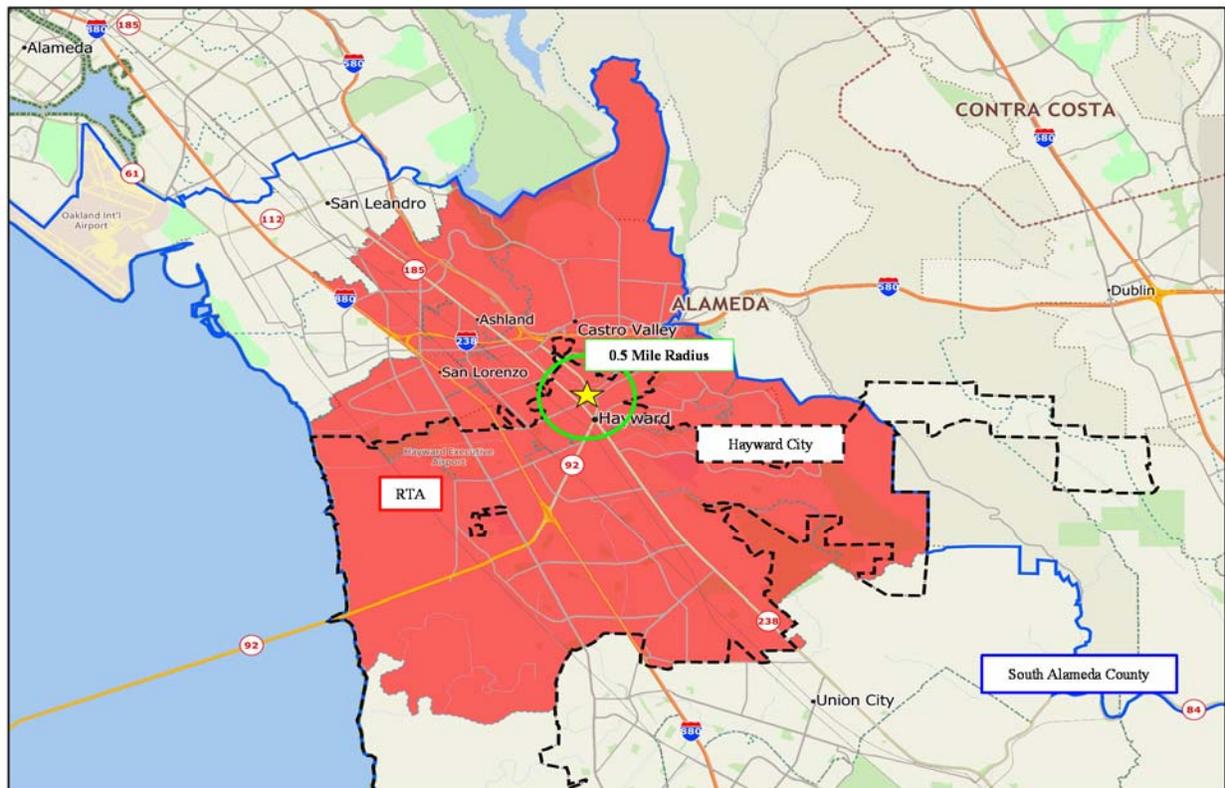
- The Site is located in Downtown Hayward, which has been historically characterized as being a largely commercial area. The Site is surrounded by older residential communities, vacant land and commercial buildings, industrial/flex space and B-class retail.
- Site currently operates as a private parking lot for retail customers, vacant commercial buildings (Bryman College, Hayward Medical Center, etc.). Remaining commercial tenants in the Site include Wienerschnitzel, TCB Auto Sales and 4 Your Business. Surrounding proximate neighborhood developments include, Ramos Furniture, CVS, Dollar Tree and AT&T.
- Due to a “tucked-away” orientation with blocked views from main thoroughfares, the Site experiences dismal traffic counts on a daily basis (only 3,782 drivers per day on Main Street and only 2,227 drivers per day on Maple Court) relative to neighboring retail nodes (49,000+ drivers per day through Downtown Hayward via Foothill Boulevard – 210,000+ drivers per day along I-880). Furthermore, the orientation and general outlay and feel of the surrounding neighborhood will not be suitable for an ideal walkable, window-front mixed-use retail.
- For the proposed commercial space, the Retail Trade Area (“RTA”), represents the geographic source of competitive supply. Due to the unique nature of the city boundaries of Hayward, the RTA is defined by ZIP codes of parts of the following cities: Hayward, Castro Valley, San Leandro and San Lorenzo. In order to understand the Site’s advantages/disadvantages relative to the overall RTA, special attention was placed on the Local Area (0.5 mile radius of the Site).
- Given the Local Area market metrics, TCG concludes that the Site will earn the following rents if commercial development is pursued:
 - Retail: Between \$17.50 to \$20.00/SF/year
- Given weak revenue potential at the site and given TCG’s deep experience evaluating development in the local RTA, financial feasibility for vertical construction of the proposed type remains dubious. FuE-00
- ture market conditions are unlikely to improve revenue figures given the site’s weak regional location. TCG concludes that commercial development in this location at current will not be financially feasible.
- Given existing market conditions in the RTA and the Local Area, the commercial land use at the Site holds no distinct competitive advantage over any existing or future retail developments. Based on current vacancies and demand projections, rents for retail uses will be mediocre at best for years to come.

Fiscal and Economic Benefit

- As a significant new development in Downtown Hayward, the project will create material benefits to the City and the region.
- In addition to preserving and improving a ±48,000 square foot medical office building serving local residents, preserving and creating high-end local employment, the project will have meaningful benefit on the local community in terms of city taxes, spending in local businesses and the overall activation of an

underused site. The current building is also 2/3 vacant. As the project progresses and improvements are completed, it is likely that the occupancy and activation of the medical offices improves dramatically.

- With 240 units and a projected population of more than 440 people, the project's future residents will spend more than \$1.9MM annually in Hayward's retail establishments, generating \$19,000 of retail sales taxes flowing directly into the City's coffers.
- Additionally, with 52,000 square feet of commercial space, \$15MM of spending will occur *on site*, generating \$156,000 in retail sales tax share for the City of Hayward.
- As a new, high-end community, the project will also generate significant property tax for the City. Based on a conservative assumption on rents, project valuation and approximate property taxes, the City will collect more than \$270,000 annually in property taxes once the project is complete.
- The project will also create jobs – more than 314 construction jobs during its development and as many as 116 permanent jobs once complete. Please see Exhibit I-18 for more detail.



Commercial Market Analysis

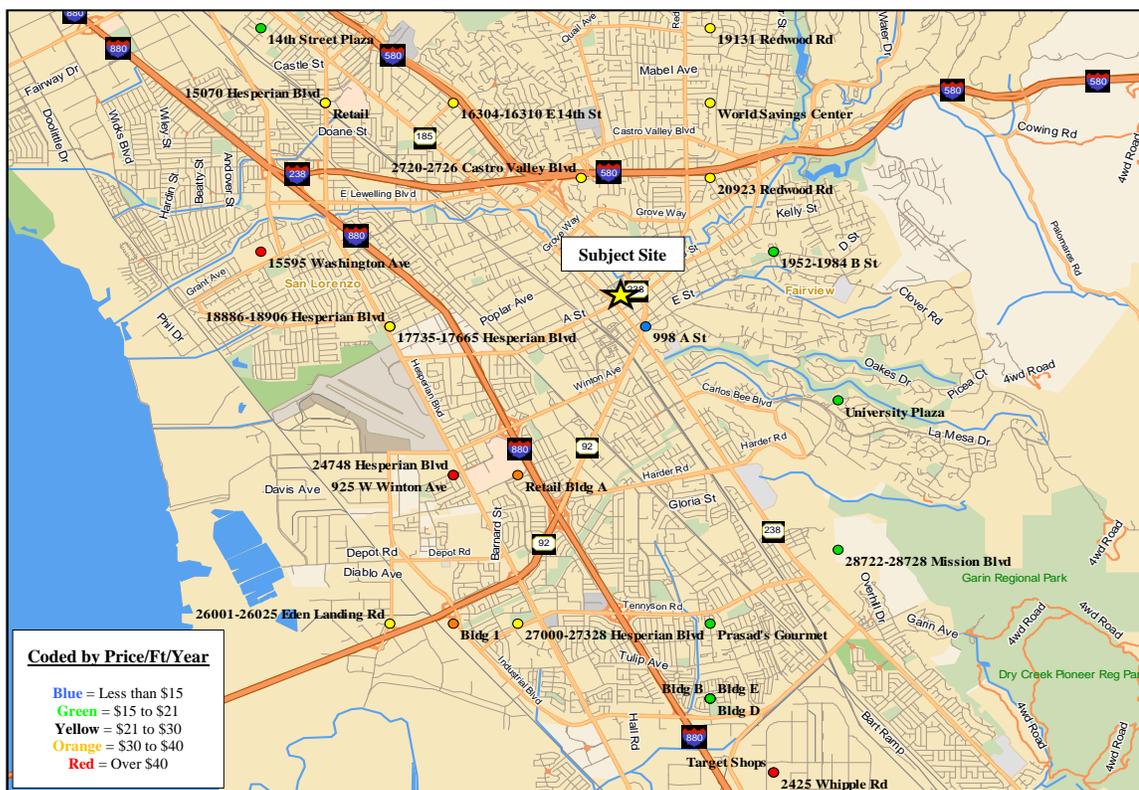
Market Metrics

- The commercial market within the RTA has historically been characterized by moderate deliveries and vacancy rates. Since 2011, the RTA has delivered approximately 250,000 SF of new retail, while maintaining an average vacancy rate of about 4.10%. However, the situation in the Local Area is quite different, with only 10,200 RBA delivered since 2009 and an average vacancy rate of 6.08%.
- For commercial product types, South Alameda County, The City of Hayward, RTA and the Local Area rental rates remain far below peak pricing. Depressed rental rates have caused not only local inventory to suffer but also inhibited the financial feasibility for additional commercial development.
- Over the past five quarters, the Local Area has been steadily lowering retail rental rates. This divergence from all the other key geographies highlights the overall underperformance and weaknesses of retail space most proximate to the Site

- Current rental rates in the RTA and Local Area for retail (\$19.45 and \$14.32, respectively) have lagged behind the rates seen in South Alameda County (\$21.60). See Exhibits I-4 and I-5.

Inventory and Pipeline

- The commercial market recovery in the RTA has been sluggish and uneven; occupancy remains low at 74%. There is a total 75,445 direct available space for the select comps in the RTA.
- The pipeline for future retail sites projects 102,840 of RBA delivering in the next five years in the RTA, which is much lower than the 927,732 RBA demanded. The superior locations of future retail sites and the remaining direct available retail space indicates that the financial feasibility of a retail location on the subject site will be strained, as achievable rents will be below average.
- The pipeline for future retail sites projects 64,000 of RBA delivering in the next five years in the Local Area, which is slightly higher than the 50,448 of RBA demanded. TCG concludes that the Local Area will be oversupplied by 13,552 RBA of retail through 2020.
- 27 retail spaces in Hayward were surveyed. Triple net leases range from \$25.59 (average) to \$52.00 (highest). Average product vintage is 1990.



* * * *

This assignment was completed by Beau Brand under the direction of Tim Cornwell. We have enjoyed working with you on this assignment and look forward to our continued involvement with your team. If you have any questions, please do not hesitate to call.



LIST OF EXHIBITS

I. TECHNICAL APPENDIX

1. Regional Location and Submarket Delineation
2. Employment Trends
3. Submarket Performance
4. Retail Inventory Performance
5. Macro Market Performance
6. Selected Competitive Retail Space
7. Retail Inventory Map
8. Planned and Proposed Retail Development
9. Planned and Proposed Retail Map
10. Consumer Spending Capacity
11. Retail Opportunity Gaps
12. Supportable Retail Development Forecast
13. Retail Supply vs. Demand
14. Local Setting
15. Traffic Count Analysis
16. Product Program Positioning
17. Fiscal Benefits

18. Economic Benefits

II. GLOSSARY OF KEY TERMS

I. TECHNICAL APPENDIX

EXHIBIT I-1

REGIONAL LOCATION & SUBMARKET DELINEATION
SOUTH ALAMEDA COUNTY; CALIFORNIA
JUNE 2016

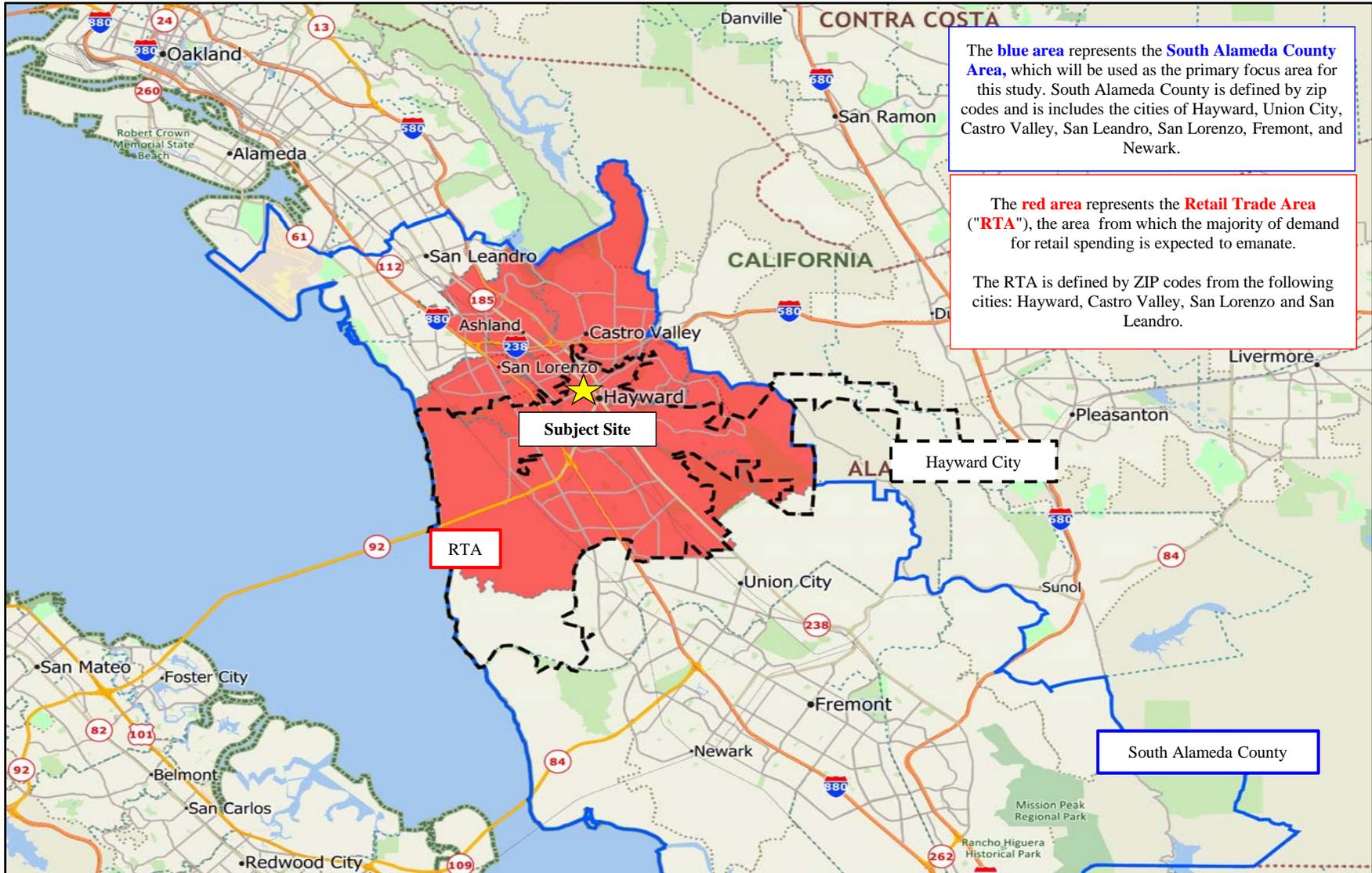


EXHIBIT I-1

REGIONAL LOCATION & SUBMARKET DELINEATION
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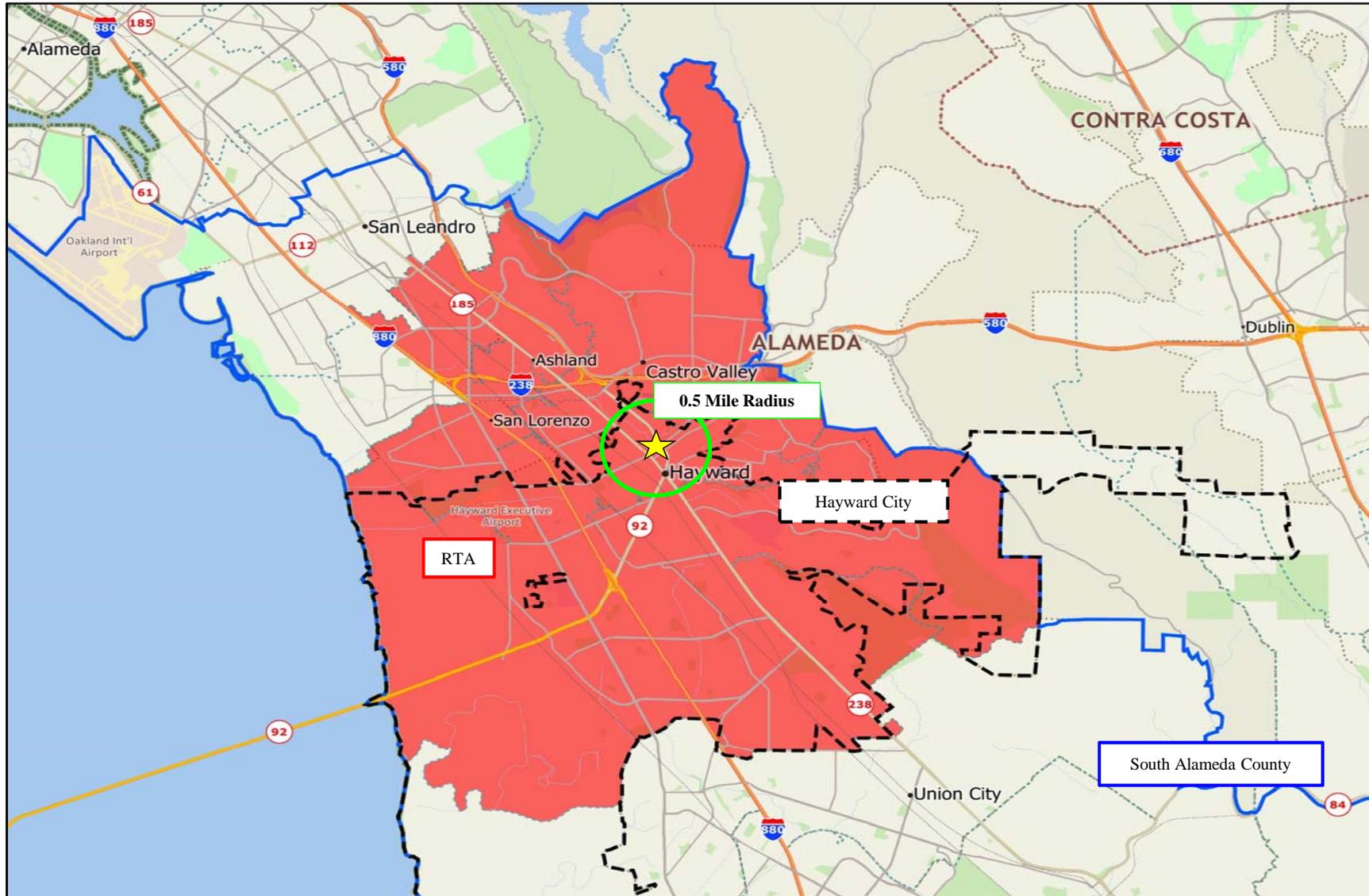
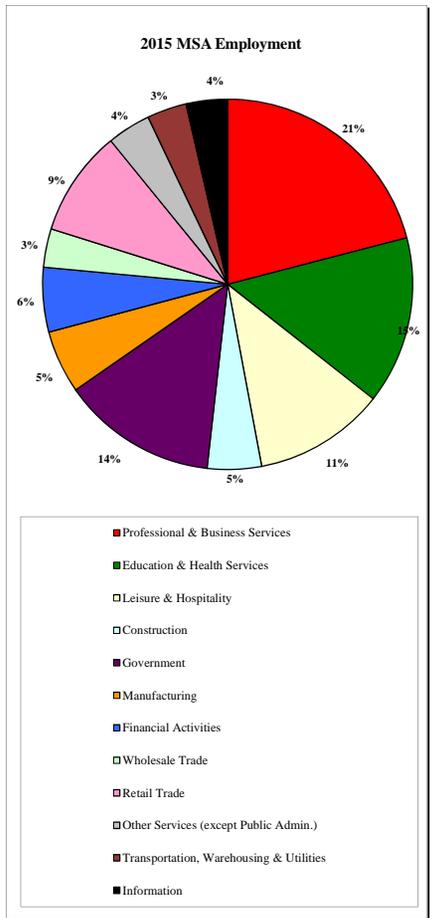
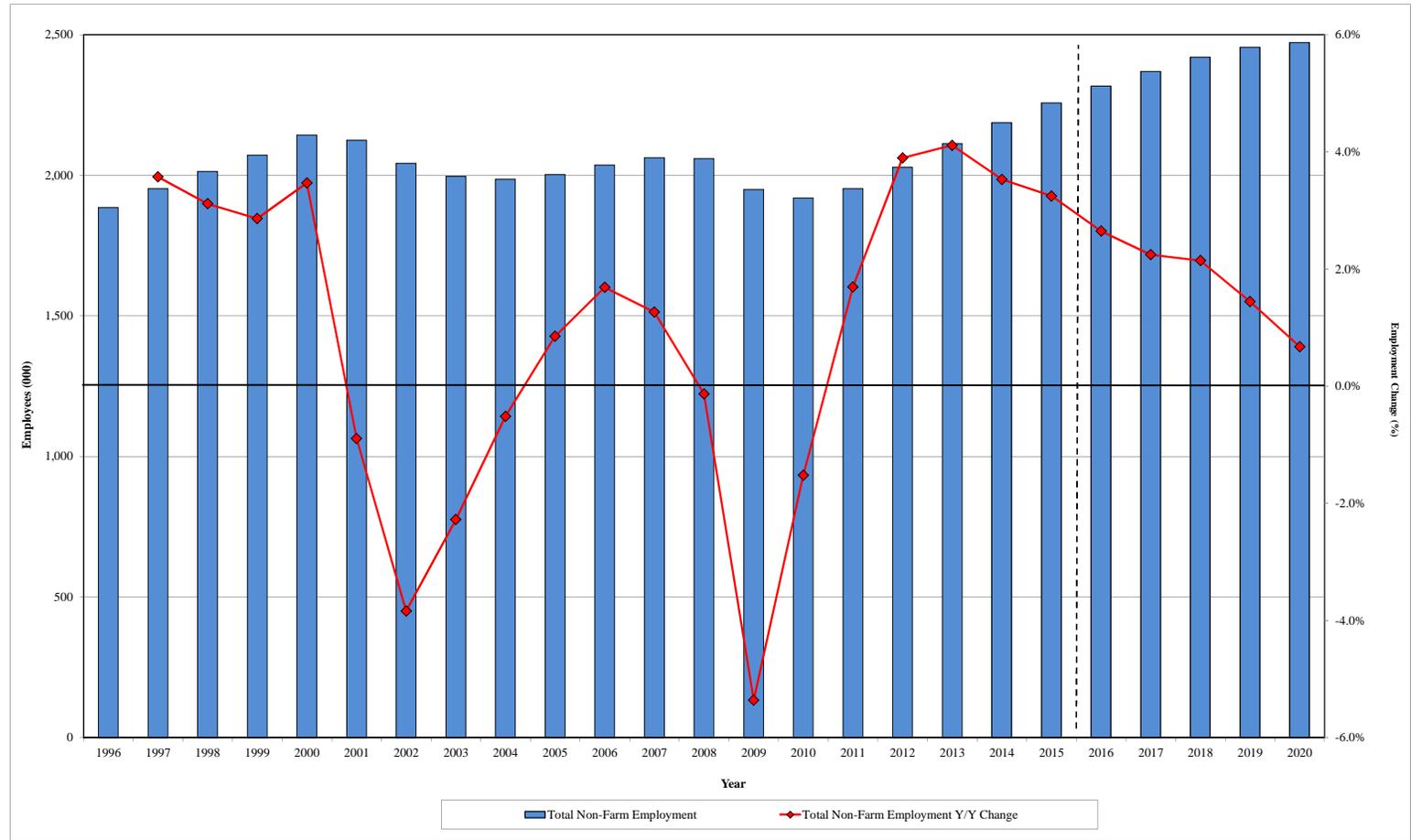


EXHIBIT I-2
 HISTORICAL EMPLOYMENT TRENDS
 SAN FRANCISCO-OAKLAND-HAYWARD MSA
 1996 THROUGH 2020

Employment Industry	Annual Employment (000s)															Forecast					Ann. Growth			% MSA Employment									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	'10-15	'15-'20	#	2015	2020	Nominal	%	
San Francisco-Oakland-Hayward MSA	314.1	334.2	351.7	369.4	397.4	372.4	337.4	322.4	325.8	337.5	352.0	364.2	375.8	352.2	352.7	371.1	399.2	420.0	443.3	473.1	495.4	516.2	535.0	547.2	552.6	6.1%	3.2%	15.9	21%	22%	1.4%	6.7%	
Professional & Business Services	202.2	210.2	222.2	227.9	223.3	226.9	230.5	239.1	243.3	245.7	252.7	259.9	273.3	280.5	281.8	281.9	294.1	317.6	324.9	330.3	339.9	349.3	359.9	368.5	373.8	3.2%	2.5%	8.7	15%	15%	0.5%	3.3%	
Education & Health Services	177.3	180.2	182.6	186.2	190.2	194.8	193.8	193.0	194.7	199.1	205.5	212.3	215.8	207.3	208.5	215.9	226.9	238.2	249.8	258.4	265.2	271.6	277.7	282.4	285.1	4.4%	2.0%	5.3	11%	12%	0.1%	0.8%	
Leisure & Hospitality	78.4	85.8	93.6	103.8	111.6	117.9	112.0	110.7	111.9	114.1	116.4	117.1	109.3	88.7	79.8	80.8	87.5	94.7	100.6	106.4	111.4	116.7	120.8	122.7	123.8	5.9%	3.1%	3.5	5%	5%	0.3%	6.3%	
Construction	292.7	292.6	296.3	304.0	308.9	309.1	317.2	314.0	310.0	313.0	317.4	320.9	315.6	308.2	301.6	300.2	297.8	297.5	301.8	306.4	307.1	305.8	305.6	306.1	307.4	0.3%	0.1%	0.2	14%	12%	-1.1%	-8.4%	
Government	170.8	176.6	179.3	175.3	177.7	168.3	152.1	142.0	140.7	136.8	137.9	136.5	133.8	119.7	115.7	116.4	116.3	117.7	121.0	123.8	125.0	126.3	127.0	126.6	125.1	1.4%	0.2%	0.2	5%	5%	-0.4%	-7.8%	
Manufacturing	143.6	144.6	145.5	147.3	149.8	158.5	154.7	153.5	150.4	152.2	150.7	144.9	137.1	124.8	122.2	121.2	123.7	126.6	127.8	127.5	129.5	132.9	136.1	138.1	139.0	0.9%	1.7%	2.3	6%	6%	0.0%	-0.4%	
Financial Activities	80.7	83.6	85.5	85.5	86.6	87.1	82.4	78.3	75.8	74.8	75.6	75.9	74.5	68.3	65.9	66.9	69.8	72.6	74.7	75.6	76.6	78.6	80.5	81.6	82.0	2.8%	1.6%	1.3	3%	3%	0.0%	-0.9%	
Wholesale Trade	193.7	199.9	203.3	209.5	215.0	215.4	209.5	205.3	203.8	205.8	206.9	208.2	203.4	189.9	187.1	188.3	193.3	199.0	204.3	209.4	215.2	216.9	222.1	223.3	223.3	2.3%	1.3%	2.8	9%	9%	-0.2%	-2.6%	
Retail Trade	68.2	71.2	72.0	72.1	72.8	76.5	76.9	75.3	73.5	72.5	73.2	74.8	75.4	72.7	72.8	74.5	77.1	79.7	82.9	85.9	88.2	90.2	91.9	92.8	93.0	3.4%	1.6%	1.4	4%	4%	0.0%	-1.0%	
Other Services (except Public Admin.)	96.0	99.7	100.4	99.8	100.3	97.0	89.0	82.8	79.9	78.7	77.9	75.7	71.0	67.9	68.2	70.4	73.4	76.5	78.1	79.9	80.2	80.7	80.8	80.6	80.6	2.8%	0.6%	0.5	3%	3%	-0.2%	-5.7%	
Transportation, Warehousing & Utilities	65.2	71.6	78.9	88.0	107.1	98.6	85.9	78.8	74.8	71.5	69.1	68.5	68.6	64.9	62.7	65.8	71.2	73.8	77.8	81.5	82.7	83.3	84.3	84.8	84.9	5.4%	0.8%	0.7	4%	3%	-0.2%	-4.9%	
Information	2.7	2.9	2.6	2.7	2.6	1.8	1.4	1.1	1.4	1.3	1.4	1.4	1.4	1.4	1.3	1.1	1.0	1.0	0.9	0.8	0.9	0.9	0.9	0.9	0.9	-9.0%	2.1%	0.0	0%	0%	0.0%	1.5%	
Natural Resources & Mining	1,885.6	1,953.0	2,013.9	2,071.5	2,143.4	2,124.3	2,042.7	1,996.2	1,985.9	2,002.9	2,036.6	2,062.4	2,059.7	1,949.3	1,919.7	1,952.2	2,028.3	2,111.7	2,186.3	2,257.3	2,317.0	2,369.0	2,419.9	2,454.8	2,471.3	3.3%	1.8%	42.8	100%	100%			
Total Non-Farm (000)																																	
YY Change (000)	67.4	60.8	57.7	71.9	-19.1	-81.6	-46.5	-10.3	16.9	33.8	25.8	-2.7	-110.4	-29.6	32.5	76.1	83.4	74.6	71.0	59.8	52.0	50.8	34.9	16.6									
% Change	3.6%	3.1%	2.9%	3.5%	-0.9%	-3.8%	-2.3%	-0.5%	0.9%	1.7%	1.3%	-0.1%	-5.4%	-1.5%	1.7%	3.9%	4.1%	3.5%	3.2%	2.6%	2.2%	2.1%	1.4%	0.7%									
Cumulative Gain/Loss:												3.9%			-6.9%											28.7%							

Returned to Peak: End of 2013



Note: All employment figures represent year end 16384.00 Employment Trends Exhibit Source: Moody's Economy.com updated 3/25/2016

EXHIBIT I-3

SUBMARKET PERFORMANCE - RETAIL
0.5 MILE RADIUS, CITY OF HAYWARD, RETAIL TRADE AREA, SOUTH ALAMEDA COUNTY
JUNE 2016

	0.5 Mile Radius	Hayward	Area	
			RTA	South Alameda County
Demographics				
Population ('16)	7,476	157,968	307,963	735,517
Households ('16)	3,132	49,959	102,595	241,465
Annual Growth (#, '16-'21)	41	684	1,305	3,096
Annual Growth (% , '16-'21)	1.3%	1.3%	1.2%	1.3%
Household Size ('16)	2.4	3.2	3.0	3.0
Median Household Income ('16)	\$50,035	\$65,756	\$66,235	\$81,013
Median Household Income ('21)	\$55,886	\$71,609	\$71,986	\$89,517
Annual Growth (% , '16-'21)	2.2%	1.7%	1.7%	2.0%
Consumer Spending Patterns (2015) (1)				
Consumer Expenditures (\$000s)	\$89,444	\$1,751,486	\$3,554,475	\$9,021,680
Retail Sales (\$000s)	\$162,468	\$1,645,177	\$2,403,528	\$6,842,324
Spending Inflow / (Leakage)	\$73,024	(\$106,309)	(\$1,150,948)	(\$2,179,356)
2016 Q1 Market Performance (All Retail Space)				
Rentable Building Area (SF)	1,450,400	7,743,078	11,907,827	30,532,995
4Qtr % Change	0.0%	0.0%	0.1%	0.7%
L4Q Deliveries (SF)	0	400	11,984	223,808
4Qtr Net Absorption (SF)	12	41	74	232
Vacancy Rate	7.3%	4.6%	4.6%	5.4%
Vacant Stock (SF)	105,879	356,182	547,760	1,648,782
Asking Rent (Per SF/Yr; NNN)	\$14.32	\$18.46	\$19.38	\$20.43
4Qtr % Change	-9.8%	8.8%	5.6%	3.7%

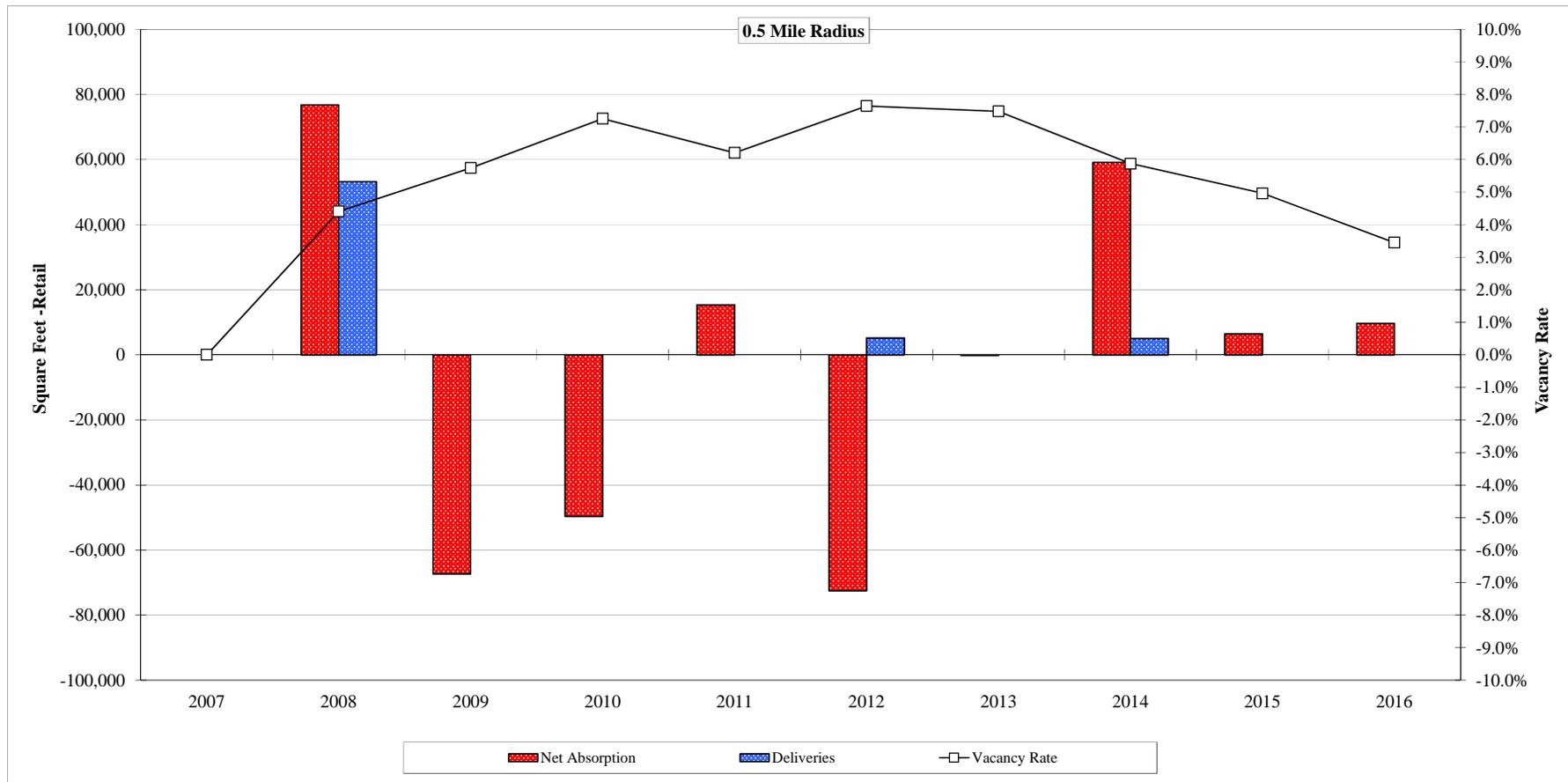
Sources: Claritas; CoStar

(1) Non automobile-related

EXHIBIT I-4

RETAIL INVENTORY PERFORMANCE
0.5 MILE RADIUS; MAPLE AND MAIN STREET, HAYWARD
2007 THROUGH Q1 2016

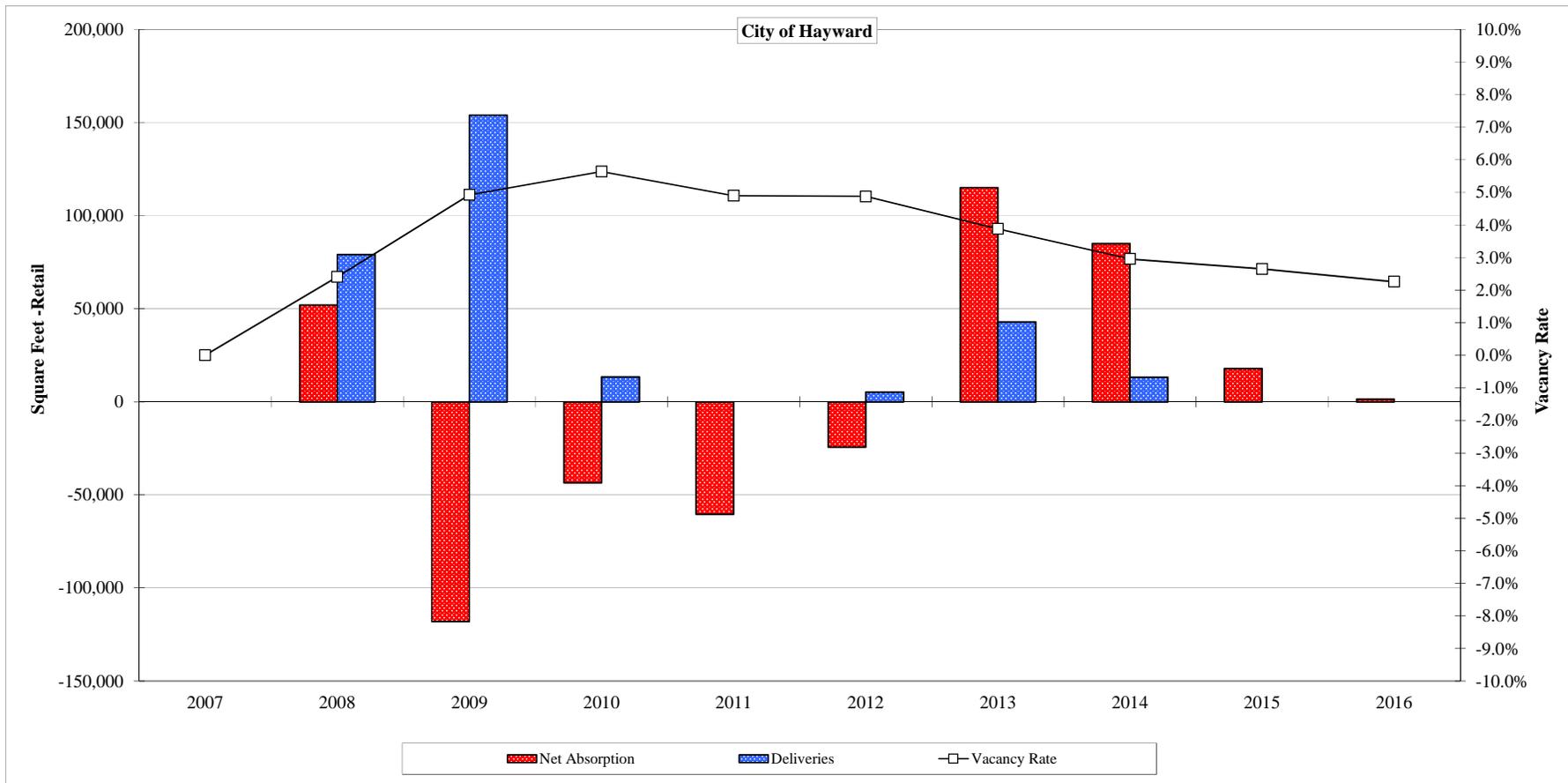
Market Factor	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>0.5 Mile Radius</i>										
Rental Building Area	1,519,257	1,533,088	1,550,690	1,502,513	1,488,934	1,456,284	1,445,400	1,449,150	1,450,400	1,450,400
Net Absorption	617	76,762	(67,332)	(49,669)	15,314	(72,546)	(220)	59,166	6,459	9,671
Deliveries	700	53,223	0	0	0	5,200	0	5,000	0	0
Total Vacancy Rate	6.2%	4.4%	5.7%	7.3%	6.2%	7.6%	7.5%	5.9%	5.0%	3.4%
Vacant SF	94,000	67,537	89,029	109,044	92,420	111,401	108,174	85,146	71,979	49,999



Source: CoStar

EXHIBIT I-4
RETAIL INVENTORY PERFORMANCE
CITY OF HAYWARD, CALIFORNIA
2007 THROUGH Q1 2016

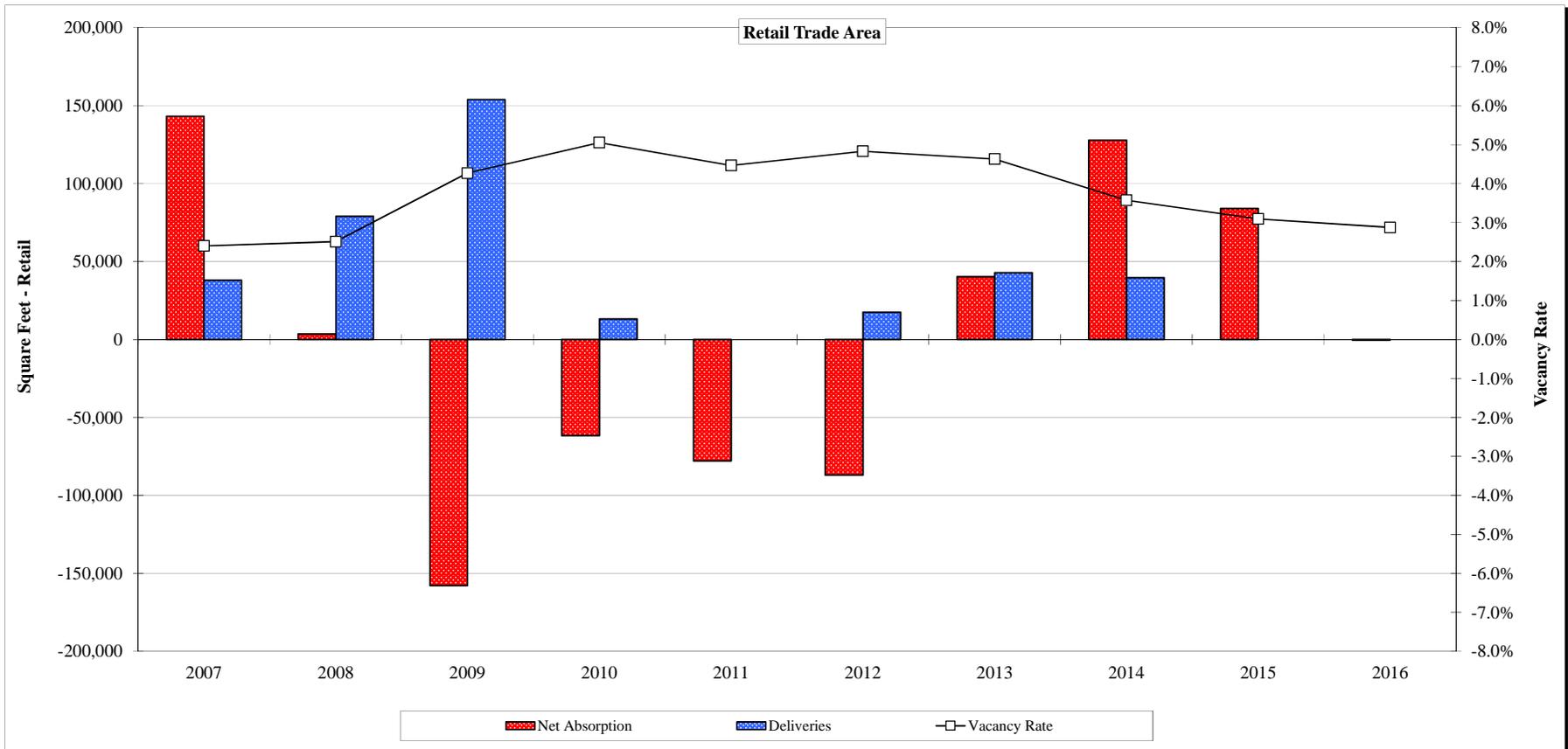
Market Factor	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>City of Hayward</i>										
Rental Building Area	7,765,418	7,767,429	7,822,267	7,873,134	7,856,124	7,732,275	7,742,371	7,769,115	7,743,078	7,743,078
Net Absorption	87,120	52,048	(117,963)	(43,449)	(60,463)	(24,303)	115,105	85,054	17,935	1,389
Deliveries	32,509	79,220	154,000	13,323	0	5,200	42,920	13,250	0	0
Total Vacancy Rate	2.5%	2.4%	4.9%	5.6%	4.9%	4.9%	3.9%	3.0%	2.7%	2.3%
Vacant SF	197,561	186,712	385,014	444,178	384,771	377,014	300,609	229,611	205,423	174,829



Source: CoStar

EXHIBIT I-4
RETAIL INVENTORY PERFORMANCE
RETAIL TRADE AREA
2007 THROUGH Q1 2016

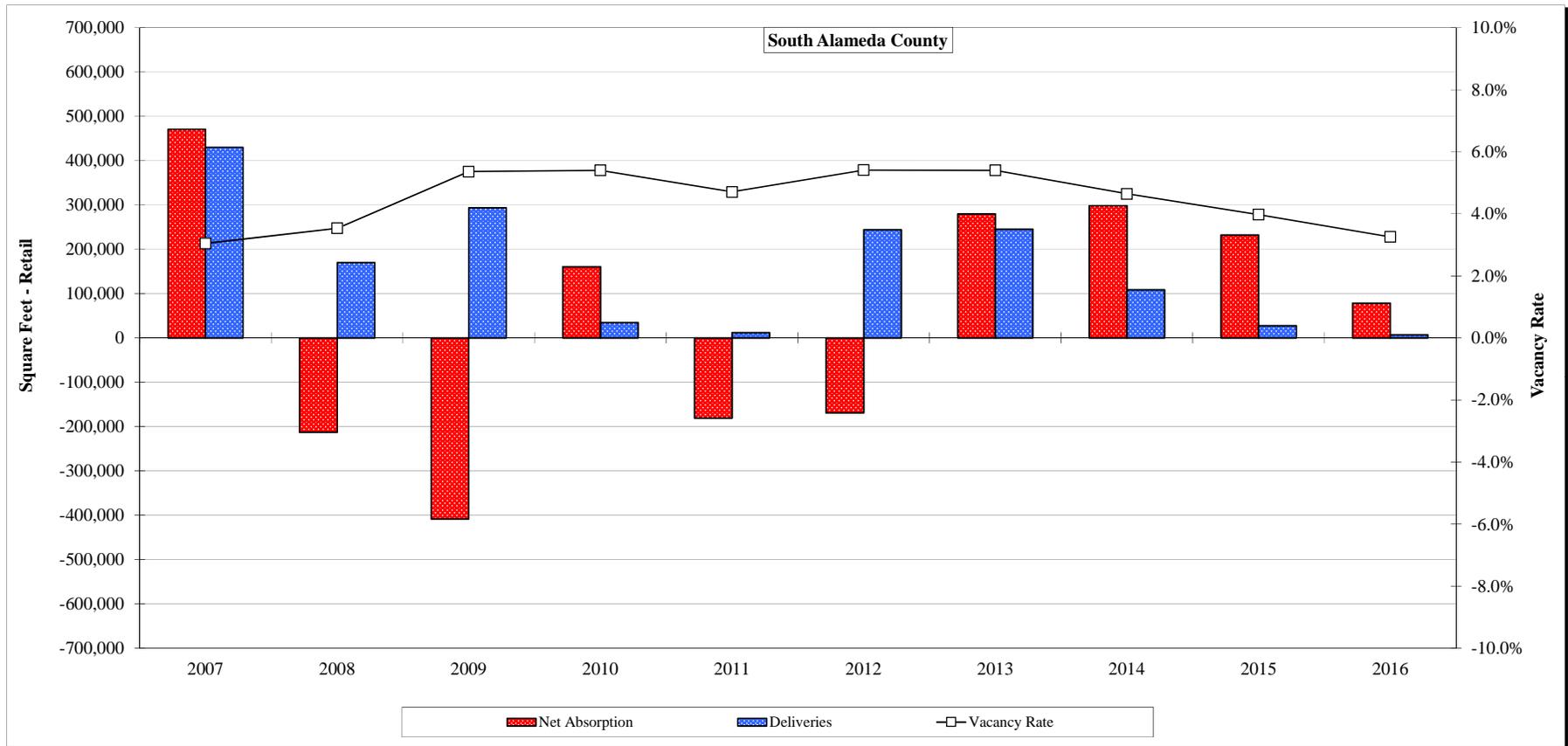
Market Factor	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>Retail Trade Area</i>										
Rental Building Area	11,991,185	11,989,372	12,020,134	12,068,921	12,047,789	11,886,001	11,889,352	11,935,896	11,914,301	11,907,827
Net Absorption	143,304	3,637	(157,749)	(61,551)	(77,731)	(86,931)	40,422	127,797	84,103	(225)
Deliveries	38,094	79,220	154,000	13,323	0	17,607	42,920	39,650	0	0
Total Vacancy Rate	2.4%	2.5%	4.3%	5.1%	4.5%	4.8%	4.6%	3.6%	3.1%	2.9%
Vacant SF	288,146	301,341	513,337	609,683	537,973	574,324	550,585	426,556	368,622	342,628



Source: CoStar

EXHIBIT I-4
RETAIL INVENTORY PERFORMANCE
SOUTH ALAMEDA COUNTY, CALIFORNIA
2007 THROUGH Q1 2016

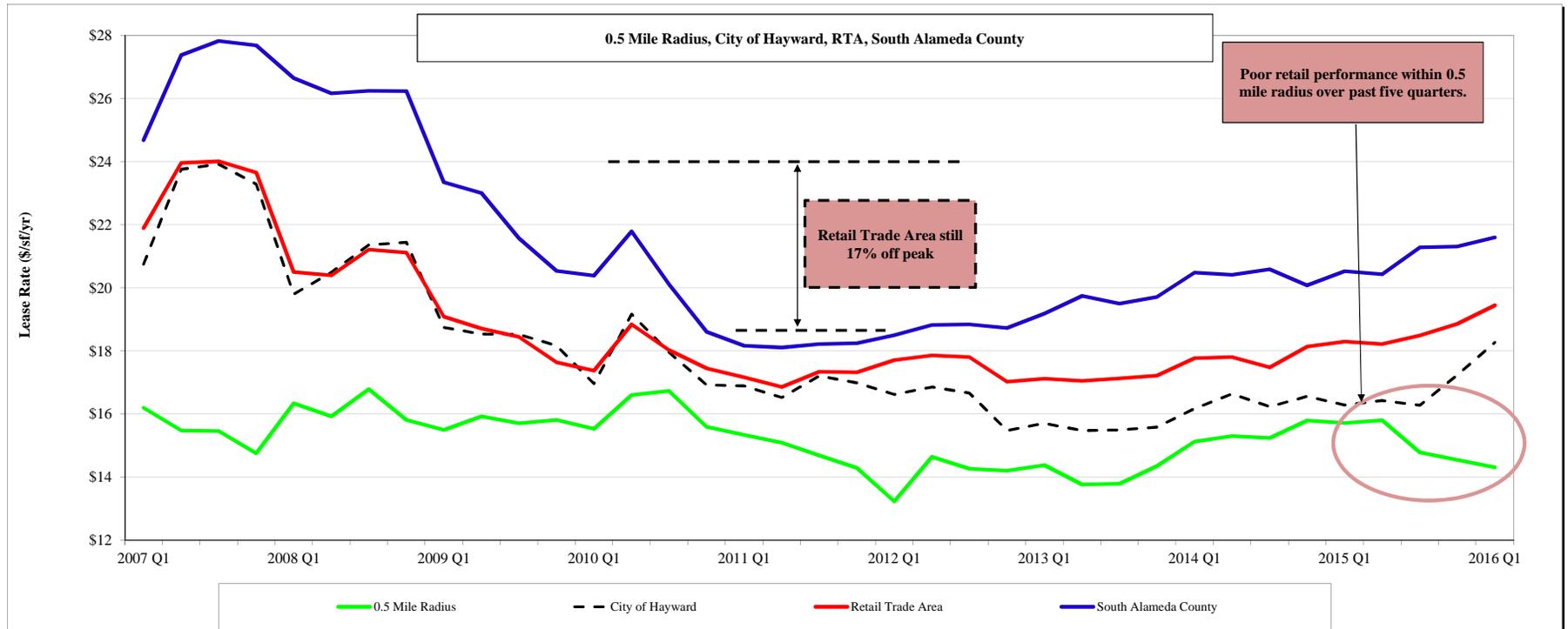
Market Factor	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>South Alameda County</i>										
Rental Building Area	30,299,498	30,391,485	30,498,773	30,565,820	30,503,590	30,328,302	30,453,759	30,596,031	30,551,673	30,532,995
Net Absorption	470,767	(212,606)	(408,782)	160,403	(180,620)	(169,202)	280,177	298,017	231,889	78,220
Deliveries	430,016	170,220	293,824	34,690	11,926	244,078	245,354	108,650	27,366	7,000
Total Vacancy Rate	3.0%	3.5%	5.4%	5.4%	4.7%	5.4%	5.4%	4.6%	4.0%	3.3%
Vacant SF	922,786	1,072,937	1,634,307	1,649,444	1,435,098	1,640,548	1,644,220	1,419,605	1,212,929	993,811



Source: CoStar

EXHIBIT I-5
RETAIL MACRO MARKET PERFORMANCE
0.5 MILE RADIUS, CITY OF HAYWARD, RETAIL TRADE AREA, AND SOUTH ALAMEDA COUNTY
2007 THROUGH Q1 2016

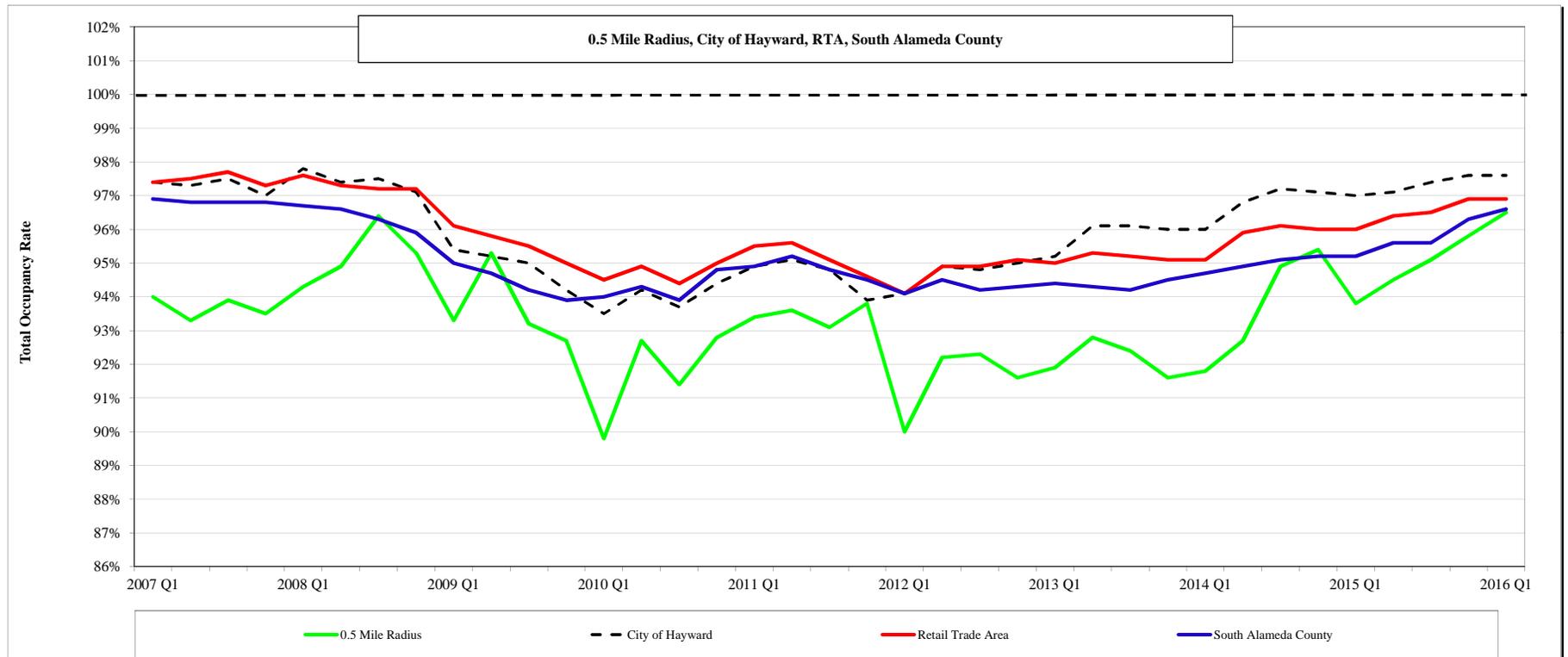
Market Factor	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
0.5 Mile Radius										
Rental Rate (Direct)	\$15.48	\$16.22	\$15.74	\$16.12	\$14.86	\$14.09	\$14.08	\$15.37	\$15.22	\$14.32
YY % Change	--	5%	-3%	2%	-8%	-5%	0%	9%	-1%	-6%
City of Hayward										
Rental Rate (Direct)	\$22.93	\$20.77	\$18.50	\$17.76	\$16.91	\$16.41	\$15.57	\$16.41	\$16.56	\$18.27
YY % Change	--	-9%	-11%	-4%	-5%	-3%	-5%	5%	1%	10%
Retail Trade Area										
Rental Rate (Direct)	\$23.38	\$20.81	\$18.47	\$17.93	\$17.18	\$17.60	\$17.13	\$17.80	\$18.47	\$19.45
YY % Change	18%	-11%	-11%	-3%	-4%	2%	-3%	4%	4%	5%
South Alameda County										
Rental Rate (Direct)	\$26.89	\$26.32	\$22.11	\$20.23	\$18.19	\$18.73	\$19.54	\$20.39	\$20.89	\$21.60
YY % Change	36%	-2%	-16%	-9%	-10%	3%	4%	4%	2%	3%



Source: CoStar

EXHIBIT I-5
RETAIL MACRO MARKET PERFORMANCE
0.5 MILE RADIUS, CITY OF HAYWARD, RETAIL TRADE AREA, AND SOUTH ALAMEDA COUNTY
2007 THROUGH Q1 2016

Market Factor	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
0.5 Mile Radius										
Occ. Rate (Total)	93.7%	95.2%	93.6%	91.6%	93.5%	91.5%	92.2%	93.7%	94.8%	96.5%
YY Change	--	-1.5%	1.6%	2.0%	-1.8%	2.0%	-0.7%	-1.5%	-1.1%	-1.7%
City of Hayward										
Occ. Rate (Total)	97.3%	97.5%	94.9%	94.0%	94.7%	94.7%	95.8%	96.8%	97.3%	97.6%
YY Change	--	-0.1%	2.5%	0.9%	-0.7%	0.0%	-1.1%	-0.9%	-0.5%	-0.3%
Retail Trade Area										
Occ. Rate (Total)	97.5%	96.4%	94.5%	92.4%	92.9%	91.4%	92.1%	93.9%	94.9%	95.4%
YY Change	-2.2%	1.1%	1.9%	2.1%	-0.5%	1.5%	-0.7%	-1.9%	-0.9%	-0.5%
South Alameda County										
Occ. Rate (Total)	96.8%	95.4%	92.8%	91.9%	92.5%	91.8%	92.6%	94.1%	94.6%	94.6%
YY Change	-1.6%	1.5%	2.6%	0.9%	-0.6%	0.6%	-0.7%	-1.5%	-0.6%	0.1%



Source: CoStar

EXHIBIT I-6
SELECTED COMPETITIVE INVENTORY
RETAIL TRADE AREA
JUNE 2016

Retail	City	Owner/Manager	Year Built	Building RBA	Direct Available	Occupancy	Rent/\$/s.f.		Lease Type
							/month	/year	
Retail Trade Area									
24748 Hesperian Blvd	Hayward	Amardeep Singh Sidhu	1969	4,247	4,247	0%	\$4.33	\$52.00	NNN
2425 Whipple Rd	Hayward	Lba Riv-co Xxiv Llc	2016	3,500	1,100	69%	4.00	48.00	NNN*
15595 Washington Ave	San Lorenzo	Mehdi & Fereshteh Mohammadian	1969	1,996	--	--	3.50	42.00	NNN*
Bldg I	Hayward	Mt Eden Llc	2014	8,250	7,563	8%	3.13	37.54	NNN
Target Shops	Hayward	NA	2002	17,408	3,583	79%	3.00	36.00	NNN
Retail Bldg A	Hayward	Arikat's Real Estate And Finance	2004	5,817	4,517	22%	3.00	36.00	NNN
20923 Redwood Rd	Castro Valley	Nunes California Properties Llc	1998	6,069	6,030	1%	2.50	30.00	NNN
27000-27328 Hesperian Blvd	Hayward	Park & Associates Llc Ii	1966	75,882	1,462	98%	2.40	28.80	NNN
2720-2726 Castro Valley Blvd	Castro Valley	Righetti Living 2015 Trust	2004	4,623	2,170	53%	2.25	27.00	NNN
26001-26025 Eden Landing Rd	Hayward	BR Commercial	2007	4,575	800	83%	2.25	27.00	NNN*
15099 Hesperian Blvd	San Leandro	Halcyon Place & Dennis Lanterman	1986	19,036	1,500	92%	2.25	27.00	NNN
World Savings Center	Castro Valley	Golden West Financial Corporation	1966	15,000	1,450	90%	2.25	27.00	NNN*
16304-16310 E 14th St	San Leandro	KST Real Estate Investments	1986	8,214	1,300	84%	2.00	24.00	NNN
17735-17665 Hesperian Blvd	San Lorenzo	Bohannon Development Company	1987	11,823	6,323	47%	2.00	24.00	NNN
18886-18906 Hesperian Blvd	Hayward	Morrison John K	1965	5,288	1,825	65%	1.85	22.20	NNN*
19131 Redwood Rd	Castro Valley	Gerald F & Gloria E Bonora	1973	10,114	1,204	88%	1.80	21.60	NNN*
15070 Hesperian Blvd	San Leandro	John & Elouise Sutter	1990	15,055	5,944	61%	1.75	21.05	NNN
Bldg D	Hayward	Rassier Properties	2005	12,069	3,948	67%	1.75	21.00	NNN
1952-1984 B St	Hayward	Picker Family Lp	2007	4,581	900	80%	1.67	20.04	NNN*
Bldg E	Hayward	Balch Investment Group	2003	11,143	3,640	67%	1.60	19.20	NNN*
14th Street Plaza	San Leandro	Tom V Eckardt Trust	1993	11,685	1,300	89%	1.50	18.00	NNN*
University Plaza	Hayward	Oldemiro Garcia	1990	18,400	3,058	83%	1.50	18.00	NNN
28722-28728 Mission Blvd	Hayward	McCrary Family Trust	1970	10,000	--	--	1.50	18.00	NNN*
Bldg B	Hayward	Rassier Properties	2003	11,475	2,264	80%	1.45	17.40	NNN
Prasad's Gourmet	Hayward	Bahar Tolu Revocable Trust	2003	6,416	3,250	49%	1.40	16.80	NNN
998 A St	Hayward	MacArthur Ltd	1966	4,377	4,377	0%	1.25	15.00	NNN
925 W Winton Ave	Hayward	Rue-ell Ents Inc	1990	5,580	1,690	70%	0.88	10.56	NNN*
Retail Trade Area Total:					312,623	75,445	76%		
Retail Trade Area Wtd. Average:			1990	11,579	3,018	74%	\$2.13	\$25.59	

Note: NNN* = lease type adjusted to triple net from modified gross or full service in order to facilitate direct comparison.

Note: Full Service Gross* = lease type adjusted to triple net from modified gross or full service in order to facilitate direct comparison.

Note: Comps shaded in grey fall within the 0.5 mile radius of the Subject Site.

EXHIBIT I-6
 SELECTED COMPETITIVE INVENTORY
 RETAIL TRADE AREA - DIRECT AVAILABLE
 JUNE 2016

Retail	Year Built	Building RBA	Direct Available	Occupancy
Retail Trade Area				
3295 Castro Valley Blvd	1966	39,375	39,375	0%
PHASE II	2017	20,000	20,000	0%
3846-3848 Castro Valley Blvd	1967	55,700	16,860	70%
15067-15081 Hesperian Blvd	1980	22,401	11,479	49%
20800-20966 Mission Blvd	1968	77,726	8,334	89%
Shops C	2017	8,000	8,000	0%
Bldg 1	2014	8,250	7,563	8%
Menlo Plaza	1989	16,407	7,000	57%
17735-17665 Hesperian Blvd	1987	11,823	6,323	47%
20923 Redwood Rd	1998	6,069	6,030	1%
15070 Hesperian Blvd	1990	15,055	5,944	61%
Shops A	2017	5,500	5,500	0%
NWC of Mission Blvd & Harder Rd	2016	4,800	4,800	0%
1200 Fairmont Dr	1982	15,309	4,746	69%
Retail Bldg A	2004	5,817	4,517	22%
998 A St	1966	4,377	4,377	0%
24748 Hesperian Blvd	1969	4,247	4,247	0%
Shops B	2017	4,000	4,000	0%
Bldg D	2005	12,069	3,948	67%
Bldg E	2003	11,143	3,640	67%
Target Shops	2002	17,408	3,583	79%
Prasad's Gourmet	2003	6,416	3,250	49%
University Plaza	1990	18,400	3,058	83%
1250 Fairmont Dr	1997	6,000	3,000	50%
256-280 Floresta Blvd	1984	12,000	2,500	79%
Bldg B	2003	11,475	2,264	80%
Bldg B	2003	11,475	2,264	80%
22872 Main St	1972	2,234	2,234	0%
2720-2726 Castro Valley Blvd	2004	4,623	2,170	53%
City Center Gateway	2003	80,742	1,865	98%
18886-18906 Hesperian Blvd	1965	5,288	1,825	65%
925 W Winton Ave	1990	5,580	1,690	70%
15099 Hesperian Blvd	1986	19,036	1,500	92%
27000-27328 Hesperian Blvd	1966	75,882	1,462	98%
World Savings Center	1966	15,000	1,450	90%
Hesperian Shopping Center	2004	5,098	1,395	73%
14th Street Plaza	1993	11,685	1,300	89%
16304-16310 E 14th St	1986	8,214	1,300	84%
19131 Redwood Rd	1973	10,114	1,204	88%
2425 Whipple Rd	2016	3,500	1,100	69%
24703 Amador St	1976	35,820	1,020	97%
22810 Foothill Blvd	1982	973	973	0%
1952-1984 B St	2007	4,581	900	80%
26001-26025 Eden Landing Rd	2007	4,575	800	83%
		724,187	220,790	70%
	1992	16,459	5,018	70%

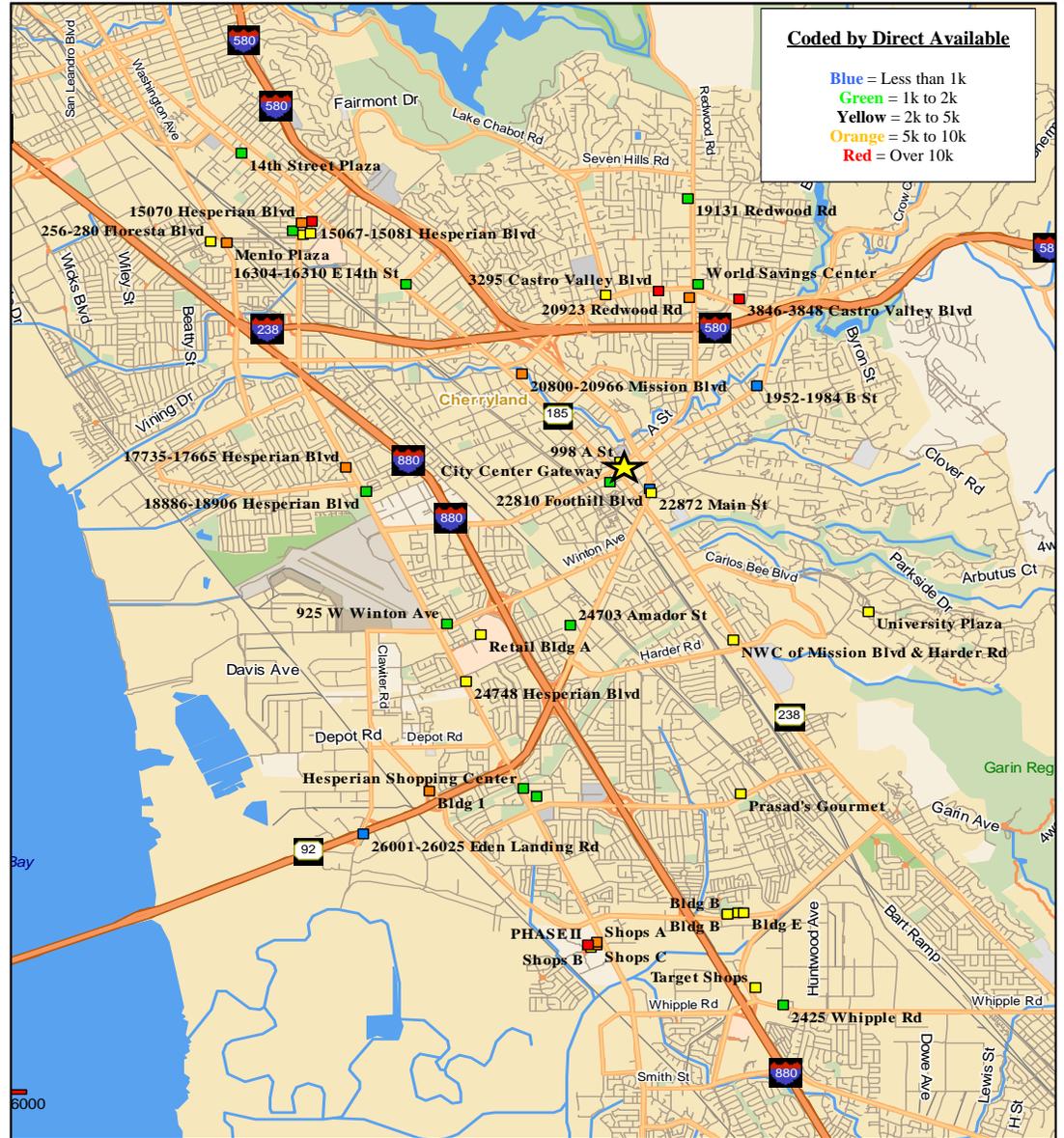


EXHIBIT I-7
 INVENTORY MAP
 RETAIL TRADE AREA
 JUNE 2016

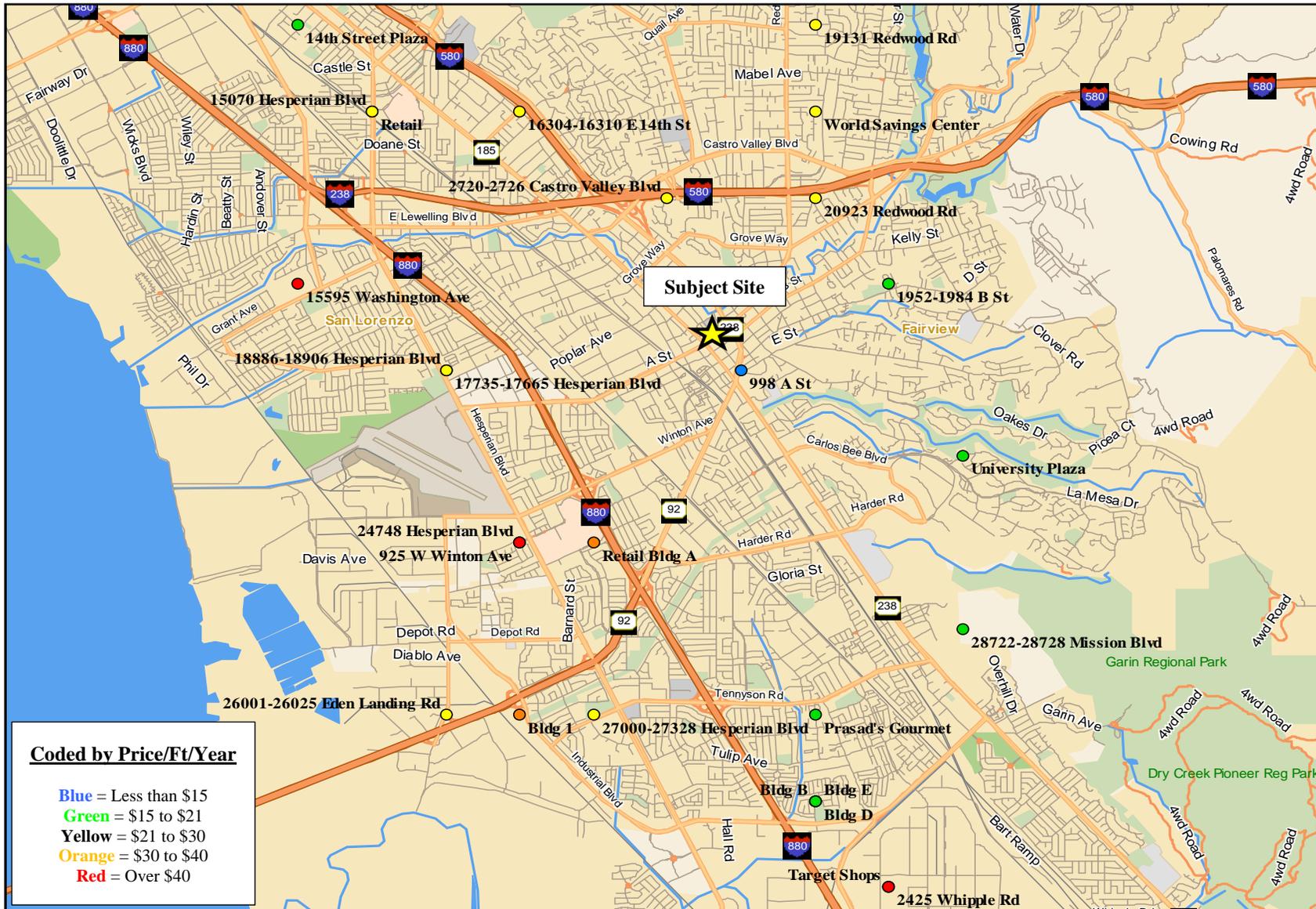


EXHIBIT I-8

**PROJECTED FUTURE SUPPLY - RETAIL
RETAIL TRADE AREA
JUNE 2016**

I. Submarket Overview

Status	Retail Trade Area
Under Construction	0
Approved	0
Proposed	128,550
Conceptual	0
Inactive	0
TOTAL	128,550

II. Future Delivery Projection - RTA

Status	Completion Likelihood	Planned and Proposed Projected Delivery (% of Likely Completions) ¹				
		2016	2017	2018	2019	2020+
Under Construction	100%	0%	0%	0%	0%	0%
Approved	95%	0%	0%	0%	0%	0%
Proposed	80%	6%	31%	0%	62%	0%
Conceptual	70%	0%	0%	0%	0%	0%
Inactive	30%	0%	0%	0%	0%	0%

Status	Total Pipeline	Proj. Units Completed	Approximate RBA Delivery Schedule				
			2016	2017	2018	2019	2020+
Under Construction	0	0	0	0	0	0	0
Approved	0	0	0	0	0	0	0
Proposed	128,550	102,840	6,640	32,200	0	64,000	0
Conceptual	0	0	0	0	0	0	0
Inactive	0	0	0	0	0	0	0
Non-Site Total:	128,550	102,840	6,640	32,200	0	64,000	0

III. Future Delivery Projection - Hayward⁽¹⁾

Status	Completion Likelihood	Planned and Proposed Projected Delivery (% of Likely Completions) ¹				
		2016	2017	2018	2019	2020+
Under Construction	100%	0%	0%	0%	0%	0%
Approved	95%	0%	0%	0%	0%	0%
Proposed	80%	7%	30%	0%	64%	0%
Conceptual	70%	0%	0%	0%	0%	0%
Inactive	30%	0%	0%	0%	0%	0%

Status	Total Pipeline	Proj. Units Completed	Approximate RBA Delivery Schedule				
			2016	2017	2018	2019	2020+
Under Construction	0	0	0	0	0	0	0
Approved	0	0	0	0	0	0	0
Proposed	125,800	100,640	6,640	30,000	0	64,000	0
Conceptual	0	0	0	0	0	0	0
Inactive	0	0	0	0	0	0	0
Non-Site Total:	125,800	100,640	6,640	30,000	0	64,000	0

(1) Future delivery projection for Hayward represents projects that fall within both the City of Hayward and the RTA. All projects outside of RTA are excluded.

EXHIBIT I-10

CONSUMER SPENDING CAPACITY - RETAIL
0.5 MILE RADIUS; MAPLE AND MAIN STREET, HAYWARD
JUNE 2016

2016 Population:	0.5 Mile Radius :	7,476
	Retail Trade Area :	307,963
	South Alameda County :	735,517

Spending Category	Target Market		Consumer Spending Capacity		
	Radius	Pop.	Total	Per Capita	Share*
GAFO (1)					
Other General Merchandise	0.5 Mile Radius	7,476	\$8,099,216	\$1,083	11%
Department Stores	0.5 Mile Radius	7,476	5,850,461	783	8%
Furniture	0.5 Mile Radius	7,476	2,434,815	326	3%
Sporting Goods/Hobby	0.5 Mile Radius	7,476	1,939,583	259	3%
Books & Music	0.5 Mile Radius	7,476	331,590	44	0%
Office Supplies, Gift Stores	0.5 Mile Radius	7,476	1,620,682	217	2%
Electronics/Appliances	0.5 Mile Radius	7,476	2,317,682	310	3%
Clothing & Accessories	0.5 Mile Radius	7,476	5,956,177	797	8%
GAFO Total:			\$28,550,205	\$3,819	39%
Non-GAFO					
Eating & Drinking Places	0.5 Mile Radius	7,476	\$6,857,520	\$917	9%
Misc. Stores	0.5 Mile Radius	7,476	3,057,169	409	4%
Health & Personal Care	0.5 Mile Radius	7,476	6,164,298	825	9%
Building/Garden Materials	0.5 Mile Radius	7,476	11,339,379	1,517	16%
Food & Beverage	0.5 Mile Radius	7,476	16,363,716	2,189	23%
Non-GAFO Total:			\$43,782,083	\$5,856	61%
Total Excl. Vehicle/Gas/Non-Store:			\$72,332,288	\$9,675	100%
Gas/Motor Vehicle/Non-Store					
Gas Stations	0.5 Mile Radius	7,476	\$9,429,863	\$1,261	NA
Other Non-Store Retailers	0.5 Mile Radius	7,476	10,465,215	1,400	14%
Motor Vehicle	0.5 Mile Radius	7,476	22,159,707	2,964	NA
Gas/Motor Vehicle/Non-Store Total:			\$42,054,784	\$5,625	NA
Total:			\$114,387,072	\$15,301	NA

(1) GAFO=General Merchandise, Apparel, Furniture and Other

(2) Includes vending machine operators and direct-selling establishments

* Share of total sales, excluding Motor Vehicle, Gas Stations and Electronic Shopping

Source: Claritas Data Systems (2016 Data)

EXHIBIT I-11

RETAIL OPPORTUNITY GAPS
RETAIL TRADE AREA
JUNE 2016

Spending Category	Target Market		Consumer Spending			
	Radius	Pop.	Consumer Demand	Actual Sales	Gap \$	Gap %
GAFO (1)						
Other General Merchandise	Retail Trade Area	307,963	\$320,019,868	\$111,180,305	\$208,839,563	65%
Department Stores	Retail Trade Area	307,963	238,698,875	407,097,034	(168,398,159)	-71%
Furniture	Retail Trade Area	307,963	98,179,811	51,830,836	46,348,975	47%
Sporting Goods/Hobby	Retail Trade Area	307,963	79,141,663	22,090,735	57,050,928	72%
Books & Music	Retail Trade Area	307,963	13,339,466	\$4,761,064	\$8,578,402	64%
Office Supplies, Gift Stores	Retail Trade Area	307,963	62,351,001	13,646,727	48,704,274	78%
Electronics/Appliances	Retail Trade Area	307,963	91,741,395	58,322,336	33,419,059	36%
Clothing & Accessories	Retail Trade Area	307,963	241,004,443	278,148,185	(37,143,742)	-15%
GAFO Total:			\$1,144,476,522	\$947,077,222	\$197,399,300	17%
Non-GAFO						
Eating & Drinking Places	Retail Trade Area	307,963	\$259,368,306	\$203,792,129	\$55,576,177	21%
Misc. Stores	Retail Trade Area	307,963	118,341,564	39,279,898	79,061,666	67%
Health & Personal Care	Retail Trade Area	307,963	251,993,205	261,145,731	(9,152,526)	-4%
Building/Garden Materials	Retail Trade Area	307,963	480,416,441	367,098,683	113,317,758	24%
Food & Beverage	Retail Trade Area	307,963	634,754,755	98,359,138	536,395,617	85%
Non-GAFO Total:			\$1,744,874,271	\$969,675,579	\$775,198,692	44%
Total Excl. Vehicle/Gas/Non-Store:			\$2,889,350,793	\$1,916,752,801	\$972,597,992	34%
Outflow Categories:			\$2,157,654,270	\$970,361,851	\$1,187,292,419	55%
Gas/Motor Vehicle/Non-Store						
Gas Stations	Retail Trade Area	307,963	\$350,002,229	\$125,666,588	\$224,335,641	64%
Other Non-Store Retailers (2)	Retail Trade Area	307,963	414,116,551	221,758,378	192,358,173	46%
Motor Vehicle	Retail Trade Area	307,963	946,639,184	466,927,691	479,711,493	51%
Gas/Motor Vehicle/Non-Store Total:			\$1,710,757,964	\$814,352,657	\$896,405,307	52%
Total:			\$4,600,108,757	\$2,731,105,458	\$1,869,003,299	41%

(1) GAFO=General Merchandise, Apparel, Furniture and Other

(2) Includes vending machine operators and direct-selling establishments

Note: Gray = categories with spending gap

EXHIBIT I-11

RETAIL OPPORTUNITY GAPS
0.5 MILE RADIUS; MAPLE AND MAIN STREET, HAYWARD
JUNE 2016

Spending Category	Target Market		Consumer Spending			
	Radius	Pop.	Consumer Demand	Actual Sales	Gap \$	Gap %
GAFO (1)						
Other General Merchandise	0.5 Mile Radius	7,476	\$8,099,216	\$436,188	\$7,663,028	95%
Department Stores	0.5 Mile Radius	7,476	5,850,461	614,691	5,235,770	89%
Furniture	0.5 Mile Radius	7,476	2,434,815	2,139,955	294,859	12%
Sporting Goods/Hobby	0.5 Mile Radius	7,476	1,939,583	1,066,196	873,387	45%
Books & Music	0.5 Mile Radius	7,476	331,590	305,937	25,653	8%
Office Supplies, Gift Stores	0.5 Mile Radius	7,476	1,620,682	242,479	1,378,202	85%
Electronics/Appliances	0.5 Mile Radius	7,476	2,317,682	5,842,522	(3,524,840)	-152%
Clothing & Accessories	0.5 Mile Radius	7,476	5,956,177	51,764,222	(45,808,045)	-769%
GAFO Total:			\$28,550,205	\$62,412,191	(\$33,861,986)	-119%
Non-GAFO						
Eating & Drinking Places	0.5 Mile Radius	7,476	\$6,857,520	\$18,499,147	(\$11,641,626)	-170%
Misc. Stores	0.5 Mile Radius	7,476	3,057,169	1,677,456	1,379,714	45%
Health & Personal Care	0.5 Mile Radius	7,476	6,164,298	11,885,713	(5,721,416)	-93%
Building/Garden Materials	0.5 Mile Radius	7,476	11,339,379	14,896,863	(3,557,484)	-31%
Food & Beverage	0.5 Mile Radius	7,476	16,363,716	4,551,374	11,812,342	72%
Non-GAFO Total:			\$43,782,083	\$51,510,553	(\$7,728,470)	-18%
Total Excl. Vehicle/Gas/Non-Store:			\$72,332,288	\$113,922,744	(\$41,590,456)	-57%
Outflow Categories:			\$39,697,232	\$11,034,277	\$28,662,955	72%
Gas/Motor Vehicle/Non-Store						
Gas Stations	0.5 Mile Radius	7,476	\$9,429,863	\$7,749,566	\$1,680,297	18%
Other Non-Store Retailers	(2) 0.5 Mile Radius	7,476	10,465,215	18,494,195	(8,028,981)	-77%
Motor Vehicle	0.5 Mile Radius	7,476	22,159,707	20,046,061	2,113,646	10%
Gas/Motor Vehicle/Non-Store Total:			\$42,054,784	\$46,289,822	(\$4,235,038)	-10%
Total:			\$114,387,072	\$160,212,566	(\$45,825,494)	-40%

(1) GAFO=General Merchandise, Apparel, Furniture and Other

(2) Includes vending machine operators and direct-selling establishments

Note: Gray = categories with spending gap

EXHIBIT I-12

**SUPPORTABLE RETAIL DEVELOPMENT FORECAST
RETAIL TRADE AREA
5 YEAR TIMEFRAME**

I. Consumer Spending Opportunity Gap Demand Potential

Spending Categories	Consumer Spending			Expected Sales per SF	Current Resident Spending Gap	Unfulfilled Retail Space Outflow (s.f.) @ \$300/s.f.	Future Potential (2)	
	Consumer Demand	Actual Sales	Sales/Demand				Capture	New S.F.
GAFO (1)								
Other General Merchandise	\$320,019,868	\$111,180,305	35%		\$208,839,563	696,132	8%	55,691
Department Stores	238,698,875	407,097,034	171%		(168,398,159)	0	-----No Net Increase-----	
Furniture	98,179,811	51,830,836	53%		46,348,975	154,497	8%	12,360
Sporting Goods/Hobby	79,141,663	22,090,735	28%		57,050,928	190,170	8%	15,214
Books & Music	13,339,466	4,761,064	36%		8,578,402	28,595	8%	2,288
Office Supplies, Gift Stores	62,351,001	13,646,727	22%		48,704,274	162,348	8%	12,988
Electronics/Appliances	91,741,395	58,322,336	64%		33,419,059	111,397	8%	8,912
Clothing & Accessories	241,004,443	278,148,185	115%		(37,143,742)	0	-----No Net Increase-----	
GAFO Total:	\$1,144,476,522	\$947,077,222	83%		\$197,399,300	1,343,137	8%	107,451
Non-GAFO								
Eating & Drinking Places	\$259,368,306	\$203,792,129	79%		\$55,576,177	185,254	8%	14,820
Misc. Stores	118,341,564	39,279,898	33%		79,061,666	263,539	8%	21,083
Health & Personal Care	251,993,205	261,145,731	104%		(9,152,526)	0	-----No Net Increase-----	
Building/Garden Materials	480,416,441	367,098,683	76%		113,317,758	377,726	8%	30,218
Food & Beverage	634,754,755	98,359,138	15%		536,395,617	1,787,985	8%	143,039
Non-GAFO Total:	\$1,744,874,271	\$969,675,579	56%		\$775,198,692	2,614,504	8%	209,160
Gas/Motor Vehicle/Non-Store								
Gas Stations	\$350,002,229	\$125,666,588	36%		\$224,335,641	747,785	-----Not Compatible-----	
Other Non-Store Retailers	414,116,551	221,758,378	54%		192,358,173	641,194	-----No Net Increase-----	
Motor Vehicle	946,639,184	466,927,691	49%		479,711,493	1,599,038	-----Not Compatible-----	
Gas/Motor Vehicle/Non-Store Total:	\$1,710,757,964	\$814,352,657	48%		\$896,405,307	2,988,018	0%	0
All Spending Categories:	\$4,600,108,757	\$2,731,105,458	59%	\$300	\$2,083,697,726	6,945,659	5%	316,611
w/o Gas/Motor Vehicle/Non-Store:	\$2,889,350,793	\$1,916,752,801	66%		\$1,187,292,419	3,957,641	8%	316,611

(1) GAFO—General Merchandise, Apparel, Furniture and Other

(2) Potential net new square footage derived from the delta between consumer demand and actual sales

Note: In addition to the demand derived from spending gaps within the Trade Area, an additional portion of demand will come from new population growth, as shown on page 2.

EXHIBIT I-12

SUPPORTABLE RETAIL DEVELOPMENT FORECAST
RETAIL TRADE AREA
5 YEAR TIMEFRAME

II. New Population Growth Demand Potential

Spending Category	Per Capita Spending		New Resident Generated Spending (Retail Trade Area)					Totals
	Num.	Perc.	2016	2017	2018	2019	2020	
New Population Projection			3,764	3,764	3,764	3,764	3,764	18,820
Maple and Main + Lincoln Landing HHs			0	0	0	721	0	
Other General Merchandise	\$1,039	7%	\$3,911,362.02	\$3,911,362.02	\$3,911,362.02	\$4,660,589.45	\$3,911,362.02	\$20,306,038
Department Stores	775	5%	2,917,437	2,917,437	2,917,437	3,476,276	2,917,437	15,146,023
Furniture	319	2%	1,199,978	1,199,978	1,199,978	1,429,836	1,199,978	6,229,747
Sporting Goods/Hobby	257	2%	967,289	967,289	967,289	1,152,575	967,289	5,021,731
Books & Music	43	0%	163,038	163,038	163,038	194,268	163,038	846,422
Office Supplies, Gift Stores	202	1%	762,069	762,069	762,069	908,045	762,069	3,956,322
Electronics/Appliances	298	2%	1,121,286	1,121,286	1,121,286	1,336,070	1,121,286	5,821,214
Clothing & Accessories	783	5%	2,945,616	2,945,616	2,945,616	3,509,853	2,945,616	15,292,317
Eating & Drinking Places	842	6%	3,170,064	3,170,064	3,170,064	3,777,294	3,170,064	16,457,549
Misc. Stores	384	3%	1,446,400	1,446,400	1,446,400	1,723,460	1,446,400	7,509,060
Health & Personal Care	818	5%	3,079,923	3,079,923	3,079,923	3,669,887	3,079,923	15,989,581
Building/Garden Materials	1,560	10%	5,871,769	5,871,769	5,871,769	6,996,515	5,871,769	30,483,590
Food & Beverage	2,061	14%	7,758,130	7,758,130	7,758,130	9,244,211	7,758,130	40,276,730
Gas Stations	1,137	8%	4,277,814	4,277,814	4,277,814	5,097,236	4,277,814	22,208,491
Other Non-Store Retailers	1,345	9%	5,061,435	5,061,435	5,061,435	6,030,961	5,061,435	26,276,701
Motor Vehicle	3,074	21%	11,570,058	11,570,058	11,570,058	13,786,321	11,570,058	60,066,554
All Spending Categories:	\$14,937	100%	\$56,223,668	\$56,223,668	\$56,223,668	\$66,993,398	\$56,223,668	\$291,888,068
w/o Gas/Motor Vehicle/Non-Store:	\$9,382	63%	\$35,314,360	\$35,314,360	\$35,314,360	\$42,078,881	\$35,314,360	\$183,336,322
<i>Retail Sales per Square Foot</i>			\$300	\$300	\$300	\$300	\$300	
Total Demand for Retail Space			117,715 sf	117,715 sf	117,715 sf	140,263 sf	117,715 sf	611,121 sf

III. Total Demand

Total 5-year Demand from Opportunity Gaps:	316,611	Annualized assuming 5-year absorption flow of current leakage
Total 5-year Demand from New Population Growth:	611,121	
Total 5-year Demand:	927,732	→ 185,546

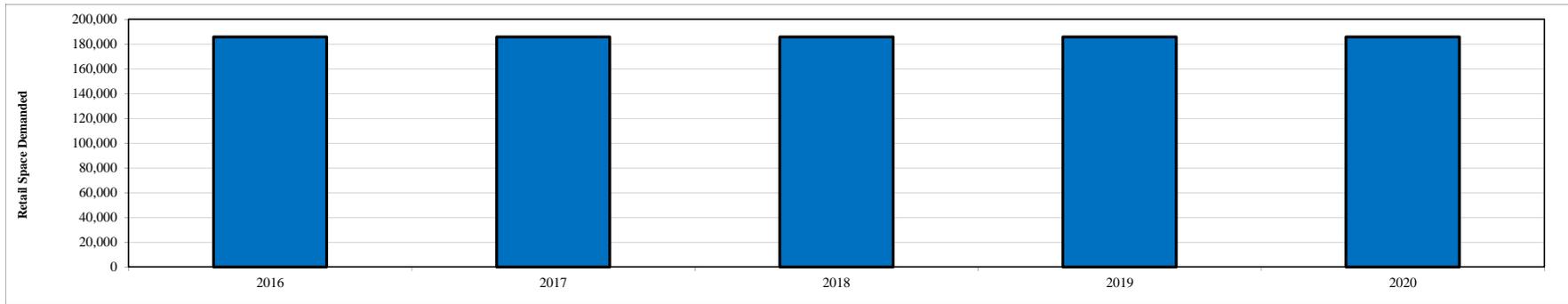


EXHIBIT I-12

SUPPORTABLE RETAIL DEVELOPMENT FORECAST
0.5 MILE RADIUS; MAPLE AND MAIN STREET, HAYWARD
5 YEAR TIMEFRAME

I. Consumer Spending Opportunity Gap Demand Potential

Spending Categories	Consumer Spending			Expected Sales per SF	Current Resident Spending Gap	Unfulfilled Retail Space Outflow (s.f.) @ \$300/s.f.	Future Potential (2)	
	Consumer Demand	Actual Sales	Sales/Demand				Capture	New S.F.
GAFO (1)								
Other General Merchandise	\$8,099,216	\$436,188	5%		\$7,663,028	25,543	15%	3,832
Department Stores	5,850,461	614,691	11%		5,235,770	17,453	-----No Net Increase-----	
Furniture	2,434,815	2,139,955	88%		294,859	983	15%	147
Sporting Goods/Hobby	1,939,583	1,066,196	55%		873,387	2,911	15%	437
Books & Music	331,590	305,937	92%		25,653	86	15%	13
Office Supplies, Gift Stores	1,620,682	242,479	15%		1,378,202	4,594	15%	689
Electronics/Appliances	2,317,682	5,842,522	252%		(3,524,840)	0	-----No Net Increase-----	
Clothing & Accessories	5,956,177	51,764,222	869%		(45,808,045)	0	-----No Net Increase-----	
GAFO Total:	\$28,550,205	\$62,412,191	219%		(\$33,861,986)	51,570	10%	5,118
Non-GAFO								
Eating & Drinking Places	\$6,857,520	\$18,499,147	270%		(\$11,641,626)	0	-----No Net Increase-----	
Misc. Stores	3,057,169	1,677,456	55%		1,379,714	4,599	15%	690
Health & Personal Care	6,164,298	11,885,713	193%		(5,721,416)	0	-----No Net Increase-----	
Building/Garden Materials	11,339,379	14,896,863	131%		(3,557,484)	0	-----No Net Increase-----	
Food & Beverage	16,363,716	4,551,374	28%		11,812,342	39,374	15%	5,906
Non-GAFO Total:	\$43,782,083	\$51,510,553	118%		(\$7,728,470)	43,974	15%	6,596
Gas/Motor Vehicle/Non-Store								
Gas Stations	\$9,429,863	\$7,749,566	82%		\$1,680,297	5,601	-----Not Compatible-----	
Other Non-Store Retailers	10,465,215	18,494,195	177%		(8,028,981)	0	-----Not Compatible-----	
Motor Vehicle	22,159,707	20,046,061	90%		2,113,646	7,045	-----Not Compatible-----	
Gas/Motor Vehicle/Non-Store Total:	\$42,054,784	\$46,289,822	110%		(\$4,235,038)	12,646	0%	0
All Spending Categories:	\$114,387,072	\$160,212,566	140%	\$300	\$32,456,898	108,190	11%	11,714
w/o Gas/Motor Vehicle/Non-Store:	\$72,332,288	\$113,922,744	157%		\$28,662,955	95,543	12%	11,714

(1) GAFO=General Merchandise, Apparel, Furniture and Other

(2) Potential net new square footage derived from the delta between consumer demand and actual sales

Note: In addition to the demand derived from spending gaps within the Trade Area, an additional portion of demand will come from new population growth, as shown on page 2.

EXHIBIT I-12

**SUPPORTABLE RETAIL DEVELOPMENT FORECAST
0.5 MILE RADIUS; MAPLE AND MAIN STREET, HAYWARD
5 YEAR TIMEFRAME**

II. New Population Growth Demand Potential

Spending Category	Per Capita Spending		New Resident Generated Spending (Retail Trade Area)					Totals
	Num.	Perc.	2016	2017	2018	2019	2020	
New Population Projection			96	96	96	96	96	480
Maple and Main + Lincoln Landing HHs			0	0	0	721	0	721
Other General Merchandise	\$1,083	7%	\$104,007.17	\$104,007.17	\$104,007.17	\$885,111.38	\$104,007.17	\$1,301,140
Department Stores	783	5%	75,129	75,129	75,129	639,359	75,129	939,877
Furniture	326	2%	31,267	31,267	31,267	266,085	31,267	391,153
Sporting Goods/Hobby	259	2%	24,907	24,907	24,907	211,965	24,907	311,594
Books & Music	44	0%	4,258	4,258	4,258	36,237	4,258	53,270
Office Supplies, Gift Stores	217	1%	20,812	20,812	20,812	177,114	20,812	260,363
Electronics/Appliances	310	2%	29,763	29,763	29,763	253,285	29,763	372,336
Clothing & Accessories	797	5%	76,487	76,487	76,487	650,912	76,487	956,860
Eating & Drinking Places	917	6%	88,062	88,062	88,062	749,414	88,062	1,101,661
Misc. Stores	409	3%	39,259	39,259	39,259	334,098	39,259	491,135
Health & Personal Care	825	5%	79,160	79,160	79,160	673,657	79,160	990,295
Building/Garden Materials	1,517	10%	145,616	145,616	145,616	1,239,208	145,616	1,821,673
Food & Beverage	2,189	14%	210,137	210,137	210,137	1,788,285	210,137	2,628,833
Gas Stations	1,261	8%	121,095	121,095	121,095	1,030,529	121,095	1,514,909
Other Non-Store Retailers	1,400	9%	134,390	134,390	134,390	1,143,676	134,390	1,681,238
Motor Vehicle	2,964	19%	284,567	284,567	284,567	2,421,692	284,567	3,559,959
All Spending Categories:	\$15,301	100%	\$1,468,917	\$1,468,917	\$1,468,917	\$12,500,629	\$1,468,917	\$18,376,296
w/o Gas/Motor Vehicle/Non-Store:	\$9,675	63%	\$928,865	\$928,865	\$928,865	\$7,904,731	\$928,865	\$11,620,190
<i>Retail Sales per Square Foot</i>			<i>\$300</i>	<i>\$300</i>	<i>\$300</i>	<i>\$300</i>	<i>\$300</i>	
Total Demand for Retail Space			3,096 sf	3,096 sf	3,096 sf	26,349 sf	3,096 sf	38,734 sf

III. Total Demand

Total 5-year Demand from Opportunity Gaps:	11,714	<i>Annualized assuming 5-year absorption flow of current leakage</i>
Total 5-year Demand from New Population Growth:	38,734	
Total 5-year Demand:	50,448	10,090

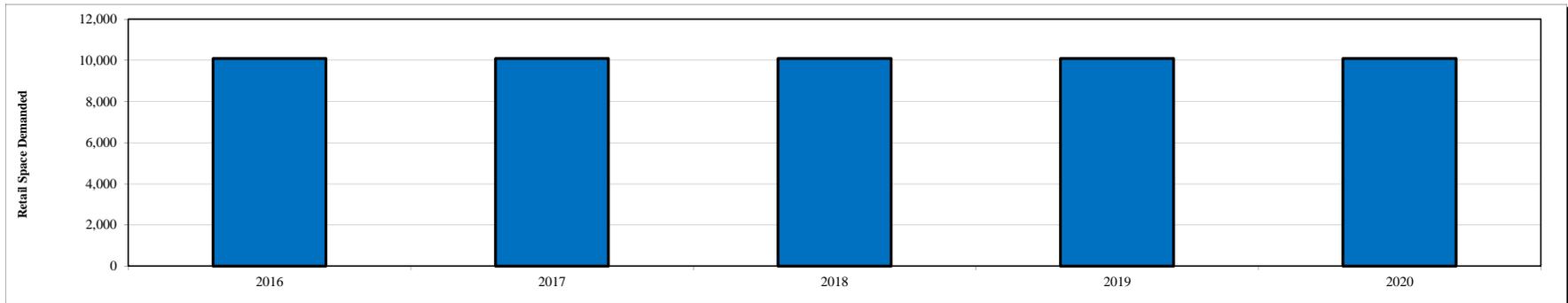


EXHIBIT I-13

RETAIL SUPPLY VS. DEMAND
RETAIL TRADE AREA AND 0.5 MILE RADIUS
JUNE 2016

	Retail Trade Area					Total	Local Area					Total
	2016	2017	2018	2019	2020+		2016	2017	2018	2019	2020+	
Projected Future Supply												
Annual Deliveries (SF)	6,640	32,200	0	64,000	0	102,840	0	0	0	64,000	0	64,000
Vacant Direct Available (SF)	0	0	0	0	0	0	0	0	0	0	0	0
Total Available at Year Start	6,640	32,200	0	64,000	0	102,840	0	0	64,000	0	64,000	64,000
Future Demand												
Retail Gap + HH Growth Model	185,546	185,546	185,546	185,546	185,546	927,732	10,090	10,090	10,090	10,090	10,090	50,448
Over/Under Supply	178,906	153,346	185,546	121,546	185,546	824,892	10,090	10,090	10,090	(53,910)	10,090	(13,552)

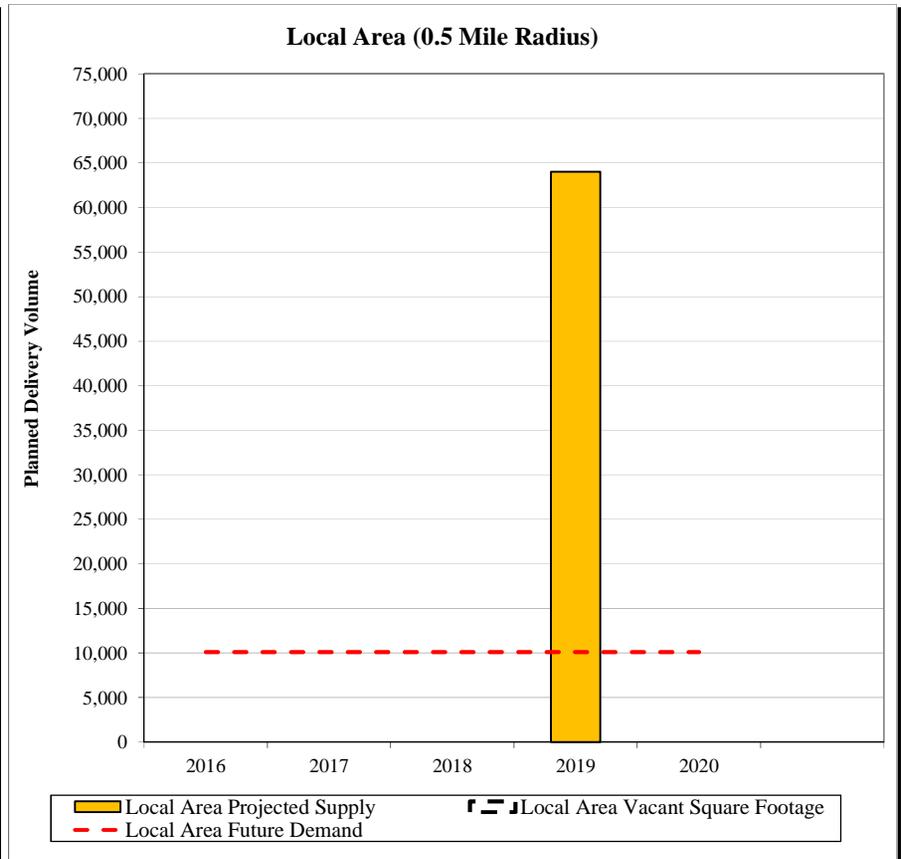
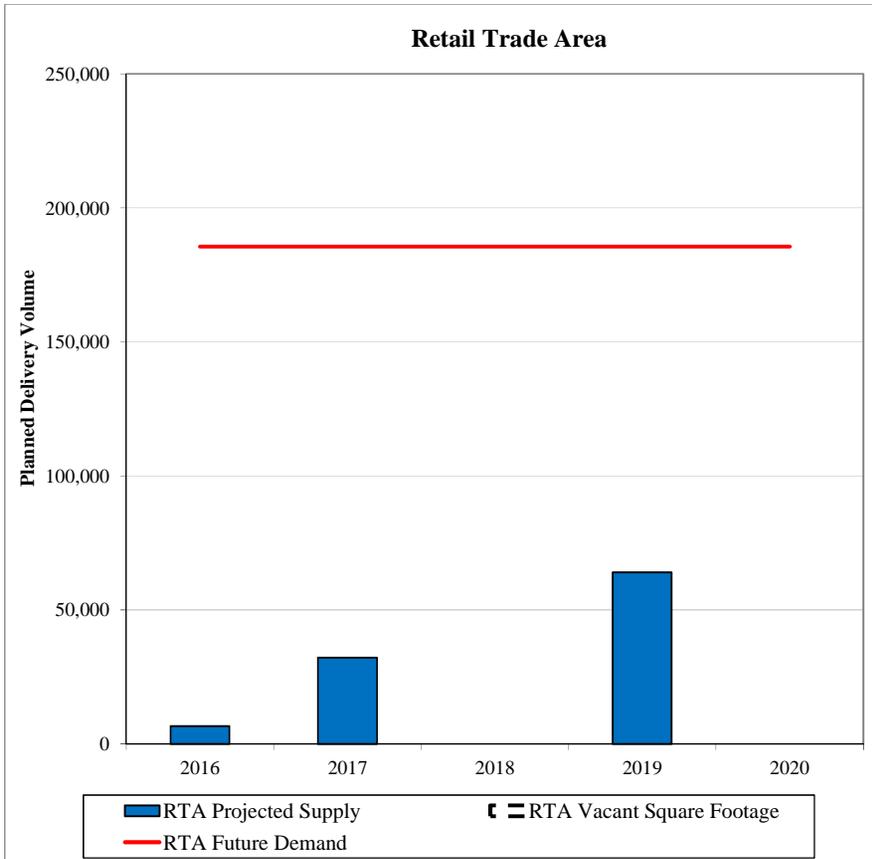


EXHIBIT I-14
LOCAL SETTING
HAYWARD, CALIFORNIA
JUNE 2016



EXHIBIT I-14
 LOCAL SETTING - VIEW SHED
 HAYWARD, CALIFORNIA
 JUNE 2016

View Shed - Subject Site



View Shed - 24387 Southland Drive, Hayward



View Shed - Subject Site

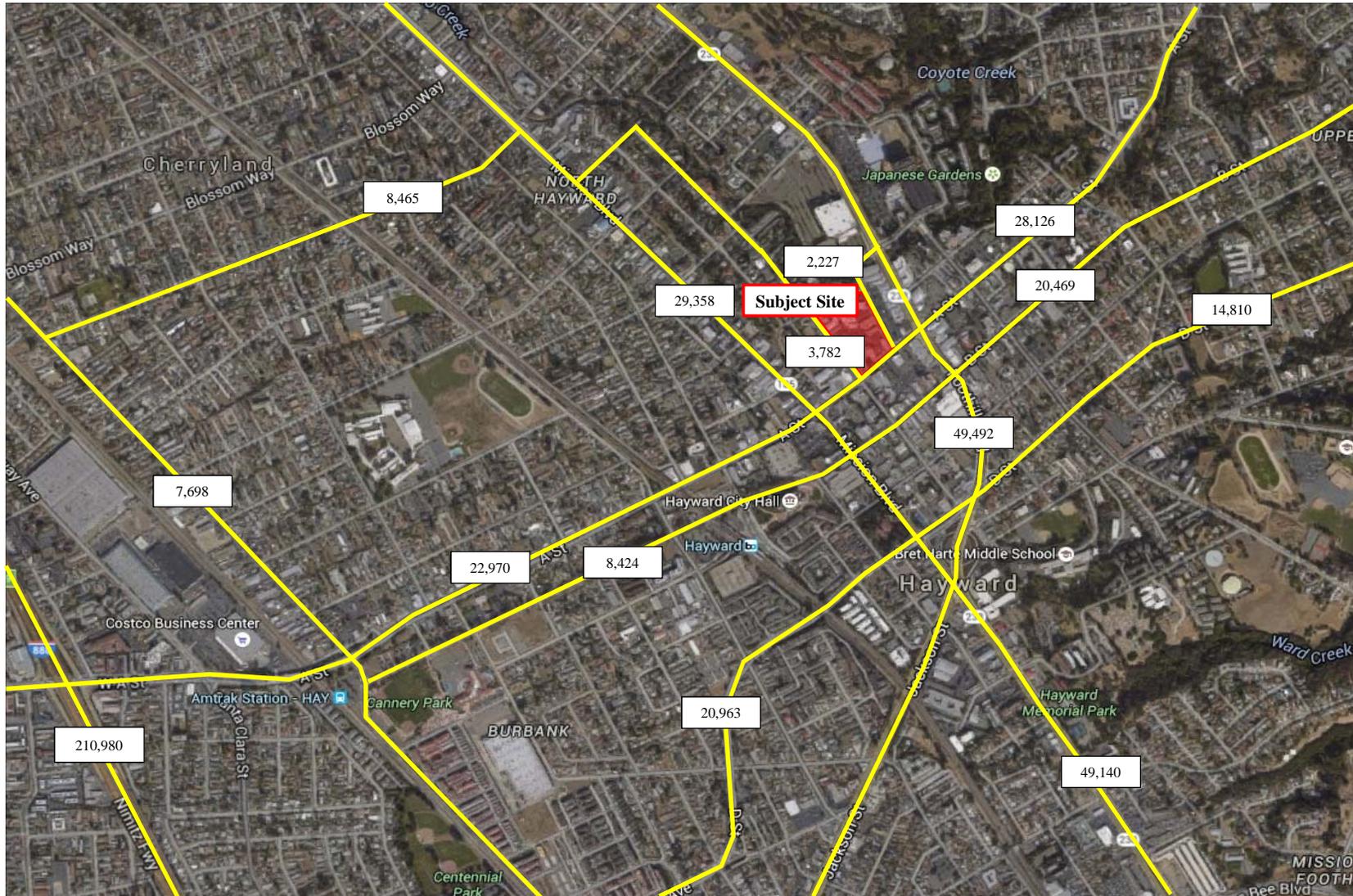


View Shed - 22810 Foothill Boulevard, Hayward



EXHIBIT I-15

TRAFFIC COUNT ANALYSIS
HAYWARD, CALIFORNIA
JUNE 2016



Note: Data provided represent average traffic traveling in both directions.

EXHIBIT I-16
PRODUCT PROGRAM POSITIONING - RETAIL
RETAIL TRADE AREA
JUNE 2016

	Rate (\$/SF)	
	/month	/year
TCG Recs - Retail:	\$1.46 - \$1.67	\$17.50 - \$20.00

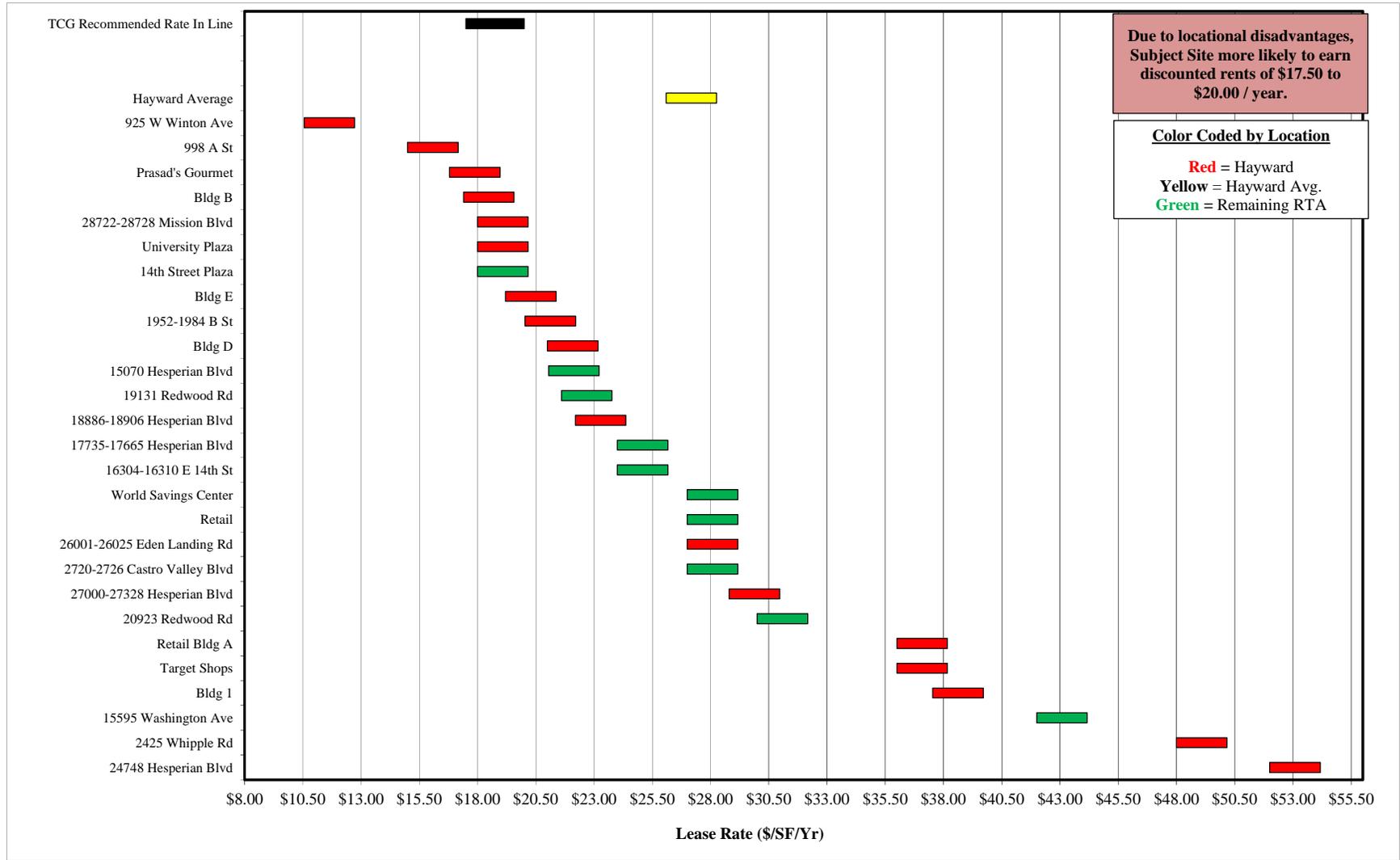


EXHIBIT I-17

FISCAL BENEFIT TO THE CITY OF HAYWARD
 MAPLE-MAIN SITE
 JUNE 2016

Retail Sales Tax		
Sales Tax Generated by Residents of the Future Community		
		Source
Total Planned Units	240	Project Sponsor
x Population per Unit	1.8	TCG Estimate(1)
= Total Community Population	440.5	
x Retail Spending per Population	\$11,088	Exhibit I-3
= Total Retail Spending from Project Population	\$4,883,533	
x Share of Retail Spending within City of Hayward	40%	TCG Estimate
= Total Retail Spending in City of Hayward	\$1,953,413	
x Effective City Share of Sales Tax	1%	Per interviews
= Annual City Revenue from Sales Tax From Resident Spending	\$19,534	

Permanent Jobs		
Sales Tax Generated at the Community		
		Source
Total Planned Retail Space (Approx.)	52,000	Project Sponsor
x Spending per Square Foot	\$300	TCG Estimate(1)
= Total Annual Retail Spending in the Community	\$15,600,000	
x Effective City Share of Sales Tax	1%	Exhibit I-3
= Annual City Revenue from Sales Tax in Community	\$156,000	

(1) Assumes 1.15 people per bedroom

EXHIBIT I-17

**FISCAL BENEFIT TO THE CITY OF HAYWARD
MAPLE-MAIN SITE
JUNE 2016**

Property Tax Generated by the Community

Property Tax Generated by the Community			<u>Source</u>
	Total Residential Planned Units	240	Project Sponsor
	Projected Market Rents per Square Foot Per Month	\$3.30	TCG Projections
x	Average Unit Size	918	Project Sponsor
=	Projected Market Rent per Unit per Month	\$3,029	
x	Months/Year	12	
=	Total Projected Annual Residential Revenue (\$MM)	\$8.72	
x	NOI %	70%	Industry Standard
=	Project NOI (\$MM)	\$6.1	
	Total Planned Retail Space (Approx.)	52,000	
x	Projected Market Rent (NNN)	\$20.00	
=	Total Projected Revenue (\$MM)	\$1.04	
x	NOI %	95%	
=	Project NOI (\$MM)	\$0.99	
	Total Project NOI	\$7.10	
	Projected Capitalization Rate	5.5%	
	Total Project Capitalized Value (\$MM)	\$129.00	
	<i>Value per Door</i>	\$537,520	
x	City Share of Base Property Tax	21%	
		of	
		1%	
=	Annual City Revenue from Property Tax	\$270,910	

EXHIBIT I-18

ECONOMIC BENEFIT TO THE CITY OF HAYWARD
PROJECT NAME
JUNE 2016

Permanent Jobs

Permanent Jobs Created in the Project		
		<i>Source</i>
Total Planned Units	240	Project Sponsor
x Permanent Jobs/Unit	0.05	Per Interviews with Apartment Managers
= Total Permanent Jobs Created by Residential Component	12.0	
Total Planned Retail Space (Approx.)	52,000	Project Sponsor
x SF per Employee	500	ABAG
= Total Permanent Jobs Created by Retail Component	104	
= Total Permanent Jobs Created	116	

Construction Jobs

Jobs Created Throughout Construction of the Property		
		<i>Source</i>
Total Residential Planned Units	240	Project Sponsor
Projected Market Rents per Square Foot Per Month	\$3.30	TCG Projections
x Average Unit Size	918	Project Sponsor
= Projected Market Rent per Unit per Month	\$3,029	
x Months/Year	12	
= Total Projected Annual Residential Revenue (\$MM)	\$8.72	
x NOI %	70%	Industry Standard
= Project NOI (\$MM)	\$6.1	
Total Planned Retail Space (Approx.)	52,000	
x Projected Market Rent (NNN)	\$20.00	
= Total Projected Revenue (\$MM)	\$1.04	
x NOI %	95%	Assumes NNN rents
= Project NOI (\$MM)	\$0.99	
Total Project NOI	\$7.10	
Projected Capitalization Rate	5.5%	TCG Projections
Total Project Capitalized Value (\$MM)	\$129.00	
<i>Value per Door</i>	\$537,520	
x Share of Total Value Allocated to Project Costs	50%	Per Interviews
= Project Cost (\$MM)	\$64.50	
x Share of Costs Allocated to Labor	40%	Per Interviews
= Labor Costs (\$MM)	\$25.80	
÷ Average Annual Salary + Benefits of Labor	\$82,067	Bureau of Labor Statistics
= Total Construction Jobs Created	314	

II. GLOSSARY OF KEY TERMS



Glossary of Key Terms

- **Product Vintage** – A building's year built.
- **Deliveries** – New construction retail which enters market and is available for rent.
- **Absorption** – The process in which new construction retail to a market is leased and no longer is available for new tenants to rent.
- **Spending Inflow**- The condition in which retail sales are greater than consumer expenditures; implies that individuals travel from outside the area in order to utilize retail.
- **Leakage** – The condition in which retail sales are less than consumer expenditures; implies that individuals who potentially could utilize retail locally travel outside a geographic location to utilize retail.
- **GAFO** – General Merchandise, Apparel, Furniture and Other.