



**Lou Ann Texeira**  
*Executive Officer*

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<b>Michael R. McGill</b> <i>Special District Member</i>	<b>Rob Schroder</b> <i>City Member</i>
<b>Martin McNair</b> <i>Public Member</i>	<b>Don Tatzin</b> <i>City Member</i>
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*Public Member*

**Tom Butt**  
*City Member*

**George H. Schmidt**  
*Special District Member*

**Mary N. Piepho**  
*County Member*

September 14, 2011 (Agenda)

September 14, 2011  
Agenda Item 7

Contra Costa Local Agency Formation Commission (LAFCO)  
 651 Pine Street, Sixth Floor  
 Martinez, CA 94553

**Northeast Antioch Monthly Update**

Dear Commissioners:

On February 9, the Commission approved the extension of out of agency service by the City of Antioch and Delta Diablo Sanitation District to the Marsh Landing Generating Station property located in unincorporated northeast Antioch. The Commission’s approval requires that the City and County provide LAFCO with monthly updates regarding the status of the joint City/County Economic Development Strategy for northeast Antioch, the proposed annexation of the area, and the tax transfer negotiations. A subcommittee was formed to address these issues.

On August 22, Commissioner McNair and LAFCO staff attended the subcommittee meeting, at which time the group discussed the scope of infrastructure improvements needed in Area 2b (residential area), the final fiscal/market analysis of the Northeast Antioch area prepared by Keyser, Marston and Associates, island annexation issues, and the work program/schedule. The next subcommittee meeting is scheduled for September 26, 2011, 5:30 pm.

The City and County have submitted their written monthly update (attached).

**RECOMMENDATIONS**

1. Receive and file the written monthly City/County update;
2. Receive comments from the LAFCO subcommittee representatives; and
3. Provide direction as appropriate.

Sincerely,

**LOU ANN TEXEIRA**  
**EXECUTIVE OFFICER**

Attachment - Monthly Written Update from the City of Antioch and Contra Costa County

September 6, 2011

Mr. Michael McGill, Chairman  
Contra Costa LAFCO  
651 Pine Street, 6<sup>th</sup> Floor  
Martinez, CA 94553

Dear Chairman McGill:

This letter constitutes the seventh monthly update provided to LAFCO by City and County staff concerning the status of the Northeast Antioch Annexation. This letter reflects staff activities since our last report for the August 10 LAFCO meeting. This update also provides information on upcoming meetings and other anticipated actions relevant to the Northeast Antioch Annexation.

The Northeast Antioch Annexation Subcommittee meeting was held on August 22. Subcommittee members: 1) unanimously approved the Record of Action from the July 25 meeting (attachment #1); 2) discussed and recommended scope of infrastructure improvements for Area 2B; 3) received and discussed final Keyser, Marston and Associates' (KMA) market analysis document (attachment #2); 3) discussed "island annexations" and Government Code Sections 56744 and 56375, and; 4) received an update on the Work Program schedule (attachment #3).

The Work Program acknowledged that the majority of existing residential uses in the Northeast Antioch Area lack sewer and water service and depend on aging septic fields and wells. The Work Program's Goal #4 is to address the sewer and water issues. In addition to sewer and water, the Subcommittee also identified storm drainage and street lighting needs as important for the residential area. A key issue in addressing these issues is to identify the cost of providing the improvements.

Andrea J. Bellanca, P.E., P.L.S., Carlson, Barbee & Gibson, Inc. (CBG), advised during the July 25 Subcommittee meeting that the costs to provide sewer, water, storm drainage, and street lighting is estimated at \$9.1 million. The Subcommittee requested at the July 25 meeting that CBG determine the additional cost to connect the sewer and water to the residences. CBG advised that the additional cost to deliver and hook-up sewer and water to the existing residences is estimated at \$4,000/residence (approximately \$500,000 additional cost). Total estimated cost to deliver sewer, water, storm water drainage, and electric lighting to the homes is \$9.6 million.

Since the July Subcommittee meeting, City and County staff, along with the facilitator Tom Sinclair, met with KMA staff to discuss and resolve outstanding issues in the Draft Report. On August 16 City and County staff received the finalized version of KMA's report. The primary findings are:

- KMA estimates that the Northeast Antioch Annexation Area will generate an estimated \$2.0 million in 2012;
- The projected total revenue generated in the Northeast Antioch Annexation Area for the year 2014, assuming the Marsh Landing Generating Station is completed and operational, is \$3.5 million;
- KMA's \$3.5 million estimate includes a \$0.39 million "property tax in-lieu-of VLF" due to the increased assessed valuation in Area 1;
- KMA estimates that, given a modest amount of industrial development, by the year 2035 revenue projections fall into a range between \$2.6 million to \$3.0 million per year. (These calculations included scheduled power plant depreciation.), and;
- The noted erosion of revenue highlights the importance of proactive and ongoing City/County joint economic development efforts for the annexation area.

Given the Area 2B infrastructure cost estimate and the projected Northeast Antioch Annexation Area revenue projections, staff is preparing a cash flow projection incorporating infrastructure costs, projected city costs, joint city/county economic development costs, and revenue projections. The cash flow projection will help determine the ability to timely address infrastructure needs within the probable revenue stream. It is also intended that this cash flow projection will serve as a tool to focus and facilitate negotiations.

Another key to negotiations is Key Assumption #2 outlined in the original Work Program: "Assumption of residential 'island' determination by LAFCO." As noted in the Work Program, "Based on discussions with LAFCO staff, it is the understanding of the City and County that LAFCO staff would recommend that LAFCO find the marina and residential areas (Area 2a and 2b) 'islands' for the purpose of annexation under LAFCO law." The legal sections outlining island criteria are Government Code Sections 56744 and 56735(m).

Contra Costa LAFCO's Executive Officer, Lou Ann Texeira, fielded questions and comments regarding these Code sections during the August 22 Subcommittee meeting. City staff expressed concern on behalf of their council that Area 2B

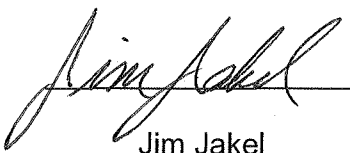
residents would not be able to vote on the annexation issue if Sections 56744 and 56735(m) were implemented. Executive Officer Texeira suggested that an outreach campaign could be initiated to inform Area 2B residents and voters what "annexation" entails and the potential benefits to the area when annexed.

The Subcommittee also received an updated Work Program Calendar. The Subcommittee accepted the Work Program Calendar and agreed that tasks are being completed and are on time.

It is also important to note that the Antioch City Council approved an Out of Agency Services Agreement with GenOn addressing the provision of City sewer and water services to the Marsh Landing Generating Station on August 9, 2011. The Antioch City Council also, simultaneously, updated a September 2009 Project Agreement with GenOn. Attached is a memo from the City of Antioch summarizing this Agreement, along with a copy of the Agreement (attachment #4).

Given the CBG infrastructure cost analysis and the KMA fiscal study, the City and County have the core information on costs and revenues necessary to intensify negotiations on the key terms of the Tax Exchange Agreement. Tom Sinclair indicated he would be meeting separately with City and County staff to determine points of agreement, and to explore "bridging" points of disagreement. Mr. Sinclair indicated he would report back to the Subcommittee on the status of these discussions at the next meeting.

The next Subcommittee meeting is scheduled for September 26, 5:30 p.m., Antioch Public Works Training Room, 1201 West Fourth Street.



Jim Jakel  
Antioch City Manager



Rich Seithel  
Senior Deputy  
County Administrator's Office

Cc: Antioch City Council  
Contra Costa County Board of Supervisors  
Lou Ann Texeira, Executive Director, LAFCO

Attachments: Record of Action of July 25 meeting  
Final KMA report  
Work Program Calendar as of August 22, 2011  
City of Antioch Agmt. w/ GenOn and Cover Memo

To: Subcommittee Members

From: Rich Seithel, Pat Roche, Contra Costa County;  
Victor Carniglia, Mindy Gentry, City of Antioch

Subject: Record of Action from July 25 meeting

AGENDA ITEM #1: Introductions

County Supervisor Federal Glover, City Councilmember Gary Agopian, City Councilmember Mary Rocha, and LAFCO Commissioner Martin McNair were in attendance. Staff introductions were made and the meeting was called to order.

AGENDA ITEM #2: Public Comment

There were no public comments.

AGENDA ITEM #3: Update and Comments from Tom Sinclair, Facilitator, Municipal Resource Group

Update was accepted and unanimously approved.

AGENDA ITEM #4: Approve the June 27 Record of Action

The Record of Action was unanimously approved.

AGENDA ITEM #5: Updated report on infrastructure costs regarding infrastructure deficiencies in Area 2B, the residential area in the proposed annexation area(s)

Andrea J. Bellanca, P.E., P.L.S., Carlson, Barbee & Gibson, Inc., presented and discussed the updated costs of providing the critical infrastructure for services to Area 2B. Andrea's updated costs were based on comments received from the Subcommittee, City engineering staff, and on comments received from Delta Diablo Sanitation District staff. The primary modifications included: addition of drainage facilities; addition of Wymore Street for sewer and water service; 2" AC overlay to all asphalt streets affected by construction; street lights, and; inclusion of connection fees. With the addition of these modification to the infrastructure project and the addition of professional service charges cost estimated increased from \$4.7 million to \$9.1 million. Subcommittee to continue identifying and refining target improvements and their cost.

AGENDA ITEM #6: Keyser, Marston and Associates “Northeast Antioch Annexation Area Market Analysis” presentation and working draft document

Keyser, Marston and Associates (KMA) prepared and presented a working draft outlining: Antioch industrial market demand; general industrial development opportunities; power plant development opportunities, and; projection of Area 1’s future assessed value. KMA reported that by 2014, the combined PG&E and GenOn plants are estimated to generate \$2.9 million property tax in Area 1. KMA further mentioned that the due to the large assessed values of power plants combined with the existence of “power-friendly” attributes of the Northeast Antioch Area that a niche market for additional power plants exists.

It was further noted that KMA was presenting a “working draft”, without benefit of City and County staff edit, in order to provide the Subcommittee a feel for the data and issues involved in the development of Area 1. A finalized report should be available for the Subcommittee in August.

AGENDA ITEM #7: Confirm date for next Subcommittee meeting

The next Subcommittee meeting is scheduled for August 22, 5:30 p.m. in the Antioch Public Works Training Room, 1201 West Fourth Street.

**Industrial Development  
Opportunities and Selected General  
Fund Tax Revenues  
Northeast Antioch Annexation Area**

*Prepared for:*  
**City of Antioch  
Contra Costa County**

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

**August 2011**

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**Appendix A:** Table 1: New, Proposed, or Under-Construction Power Plants in Region

**Appendix B:** Industrial Business Parks

**Appendix C:** Source Data for Assessed Values of C. C. Power Plant and Gateway Generating Station

**Appendix D:** Allocation of Base 1% property tax levy – Tax Rate Area 53004, 53053, and 53026

**Appendix E:** Allocation of 1% property tax levy for public utility properties within TRA 53004 pursuant to Taxation and Revenue Code 10095.

## INTRODUCTION

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This report has been prepared at the request of City of Antioch and Contra Costa County. The purpose of the study is two-fold: 1) to provide an evaluation of the development potential of the Northeast Antioch Annexation Area (Area) for new industrial uses, with a specific focus on new power plants; and 2) to estimate the magnitude of future General Fund tax revenues that the new development would generate. The findings of the analysis will be used by the annexation subcommittee and elected officials of each jurisdiction to inform its decision regarding the financial feasibility of incorporating the property into the City of Antioch and Delta Diablo Sanitation District as well as the negotiation of a revenue sharing agreement between the County of Contra Costa and the City of Antioch that would govern the allocation of tax revenues following the annexation.

The Northeast Antioch Annexation Area<sup>1</sup> consists of approximately 674 acres of land along the San Joaquin River, east of State Route 160. While the entire Annexation Area is 674 acres, this report focuses on the industrial opportunities within the two non-residential subareas, which total 572 acres. As shown on the following map, the majority of land in these two subareas is located to the north of Wilbur Avenue.

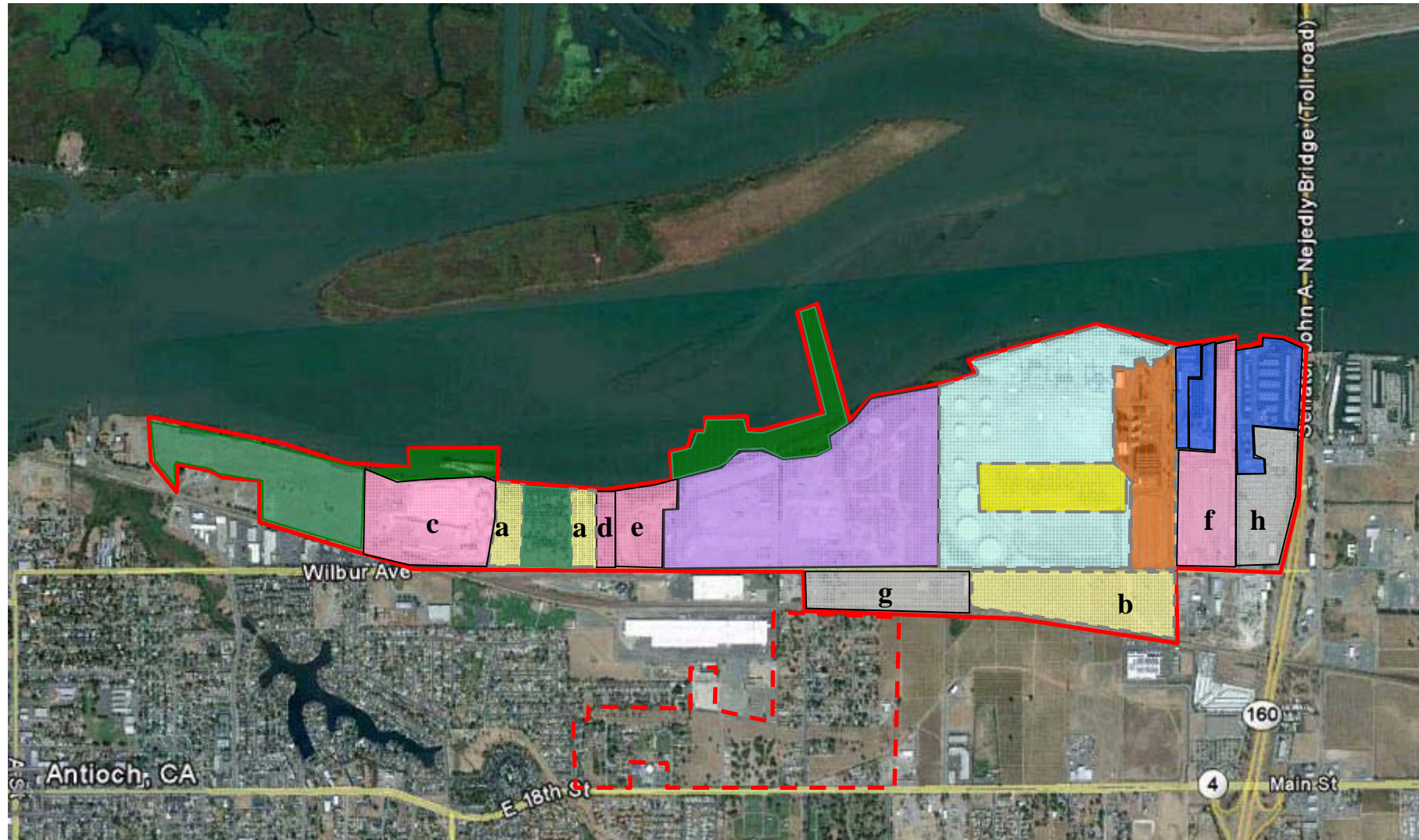
To evaluate industrial development opportunities, we have undertaken these tasks:

1. Conducted a site visit of the Annexation Area;
2. Collected, reviewed and evaluated market data to identify market forces affecting development potential and appropriate industry products;
3. Met with a representative of GenOn Corporation, a major land owner and operator of power plants in the Northeast Antioch Annexation Area;
4. Spoke with representatives of the State Board of Equalization, Pacific Gas & Electric (PG&E), and the County Auditor Controller to obtain information about the assessment of property taxes on power plants; and
5. Interviewed major market participants, including property owners and brokers.

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<sup>1</sup> The entire Northeast Antioch Annexation Area is comprised of three subareas: 1) 478 acres of primarily industrial land; 2a) 94 acres of marina-oriented land; and 2b) 102 acres of primarily residential uses. This market evaluation focuses on the opportunity for new industrial development within the two non-residential subareas (1 and 2a), which comprise a total of 572 acres.

## Northeast Antioch Annexation Area



Sources: Contra Costa Assessor's Office, RealQuest.com, KMA. Illustrative boundaries. Check Assessor's Maps for exact property boundaries.

<b>Areas 1 and 2A</b>
<b>CCPP and MLGS (GenOn)</b>
<b>PG&amp;E's Gateway Generating</b>
<b>PG&amp;E Switchyard/Substation</b>
<b>PG&amp;E Transmission /Vacant Land</b> a) Transmission Lines b) Vacant Parcel
<b>Waterfront Industrial Parcels</b> c) Georgia Pacific d) Kemwater N. America e) Imperial West Chemical f) Kiewit Construction
<b>Forestar USA Real Estate</b> Vacant For Sale
<b>Other Industrial Parcels</b> g) Various owners h) Antioch Trailer Storage
<b>Marina Use</b>
<b>State Government-Owned</b>
<b>Federal Government-Owned</b>
<b>Area 2B</b> Primarily Residential

## Organization of Findings

The findings are organized as follows:

- The Executive Summary provides key findings and projections;
- Section 2 provides a description of the Northeast Antioch Annexation Area;
- Section 3 provides an assessment of the East Contra Costa industrial market and power plant market;
- Section 4 evaluates the market demand for industrial/power plant uses in Antioch through the year 2035 and the share of market demand that can be captured by the Northeast Antioch Annexation Area;
- Section 5 estimates the magnitude of property tax, property tax in-lieu of motor vehicle license fees (VLF) and surcharge revenues to be generated by future development in the Northeast Antioch Annexation Area that will accrue to the General Funds of either the City of Antioch or Contra Costa County; and
- Section 6 identifies the Assumptions and Limiting Conditions that are an integral part of this report.

## SECTION 1: EXECUTIVE SUMMARY

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The following are the principal findings and conclusions of this assignment, as detailed in the text:

### A. Antioch Industrial Market Demand

- Antioch currently has approximately 3.4 million square feet of industrial space, which represents 43% of the East Contra Costa Industrial market.<sup>2</sup> The industrial space is fairly evenly split between warehouse space and traditional industrial users.
- The Antioch industrial market is currently stagnant. While approximately 500,000 square feet of space has been added over the past 5 years, the vacancy rate in Antioch is currently 21.6%, which is the highest vacancy rate in the East Contra Costa market area. In 2006, the vacancy rate was approximately 12%. Antioch experienced a negative net absorption of space in 2010 of approximately 8,000 square feet. Rents have remained flat since 2006, averaging approximately \$.46 per square foot. There are no new buildings under construction.
- The Association of Bay Area Governments estimates that there are approximately 2,490 industrial jobs in Antioch. ABAG projects that an additional 2,190 industrial jobs will be added in Antioch over the next 23 years (2012 to 2035), representing an annual average growth rate of 2.8%. Antioch currently accounts for 25% of the industrial jobs in East Contra Costa County and the market share is anticipated to increase to approximately 31% by 2035.<sup>3</sup>

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<sup>2</sup> The East Contra Costa Industrial Market is comprised of the communities of Antioch, Pittsburg, and Brentwood and the unincorporated areas surrounding those communities.

<sup>3</sup> ABAG's most recent projections were published in 2009. Given the time required to assemble all of the data for the projection, it is likely that the projections do not fully reflect the prolonged recession that the Bay Area has experienced, which has severely limited job growth. Unfortunately, 2010 Census data that address employment distribution at the city level are not yet available. Therefore, the 2009 ABAG projections represent the best source of regional demographic data available at this time. KMA has addressed the likely overly optimistic ABAG projections by projecting a conservative capture rate of future development for the Annexation Area.

**Antioch and Sphere of Influence  
ABAG Employment Projections, Industrial**

<i>Year</i>	<i>Industrial</i>	<i>Average Annual Increase per 5 year period</i>	<i>Cumulative Increase</i>
2010	2,220		
2015	3,060	168	840
2020	3,570	102	1,350
2025	3,790	44	1,570
2030	4,040	50	1,820
2035	4,680	128	2,460

Source: Association of Bay Area Governments, Projections 2009

- The ABAG industrial job projections for Antioch indicate that an additional 2.5 million square feet of industrial space will be needed to meet employment growth through 2035. The new development would increase Antioch’s industrial inventory by approximately 74%.<sup>3</sup>
- Based on the current general ratio of building area to land (FAR) for industrial development in the Antioch market area, it is estimated that the new development will require approximately 230 acres of land.<sup>3</sup>

**Antioch and Sphere of Influence  
Projected New Industrial Development through 2035**

<i>Year</i>	<i>Additional Industrial Bldg. SF</i>	<i>Additional Developed Industrial Acres</i>
2012 – 2020	1,046,000	96
2021 – 2030	628,000	58
2031 – 2035	855,000	79
Total (2012 – 2035)	2,529,000	232*

\*Does not equal sum due to rounding

**B. Northeast Antioch Annexation Area Development Opportunities**

***General Industrial Development Opportunities***

- Based on the ABAG employment projections and current employment industrial employment densities in the Antioch market area, it is estimated that the Antioch area (including its sphere of influence) will absorb up to an additional 2.5 million square feet of new industrial development through 2035, requiring approximately 230 acres of land.

- The Northeast Antioch Annexation Area is well positioned to capture a significant share of this future development due to the following: 1) good access to Highway 4; 2) access to existing rail line; 3) extensive frontage on the San Joaquin River, with a deep water channel; 4) access to high voltage electrical and high capacity natural gas service; and 5) 108-acres of vacant land that is zoned for heavy industrial use is actively being marketed.
- KMA has estimated that the Northeast Antioch Annexation Area could capture from 10% to 30% of the projected industrial growth in the Antioch area.

**Northeast Antioch Annexation Area  
Projected New Industrial Development through 2035**

<i>Capture Rate</i>	<i>Additional Industrial Bldg. SF</i>	<i>Additional Developed Industrial Acreage</i>
10%	252,900	23
20%	505,800	46
30%	758,700	70

- Discussions with brokers, GenOn, and property owners indicate that the most appropriate uses for properties in the Area are power plants, shipping and warehousing companies.
- The opportunities and desirability of the Area have historically been negatively impacted by the lack of freeway access and the limited capacity of Highway 4. The widening of Highway 4 will remedy the East/West capacity issue, but the area's opportunities will still be constrained by the lack of north/south freeway connection in East Contra Costa County. The development of a new north/south freeway connection is the last missing link to the area's transportation system. With the existing railway lines, the deep water channel, and a robust freeway system, the Annexation Area would be a superb logistics center.

***Power Plant Development Opportunities***

- There has been a significant amount of new development activity in East Contra Costa County over the past five years involving power plants: Within the Northeast Annexation Area, PG&E completed the 530 megawatt Gateway Generating Station in 2009 and Genon's 760 megawatt Marsh Landing Generating Station is scheduled to be operational by 2013. Outside of the Area, Radback Energy is constructing a new 624 megawatt station in Oakley (scheduled for completion in 2016), and Genon is in the process of securing entitlements for a new Pittsburg generating station.

- Power plant development represents a specific niche opportunity for the Northeast Antioch Annexation Area due to: 1) the existence of a PG&E switchyard within the boundaries of the Area (which makes new development cost-effective); 2) the consideration that PG&E owns vacant property in the Area that could be developed with a new plant; 3) the private power plant owner “GenOn” is developing the Marsh Landing Generating Station within the Area and has the capacity to add an additional plant on the property; and 4) there is other vacant land in the Area that could be developed in the future with a power plant.
- The rate at which future plants can be developed is limited due to the rigorous permitting process. Operators allow for a 10-year time horizon for completion, from design and permitting to operation. The schedule for developing a plant that is replacing on-site existing obsolete facilities, such as the Marsh Landing station, is not as lengthy with an approximate 5 to 6 year time horizon.
- Based on discussions with GenOn representatives, industry trends, the life cycle of plants, and the availability of land in the Area, it is KMA’s opinion that up to two power plants in addition to the GenOn Marsh Landing Generating Station and the PG&E Gateway Generating Station could potentially be developed within the Area through 2035.

**Northeast Antioch Annexation Area  
Projected Additional Power Plant Development through 2035**

<i>Revenue Scenario</i>	<i>Low</i>	<i>Moderate</i>	<i>High</i>
Estimated No. of New Plants	1	1	2
Est. Acreage	27	27	54
Est. Completion Year	2025	2025	2025 and 2030
Est. Capacity/Wattage, per Plant	600 megawatts	600 megawatts	600 megawatts
Estimated Assessed Valuation, per Plant	\$470 million	\$470 million	\$470 million
Ownership of Plant <sup>4</sup>	Merchant	Public	One Merchant and One Public

<sup>4</sup> As detailed in the following section of this report, the ownership status of the power plant (merchant versus public) has a significant impact on the portion of property tax revenues that will accrue to the General Funds of the City of Antioch and Contra Costa County. Under the Revenue Code, the County and City will receive a larger portion of annual property tax revenues from publicly owned plants, such as PG&E’s Gateway Generating Station, than they will from a privately-owned merchant plant, such as Genon’s Marsh Landing. Given this consideration, the “low” revenue scenario assumes that the hypothetical future power plant is a “merchant” plant that generates comparatively less property tax revenue. The “moderate” revenue scenario assumes that one “public” plant is built (which will generate



**C. Post Annexation Property Tax, Property Tax In-Lieu, and Surcharge Revenues to be Generated by Northeast Annexation Area and Allocated to the General Funds of the City of Antioch and/or Contra Costa County**

Following annexation, the Area will generate tax revenues to both the City of Antioch and Contra Costa County. Revenues will be generated by both the existing base of properties and new development that is anticipated to occur through 2035. The three sources of General Fund revenue that have been estimated in this analysis are: 1) property tax revenues from all properties within the Northeast Annexation Area (Subareas 1, 2a, and 2b); 2) surcharge fee revenues to be generated by the power plants; and 3) property tax in-lieu of motor vehicle license (VLF) fee revenues to be generated by all properties in the Area.

***Projected Property Tax Revenues that will Accrue to the General Funds of the City of Antioch and Contra Costa County Post Annexation***

Property taxes represent a key source of General Fund revenues to be generated by the Area. The current assessed value of secured land and improvements within the Northeast Annexation Area is estimated to total \$544 million<sup>5</sup>, with the value of the Gateway Generating Station representing \$445 million of the total. Marsh Landing is anticipated to add an additional \$550 million of assessed value. The breakdown of the current secured assessed value by subarea is as follows:

Subarea 1:	\$517 million
Subarea 2a:	\$ 12 million
Subarea 2b:	\$ 15 million
Total current secured value:	\$544 million

The method for allocating property taxes generated by power plants is significant to this annexation study. Pursuant to Revenue and Taxation Code Section 100.95, taxes generated by a public utility placed in service after January 1, 2007, are allocated using a formula that provides for both a county-wide distribution as well as site-specific distribution. This formula applies to the allocation of the \$4.45 million of annual 1% base property tax increment generated by the Gateway Generating Station. Pursuant to the statutory formula following annexation, the General Fund of the City of Antioch will receive 16.57% of the base property tax levy and the General Fund of the County of Contra Costa will receive 23.83% of the base 1% levy.

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more property tax revenue than a single “merchant” plant, and the “high” revenue scenario assumes that the two future plants are comprised of one “merchant” plant and one “public” plant.

<sup>5</sup> In addition to secured improvement values, there is also unsecured assessed property values within the annexation area. In FY 2009/10 the assessed value of unsecured property totaled approximately \$15.87 million, which would yield approximately \$31,000 of annual General Fund property tax revenue. Unlike secured values, unsecured values are highly volatile from year to year as they often reflect the value of depreciable equipment, which declines and can change dramatically with the movement of tenants. Given its relatively minor value, and high volatility, unsecured values and the tax revenues derived from unsecured values have not been included in this analysis.

The allocation of local property taxes generated by merchant power plants is governed by Revenue and Taxation Code Section 100.9, which requires that revenues are allocated in the same percentage share as all other privately owned property within the tax rate area. Under this provision, the General Funds of the City of Antioch and the County of Contra Costa will receive a combined allocation of 19.72% of the base 1% property tax levy of the merchant power plant, assuming that the power plant is within Tax Rate Area 53004.<sup>6</sup> The distribution of annual revenues between the City and the County after annexation will be subject to negotiation. After completion, the Marsh Landing Generating Plant is anticipated to yield \$5.5 million of annual property tax revenue from the 1% base property tax levy. Of this amount, the City and County General Funds will jointly receive an allocation of approximately \$1.08 million.

As indicated by the following table, the Area will generate significant property tax revenues to the General Funds of the City of Antioch and the County of Contra Costa. It is estimated that in 2012 the Area will annually generate \$1.9 million of combined General Fund property tax increment to the City and County. Of this total, the City's General Fund and the County's General Fund will be statutorily entitled to \$720,000 and \$1,042,000, respectively. The distribution of the remaining \$177,000 is not addressed by statute.

The completion and reflection of Marsh Landing on the property tax roll in 2014 will significantly increase the amount of General Fund property tax increment. As indicated in the following table, it is estimated that the City and County General Funds will receive a combined total of approximately \$2.9 million of property tax increment in 2014.

After factoring in a range of new industrial development and the addition of one to two new power plants in the Area, it is estimated that the Area could, on average, generate \$2.6 million to \$3.0 million of annual property tax increment to the City and County General Funds through 2035.

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<sup>6</sup> The 19.72% allocation to the General Fund is comprised of the current allocation of 18.51% to the County General Fund and 1.2057% allocated to Service Area P-6. Post annexation, the distribution of this 19.72% between the City of Antioch and Contra Costs County will be determined by the negotiated tax sharing agreement. Please see Appendix D for the allocation of the base 1% property tax levy.

**Projection of Annual General Fund Property Tax Revenues Subareas 1 and 2a,  
Northeast Antioch Annexation Area**

	<i>City &amp; County General Fund Property Tax Revenues</i>	<i>Statutory Allocation to Antioch</i>	<i>Statutory Allocation to Contra Costa County</i>	<i>Allocation Not Addressed by Statute</i>
2012	\$1.9 million	\$720,000	\$1,042,000	\$177,000
2014 (with Marsh Landing)	\$2.9 million	\$674,000	\$976,000	\$1,263,000
Average Annual 2012 – 2035 (incl. new industrial development)	\$2.6 million to \$3.0 million	\$510,000 to \$790,000	\$740,000 to \$1.1 million	\$1.0 to \$1.38 million

***Projected Property Tax In-Lieu of Motor Vehicle License Fee (VLF) Revenues that will  
Statutorily Accrue to City of Antioch Post Annexation***

While the City’s Property Tax In-Lieu of VLF will not increase because of the initial bump in assessed value associated with the annexation of property, the City will receive additional property tax in-lieu of VLF revenues associated with the growth in assessed property values that occurs following the annexation, including the growth in value stemming from the addition of Marsh Landing, future growth in industrial development, and any future power plant development in the area. Pursuant to the formula of SB 1096 and data from the State Controller’s Office, it is estimated that Antioch’s General Fund will receive \$0.75 of property tax in-lieu of VLF revenues per \$1,000 growth in assessed property values. Based on the growth projections of this analysis, it is estimated that approximately \$387,000 to \$393,000 of property tax in-lieu of VLF revenues will accrue to the City of Antioch in 2014 resulting from the growth projected in the Area (including the addition of Marsh Landing Generating Station to the tax roll).

As noted in the following table, it is estimated that the Area will actually diminish the City’s allocation of property tax in-lieu of VLF revenue following annexation because of the significant impact that the estimated depreciation of the Gateway Generating Station will have on the assessed value of the entire Area in the year after annexation. Area-wide assessed value is anticipated to decline until the Marsh Landing Generating Station is reflected on the property tax roll in 2014. After the completion of Marsh Landing however it is estimated that the Area will annually generate approximately \$33,000 to \$430,000 of new revenue to the city of Antioch.

**Projection of Annual City of Antioch Property Tax In-Lieu of VLF  
Northeast Antioch Annexation Area**

<i>Year</i>	<i>Statutory Allocation to Antioch</i>
2012	-\$3,000
2014	\$387,000 to \$393,000
Average Annual 2012 – 2035	\$330,000 to \$430,000

***Projected Surcharge Revenues from Power Plants that will Accrue to the City of Antioch Post Annexation<sup>7</sup>***

Private “Merchant” power plants are subject to the payment of “G-SUR Franchise Fees” to the local jurisdiction. The fee amount is a function of the number of megawatt hours produced per year and the amount of gas consumed in the production of megawatt hours. Based on information provided by GenOn, it is estimated that the Contra Costa Power Plant will yield approximately \$94,000 of annual surcharge revenues to the City of Antioch following annexation. Marsh Landing Generating Station is expected to generate significantly more surcharge revenues - \$198,000 per year – due to its anticipated greater output. Based on the projected average output of a prototypical private plant, it is estimated that an additional private merchant plant in the Area would generate approximately \$156,000 of additional surcharge revenue to the City of Antioch. While these are the projected levels, based on past empirical revenues to Contra Costa, the actual amount generated from year to year can be highly variable as it is driven by output and prices.

As shown in the following chart, it is estimated that the merchant power plants will yield approximately \$190,000 to \$270,000 of annual surcharge fee revenues to the City of Antioch.

**Projected Range of City of Antioch Annual Surcharge Fee Revenue –  
Northeast Antioch Annexation Area**

<i>Year</i>	<i>Statutory Allocation to Antioch</i>
2012 – Contra Costa Power Plant	\$94,000
2014 (includes Marsh Landing)	\$198,000
Average Annual 2012 – 2035	\$190,000 to \$270,000

<sup>7</sup> PG&E is subject to the payment of franchise fees. As noted in the Gruen Gruen + Associates Study, the amount of franchise fees estimated to be generated by the Gateway Generating Station are relatively insignificant at \$2,555 per year. The fee amount is a function of the miles of service line that runs through the City. It is not anticipated that the development of new power plants will require the addition of new service lines. Therefore, it is not anticipated that the development of new public power plants in the Area will yield a material increase in franchise fee revenues to the City of Antioch.

**Projected General Fund Property Tax, Property Tax In-Lieu of VLF, and Surcharge Revenues Generated from Northeast Antioch Annexation Area**

The projected combined total of General Fund property tax, property tax in-lieu of VLF, and surcharge revenues to be generated by the Northeast Annexation Area is summarized in the following chart. As shown, upon the reflection of the Marsh Landing Generating Station on the property assessment roll, it is estimated that the Northeast Annexation Area will generate approximately \$3.5 million of combined total General Fund revenues to the City of Antioch and Contra Costa County. Property taxes account for over 80% of the General Fund revenues to be generated by the Area.

**Projection of Selected Key Sources of Annual General Fund Revenues – Northeast Antioch Annexation Area**

	<i>Combined Total City &amp; County Selected Key Sources of General Fund Revenues</i>	<i>Combined City &amp; County General Fund Property Tax Revenues</i>	<i>City Property Tax In-Lieu of VLF Revenues</i>	<i>City Surcharge Revenues</i>
2012	\$2.0 million	\$1.9 million	-\$3,000	\$94,000
2014 (with Marsh Landing)	\$3.5 million	\$2.9 million	\$390,000	\$198,000
Average Annual 2012 – 2035 (incl. new industrial development)	\$3.1 million to \$3.7 million	\$2.6 million to \$3.0 million	\$330,000 to \$430,000	\$190,000 to \$270,000

The allocation of projected selected sources of General Fund revenues<sup>8</sup> from the Area in 2014 between the City and County by source of revenue is as follows:

**Projected 2014 Combined Total of Selected Key Sources of General Fund Revenues – Northeast Antioch Annexation Area**

	<i>Allocated to City Per Statute</i>	<i>Allocated to County Per Statute</i>	<i>Unallocated Per Statute (Avg. of Scenarios)</i>	<i>Total</i>
General Fund Property Taxes	\$674,000	\$976,000	\$1,271,000	\$2,921,000
Merchant Plant Surcharge Fees	\$198,000	\$0	\$0	\$198,000
Property Tax in Lieu of VLF	\$390,000	\$0	\$0	\$390,000
Total, Selected General Fund Revenues	\$1,262,000	\$976,000	\$1,271,000	\$3,509,000

<sup>8</sup> While not measured in this study, businesses and households in the Annexation Area will generate other sources of General Fund revenues to both the City and County. Additional revenue sources not evaluated in this analysis include: franchise tax revenue; fines and forfeitures; business license fees; sales and use taxes; gas tax revenues (to be used for a portion of public works departmental expenses); and other intergovernmental subventions.

## **SECTION 2: NORTHEAST ANTIOCH ANNEXATION AREA**

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The Northeast Antioch Annexation Area<sup>9</sup> consists of approximately 674 acres of land with 15,000 linear feet of frontage along the San Joaquin River, east of Highway 160. As shown on the map in the Introduction, the majority of land is located to the north of Wilbur Avenue. Three subareas comprise entire Area: Subarea 1 at 478 acres; Subarea 2a at 94 acres; and Subarea 2b at 102 acres. The properties within Subareas 1 and 2a are detailed on Tables 1a and 1b. As shown, the two subareas are comprised of a mix of developed industrial property, the Gateway Power Plant owned by PG&E, The Contra Costa Power Plant owned by GenOn Corporation, a PG&E Switchyard, vacant industrial land, marina related uses, and land owned by the State and Federal Governments. In comparison, Area 2b is comprised primarily of residential uses.

### **A. Power-Generating Related Uses**

The GenOn Contra Costa Power Plant occupies 114 acres and is a major employer in the Area. This plant was built in 1964 and a portion of it is being retired and replaced on-site with the Marsh Landing Generating Station, which is scheduled for completion by 2013<sup>10</sup>. The property is ideally located to be a very cost-effective power plant because of its close proximity to both the PG&E Switchyard and existing transmission lines. Upon completion, the Marsh Landing Generating Station will have the capacity to generate 760 megawatts per hour of electricity, compared with the existing plant's capacity of 680 megawatts. Marsh Landing will occupy 27 acres of the property, which will leave significant land available for future expansion, should GenOn decide to pursue the construction of another plant on the property.

PG&E's holdings in the Area total 97 acres and consist of the 34-acre Gateway Generating Station, the 21-acre Switchyard, a 30-acre vacant parcel south of Wilbur, and 12 acres of transmission lines. The Gateway Generating Station was completed in 2009 and has a generating capacity of 530 megawatts per hour. The 30 acre vacant parcel is ideally located for development of a future power plant.

### **B. General Industrial Uses**

The Georgia-Pacific gypsum plant is the single largest non-power plant industrial business in the Area. It employs approximate 97 people on the 36+acre site. Other key industrial users include Imperial West Chemical, Kiewit Construction, Antioch Trailer Storage, and Kemwater North America.

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<sup>9</sup> The entire Northeast Antioch Annexation Area is comprised of three subareas: 1) 478 acres of primarily industrial land; 2a) 94 acres of marina-oriented land; and 2b) 102 acres of primarily residential uses. This market evaluation focuses on the opportunity for new industrial development within the two non-residential subareas (1 and 2a), which have a total of 572 acres of property.

<sup>10</sup> Marsh Landing Generating Station is scheduled to be complete and operational in 2013. It is assumed that the full value of the plant will be reflected on the property tax roll within one year following completion by 2014.

A 108-acre vacant site zoned for heavy industrial that has been on the market for seven years. While it is an excellent property, with a valuable dock, there has been little interest because of the cost to acquire the entire site (offered at \$21.1 million) and there are some contamination issues.

### **C. Marina Uses**

As shown on Table 1b, 34 acres in the eastern portion of the Area are improved with marina-related uses, including the New Bridge Marina.

## SECTION 3: EAST CONTRA COSTA AND ANTIOCH INDUSTRIAL MARKET

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### A. Industrial Inventory and Market Conditions

As shown in Table 2, the East Contra Costa Market Area, which consists of Antioch, Brentwood, Pittsburg, Oakley, and the surrounding unincorporated area has an existing inventory of approximately 8.8 million square feet of industrial space. The city of Antioch accounts for approximately 3.4 million square feet (43%) of industrial space in the market area. The City of Pittsburg accounts for 3.9 million square feet or 49% of total industrial space in the area. Brentwood accounts for 0.7 million square feet or 8%. The City of Oakley does not appear to have a significant amount of industrial space according to Collier's International.

Of the total 3.44 million square feet of inventory in the City of Antioch, an estimated 47% or 1.6 million square feet is industrial/manufacturing space. Warehousing space accounts for 50% or 1.7 million square feet of the City of Antioch's industrial space inventory. The amount of R&D/Flex space is less than 115,000 square feet or approximately 3% of total inventory. According to Collier's International, the City of Antioch is the only City in the East Contra Costa Market Area with any significant amount of R&D space.

Between the first quarter of 2006 and the fourth quarter of 2010 approximately 450,000 square feet of industrial space were added to the industrial space inventory. That represented an increase of approximately 15% over a four year period. The ability of the market to absorb this new space has been hampered by the general downturn in the economy. In 2008 and 2009, net absorption of industrial space in the City of Antioch was negative 456,000. Net absorption was positive in 2010 at approximately 69,000 square feet.

Despite positive absorption in 2010, industrial space vacancy in the City of Antioch remains relatively high at approximately 23.8% compared to 13.6% for the overall North 680/Hwy 4 Corridor.<sup>11</sup> Vacancy in Antioch is higher for warehousing space (27.6%) than for industrial/manufacturing space (20.7%). See Table 2B. Although a mild reduction in vacancy was observed in 2010, the overall trend since mid-2007 is still increasing.

As vacancy rates have increased, asking rental rates in the City of Antioch have been trending down. Industrial/manufacturing space, in particular, has experienced significant decreases, which partly explains why vacancy has remained relatively flat since 2007. Asking rates for industrial/manufacturing space have declined from \$1.4 per square foot per month to approximately \$0.60 psf/mo between the fourth quarter of 2006 and the fourth quarter of 2010. Meanwhile, asking rates for warehousing space, which are already

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<sup>11</sup> The North 680/Hwy. 4 Corridor encompasses the Cities of Concord, Martinez, Pittsburg, Antioch, Pleasant Hill, Pacheco, Walnut Creek, and Brentwood.



relatively low, and therefore have very little room to fluctuate, have hovered between \$0.25 and \$0.30 per square foot per month.

## **B. Population and Employment Trends**

The Association of Bay Area Governments (ABAG) estimates the population of the City of Antioch at 108,500 as of 2010 and projects it to grow to 120,000 by 2035.<sup>12</sup> That represents average annual growth of less than 0.5% percent. During the same period Pittsburg's population is projected to grow at an annual average rate of 1.2% and to approximate the size of Antioch by 2035. The smaller cities of Brentwood and Oakley are projected to continue to experience steady growth. Total population in the East Contra Costa Market Area is projected to grow from 296,400 in 2010 to 367,000 in 2035. The market area's share as proportion of Contra Costa County is anticipated to remain unchanged, while Antioch share of the market area's population is anticipated to decline from 37% to 33%

ABAG estimates that the City of Antioch had approximately 21,020 jobs in 2010. Due to the recent economic downturn, the number of jobs remains only slightly above 2000 levels. This is true for other cities in the East Contra Costa Market Area. However, ABAG projects significant job growth. Between 2010 and 2035, ABAG projects approximately 19,000 new jobs in Antioch and almost 50,000 new jobs in the East Contra Costa Market Area.

## **C. Projected Industrial Employment**

As shown on Table 4, industrial jobs in East Contra Costa County are anticipated to reach 14,800 by 2035, which would reflect a 102% increase over current employment levels. Industrial employment in Antioch is projected to grow by 110% during the same period, reaching 4,680 employees by 2035. An additional 2,190 industrial jobs are projected to be created in Antioch between 2012 and 2035. By 2035, Antioch is projected to account for over 30% of the industrial employment in the Market Area.

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<sup>12</sup> ABAG's most recent projections were published in 2009. Given the time required to assemble all of the data for the projection, it is likely that the projections do not fully reflect the prolonged recession that the Bay Area has experienced, which has severely limited job growth. Unfortunately, 2010 Census data that address employment distribution at the city level are not yet available. Therefore, the 2009 ABAG projections represent the best source of regional demographic data available at this time. KMA has addressed the likely overly optimistic ABAG projections by projecting a conservative capture rate of future development for the Annexation Area.

## **SECTION 4: PROJECTED INDUSTRIAL GROWTH IN ANTIOCH AND NORTHEAST ANNEXATION AREA THROUGH 2035**

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### **A. Antioch**

As shown on Table 5, assuming the increased industrial employment as projected by ABAG, it is estimated that between 2012 and 2035 the demand for industrial space in the Antioch area will increase by approximately 2.5 million square feet<sup>13</sup>. This growth would represent a 74% increase over the current base of 3.4 million square feet and an average annual growth of 110,000 square feet per year.

Based on current average development densities for heavy industrial and warehouse uses of .25 FAR, it is estimated that approximately 230 acres of land will be required to accommodate Antioch's industrial growth.

### **B. Northeast Annexation Area**

#### ***General Industrial***

The Northeast Annexation Area is well-positioned to capture a significant share of Antioch's industrial growth. It has a number of key attributes, including: frontage along the deep water channel of the San Joaquin River, approximately 170 acres of available vacant land, access to rail lines, and good access to the region's transportation corridors, including Highways 4 and 160. According to brokers active in the area, the market area doesn't have many properties with comparable qualities as those available in the Annexation Area.

There are, however, other business parks in Antioch as well as available vacant free-standing properties that compete with the Annexation Area (Appendix B). Given the price sensitivity in the market and the consideration that the 108 acres of available land in the Annexation Area have been on the market for seven years, it is believed that sites of less than 20 acres may be more desirable than larger, more expensive properties.

The Area's key weakness is the lack of a robust high-capacity freeway network. While the expansion of Highway 4 will address capacity needs in the east/west direction, the area still lacks an adequate north/south freeway connector. Users that require excellent freeway infrastructure are more likely to be attracted to the I-880 corridor, even considering that properties are more expensive in the inner Bay Area. Brokers reported that the Annexation Area would be an ideal location for a logistic center except for the lack of an excellent freeway network. The opportunities for high-tech/R&D are also limited because the area's demographics are less suitable than those found along the I-880 corridor.

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<sup>13</sup> This projection of space reflects the current average employment density in Antioch's industrial space of 1,250 square feet per employee.

Consistent with the overall industrial market in Antioch and the specific strengths of the Annexation Area's location, it is believed that heavy industrial, warehouse, and shipping uses represent the most significant opportunities for the Annexation Area.

KMA explored the identification of uses that are synergistic with power plants would find it advantageous to locate in the Annexation Area because of the proximity to power plants. Based on discussions with representatives of GenOn, other states permit "Direct Access" to power by adjacent users. In those states, large users of energy are attracted to adjacent sites. But, because this is not permitted in California, this is not an opportunity for the Annexation Area. Additionally, some power plants are "load steam plants" that generate steam as a byproduct. Those plants can generate a demand by users who need steam to operate. But, the plants being built in Contra Costa County are not steam plants. Unfortunately, our research did not yield any prime uses that have a particular synergy with power plants.

While not a synergistic use, the operators of power plants are exploring the potential of building renewable energy facilities, such as a photovoltaic farm, on their properties. Given that GenOn has significant property holdings in the City of Pittsburg, it is likely that they will build some renewable facilities on a portion of the Pittsburg properties.

Given these considerations, KMA has estimated that the Annexation Area could capture up to 30% of Antioch's demand. As shown on Table 5, a range of capture rates has been evaluated, from 10% to 30%. Based on these capture rates, the Annexation Area will absorb between 250,000 to 760,000 of new industrial space through 2035, requiring from between 20 to 70 acres of land.

### ***Power Plants***

The development of new power plants has been a significant factor in the East Contra Costa market area over the past decade. As shown on Table 6, the PG&E Gateway Generating Station came on line in 2009. There are currently two stations under construction: GenOn's Marsh Landing Generating Station, which is slated for completion by 2013 and a plant in Oakley owned by Radback Energy. GenOn also plans to build a plant in the City of Pittsburg, which was put on-hold but is anticipated to be operational by 2020.

Given the very difficult permitting process and uniqueness of the industry, there are very few players in the energy market. Locally, they are GenOn, PG&E, and Radback. Future development opportunities in the Annexation Area are impacted by: 1) the overall business plans' of the power plant companies; 2) other land holdings of the power plant companies; 3) the 5 to 10-year time horizon that it takes to secure entitlements for a plant; and 4) proximity of available sites to transmission lines and to a PG&E switchyard.

GenOn reported that its first expansion objective is to restart and complete the Willow Pass Generating Station in the City of Pittsburg. Following that, it might expand on the southern

portion of the Contra Costa Power Plant property in the Annexation Area or it might undertake additional expansion on a portion of the 10,000 acres that it owns in Pittsburg. While KMA was not able to interview a PG&E representative regarding its expansion plans, given that PG&E's vacant sites adjacent to the Switchyard was identified by GenOn as a possible "alternative" site for the Marsh Landing Generating Station, it is believed that is realistic for PG&E to go forward with developing this site at some time in the future.

Given the availability of vacant sites owned by the power companies that are adjacent to the existing switchyard and gas lines, the Annexation Area is uniquely positioned for future development. Based on past development trends KMA estimates that one to two additional power plants could be built within the Annexation Area by 2035. Consistent with the sizes of Gateway Generating Station and the Marsh Landing Generating Station, it is estimated that a hypothetical plant would require approximately 27 acres and would generate approximately 600 megawatts of electricity per hour. As shown on Table 6, for purposes of this projection, it is assumed that one plant would be built by 2030 and another by 2035.

### ***Projection of New Development in Area***

The projection of new industrial and power plant development that is anticipated in the Annexation Area from 2012 through 2035 is presented on Table 7. As noted above, the projection of new industrial development reflects a range of market area capture rates, from 10% to 30%. Based on these capture rates, the Annexation Area is anticipated to absorb between 250,000 to 760,000 of new industrial space through 2035, requiring from between 20 to 70 acres of land. In addition, it is anticipated that between one and two new power plants will be built in the Annexation Area, requiring approximately 50 acres of land.

## SECTION 5: PROJECTION OF SELECTED GENERAL FUND REVENUES TO CITY OF ANTIOCH AND CONTRA COSTA COUNTY

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This section addresses the magnitude of key sources of General Fund revenues that are projected to be generated from the Northeast Antioch Annexation Area through 2035 based on the growth projections contained in this report. The revenues evaluated in this report include:

- General Fund City and County property tax revenues;
- City property tax in-lieu of motor vehicle license fees (VLF); and
- City surcharge revenues from power plants.

It is our understanding that the City of Antioch and Contra Costa County will be negotiating a tax sharing agreement to govern the distribution of revenues after the Area is annexed by the City of Antioch.

### A. Current Assessed Value of Northeast Antioch Annexation Area Properties

As shown on Tables 1a and 1b, the assessed value of secured property within the Northeast Annexation Area currently totals \$544 million. In addition to secured improvement values, there are also unsecured assessed property values within the annexation area. In FY 2009/10 the assessed value of unsecured property totaled approximately \$15.87 million, which would yield approximately \$31,000 of annual General Fund property tax revenue. Unlike secured values, unsecured values are highly volatile from year to year as they often reflect the value of depreciable equipment, which depreciates and can change dramatically with the movement of tenants. Given its relatively minor value, high degree of unpredictability, and high volatility, unsecured values have not been included in this analysis. A summary breakdown of secured values by land use and Subarea is as follows:

#### Estimated Current (2010/11) Secured Assessed Value, Northeast Antioch Annexation Area

	<i>Subarea 1</i>	<i>Subarea 2a</i>	<i>Subarea 2b</i>	<i>Total Annexation Area</i>
Industrial Properties	\$35,406,294	\$11,522,602		\$46,928,896
Power Plants	\$478,944,270			\$478,944,270
State and Federal Properties	\$2,631,873	\$14,329		\$2,646,202
Residential		\$349,440	\$15,115,272	\$15,464,712
Total	\$516,982,437	\$11,886,371	\$15,115,272	\$543,984,080

### B. Assessed Values of Power Plants

The assessed value of power plants and the method for allocating property taxes generated by power plants is significant to this annexation study. The assessments of the existing and planned power plants in the area are presented on Table 8. The State Board of

Equalization is responsible for establishing the assessed value of power-generating plants and the values are published in an aggregate form as part of the Unitary Tax Roll. The valuation of the plants is not reflected in the county assessor's roll by assessor parcel number. The valuation figures for the PG&E Gateway Generating Station and the PG&E switchyard represent 2011/12 figures and have been provided by PG&E. The valuation of the Contra Costa Power Plant has been provided by the State Board of Equalization. Copies of the source data are provided in Appendix C. As shown on Table 8, new power plants have a very high assessed value. The Gateway Generating Station has a value of \$445 million, Marsh Landing Generating Station will have a value of \$550 million and the Oakley Station will have a value of approximately \$475 million.

### **C. Projected Assessed Value of Northeast Antioch Annexation Area Properties**

The future assessed value of properties in the Annexation Area and the magnitude of local property tax increment has been projected assuming a range of industrial development in the Area, with Scenario 1 representing a "low" capture rate of 10% of the development anticipated for Antioch; Scenario 2 representing a "medium" capture rate of 20% of the development anticipated for Antioch; and Scenario 3 representing a "high" capture rate of 30% of development anticipated for Antioch. Two power plant development scenarios have also been modeled. Scenario 1 assumes that one power plant is developed and that it is a merchant plant (because merchant plants yield a lesser amount of property taxes than a public plant). Scenario 2 also assumes that one plant is developed, but it assumes that the plant is a public plant. Scenario 3 assumes that two plants are built, with one plant being a merchant plant and the other being a public plant.

The valuation assumptions for the prototypical power plant used in the projection are provided on Table 9 and reflect the average valuation of the new plants being built. As shown on Table 9, an average valuation of \$470 million is assumed. It is important to note that power plants are subject to depreciation. Based on the IRS Publication 946, a 50-year life has been assumed for purposes of depreciating the asset value of the power plants. The valuation assumptions for the industrial development reflect current development costs as provided by Marshall Swift Valuation Service.

The projection of the Annexation Area's assessed value is presented on Table 10. The valuation is presented in current (non-inflated) 2011 dollars. As shown, upon annexation in 2011, the Area's assessed value is estimated to total approximately \$531 million. Because of the depreciation of power plants, the Area's assessed value is expected to decline slightly in the first year following annexation to \$527 million in 2012. By 2014 the value of Marsh Landing Generating Station is anticipated to be reflected on the roll, resulting in a projected assessed value for the entire Area of approximately \$1.1 billion. In the following years, however, the assessed value is anticipated to decline because unlike other properties, power plant assessed valuation is depreciated annually on the tax roll. Because the power plants represent such an overwhelming portion of the total assessed value of the Area, the

value of new industrial growth is not anticipated to off-set the annual decline in the value of the power plants. As a result, the Area's assessed value is anticipated to decline annually until another power plant is developed. As shown on Table 10, under the "low" capture rate scenario, assuming that the Marsh Landing Generating Station is the only power plant, then by 2025, the total assessed value will approximate \$799 million.

#### **D. Projected Property Tax Revenues from the Area to the General Funds of the City of Antioch and the County of Contra Costa**

The method for allocating property taxes generated by power plants is significant to this annexation study. Pursuant to Revenue and Taxation Code Section 100.95, taxes generated by a public utility placed in service after January 1, 2007, are allocated using a formula that provides for both a county-wide distribution as well as site-specific distribution. This formula applies to the allocation of the \$4.45 million of annual 1% base property tax increment generated by the Gateway Generating Station. Pursuant to the statutory formula following annexation, the General Fund of the City of Antioch will receive 16.57% of the base property tax levy and the General Fund of the County of Contra Costa will receive 23.83% of the base 1% levy.

The allocation of local property taxes generated by merchant power plants is governed by Revenue and Taxation Code Section 100.9, which requires that revenues are allocated in the same percentage share as all other privately owned property within the tax rate area. Under this provision, the General Funds of the City of Antioch and the County of Contra Costa will receive a combined allocation of 19.72% of the base 1% property tax levy of the merchant power plant, assuming that the power plant is within Tax Rate Area 53004<sup>14</sup>. The distribution of annual revenues between the City and the County after annexation will be subject to negotiation. After completion, the Marsh Landing Generating Station is anticipated to yield \$5.5 million of annual property tax revenue from the 1% base property tax levy. Of this amount, the City and County General Funds will jointly receive an allocation of approximately \$1.08 million.

The projection of local property tax increment is presented in Tables 11a, 11b, and 11c (corresponding to the demand capture scenarios). The projections are summarized on Table 15 and in the chart below. As indicated in the chart, the Area will generate significant property tax revenues to the General Funds of the City of Antioch and the County of Contra Costa. It is estimated that in 2012 the Area will annually generate \$1.9 million of combined General Fund property tax increment to the City and County. Of this total, the City's General Fund and the County's General Fund will be statutorily entitled to \$720,000 and \$1,042,000, respectively. The distribution of the remaining \$177,000 is not addressed by statute.

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<sup>14</sup> The 19.72% allocation to the General Fund is comprised of the current allocation of 18.51% to the County General Fund and 1.2057% allocated to Service Area P-6. Post annexation, the distribution of this 19.72% between the City of Antioch and Contra Costs County will be determined by the negotiated tax sharing agreement. Please see Appendix D for the allocation of the base 1% property tax levy.

The reflection of the Marsh Landing Generating Station on the property tax roll in 2014 will significantly increase the amount of General Fund property tax increment. As indicated in the following table, it is estimated that the City and County General Funds will receive a combined total of approximately \$2.9 million of property tax increment in 2014.

After factoring in a range of new industrial development and the addition of one to two new power plants in the Area, it is estimated that the Area could, on average, generate \$2.6 million to \$3.0 million of annual property tax increment to the City and County General Funds through 2035.

**Projected Annual City and County General Fund Property Tax Revenues - Northeast Antioch Annexation Area**

	<i>Combined Total City &amp; County General Fund Property Tax Revenues</i>	<i>Statutory Allocation to Antioch</i>	<i>Statutory Allocation to Contra Costa County</i>	<i>Allocation Not Addressed by Statute</i>
2012	\$1.9 million	\$720,000	\$1,042,000	\$177,000
2014 (with Marsh Landing)	\$2.9 million	\$674,000	\$976,000	\$1,263,000 to \$1,278,000
Average Annual 2012 – 2035 (including new industrial development)	\$2.6 million to \$3.0 million	\$510,000 to \$790,000	\$740,000 to \$1.1 million	\$1.0 to \$1.38 million

**E. Projected City Surcharge Revenues from Area Merchant Power Plants that will Accrue to the City of Antioch**

Private “Merchant” power plants are subject to the payment of “G-SUR Franchise Fees” to the local jurisdiction. The fee amount is a function of the number of megawatt hours produced per year and the amount of gas consumed in the production of megawatt hours. Based on information provided by GenOn, it is estimated that the Contra Costa Power Plant will yield approximately \$94,000 of annual surcharge revenues to the City of Antioch following annexation. Marsh Landing Generating Station is expected to generate significantly more surcharge revenues - \$198,000 per year – due to its anticipated greater output. As shown on Table 12, based on the projected average output of a prototypical private plant, it is estimated that an additional private merchant plant in the Area would generate approximately \$156,000 of additional surcharge revenue to the City of Antioch. While these are the projected levels, based on past empirical revenues to Contra Costa, the



actual amount generated from year to year can be highly variable as it is driven by output and prices. The projection of annual surcharge revenues to be generated by the merchant plants to the City of Antioch is presented on Table 13.

**Projected Range of City of Antioch Annual Surcharge Fee Revenue – Northeast Antioch Annexation Area**

<i>Year</i>	<i>Statutory Allocation to Antioch</i>
2012 – Contra Costs Power Plant	\$94,000
2014 (includes Marsh Landing)	\$198,000
Average Annual 2012 – 2035	\$190,000 to \$270,000

PG&E is subject to the payment of franchise fees. As noted in the Gruen Gruen + Associates Study, the amount of franchise fees estimated to be generated by the Gateway Generating Station are relatively insignificant at \$2,555 per year. The fee amount is a function of the miles of service line that runs through the City. It is not anticipated that the development of new power plants will require the addition of new service lines. Therefore, it is not anticipated that the development of new public power plants in the Area will yield a material increase in franchise fee revenues to the City of Antioch.

**F. Projected Property Tax In-Lieu of Motor Vehicle License Fee (VLF) Revenues from Area that will Accrue to the City of Antioch**

While the City’s Property Tax In-Lieu of VLF will not increase because of the initial bump in assessed value associated with the annexation of property, the City will receive additional property tax in-lieu of VLF revenues associated with the growth in assessed property values that occurs following the annexation, including the growth in value stemming from the addition of Marsh Landing, future growth in industrial development, and any future power plant development in the area. Pursuant to the formula of SB 1096 and data from the State Controller’s Office, it is estimated that Antioch’s General Fund will receive \$0.75 of property tax in-lieu of VLF revenues per \$1,000 growth in assessed property values. As shown on Table 14, based on the growth projections of this analysis, it is estimated that approximately \$387,000 to \$393,000 of property tax in-lieu of VLF revenues will accrue to the City of Antioch in 2014 resulting from the growth projected in the Area (including the addition of Marsh Landing Generating Station to the tax roll).

As noted in the following table, it is estimated that the Area will actually diminish the City’s allocation of property tax in-lieu of VLF revenue following annexation because of the significant impact that the estimated depreciation of the Gateway Generating Station will have on the assessed value of the entire Area in the year after annexation. The total assessed value of properties in the Area is anticipated to decline until the Marsh Landing Generating Station is reflected on the assessment roll.

**Projection of Annual City of Antioch Property Tax In-Lieu of VLF  
Northeast Antioch Annexation Area**

<i>Year</i>	<i>Statutory Allocation to Antioch</i>
2012	-\$3,000
2014	\$387,000 to \$393,000
Average Annual 2012 – 2035	\$330,000 to \$430,000

**G. Projected General Fund Property Tax, Property Tax In-Lieu of VLF, and Surcharge Revenues Generated from Northeast Antioch Annexation Area**

The projected combined total of General Fund property tax, property tax in-lieu of VLF, and surcharge revenues to be generated by the Northeast Annexation Area is summarized in the following chart and detailed on Table 15. As shown, upon the reflection of the Marsh Landing Generating Station on the property assessment roll, it is estimated that the Northeast Annexation Area will generate approximately \$3.5 million of combined total General Fund revenues to the City of Antioch and Contra Costa County. Property taxes account for over 80% of the General Fund revenues to be generated by the Area.

**Projection of Selected Key Sources of Annual General Fund Revenues –  
Northeast Antioch Annexation Area**

	<i>Combined Total City &amp; County Selected Key Sources of General Fund Revenues</i>	<i>Combined City &amp; County General Fund Property Tax Revenues</i>	<i>City Property Tax In-Lieu of VLF Revenues</i>	<i>City Surcharge Revenues</i>
2012	\$2.0 million	\$1.9 million	-\$3,000	\$94,000
2014 (with Marsh Landing)	\$3.5 million	\$2.9 million	\$390,000	\$198,000
Average Annual 2012 – 2035 (incl. new industrial development)	\$3.1 million to \$3.7 million	\$2.6 to \$3.0 million	\$330,000 to \$430,000	\$190,000 to \$270,00

The allocation of projected selected sources of General Fund revenues<sup>15</sup> from the Area in 2014 between the City and County by source of revenue is as follows:

**Projected 2014 Combined Total of Selected Key Sources of General Fund Revenues –  
Northeast Antioch Annexation Area**

	<i>Allocated to City Per Statute</i>	<i>Allocated to County Per Statute</i>	<i>Unallocated Per Statute (Avg. of Scenarios)</i>	<i>Total</i>
General Fund Property Taxes	\$674,000	\$976,000	\$1,271,000	\$2,921,000
Merchant Plant Surcharge Fees	\$198,000	\$0	\$0	\$198,000
Property Tax in Lieu of VLF	\$390,000	\$0	\$0	\$390,000
Total, Selected General Fund Revenues	\$1,262,000	\$976,000	\$1,271,000	\$3,509,000

<sup>15</sup> While not measured in this study, businesses and households in the Annexation Area will generate other sources of General Fund revenues to both the City and County. Additional revenue sources not evaluated in this analysis include: franchise tax revenue; fines and forfeitures; business license fees; sales and use taxes; gas tax revenues (to be used for a portion of public works departmental expenses); and other intergovernmental subventions.

## **SECTION 6: ASSUMPTIONS AND LIMITING CONDITIONS**

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This report is governed by the following Assumptions and Limiting Conditions:

1. The demand projections contained in this report are largely based on the employment projections prepared by the Association of Bay Area Governments (ABAG) in 2009. As noted elsewhere in the report, given the timing of the projections it is unlikely that they fully reflect the impact of the protracted and deep recession that the Bay Area has had on employment growth in the area. It is believed that the projections may be somewhat optimistic given this consideration.
2. It is assumed that information and data furnished by the client and others are substantially correct but no guarantee is made as to the correctness of estimates or opinions furnished by others.
3. The General Fund revenues that have been evaluated in this report represent a set of major revenue components but do not account for all of the sources of revenue that will be generated by the Northeast Annexation Area and accrue to the General Funds of the City of Antioch and Contra Costa County. Examples of additional sources of General Fund revenues that have not been evaluated include: business license taxes, franchise taxes, sales and use taxes, fines and forfeitures, and intergovernmental subventions.
4. It is assumed that the property will be annexed during 2011.
5. All numerical references should be assumed to be "more or less" and accurate to a degree consistent with their use in the analysis.
6. No liability is assumed on account of matters of a legal nature affecting this property, such as title defects, liens, encroachments, overlapping boundaries, etc. cetera.
7. It is assumed that there are no significant soils or remediation conditions impacting the Northeast Annexation Area properties that constitute a serious impediment for future development.
8. This report does not purport to express any opinion whatsoever as to the financial feasibility of developing new industrial space or new power plants, which is related to matters beyond the scope of this assignment.
9. Reviewers are strongly advised that the pace of absorption and the prices that can be achieved for large land developments will vary substantially over time and that actual financial results for any specific period will vary from the projections contained herein.

10. The projections in the report represent our professional judgment, but we do not certify that any of the projections will be achieved. Many intervening factors could cause the projections not to be realized.

## TABLES

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**TABLE 1A  
Northeast Antioch Annexation Properties - Area 1  
Northeast Antioch Annexation Area Market Study  
Antioch, CA**

(Page 1 of 2)

**PRIVATELY OWNED PARCELS**

Parcel	Owner	Address	Acres	Land Value	Improvement Value	Total Value	Total Taxable Value	Assmt. Year	Vacant	Use
<b>Land dedicated to Power Generation, Distribution and Transmission</b>										
<b>Contra Costa Power Plant/Marsh Landing Generating Station</b>										
051-031-017-0	Southern Energy Delta LLC <sup>1</sup>	Wilbur Ave	113.63	\$21,921,168	\$4,987,108	\$26,908,276	N/A	2010	No	Contra Costa Power Plant (Marsh Landing Generating Station under Construction)
<b>PG&amp;E's Gateway Generating Station</b>										
051-031-016-2	PG&E <sup>2</sup>	Wilbur Ave	33.63	\$6,608,400	\$438,424,252	\$445,032,652	N/A	2011	No	Gateway Generating Station
<b>PG&amp;E's Switchyard/Substation</b>										
051-031-015-4	PG&E <sup>2</sup>	Wilbur Ave	21.44	\$2,835,542	N/A	\$2,835,542	N/A	2011	No	Switchyard / Substation
<b>PG&amp;E Transmission and Distribution Property and Buffer Lands</b>										
051-010-008-4	PG&E (Transmission Lines) <sup>3</sup>	Wilbur Ave	6.59	N/A	N/A	N/A	N/A	N/A	Yes	Power Lines
051-010-009-2	PG&E (Transmission Lines) <sup>3</sup>	Wilbur Ave	5.69	N/A	N/A	N/A	N/A	N/A	Yes	Power Lines
051-032-008	PG&E (Vacant Site - Buffer Land) <sup>4</sup>	N/A	29.77	\$4,167,800	\$0	\$4,167,800	N/A	N/A	Yes	Power Lines / Farm / Buffer for Gateway Generating Sta.
<i>Total for PG&amp;E Transmission and Buffer Lands</i>			<u>42.05</u>	<u>\$4,167,800</u>	<u>\$0</u>	<u>\$4,167,800</u>				
<b>Total Dedicated to Power Generation, Distribution and Transmission <sup>5</sup></b>			<b>210.75</b>	<b>\$5,532,910.00</b>	<b>\$443,411,360</b>	<b>\$478,944,270</b>				
<b>Waterfront Industrial Land</b>										
<b>Forestar USA Real Estate (For Sale)</b>										
051-020-006-6	Forestar USA Real Estate	2301 Wilbur Ave	27.70	\$2,761,601	\$0	\$2,761,601	N/A	2010	Yes	Industrial Lot for Sale
051-031-005-5	Forestar USA Real Estate	2603 Wilbur Ave	80.11	\$7,188,407	\$0	\$7,188,407	N/A	2010	Yes	Industrial Lot for Sale
<i>Total for Forestar USA Real Estate</i>			<u>107.81</u>	<u>\$9,950,008</u>	<u>\$0</u>	<u>\$9,950,008</u>				
<b>Georgia-Pacific Gypsum LLC</b>										
065-020-009-0	Georgia-Pacific Gypsum LLC	795 Minaker Dr	6.16	\$602,526	N/A	\$602,526	N/A	2010	No	Manufacturing Plant
065-020-010-8	Georgia-Pacific Gypsum LLC	801 Minaker Dr	30.34	\$3,779,533	\$14,470,938	\$20,332,634	N/A	2010	No	Manufacturing Plant
<i>Total for Georgia-Pacific Gypsum LLC</i>			<u>36.50</u>	<u>\$4,382,059</u>	<u>\$14,470,938</u>	<u>\$20,935,160</u>				
<b>Kemwater North America</b>										
051-101-006-8	Kemwater North America	1805 Wilbur Ave	2.66	\$203,894	\$0	\$203,894	N/A	2010	Yes	Open Space
051-010-007-6	Kemwater North America	1837 Wilbur Ave	0.29	\$22,201	\$0	\$22,201	N/A	2010	Yes	Open Space
051-020-011-6	Kemwater North America	Wilbur Ave	2.40	\$183,959	\$0	\$183,959	N/A	2010	Yes	Apparent access road for adjacent Imperial Property
<i>Total for Kemwater North America</i>			<u>5.35</u>	<u>\$410,054</u>	<u>\$0</u>	<u>\$410,054</u>				
<b>Imperial West Chemical Co.</b>										
051-020-010-8	Imperial West Chemical Co	2105 Wilbur Ave	8.86	\$674,119	N/A	\$674,119	N/A	2010	No	Lot with containers/building
051-020-009-0	Imperial West Chemical Co	2151 Wilbur Ave	3.94	\$299,770	\$297,935	\$597,705	N/A	2010	No	Lot with containers/building
<i>Total for Imperial West Chemical Co</i>			<u>12.80</u>	<u>\$973,889</u>	<u>\$297,935</u>	<u>\$1,271,824</u>				
<b>Other Industrial Parcels Under Private Ownership</b>										
051-092-004-4	Allison Richard H	2566 Wilbur Ave	0.10	\$13,037	\$26,975	\$40,012	N/A	2010	Yes	Lot
051-092-012-7	Allison Richard H /TE	2540 Wilbur Ave	1.93	\$99,724	\$81,104	\$180,828	N/A	2010	No	Small Building / Truck Storage
051-092-005-1	Tarango John V & Lina A/Innocente Vera	2570 Wilbur Ave	0.30	\$6,815	N/A	\$6,815	N/A	2010	Yes	Truck Storage
051-092-010-1	Tarango John V & Lina A/Innocente Vera	Wilbur Ave	0.25	\$5,486	\$2,521	\$8,007	N/A	2010	Yes	Truck Storage
051-032-013-8	Christ Randy W /TE & Cani L	3050 Wilbur Ave	0.93	\$117,245	\$668,797	\$786,042	N/A	2010	No	Building
051-032-011-2	Martinez John A & Lana S	3000 Wilbur Ave	1.99	\$35,295	\$300,080	\$335,375	N/A	2010	No	Several Small Buildings / Truck Storage
051-032-009-6	Cunha Roy A	2600 Wilbur Ave	10.27	\$1,482,169	N/A	\$1,482,169	N/A	2010	Yes	Lot
<i>Total for Individual Owners</i>			<u>15.77</u>	<u>\$1,759,771</u>	<u>\$1,079,477</u>	<u>\$2,839,248</u>				
<b>Total Industrial Properties</b>			<b>178.23</b>	<b>17,475,781.00</b>	<b>15,848,350.00</b>	<b>\$35,406,294</b>				
<b>TOTAL PRIVATELY-OWNED PARCELS <sup>5</sup></b>			<b>388.98</b>	<b>\$53,008,691</b>	<b>\$459,259,710</b>	<b>\$514,350,564</b>				

**TABLE 1A**  
**Northeast Antioch Annexation Properties - Area 1**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

(Page 2 of 2)

**FEDERAL AND STATE GOVERNMENT-OWNED PARCELS**

Parcel	Owner	Address	Acres	Land Value	Improvement Value	Total Value	Total Taxable Value	Assessed Year	Vacant	Use
<b>United States Government</b>										
065-020-001-7	United States	501 Fulton Shipyard Rd	32.60	\$989,730	\$0	\$989,730	N/A	2010	Yes	Antioch Dunes National Wildlife Refuge
065-020-003-3	United States	Waterfront Rd	11.74	\$387,919	\$0	\$387,919	N/A	2010	Yes	Antioch Dunes National Wildlife Refuge
051-010-005-0	United States	1551 Wilbur Ave	14.35	\$337,321	\$0	\$337,321	N/A	2010	Yes	Open Space
<i>Total for United States Government</i>			<b>58.69</b>	<b>\$1,714,970</b>	<b>\$0</b>	<b>\$1,714,970</b>				
<b>State of California</b>										
065-020-008-2	State of California	Waterfront Rd	7.49	\$323,271	\$0	\$323,271	N/A	2010	No	Land / River including loading dock
051-020-012-4	State of California	Wilbur Ave	11.79	\$474,921	\$0	\$474,921	N/A	2010	No	Land / River including loading dock
051-031-013-9	State of California	N/A	4.08	\$77,465	\$0	\$77,465	N/A	2010	Yes	Land / River
051-031-004-8	State of California	Wilbur Ave	3.21	\$19,188	\$0	\$19,188	N/A	2010	Yes	Land / River
051-031-007-1	State of California	Wilbur Ave	3.06	\$18,287	\$0	\$18,287	N/A	2010	Yes	Land / River
051-031-003-0	State of California	Wilbur Ave	0.63	\$3,771	\$0	\$3,771	N/A	2010	No	Small Pier
<i>Total for State of California</i>			<b>30.26</b>	<b>\$916,903</b>	<b>\$0</b>	<b>\$916,903</b>				
<b>TOTAL GOVERNMENT-OWNED LAND</b>			<b>88.95</b>	<b>\$2,631,873</b>	<b>\$0</b>	<b>\$2,631,873</b>				
<b>TOTAL PRIVATELY- AND GOVERNMENT-OWNED LAND <sup>5</sup></b>			<b>477.93</b>	<b>\$55,640,564</b>	<b>\$459,259,710</b>	<b>\$516,982,437</b>				

Notes: Unless otherwise noted, data are from RealQuest.com. Except for the use category which is based on site inspections and satellite images.

<sup>1</sup> Assessed Value from the State Board of Equalization Roll of State-Assessed Property.

<sup>2</sup> Provided by PG&E for FY2011-12.

<sup>3</sup> These parcels and improvements are part of the public utilities unitary tax. They are assessed and taxed as a single unit along with all other PG&E assets therefore the Assessed Value is not available.

<sup>4</sup> These parcels and improvements are part of the public utilities unitary tax. They are assessed and taxed as a single unit along with all other PG&E assets therefore the Assessed Value is not available. The land value shown in this table is from RealQuest.com.

<sup>5</sup> Excludes Assessed Value for PG&E's Transmission Lines and Switchyard/Substation.



**TABLE 1B**  
**Northeast Antioch Annexation Properties - Area 2A**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

(Page 1 of 2)

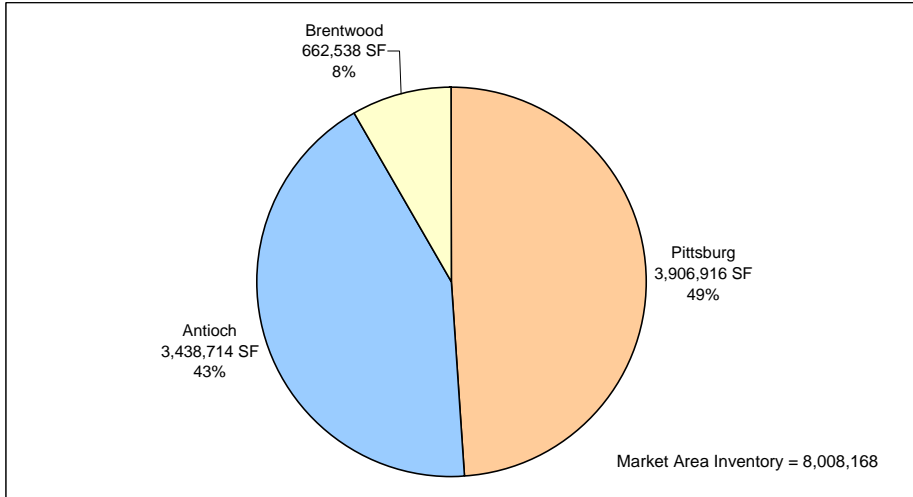
**PRIVATELY OWNED PARCELS**

Parcel	Owner	Address	Acres	Land Value	Imprvmt. Value	Total Value	Total Taxable Value	Assmt. Year	Vacant	Land Use
<b>Marina Use</b>										
<b>New Bridge Marina/Bridge Marina Harbor</b>										
051-040-035-1	Gibson Wallace /TE & Judith	6325 Bridgehead Rd	10.48	\$1,025,843	\$1,255,470	\$2,281,313	N/A	2010	No	Marina Facility
051-040-047-6	Gibson Wallace /TE & Judith	N/A	0.58	\$56,756	N/A	\$56,756	N/A	2010	No	Marina Facility
<i>Total for Gibson Wallace &amp; Judith</i>			<i>11.06</i>	<i>\$1,082,599</i>	<i>\$1,255,470</i>	<i>\$2,338,069</i>				
<b>Interest Income Partners</b>										
051-040-019-5	Interest Income Partners	Wilbur Ave	0.93	\$20,000	N/A	\$20,000	N/A	2010	No	Marina Facility
051-040-048-4	Interest Income Partners	Wilbur Ave	3.00	\$160,000	N/A	\$160,000	N/A	2010	No	Marina Facility
051-040-049-2	Interest Income Partners	3305-3309 Wilbur Ave	4.05	\$265,000	\$255,000	\$520,000	N/A	2010	No	Marina Facility
<i>Total for Interest Income Partners</i>			<i>7.98</i>	<i>\$445,000</i>	<i>\$255,000</i>	<i>\$700,000</i>				
<b>Sportsmen, Inc.</b>										
051-040-065-8	Sportsmen Inc	3301 Wilbur Ave	7.91	\$132,550	\$77,186	\$219,283	N/A	2010		Marina Facility
<b>Fleming Virginia H/TE</b>										
051-040-023-7	Fleming Virginia H /TE	Wilbur Ave	7.14	\$184,239	\$387,210	\$571,449	N/A	2010		Marina Facility
051-040-070-8	Fleming Virginia H /TE	415-485 Fleming Ln	2.50	\$46,091	\$104,242	\$151,062	N/A	2010		SFR
<i>Total for Fleming Virginia</i>			<i>9.64</i>	<i>\$230,330</i>	<i>\$491,452</i>	<i>\$722,511</i>				
<b>Bierly Leon R. &amp; Joan</b>										
051-040-001-3	Bierly Leon R & Joann	Wilbur Ave	0.34	\$548	N/A	\$548	N/A	2010		Marina Facility
<b>Total Marina Facilities (excl. Fleming SFR)</b>			<b>34.43</b>	<b>\$1,844,936</b>	<b>\$1,974,866</b>	<b>\$3,829,349</b>				
<b>Waterfront Industrial Land</b>										
<b>Kiewit Construction Group, Inc.</b>										
051-040-073-2	Kiewit Construction Group Inc	3551 Wilbur Ave	37.56	\$1,116,228	\$907,736	\$2,024,964	N/A	2010		Light Industrial
<b>Other Industrial Parcels under Private Ownership</b>										
<b>Antioch Trailer Storage</b>										
051-040-046-8	Antioch Trailer Storage	6321 Bridgehead Rd	0.62	\$111,797	\$22,027	\$133,824	N/A	2010		Mini Warehouse
051-040-069-0	Antioch Trailer Storage	6301-6313 Bridgehead Rd	8.37	\$1,505,918	\$110,255	\$1,616,173	N/A	2010		Mini Warehouse
051-040-071-6	Antioch Trailer Storage	Wilbur Ave	3.38	\$607,234	\$44,056	\$651,290	N/A	2010		Mini Warehouse
<i>Total for Antioch Trailer Storage</i>			<i>12.37</i>	<i>\$2,224,949</i>	<i>\$176,338</i>	<i>\$2,401,287</i>				
<b>Small (&lt;5-acres) parcels</b>										
051-040-072-4	Retzloff Properties LLC	3625-3635 Wilbur Ave	5.00	\$1,363,261	\$796,219	\$2,164,702	N/A	2010		Industrial (nec)
051-040-066-6	Monterey Mechanical Co	3665 Wilbur Ave	1.13	\$343,338	\$691,754	\$1,102,300	N/A	2010		Light Industrial
051-040-056-7	Mckim Michael G & Nancy F	6317 Bridgehead Rd	0.38	\$43,000	\$131,500	\$174,500	N/A	2010		SFR
051-040-009-6	Hamton DorothyM /TE	480 Fleming Ln	0.18	\$3,771	\$20,107	\$23,878	N/A	2010		SFR
<i>Total Small Parcels</i>			<i>6.69</i>	<i>\$1,753,370</i>	<i>\$1,639,580</i>	<i>\$3,465,380</i>				
<b>TOTAL PRIVATELY-OWNED PARCELS</b>			<b>93.55</b>	<b>\$6,985,574</b>	<b>\$4,802,762</b>	<b>\$11,872,042</b>				

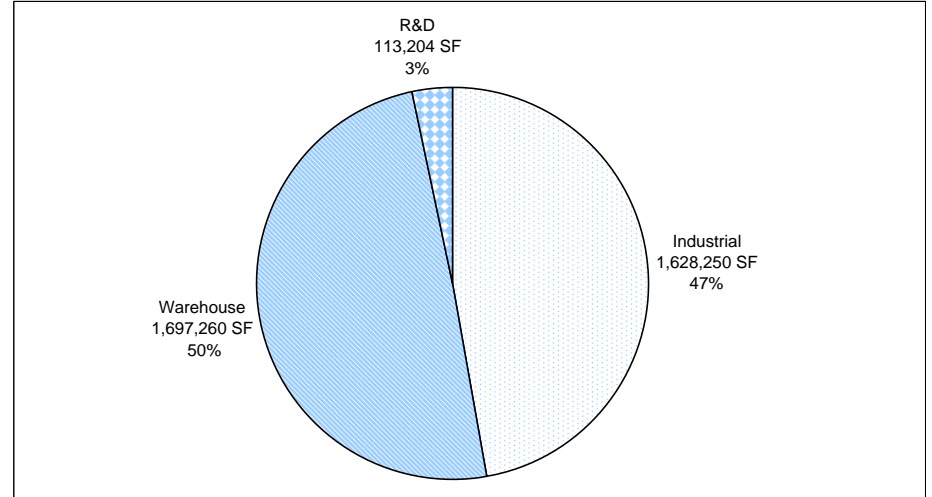


**TABLE 2A**  
**Trends in Industrial Real Estate**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

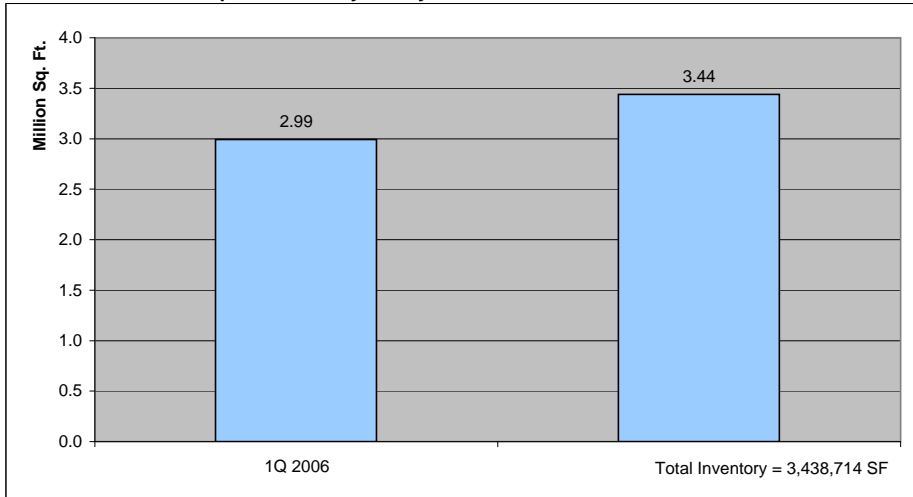
**Antioch's Market Share of Industrial Space in East Contra Costa Market Area, Q4 2010**



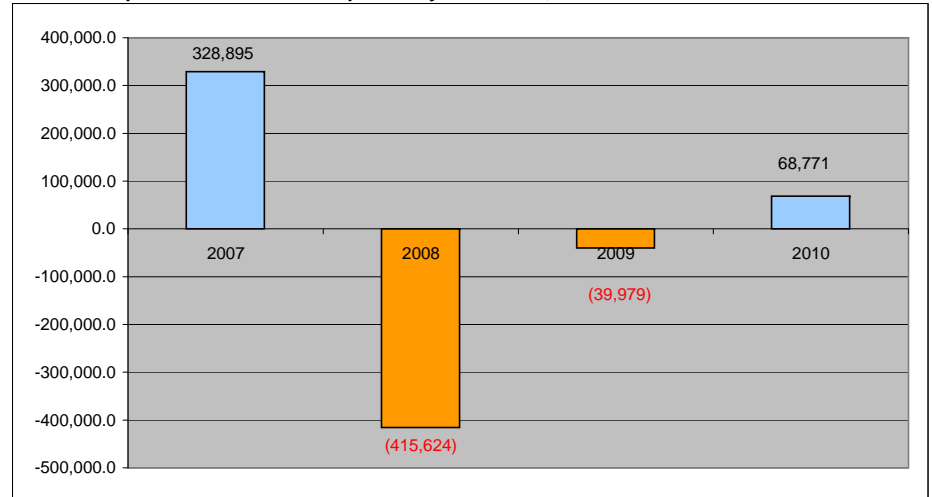
**Composition of Antioch's Industrial Space, Q4, 2010**



**Growth in Industrial Space Inventory in City of Antioch**



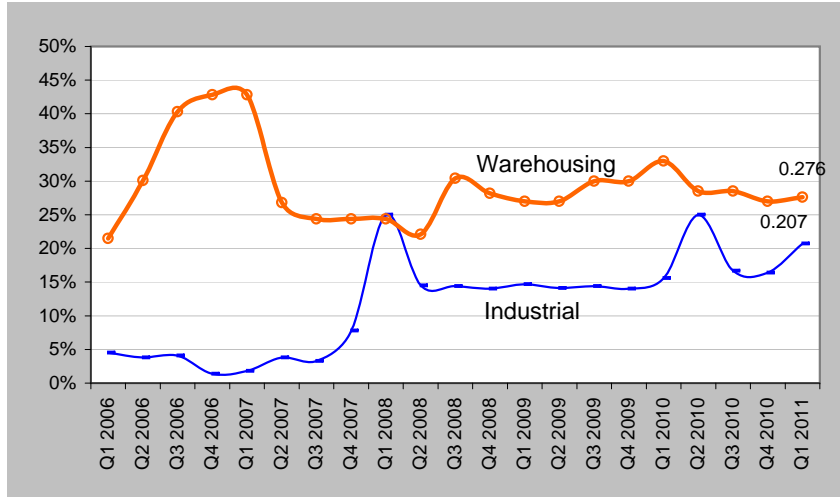
**Industrial Space Annual Net Absorption City of Antioch, 2007-2010**



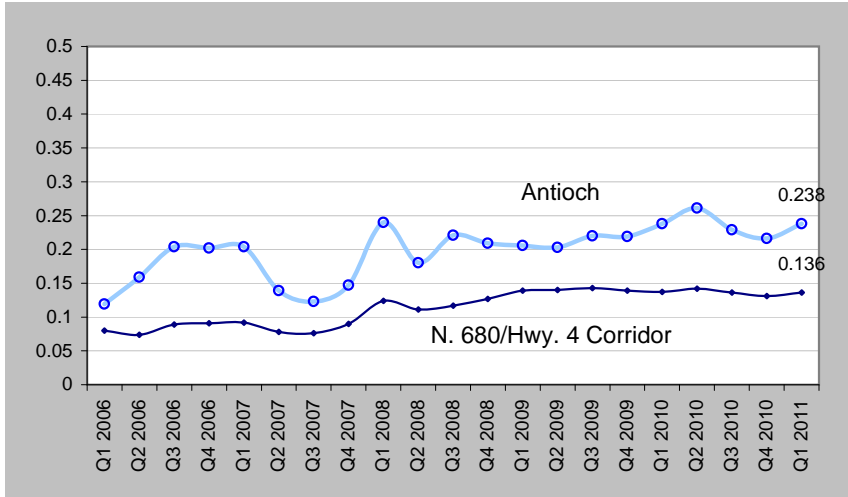
Source: Collier's International

**TABLE 2B**  
**Trends in Industrial Real Estate**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

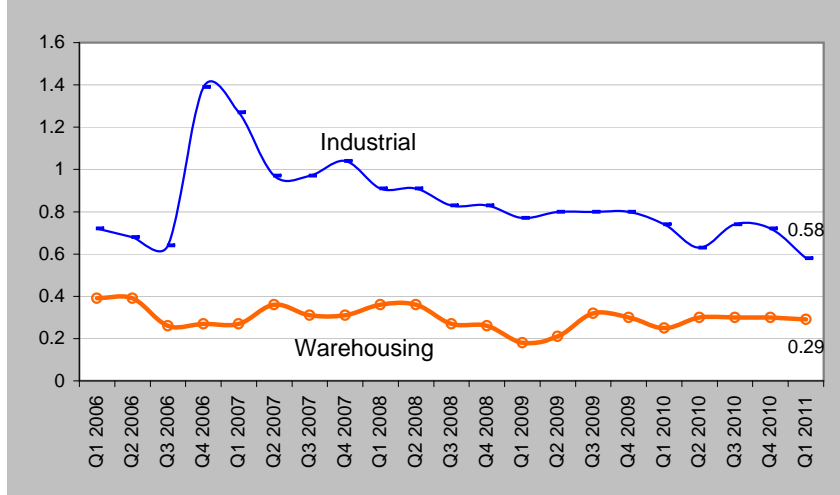
**Antioch Industrial Vacancy Rate - By Class**



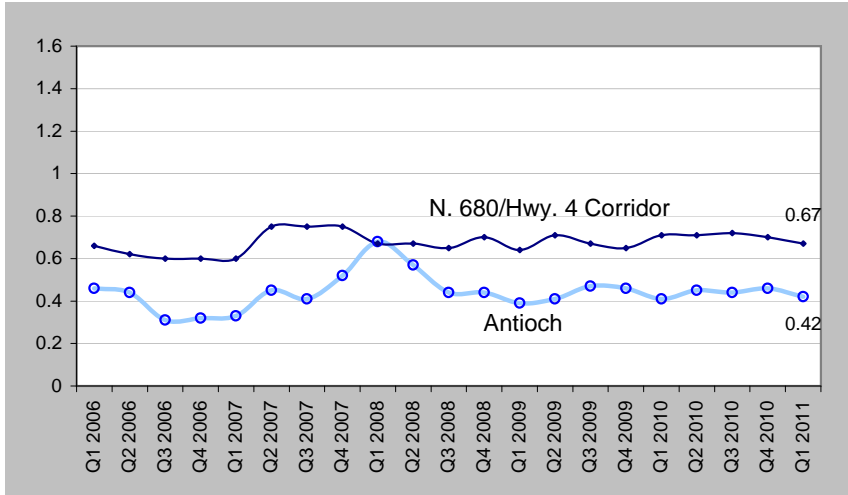
**Industrial Vacancy Rate - Antioch vs. North I-680/Hwy. 4 Corridor**



**Antioch Industrial Asking Rental Rate - By Class**

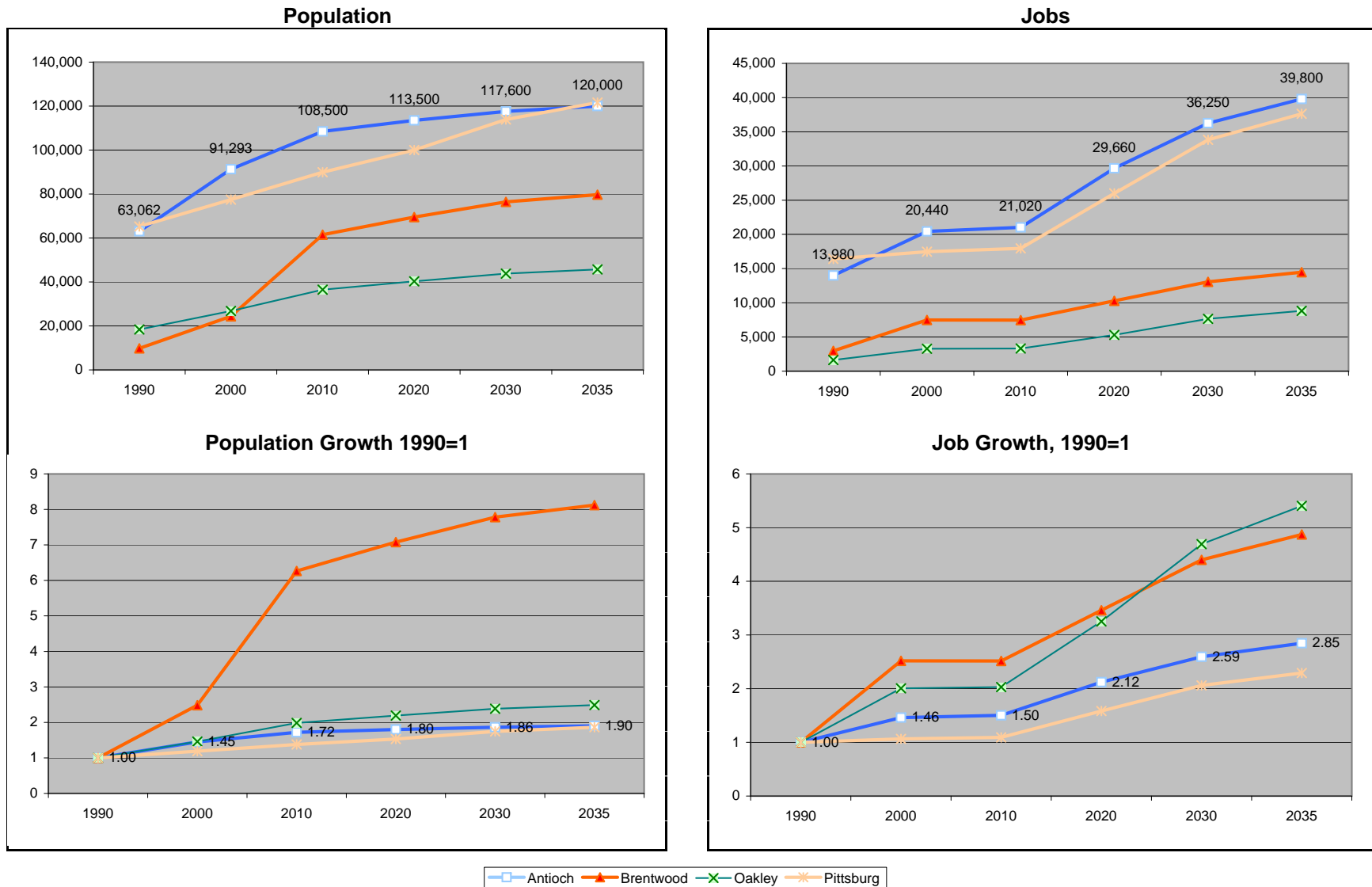


**Industrial Asking Rate - Antioch vs. North I-680/Hwy. 4 Corridor**



Source: Colliers International. The No. 680/Hwy. 4 Corridor includes the Cities of Concord, Martinez, Pittsburg, Antioch, Pleasant Hill, Pacheco, Walnut Creek, and Brentwood.

**TABLE 3A**  
**Population and Job Growth Projections East Contra Costa County Market Area**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**



Source: Association of Bay Area Governments, Projections 2009

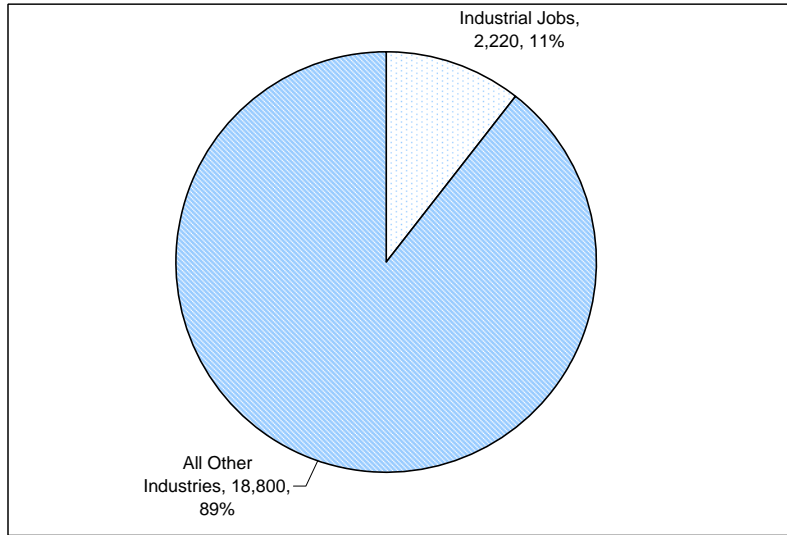
**TABLE 3B**  
**Population and Job Growth Projections East Contra Costa County Market Area**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

	1990	2000	2010	2020	2030	2035
<b>Population</b>						
Antioch	63,062	91,293	108,500	113,500	117,600	120,000
Brentwood	9,815	24,385	61,500	69,500	76,400	79,700
Oakley	18,374	26,803	36,500	40,300	43,800	45,700
Pittsburg	65,230	77,479	89,900	100,000	113,900	121,600
Market Area	156,481	219,960	296,400	323,300	351,700	367,000
Total Contra Costa County	803,732	948,816	1,090,300	1,177,400	1,273,700	1,322,900
Antioch as % of Market Area	40%	42%	37%	35%	33%	33%
MA as % of Contra Costa Co.	19%	23%	27%	27%	28%	28%
<b>Jobs</b>						
Antioch	13,980	20,440	21,020	29,660	36,250	39,800
Brentwood	2,970	7,480	7,470	10,280	13,070	14,470
Oakley	1,630	3,270	3,310	5,300	7,650	8,810
Pittsburg	16,420	17,470	17,960	25,990	33,820	37,630
Market Area	35,000	48,660	49,760	71,230	90,790	100,710
Total Contra Costa County	314,550	371,310	376,820	445,550	516,910	555,650
Antioch as % of Market Area	40%	42%	42%	42%	40%	40%
MA as % of Contra Costa Co.	11%	13%	13%	16%	18%	18%
<b>Industrial Jobs</b>						
Antioch	1,550	2,440	2,220	3,570	4,040	4,680
Brentwood	210	750	750	960	930	1,210
Oakley	970	320	320	490	480	580
Pittsburg	3,480	4,640	4,060	6,390	8,210	8,410
Market Area	6,210	8,150	7,350	11,410	13,660	14,880
Total Contra Costa County	43,290	56,110	52,800	61,420	67,890	71,640
Antioch as % of Market Area	25%	30%	30%	31%	30%	31%
MA as % of Contra Costa Co.	14%	15%	14%	19%	20%	21%

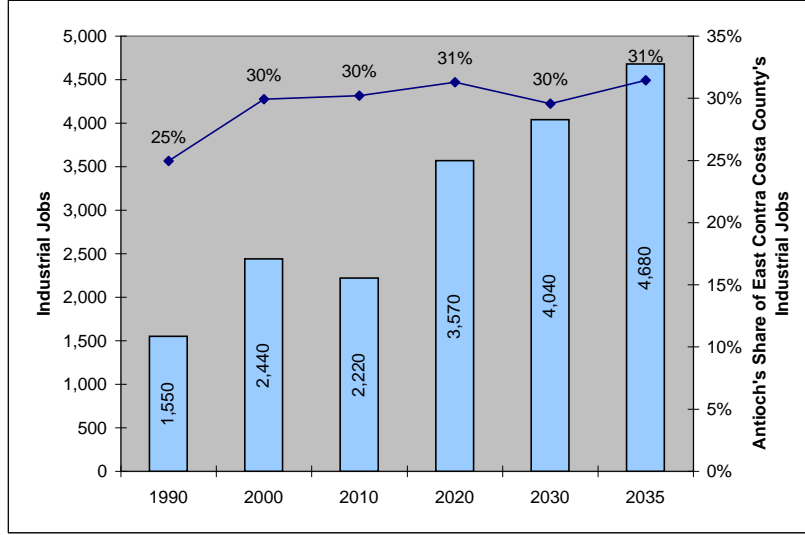
Source: Association of Bay Area Governments, 2009 Projections.

**TABLE 4**  
**Industrial Jobs Trends**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

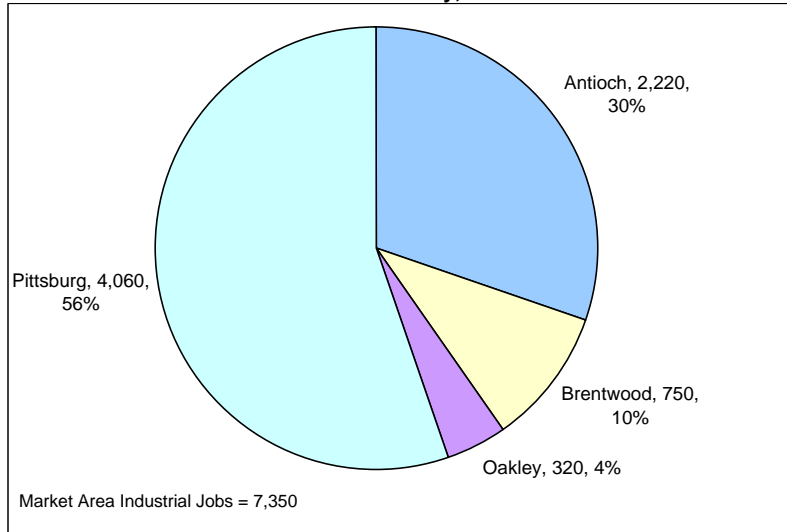
**Share of Industrial Jobs in the City of Antioch, 2010**



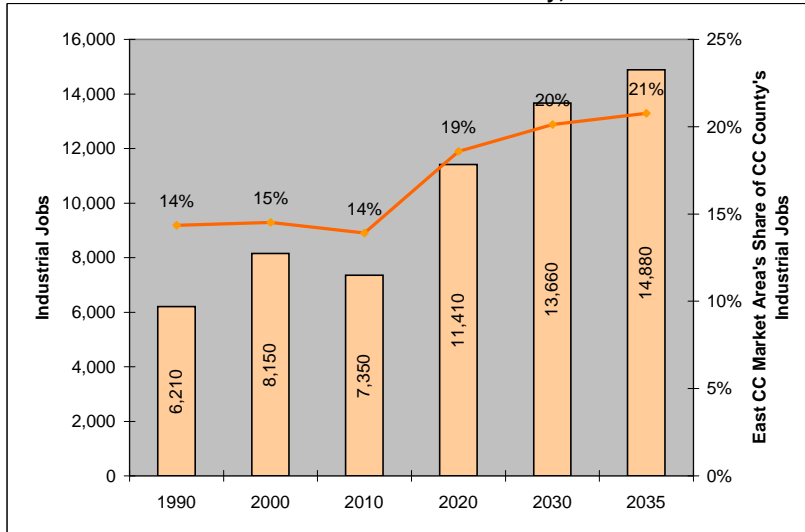
**Growth in Industrial Jobs in the City of Antioch, 1990-2035**



**Industrial Jobs in East Contra Costa County, 2010**



**Growth in Industrial Jobs in East Contra Costa County, 2010-2035**



Source: Association of Bay Area Governments, Projections 2009

**TABLE 5**  
**Supported New Industrial SF in Antioch and Estimated Study Area's Capture Rate**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

		<u>2012-2020</u>	<u>2021-2030</u>	<u>2031-2035</u>	<u>2012-2035</u>
ABAG Projection, Antioch Industrial Job Growth <sup>1</sup>		1,080	470	640	2,190
Projected New SF	1,215 SF/employee	1,312,157	571,031	777,574	2,660,762
Plus Stabilized Vacancy of 10% <sup>2</sup>		131,216	57,103	77,757	266,076
(Less) current Excess Supply <sup>3</sup>		-397,632			
<b>Additional Industrial SF</b>		<b>1,046,000</b>	<b>628,000</b>	<b>855,000</b>	<b>2,529,000</b>
<b>Estimated Land Area Required</b>					
<b>Square Feet</b>	0.25 FAR <sup>4</sup>	4,184,000	2,512,000	3,420,000	10,116,000
<b>Acres</b>		<b>96</b>	<b>58</b>	<b>79</b>	<b>232</b>

**Vacant Land in Study Area**

Area 1 and 2a 168 acres <sup>5</sup>  
 % of Mkt Absorption by 2035 72%

**Estimated Range of Study Area's Potential Capture of New Industrial SF**

<b>Scenario</b>	<b>Capture Rate <sup>4</sup></b>	<u>2012-2020</u>	<u>2021-2030</u>	<u>2031-2035</u>	<u>2012-2035</u>
Low	10%	104,600	62,800	85,500	252,900
Medium	20%	209,200	125,600	171,000	505,800
High	30%	313,800	188,400	256,500	758,700

**Estimated Required Study Area Acreage**

<b>Scenario</b>	<b>Capture Rate</b>	<u>2012-2020</u>	<u>2021-2030</u>	<u>2031-2035</u>	<u>2012-2035</u>
Low	10%	10	6	8	23
Medium	20%	19	12	16	46
High	30%	29	17	24	70

<sup>1</sup> ABAG 2009 Projections

<sup>2</sup> Based on recent trends in Antioch

<sup>3</sup> KMA based on Collier's International data.

<sup>4</sup> KMA assumption

<sup>5</sup> Gruen Gruen + Associates, 2009



**TABLE 6**  
**New Power Plant Building Program**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

Plant Name	Production Capacity	Acres	Ownership	Status	Service Timeline			
					2000-10	2010-20	2020-30	2030-40
Gateway Generating Station	530	34	PG&E	Place in Service (2009)	√	√	√	
Marsh Landing Generating Sta	760	27	GenOn	Under Construction		√	√	√
Oakley Generating Station	624	22	Radback Energy, Inc.	Under Construction		√	√	√
Willow Pass Road	550	26	GenOn	Proposed (On-Hold)		√	√	√
Hypothetical Power Plant 1	600	27	TBD (Private)	Hypothetical			√	√
Hypothetical Power Plant 2	600	27	TBD (Private)	Hypothetical				√

√ Indicated "Placed in Service" date  
 √ In Service (assuming 30-year lifespan)

**TABLE 7**  
**Projected New Development in Area 1**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

**PROJECTED NEW INDUSTRIAL DEVELOPMENT <sup>1</sup>**

	<b>Total 2012-2035</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Projected Demand for New Industrial Building Space (Square Feet) <sup>2</sup></b>													
Scenario 1 - Low (10% Capture)	252,900		13,075	13,075	13,075	13,075	13,075	13,075	13,075	13,075	6280	6280	6280
Scenario 2 - Medium (20% Capture)	505,800		26,150	26,150	26,150	26,150	26,150	26,150	26,150	26,150	12560	12560	12560
Scenario 3 - High (30% Capture)	758,700		39,225	39,225	39,225	39,225	39,225	39,225	39,225	39,225	18840	18840	18840
<b>Land (Square Feet) Required to accommodate new industrial space (at .25 FAR)</b>													
Scenario 1 - Low (10% Capture)	1,011,600		52,300	52,300	52,300	52,300	52,300	52,300	52,300	52,300	25,120	25,120	25,120
Scenario 2 - Medium (20% Capture)	2,023,200		104,600	104,600	104,600	104,600	104,600	104,600	104,600	104,600	50,240	50,240	50,240
Scenario 3 - High (30% Capture)	3,034,800		156,900	156,900	156,900	156,900	156,900	156,900	156,900	156,900	75,360	75,360	75,360

**PROJECTED NEW POWER PLANTS**

		<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Scenario 1 - Low													
Merchant Power Plant <sup>3</sup>	1												
Scenario 2 - Medium													
Public Utility Power Plant <sup>4</sup>	1												
Scenario 3 - High													
Merchant Power Plant <sup>3</sup>	1												
Public Utility Power Plant <sup>5</sup>	1												

<sup>1</sup> It is assumed that this new development will take place in the 108-acre, vacant parcels currently for sale by Forestar USA.

<sup>2</sup> Table 5 shows development over 5-, 8-, and 10-year periods. To estimate assessed value, KMA assumes that development takes place at a constant annual rate taking into account projected growth during each period analyzed.

<sup>3</sup> It is assumed that the new merchant power plant will be built at the site owned by GenOn where the CCGT currently sits, and where the MLGS is currently under construction. A new merchant power plant is assumed to come online between 2020 and 2030. The midpoint, 2025, has been selected for modeling purposes.

<sup>4</sup> It is assumed that the new public-utility owned power plant will be built at the vacant site owned by PG&E south of Wilbur Avenue (APN 051-032-008). This power plant is assumed to come online between 2020 and 2030. The midpoint, 2025, has been selected for modeling purposes.

<sup>5</sup> It is assumed that the new public-utility owned power plant will be built at the vacant site owned by PG&E south of Wilbur Avenue (APN 051-032-008). This power plant is assumed to come online between 2030 and 2040. The year 2030 has been selected for modeling purposes.

**TABLE 7**  
**Projected New Development in Area 1**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

**PROJECTED NEW INDUSTRIAL DEVELOPMENT <sup>1</sup>**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Projected Demand for New Industrial Building Space (Square Feet) <sup>2</sup></b>												
Scenario 1 - Low (10% Capture)	6280	6280	6280	6280	6280	6280	6280	17100	17100	17100	17100	17100
Scenario 2 - Medium (20% Capture)	12560	12560	12560	12560	12560	12560	12560	34200	34200	34200	34200	34200
Scenario 3 - High (30% Capture)	18840	18840	18840	18840	18840	18840	18840	51300	51300	51300	51300	51300
<b>Land (Square Feet) Required to accommodate new industrial space (at .25 FAR)</b>												
Scenario 1 - Low (10% Capture)	25,120	25,120	25,120	25,120	25,120	25,120	25,120	68,400	68,400	68,400	68,400	68,400
Scenario 2 - Medium (20% Capture)	50,240	50,240	50,240	50,240	50,240	50,240	50,240	136,800	136,800	136,800	136,800	136,800
Scenario 3 - High (30% Capture)	75,360	75,360	75,360	75,360	75,360	75,360	75,360	205,200	205,200	205,200	205,200	205,200

**PROJECTED NEW POWER PLANTS**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Scenario 1 - Low												
Merchant Power Plant <sup>3</sup>		In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service
Scenario 2 - Medium												
Public Utility Power Plant <sup>4</sup>		In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service
Scenario 3 - High												
Merchant Power Plant <sup>3</sup>		In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service	In Service
Public Utility Power Plant <sup>5</sup>							In Service	In Service	In Service	In Service	In Service	In Service

**TABLE 8**  
**Estimated Property Tax Generated by Power Plants in the Market Area**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

(Page 1 of 2)

Property Description Facility	EXISTING POWER PLANTS			POWER PLANTS UNDER CONSTRUCTION	
	Contra Costa Power Plant	Gateway Generating Station	Pittsburg Power Plant	Marsh Landing Generating Station	Oakley Generating Station
Year online	1964	2009	1954	2013 (est.)	2016 (est.)
Location (Jurisdiction)	Unincorp. C.C. County	Unincorp. C.C. County	Pittsburg	Unincorp. C.C. County	Oakley
Owner Name on Tax Roll <sup>(1)</sup>	Southern Energy Delta LLC (GenOn)	Pacific Gas & Electric Co.	Southern Energy Delta LLC (GenOn)	GenOn <sup>(10)</sup>	Radback Energy, Inc. <sup>(12)</sup>
Ownership Type	Private Sector	Public Utility	Private Sector	Private Sector	Private Sector
Production Capacity (Megawatts)	680	530	1984	760 <sup>(10)</sup>	624 <sup>(12)</sup>
Assessor's Parcel Number <sup>(1)</sup>	051-031-017-0	051-031-016-2	085-010-014-0	Unknown	Unknown
Lot Area (Acres) <sup>(1)</sup>	113.63	33.63	279.32	27.00 <sup>(10)</sup>	21.95 <sup>(12)</sup>
Assessed Value	\$26,908,276 <sup>(4)</sup>	\$445,032,652 <sup>(7)</sup>	\$56,016,494 <sup>(4)</sup>	\$550,000,000 <sup>(10)</sup>	\$475,000,000 <sup>(12)</sup>
Property Tax Revenue (Base 1% Levy) <sup>(2)</sup>	\$269,083	\$4,450,327	\$560,165	\$5,500,000	\$4,750,000
Allocation of Pro. Tax Rev.					
Assessing Entity	State Board of Eq.	State Board of Eq.	State Board of Eq.	State Board of Eq.	State Board of Eq.
Valuation Method	Unitary	Unitary	Unitary	Unitary	Unitary
Revenue Allocation	Situs Based <sup>(5)</sup>	Countywide and Situs Based <sup>(8)</sup>	Situs Based <sup>(5)</sup>	Situs Based <sup>(5)</sup>	Situs Based <sup>(5)</sup>
Tax Rate Area <sup>(3)</sup>	53004	53004	07076	53004	19091
Distribution of Base 1% Levy, Per Statute					
County General + P-6 (before Annexation)	19.72% <sup>(6)</sup>	40.41% <sup>(9)</sup>	N/A	19.72% <sup>(11)</sup>	N/A
City (before Annexation)	N/A <sup>(6)</sup>	N/A	N/A	N/A <sup>(11)</sup>	N/A
County (after Annexation)	TBN <sup>(6)</sup>	23.83% <sup>(9)</sup>	3.68%	TBN <sup>(11)</sup>	13.35% <sup>(13)</sup>
City (after Annexation)	TBN <sup>(6)</sup>	16.57% <sup>(9)</sup>	4.75%	TBN <sup>(11)</sup>	6.88% <sup>(13)</sup>
Allocation of Property Tax Revenue Per Statute					
County (before Annexation)	\$53,056	\$1,798,185 <sup>(9)</sup>	N/A	\$1,084,448 <sup>(11)</sup>	N/A
City (before Annexation)	N/A	N/A	N/A	N/A	N/A
County (after Annexation)	TBN	\$1,060,694	\$20,607	TBN	\$634,001 <sup>(13)</sup>
City (after Annexation)	TBN	\$737,491	\$26,616	TBN	\$326,942 <sup>(13)</sup>

**TABLE 8**  
**Estimated Property Tax Generated by Power Plants in the Market Area**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

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Notes

- <sup>1</sup> Unless otherwise noted, data are from RealQuest.com based on information from the Contra Costa County Assessor's Office.
- <sup>2</sup> One percent (1%) Countywide Property Tax net of special assessments. The total unitary tax rate for the fiscal year 2010-11 is 1.4169%, which includes voter-approved general bond obligations. The total tax rate for Tax Rate Areas 53004 and 19091 is 1.0826%. The total tax rate for Tax Rate Area 07076 is 1.1096%. Contra Costa County Auditor-Controller.
- <sup>3</sup> Contra Costa County Auditor Controller. The Tax Rate Area for the Contra Costa Power Plant and Marsh Landing Generating Station has been changed to 53026. However, a tax rate has not been established yet.
- <sup>4</sup> Assessed Values (AV) for Contra Costa Power Plant and Pittsburg Power Plant were obtained from the California State Board of Equalization (SBE). Assessed Value in year 2010. Note that the AV reported by the SBE differs from the AV reported by the CC Assessor's Office (per RealQuest.com). The AV reported by RealQuest.com is \$2,034 for the Contra Costa Power Plant and the Gateway Generating Station. RealQuest.com does not report AV for the Pittsburg Power Plant.
- <sup>5</sup> Property is a Merchant Power Plant, therefore, per Tax Revenue Code Section 100.9, the revenues derived from the assessment of this property are allocated in the same percentage shares as revenues derived from locally assessed property among the jurisdictions in which the property is located.
- <sup>6</sup> Currently the County General Fund receives 18.51% and 1.2% is allocated for police protection. Allocation between City and County after annexation is subject to tax sharing agreement.
- <sup>7</sup> FY 2011-12 Assessed Value for the Gateway Generation Station provided by PG&E. Assessed Value excludes parcels south of Wilbur Avenue.
- <sup>8</sup> Property is owned by a public utility and was placed in service after 2007, therefore Tax Revenue Code Section 100.95 applies.
- <sup>9</sup> Currently the County receives 23.83% + 16.57% from the 1% base levy. It is assumed that, because this is a "Qualified Property" under Section 100.95 of the Tax Revenue Code, following annexation the 16.57% portion of property tax revenue will be allocated the City of Antioch. The County will continue to receive its 23.83% allocation.
- <sup>10</sup> Data for the Marsh Landing Generating Station were obtained from the California Energy Commission's Revised Staff Assessment, June 2010. According to this report, the approximately 27-acre MLGS parcel will be created by subdividing the existing single parcel that constitutes the site of the Existing Contra Costa Power Plant. It is assumed that GenOn or one of its subsidiaries will be the owner of record. According to the Contra Costa County GIS system, the new parcels created will be an 83.65-acre parcel with APN 051-031-019 for the Contra Costa Power Plant and a 26.84-acre with APN 051-031-018 for the Marsh Landing Generating Station. Both of these parcels will be in Tax Rate Area 53026.
- <sup>11</sup> This share is based on the assumption that the new Power Plant will continue to be in the same Tax Rate Area (TRA) as the Contra Costa Power Plant. This figure represent the share that the county currently receive from property in TRA 53004. It is further assumed that this amount will be split between the County and the City pending a tax sharing agreement.
- <sup>12</sup> Data from the Oakley Generating Station Final Staff Assessment, dated March 2011. Assessed Value is based on total capital costs which are estimated at \$450 to \$500 million.
- <sup>13</sup> Allocation based on current TRA. Senate Bill 536 (DeSaulnier) would mandate that tax revenues be allocated first to the county in which the property is located and to all the schools entities located in that county, and 2nd to the East Contra Costa Fire Protection District, and 3rd to special districts, with the balance allocated to the redevelopment agency governing the project area in which the property is located. The bill would also require the Oakley Redevelopment Agency to develop one new housing unit for each 40 jobs created on real property within the project area as prescribed.

**TABLE 9**  
**Estimated Property Tax and Surcharge/Franchise Fee Revenue Generated by Hypothetical New Power Plants in Area 1**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

(Page 1 of 2)

PROPERTY TAX REVENUE		
	Merchant Power Plant	Public Utility Power Plant
<b>Property Description</b>		
Location (Jurisdiction)	Area 1	Area 1
Owner Name on Tax Roll	To Be Determined	PG&E
Ownership Type	Private Sector	Public Utility
Production Capacity (Megawatts) <sup>(1)</sup>	600	600
Assessor's Parcel Number	Hypothetical	Hypothetical
Lot Area (Acres) <sup>(2)</sup>	27.00	27.00
Assessed Value <sup>(3)</sup>	\$470,000,000	\$470,000,000
Property Tax Revenue (Base 1% Levy) <sup>(4)</sup>	\$4,700,000	\$4,700,000
<b>Allocation of Pro. Tax Rev.</b>		
Assessing Entity	State Board of Eq.	State Board of Eq.
Valuation Method	Unitary	Unitary
Revenue Allocation	Situs Based <sup>(6)</sup>	Countywide and Situs <sup>(8)</sup> Based
Tax Rate Area <sup>(5)</sup>	53004	53004
<b>Distribution of Base 1% Levy Per Statute</b>		
County (before Annexation)	19.72% <sup>(7)</sup>	40.41% <sup>(9)</sup>
City (before Annexation)	N/A <sup>(7)</sup>	N/A <sup>(9)</sup>
County (after Annexation)	TBN <sup>(7)</sup>	23.83% <sup>(9)</sup>
City (after Annexation)	TBN <sup>(7)</sup>	16.57% <sup>(9)</sup>
<b>Allocation of Property Tax Revenue</b>		
County (before Annexation)	\$926,710 <sup>(7)</sup>	\$1,899,068 <sup>(9)</sup>
City (before Annexation)	N/A	N/A
County (after Annexation)	TBN <sup>(7)</sup>	\$1,120,201
City (after Annexation)	TBN <sup>(7)</sup>	\$778,866

SURCHARGE / FRANCHISE FEE REVENUE		
	Merchant Power Plant	Public Utility Power Plant
<b>Fee Type</b>	Surcharge Fee	Franchise Fee <sup>(14)</sup>
Generating Capacity (MW) <sup>(1)</sup>	600	No additional Franchise Fee Revenue is associated with a new power plant. Franchise Fees are paid by PG&E based on miles of service line (gas or electricity) that runs through a particular jurisdiction. It is assumed that the number of service miles is "demand-driven" and independent of the location of power plants.
Annual Capacity Factor <sup>(10)</sup>	7.5%	
Estimated Annual Generation (MWh) <sup>(11)</sup>	394,200	
Gas Usage per MWh Produced (MMBTUs) <sup>(12)</sup>	10	
Gas Usage per Year (MMBTUs)	3,942,000	
G-SUR Franchise Fee Surcharge (\$ per MMBTU) <sup>(13)</sup>	\$0.0397	
<b>Annual G-SUR Franchise Free Surcharge Revenue</b>	<b>\$156,497</b>	

**TABLE 9**  
**Estimated Property Tax and Surcharge/Franchise Fee Revenue Generated by Hypothetical New Power Plants in Area 1**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

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Notes

- <sup>1</sup> Based on recently built, under-construction, or proposed plants in the region, which range in size between 530 to 760MW. MLGS = 760MW; Gateway Generating Station = 530MW; Oakley Generating Station = 624MW; and Willow Pass Road = 550MW.
- <sup>2</sup> Based on recently built, under-construction, or proposed plants in the region, which range in size between 22 to 34 acres. MLGS= 27 acres; Gateway Generating Station = 34 acres; Oakley Generating Station = 22 acres; and Willow Pass Road = 26 acres.
- <sup>3</sup> Based on construction costs estimates of recently built, under-construction, or proposed plants in the region. See Appendix A, Table 1.
- <sup>4</sup> One percent (1%) Countywide Property Tax net of special assessments. The total unitary tax rate for the fiscal year 2010-11 is 1.4169%, which includes voter-approved general bond obligations. The total tax rate for Tax Rate Area 53004 is 1.0826%.
- <sup>5</sup> According to the Contra Costa County Auditor Controller, the Tax Rate Area in Area 1 has changed to 53026, however, a tax rate and distribution among taxing entities has not been established yet.
- <sup>6</sup> Property would be a Merchant Power Plant, therefore, per Tax Revenue Code Section 100.9, the revenues derived from the assessment of this property are allocated in the same percentage shares as revenues derived from locally assessed property among the jurisdictions in which the property is located.
- <sup>7</sup> This share is based on the assumption that Area 1 will continue to be in the same Tax Rate Area (TRA). This figure represent the share that the County's General Fund and P6 Fund currently receive from property in TRA 53004. It is further assumed that this amount will be split between the County and the City pending a tax sharing agreement.
- <sup>8</sup> Property is owned by a public utility and was placed in service after 2007, therefore Tax Revenue Code Section 100.95 applies.
- <sup>9</sup> Currently the County receives 23.83% + 16.57% from the 1% base levy. It is assumed that because this is a power plant owned by a Public Utility and will be placed in service after 2007, this will be a "Qualified Property" under Section 100.95 of the Tax Revenue Code. Per the Tax Code, currently the County receives 23.83% + 16.57% from the 1% base levy for all Qualified Property. Following annexation, the 16.57% portion of property tax revenue will be allocated the City of Antioch. The County will continue to receive its 23.83% allocation.
- <sup>10</sup> Based on capacity factor of Marsh Landing Generating Station.
- <sup>11</sup> MW hours are calculated assuming 8,760 hours per year.
- <sup>12</sup> John Chillemi at GenOn.
- <sup>13</sup> PG&E, Advice Letter No. 3205-G, Effective June 1, 2011.
- <sup>14</sup> Public Utilities are not required to pay surcharge fees since they pay Franchise Fees.

**TABLE 10**  
**Estimated Assessed Value in**  
**Subareas 1, 2A, and 2B**  
**Northeast Antioch Annexation Area**  
**Market Study**  
**Antioch, CA**

	(\$8,595,840)												
	Assumptions												
	2010-11	Appreciation/											
	Assessed Val. <sup>1</sup>	Depreciation <sup>2</sup>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Existing/ Known New Development</b>													
Marsh Landing Generating Station <sup>3</sup>	\$550,000,000 <sup>(4)</sup>	-3%			\$550,000,000	\$531,666,667	\$513,944,444	\$496,812,963	\$480,252,531	\$464,244,113	\$448,769,309	\$433,810,332	\$419,349,988
Contra Costa Power Station <sup>5</sup>	\$26,908,276	-3%	\$25,144,289	\$24,306,146	\$19,801,310	\$20,461,354	\$21,143,399	\$21,848,179	\$22,576,451	\$23,329,000	\$24,106,633	\$24,910,187	\$25,740,527
Gateway Generating Station	\$445,032,652 <sup>(6)</sup>	-3%	\$430,198,230	\$415,858,289	\$401,996,346	\$388,596,468	\$375,643,252	\$363,121,811	\$351,017,750	\$339,317,159	\$328,006,587	\$317,073,034	\$306,503,933
Other PG&E Properties													
Transmission Lines <sup>7</sup>	N/A												
Switchyard / Substation <sup>8</sup>	\$2,835,542 <sup>(6)</sup>	2%	\$2,892,253	\$2,950,098	\$3,009,100	\$3,069,282	\$3,130,667	\$3,193,281	\$3,257,146	\$3,322,289	\$3,388,735	\$3,456,510	\$3,525,640
Vacant Site (APN 051-032-008) <sup>9</sup>	\$4,167,800 <sup>(6)</sup>	2%	\$4,251,156	\$4,336,179	\$4,422,903	\$4,511,361	\$4,601,588	\$4,693,620	\$4,787,492	\$4,883,242	\$4,980,907	\$5,080,525	\$5,182,135
Residential Properties in Area 2b	\$15,181,554 <sup>(19)</sup>	2%	\$15,485,185	\$15,794,889	\$16,110,787	\$16,433,002	\$16,761,662	\$17,096,896	\$17,438,833	\$17,787,610	\$18,143,362	\$18,506,230	\$18,876,354
Industrial Properties (Excludes Vacant) <sup>10</sup>	\$37,328,328	2%	\$38,836,392	\$39,613,120	\$40,405,383	\$41,213,490	\$42,037,760	\$42,878,515	\$43,736,086	\$44,610,807	\$45,503,024	\$46,413,084	\$47,341,346
	\$531,454,152		\$516,807,506	\$502,858,721	\$1,035,745,828	\$1,005,951,624	\$977,262,774	\$949,645,264	\$923,066,290	\$897,494,220	\$872,898,557	\$849,249,902	\$826,519,923
<b>Potential New Development</b>													
<b>Scenario 1 (Low)</b>													
New Power Plant (Merchant) <sup>11</sup>	\$470,000,000 <sup>(12)</sup>	-3%											
New Industrial Development (10% capture) <sup>13</sup>													
Improvements <sup>14</sup>	\$136 PSF <sup>(15)</sup>	2%		\$1,771,980	\$3,579,399	\$5,422,967	\$7,303,406	\$9,221,454	\$11,177,863	\$13,173,400	\$15,208,848	\$16,364,118	\$17,542,493
Land <sup>16</sup>	\$9,950,008	2%	10,351,988	10,675,306	11,002,737	11,334,319	11,670,085	12,010,071	12,354,311	12,702,839	13,055,689	13,362,956	13,675,045
			\$10,351,988	\$12,447,285	\$14,582,137	\$16,757,286	\$18,973,492	\$21,231,525	\$23,532,174	\$25,876,239	\$28,264,537	\$29,727,074	\$31,217,538
<b>Scenario 2 (Medium)</b>													
New Power Plant (Public Utility) <sup>17</sup>	\$470,000,000 <sup>(12)</sup>	-3%											
New Industrial Development (20% capture)													
Improvements <sup>14</sup>	\$136 PSF <sup>(15)</sup>	2%		\$3,543,960	\$7,158,799	\$10,845,934	\$14,606,813	\$18,442,909	\$22,355,727	\$26,346,801	\$30,417,697	\$32,728,236	\$35,084,985
Land <sup>16</sup>	\$9,950,008	2%	\$10,351,988	\$10,791,583	\$11,235,266	\$11,683,025	\$12,134,845	\$12,590,710	\$13,050,601	\$13,514,497	\$13,982,373	\$14,354,328	\$14,731,074
			\$10,351,988	\$14,335,543	\$18,394,065	\$22,528,959	\$26,741,658	\$31,033,619	\$35,406,328	\$39,861,298	\$44,400,070	\$47,082,563	\$49,816,059
<b>Scenario 3 (High)</b>													
New Power Plant (Merchant) <sup>11</sup>	\$470,000,000 <sup>(12)</sup>	-3%											
New Power Plant (Public Utility) <sup>18</sup>	\$470,000,000 <sup>(12)</sup>	-3%											
New Industrial Development (30% capture)													
Improvements <sup>14</sup>	\$136 PSF <sup>(15)</sup>	2%		\$5,315,940	\$10,738,198	\$16,268,902	\$21,910,219	\$27,664,363	\$33,533,590	\$39,520,201	\$45,626,545	\$49,092,353	\$52,627,478
Land <sup>16</sup>	\$9,950,008	2%	\$10,351,988	\$10,907,861	\$11,467,795	\$12,031,731	\$12,599,605	\$13,171,350	\$13,746,892	\$14,326,155	\$14,909,058	\$15,345,699	\$15,787,103
			\$10,351,988	\$16,223,800	\$22,205,993	\$28,300,633	\$34,509,825	\$40,835,713	\$47,280,482	\$53,846,357	\$60,535,603	\$64,438,053	\$68,414,581
<b>Assessed Value from Existing Development and New Development</b>													
Scenario 1 (Low)	\$531,454,152		\$527,159,494	\$515,306,007	\$1,050,327,965	\$1,022,708,910	\$996,236,265	\$970,876,789	\$946,598,464	\$923,370,460	\$901,163,094	\$878,976,976	\$857,737,461
Scenario 2 (Medium)	\$531,454,152		\$527,159,494	\$517,194,264	\$1,054,139,893	\$1,028,480,583	\$1,004,004,432	\$980,678,883	\$958,472,618	\$937,355,518	\$917,298,627	\$896,332,465	\$876,335,982
Scenario 3 (High)	\$531,454,152		\$527,159,494	\$519,082,522	\$1,057,951,821	\$1,034,252,256	\$1,011,772,598	\$990,480,977	\$970,346,772	\$951,340,577	\$933,434,160	\$913,687,955	\$894,934,504

<sup>1</sup> Unless otherwise noted, see Table 1A for source of current assessed values.

<sup>2</sup> According to the State Board of Equalization, the Class Life (in years) for assets used in the production, transmission and distribution of electricity is 25 to 30 years. It is assumed that power generation facilities will be depreciated over a 30-year period. For all non power generating properties, the statutory 2% increase is applied.

<sup>3</sup> It is assumed that the MLGS will come on line in 2013. The value of the improvements will be reflected in the tax roll the following year.

<sup>4</sup> Assessed Value for the Marsh Landing Generating Station is from the California Energy Commission's Revised Staff Assessment, June 2010.

<sup>5</sup> It is assumed that the CCPP will be decommissioned after the MLGS comes online. As shown in Table 1A, the AV for improvements associated with the CCPP is approximately \$5 million. This value is subtracted from the AV after the plant is decommissioned. After that, the statutory 2% annual increase is applied to the value of the land.

<sup>6</sup> Assessed value in 2011-12. Assessed values for Switchyard/Substation and Vacant Site are for land value only.

<sup>7</sup> Assessed by the SBE under the unitary approach. Value is not separately identified.

<sup>8</sup> Excludes assessed value of improvements. This property is assessed by the SBE under the unitary approach. PG&E staff was able to identify the land value but not the value of the improvements.

<sup>9</sup> According to PG&E staff, this vacant parcel is technically part of the Gateway Generating Station. It is considered a 'buffer' zone. It is assumed that any potential development of a power plant owned by PG&E will take place in this parcel.

<sup>10</sup> Excludes 108-acre parcels owned by Forester USA Real Estate. The parcels owned by Forester are for sale and it is assumed that they will be used to accommodate potential new development.

<sup>11</sup> It is assumed that the new merchant power plant will be built at the site owned by GenOn where the CCPP currently sits, and where the MLGS is currently under construction. A new merchant power plant is assumed to come online between 2020 and 2030. The midpoint, 2025, has been selected for modeling purposes. The assessed value is assumed to be recorded on the tax roll the year after it is placed in service.

<sup>12</sup> Based on assessed value or estimated capital costs of new power plants in the region. See Appendix A, Table 1.

<sup>13</sup> It is assumed that this new development will take place in the 108-acre, vacant parcels currently for sale by Forester USA. Assessed values are recorded in the tax roll they year after completion.



<sup>14</sup>

Table 5 shows demand projections over 5-, 8-, and 10-year periods. To estimate assessed value, KMA assumes that development takes place at a constant annual rate taking into account projected growth during each period analyzed.

<sup>15</sup> Assessed value per square foot is based on Marshall & Swift Valuation Services estimated cost of improvements for Heavy Industrial (\$164psf) and Warehousing space (\$108psf). Taking into account the distribution of Industrial and Warehousing space in Antioch, the weighted average cost of improvement is assumed to be \$136 per square foot for new industrial development.

<sup>16</sup> The two vacant parcels owned by Forestar USA are currently assessed at approximately \$2.12 per square foot. It is assumed that land will be sold as development occurs. The sale price is assumed to be \$4.47 per square foot (asking price). The assessed value reflects the increase in value as the land is sold as well as the 2% statutory annual increase.

<sup>17</sup> It is assumed that the new public-utility owned power plant will be built at the vacant site owned by PG&E south of Wilbur Avenue (APN 051-032-008). This power plant is assumed to come online between 2020 and 2030. The midpoint, 2025, has been selected for modeling purposes. The assessed value is assumed to be recorded on the tax roll the year after it is placed in service.

<sup>18</sup> It is assumed that the new public-utility owned power plant will be built at the vacant site owned by PG&E south of Wilbur Avenue (APN 051-032-008). This power plant is assumed to come online between 2030 and 2040. The year 2030 has been selected for modeling purposes. The assessed value is assumed to be recorded on the tax roll the year after it is placed in service.

<sup>19</sup> Base value represents value in 2009/10. It has been assumed that the 2010/11 value is the same as the 2009/10 value.

AV for new industrial development	AV/SF	SF in 2010	% of SF
Industrial	\$164	1,628,250	49%
Warehousing	\$108	1,697,260	51%
Mix - Ind-Ware	\$136		

AV/Sf from Marshall Swift per Debbie Kern

**TABLE 10**  
**Estimated Assessed Value in**  
**Subareas 1, 2A, and 2B**  
**Northeast Antioch Annexation Area**  
**Market Study**  
**Antioch, CA**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Existing/ Known New Development</b>													
Marsh Landing Generating Station <sup>3</sup>	\$405,371,655	\$391,859,267	\$378,797,291	\$366,170,715	\$353,965,024	\$342,166,190	\$330,760,650	\$319,735,295	\$309,077,452	\$298,774,870	\$288,815,708	\$279,188,518	\$269,882,234
Contra Costa Power Station <sup>5</sup>	\$26,598,544	\$27,485,163	\$28,401,335	\$29,348,046	\$30,326,314	\$31,337,191	\$32,381,764	\$33,461,156	\$34,576,528	\$35,729,079	\$36,920,049	\$38,150,717	\$39,422,407
Gateway Generating Station	\$296,287,135	\$286,410,897	\$276,863,867	\$267,635,072	\$258,713,903	\$250,090,106	\$241,753,769	\$233,695,310	\$225,905,466	\$218,375,284	\$211,096,108	\$204,059,571	\$197,257,585
Other PG&E Properties													
Transmission Lines <sup>7</sup>													
Switchyard / Substation <sup>8</sup>	\$3,596,153	\$3,668,076	\$3,741,437	\$3,816,266	\$3,892,592	\$3,970,443	\$4,049,852	\$4,130,849	\$4,213,466	\$4,297,736	\$4,383,690	\$4,471,364	\$4,560,791
Vacant Site (APN 051-032-008) <sup>9</sup>	\$5,285,778	\$5,391,494	\$5,499,324	\$5,609,310	\$5,721,496	\$5,835,926	\$5,952,645	\$6,071,698	\$6,193,132	\$6,316,994	\$6,443,334	\$6,572,201	\$6,703,645
Residential Properties in Area 2b	\$19,253,881	\$19,638,959	\$20,031,738	\$20,432,373	\$20,841,020	\$21,257,841	\$21,682,998	\$22,116,657	\$22,558,991	\$23,010,170	\$23,470,374	\$23,939,781	\$24,418,577
Industrial Properties (Excludes Vacant) <sup>10</sup>	\$48,288,173	\$49,253,936	\$50,239,015	\$51,243,795	\$52,268,671	\$53,314,044	\$54,380,325	\$55,467,932	\$56,577,290	\$57,708,836	\$58,863,013	\$60,040,273	\$61,241,079
	\$804,681,319	\$783,707,791	\$763,574,007	\$744,255,576	\$725,729,020	\$707,971,742	\$690,962,003	\$674,678,898	\$659,102,326	\$644,212,970	\$629,992,276	\$616,422,425	\$603,486,318
<b>Potential New Development</b>													
<i>Scenario 1 (Low)</i>													
New Power Plant (Merchant) <sup>11</sup>				\$470,000,000	\$454,333,333	\$439,188,889	\$424,549,259	\$410,397,617	\$396,717,697	\$383,493,773	\$370,710,648	\$358,353,626	\$346,408,505
New Industrial Development (10% capture) <sup>1</sup>													
Improvements <sup>14</sup>	\$18,744,435	\$19,970,416	\$21,220,917	\$22,496,427	\$23,797,448	\$25,124,490	\$26,478,072	\$27,858,726	\$30,733,366	\$33,665,498	\$36,656,273	\$39,706,863	\$42,818,466
Land <sup>16</sup>	13,992,026	14,313,969	14,640,947	14,973,032	15,310,297	15,652,817	16,000,667	16,353,923	16,767,213	17,184,376	17,605,401	18,030,276	18,458,987
	\$32,736,461	\$34,284,385	\$35,861,864	\$507,469,459	\$493,441,079	\$479,966,196	\$467,027,998	\$454,610,267	\$444,218,276	\$434,343,648	\$424,972,322	\$416,090,766	\$407,685,958
<i>Scenario 2 (Medium)</i>													
New Power Plant (Public Utility) <sup>17</sup>				\$470,000,000	\$454,333,333	\$439,188,889	\$424,549,259	\$410,397,617	\$396,717,697	\$383,493,773	\$370,710,648	\$358,353,626	\$346,408,505
New Industrial Development (20% capture)													
Improvements <sup>14</sup>	\$37,488,870	\$39,940,832	\$42,441,833	\$44,992,855	\$47,594,897	\$50,248,980	\$52,956,144	\$55,717,452	\$61,466,731	\$67,330,996	\$73,312,546	\$79,413,727	\$85,636,932
Land <sup>16</sup>	\$15,112,655	\$15,499,114	\$15,890,493	\$16,286,835	\$16,688,181	\$17,094,572	\$17,506,051	\$17,922,658	\$18,453,535	\$18,986,242	\$19,520,642	\$20,056,589	\$20,593,931
	\$52,601,525	\$55,439,946	\$58,332,327	\$531,279,690	\$518,616,411	\$506,532,441	\$495,011,455	\$484,037,728	\$476,637,962	\$469,811,012	\$463,543,836	\$457,823,942	\$452,639,368
<i>Scenario 3 (High)</i>													
New Power Plant (Merchant) <sup>11</sup>				\$470,000,000	\$454,333,333	\$439,188,889	\$424,549,259	\$410,397,617	\$396,717,697	\$383,493,773	\$370,710,648	\$358,353,626	\$346,408,505
New Power Plant (Public Utility) <sup>18</sup>									\$470,000,000	\$454,333,333	\$439,188,889	\$424,549,259	\$410,397,617
New Industrial Development (30% capture)													
Improvements <sup>14</sup>	\$56,233,305	\$59,911,248	\$63,662,750	\$67,489,282	\$71,392,345	\$75,373,470	\$79,434,216	\$83,576,178	\$92,200,097	\$100,996,494	\$109,968,819	\$119,120,590	\$128,455,397
Land <sup>16</sup>	\$16,233,285	\$16,684,259	\$17,140,040	\$17,600,638	\$18,066,064	\$18,536,328	\$19,011,436	\$19,491,393	\$20,139,856	\$20,788,108	\$21,435,883	\$22,082,902	\$22,728,876
	\$72,466,589	\$76,595,507	\$80,802,790	\$555,089,920	\$543,791,743	\$533,098,686	\$522,994,911	\$513,465,189	\$979,057,649	\$959,611,709	\$941,304,239	\$924,106,378	\$907,990,396
<b>Assessed Value from Existing Development</b>													
Scenario 1 (Low)	\$837,417,780	\$817,992,176	\$799,435,871	\$1,251,725,036	\$1,219,170,099	\$1,187,937,937	\$1,157,990,002	\$1,129,289,165	\$1,103,320,601	\$1,078,556,618	\$1,054,964,598	\$1,032,513,191	\$1,011,172,276
Scenario 2 (Medium)	\$857,282,844	\$839,147,737	\$821,906,334	\$1,275,535,266	\$1,244,345,431	\$1,214,504,183	\$1,185,973,458	\$1,158,716,626	\$1,135,740,288	\$1,114,023,982	\$1,093,536,112	\$1,074,246,367	\$1,056,125,687
Scenario 3 (High)	\$877,147,909	\$860,303,298	\$844,376,797	\$1,299,345,497	\$1,269,520,763	\$1,241,070,428	\$1,213,956,914	\$1,188,144,086	\$1,638,159,975	\$1,603,824,679	\$1,571,296,515	\$1,540,528,803	\$1,511,476,714

TABLE 11A

Estimated Property Tax Revenue to City and County  
 General Funds- Scenario 1 (10% Capture Rate, One  
 Additional Merchant Power Plant)  
 Northeast Antioch Annexation Area Market Study  
 Antioch, CA

(Page 1 of 2)													
Base 1% Levy <sup>1</sup>													
Existing / Under Construction Development													
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Marsh Landing Generating Station	\$0	\$0	\$5,500,000	\$5,316,667	\$5,139,444	\$4,968,130	\$4,802,525	\$4,642,441	\$4,487,693	\$4,338,103	\$4,193,500	\$4,053,717	
Contra Costa Power Plant	\$251,443	\$243,061	\$198,013	\$204,614	\$211,434	\$218,482	\$225,765	\$233,290	\$241,066	\$249,102	\$257,405	\$265,985	
Gateway Generating Station	\$4,301,982	\$4,158,583	\$4,019,963	\$3,885,965	\$3,756,433	\$3,631,218	\$3,510,178	\$3,393,172	\$3,280,066	\$3,170,730	\$3,065,039	\$2,962,871	
Other PG&E Properties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Switchyard / Substation	\$28,923	\$29,501	\$30,091	\$30,693	\$31,307	\$31,933	\$32,571	\$33,223	\$33,887	\$34,565	\$35,256	\$35,962	
Vacant Site (APN 051-032-008)	\$42,512	\$43,362	\$44,229	\$45,114	\$46,016	\$46,936	\$47,875	\$48,832	\$49,809	\$50,805	\$51,821	\$52,858	
Area 2b	\$154,852	\$157,949	\$161,108	\$164,330	\$167,617	\$170,969	\$174,388	\$177,876	\$181,434	\$185,062	\$188,764	\$192,539	
Industrial Properties	\$388,364	\$396,131	\$404,054	\$412,135	\$420,378	\$428,785	\$437,361	\$446,108	\$455,030	\$464,131	\$473,413	\$482,882	
<b>Total Existing / Under Construction Development</b>	<b>\$5,168,075</b>	<b>\$5,028,587</b>	<b>\$10,357,458</b>	<b>\$10,059,516</b>	<b>\$9,772,628</b>	<b>\$9,496,453</b>	<b>\$9,230,663</b>	<b>\$8,974,942</b>	<b>\$8,728,986</b>	<b>\$8,492,499</b>	<b>\$8,265,199</b>	<b>\$8,046,813</b>	
<b>Potential New Development</b>													
New Power Plant (Merchant)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
New Industrial Development (10% capture)													
Improvements	\$0	\$17,720	\$35,794	\$54,230	\$73,034	\$92,215	\$111,779	\$131,734	\$152,088	\$163,641	\$175,425	\$187,444	
Land	\$103,520	\$106,753	\$110,027	\$113,343	\$116,701	\$120,101	\$123,543	\$127,028	\$130,557	\$133,630	\$136,750	\$139,920	
<b>Total Potential New Development</b>	<b>\$103,520</b>	<b>\$124,473</b>	<b>\$145,821</b>	<b>\$167,573</b>	<b>\$189,735</b>	<b>\$212,315</b>	<b>\$235,322</b>	<b>\$258,762</b>	<b>\$282,645</b>	<b>\$297,271</b>	<b>\$312,175</b>	<b>\$327,365</b>	
<b>Total Base 1% Levy</b>	<b>\$5,271,595</b>	<b>\$5,153,060</b>	<b>\$10,503,280</b>	<b>\$10,227,089</b>	<b>\$9,962,363</b>	<b>\$9,708,768</b>	<b>\$9,465,985</b>	<b>\$9,233,705</b>	<b>\$9,011,631</b>	<b>\$8,789,770</b>	<b>\$8,577,375</b>	<b>\$8,374,178</b>	
<b>Allocation to City and County General Funds after Annexation</b>													
<i>Statutory Allocation to City General Fund</i>													
<b>Share</b>													
<i>Existing Development</i>													
Gateway Generating Station	16.57% <sup>(2)</sup>	\$712,908	\$689,144	\$666,173	\$643,967	\$622,502	\$601,752	\$581,693	\$562,303	\$543,560	\$525,441	\$507,927	\$490,996
Other PG&E Properties													
Transmission Lines	0.50% <sup>(3)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Switchyard / Substation	0.50% <sup>(3)</sup>	\$146	\$149	\$152	\$155	\$158	\$161	\$164	\$167	\$171	\$174	\$178	\$181
Vacant Site (APN 051-032-008)	16.57% <sup>(4)</sup>	\$7,045	\$7,186	\$7,329	\$7,476	\$7,626	\$7,778	\$7,934	\$8,092	\$8,254	\$8,419	\$8,588	\$8,759
Subtotal Stat. Allocation to City		\$720,099	\$696,479	\$673,654	\$651,598	\$630,285	\$609,691	\$589,791	\$570,563	\$551,985	\$534,035	\$516,692	\$499,936
<i>Statutory Allocation to County General Fund</i>													
<i>Existing Development</i>													
Gateway Generating Station	23.83% <sup>(2)</sup>	\$1,025,338	\$991,160	\$958,121	\$926,184	\$895,311	\$865,467	\$836,618	\$808,731	\$781,773	\$755,714	\$730,524	\$706,173
PG&E Transmission Lines	23.83% <sup>(3)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Switchyard / Substation	23.83% <sup>(3)</sup>	\$6,893	\$7,031	\$7,172	\$7,315	\$7,462	\$7,611	\$7,763	\$7,918	\$8,077	\$8,238	\$8,403	\$8,571
Vacant Site (APN 051-032-008)	23.83% <sup>(4)</sup>	\$10,132	\$10,335	\$10,542	\$10,752	\$10,967	\$11,187	\$11,411	\$11,639	\$11,872	\$12,109	\$12,351	\$12,598
Subtotal Stat. Allocation to County		\$1,042,363	\$1,008,526	\$975,835	\$944,251	\$913,740	\$884,265	\$855,792	\$828,288	\$801,722	\$776,061	\$751,278	\$727,342
<i>Allocation To City/County Not Addressed by Statute</i>													
<i>Existing / Known Future Development</i>													
Marsh Landing Generating Station	19.72% <sup>(5)</sup>	\$0	\$0	\$1,084,448	\$1,048,299	\$1,013,356	\$979,578	\$946,925	\$915,361	\$884,849	\$855,354	\$826,842	\$799,281
Contra Costa Power Plant	19.72% <sup>(5)</sup>	\$49,578	\$47,925	\$39,043	\$40,344	\$41,689	\$43,079	\$44,515	\$45,998	\$47,532	\$49,116	\$50,753	\$52,445
Area 2b	19.45% <sup>(9)</sup>	\$30,121	\$30,724	\$31,338	\$31,965	\$32,604	\$33,256	\$33,922	\$34,600	\$35,292	\$35,998	\$36,718	\$37,452
Industrial Properties	19.72% <sup>(6)</sup>	\$76,575	\$78,106	\$79,668	\$81,262	\$82,887	\$84,545	\$86,235	\$87,960	\$89,719	\$91,514	\$93,344	\$95,211
<i>Potential New Development</i>													
New Power Plant (Merchant)	19.72% <sup>(7)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
New Industrial Development on currently vacant property													
Improvements	19.72% <sup>(8)</sup>	\$0	\$3,494	\$7,058	\$10,693	\$14,400	\$18,182	\$22,040	\$25,974	\$29,988	\$32,266	\$34,589	\$36,959
Land	19.72% <sup>(8)</sup>	\$20,411	\$21,049	\$21,694	\$22,348	\$23,010	\$23,681	\$24,359	\$25,046	\$25,742	\$26,348	\$26,963	\$27,588
Subtotal Allocation Not Addressed by Statute		\$176,685	\$181,298	\$1,263,249	\$1,234,911	\$1,207,947	\$1,182,320	\$1,157,995	\$1,134,940	\$1,113,122	\$1,090,595	\$1,069,209	\$1,048,936
<b>Total Allocation to City and County General Funds</b>		<b>\$1,939,147</b>	<b>\$1,886,302</b>	<b>\$2,912,737</b>	<b>\$2,830,760</b>	<b>\$2,751,972</b>	<b>\$2,676,275</b>	<b>\$2,603,578</b>	<b>\$2,533,791</b>	<b>\$2,466,828</b>	<b>\$2,400,691</b>	<b>\$2,337,179</b>	<b>\$2,276,214</b>

<sup>1</sup> One percent (1%) property tax net of special assessments.  
<sup>2</sup> Currently the County receives 23.83% from the 1% base levy. It is assumed that, because this is a public utility under Section 100.95 of the Tax Revenue Code, following annexation that 16.57% of the base property tax levy will be allocated to the City of Antioch. The County will continue to receive its 23.83% allocation. It is assumed that the P6 property tax distribution will not be allocated to the City. Please see Appendix E for the calculation of the  
<sup>3</sup> These assets are assessed by the SBE under the unitary approach and revenues distributed according to the unitary Countywide distribution of the 1% levy. The City of Antioch receives 0.50% and the County Receive 23.83% of unitary property tax.  
<sup>4</sup> According to PG&E staff, this vacant parcel is technically part of the Gateway Generating Station, therefore it is assumed that property tax revenue is distributed among taxing entities similarly to other Qualified Property. See  
<sup>5</sup> Since the MLGS and the CCPP are merchant power plants property tax revenues are allocated to those governmental agencies and school entities in the tax rate area where the facility is located. These power plants are located in tax rate area 53004. It is assumed that allocation between City and County after annexation is subject to tax sharing agreement. Please see Appendix D for the allocation of the basic 1% property tax levy for TRA  
<sup>6</sup> Some of these properties are located in tax rate area 53053 where the local share is 19.68%. However, the majority of the assessed value is in tax rate area 53004, therefore the 19.72% factor for tax rate area 53004 is used.  
<sup>7</sup> It is assumed that the new plant will be a merchant plant located in the property owned by GenOn, where MLGS and CCPP are located (tax rate area 53004).  
<sup>8</sup> It is assumed that projected new development will occur in the Forestar USA parcels, which are currently for sale, and are located in tax rate area 53004.  
<sup>9</sup> General fund allocation of 19.45% reflects the weighted average of property value within TRA 53026( GF allocation of 18.89%) and value within TRA 53004 (GF allocation of 19.72%).

TABLE 11A

Estimated Property Tax Revenue to City and County  
 General Funds- Scenario 1 (10% Capture Rate, One  
 Additional Merchant Power Plant)  
 Northeast Antioch Annexation Area Market Study  
 Antioch, CA

(Page 2 of 2)												
Base 1% Levy <sup>1</sup>												
<i>Existing / Under Constructon Development</i>												
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Marsh Landing Generating Station	\$3,918,593	\$3,787,973	\$3,661,707	\$3,539,650	\$3,421,662	\$3,307,607	\$3,197,353	\$3,090,775	\$2,987,749	\$2,888,157	\$2,791,885	\$2,698,822
Contra Costa Power Plant	\$274,852	\$284,013	\$293,480	\$303,263	\$313,372	\$323,818	\$334,612	\$345,765	\$357,291	\$369,200	\$381,507	\$394,224
Gateway Generating Station	\$2,864,109	\$2,768,639	\$2,676,351	\$2,587,139	\$2,500,901	\$2,417,538	\$2,336,953	\$2,259,055	\$2,183,753	\$2,110,961	\$2,040,596	\$1,972,576
Other PG&E Properties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation	\$36,681	\$37,414	\$38,163	\$38,926	\$39,704	\$40,499	\$41,308	\$42,135	\$42,977	\$43,837	\$44,714	\$45,608
Vacant Site (APN 051-032-008)	\$53,915	\$54,993	\$56,093	\$57,215	\$58,359	\$59,526	\$60,717	\$61,931	\$63,170	\$64,433	\$65,722	\$67,036
Area 2b	\$196,390	\$200,317	\$204,324	\$208,410	\$212,578	\$216,830	\$221,167	\$225,590	\$230,102	\$234,704	\$239,398	\$244,186
Industrial Properties	\$492,539	\$502,390	\$512,438	\$522,687	\$533,140	\$543,803	\$554,679	\$565,773	\$577,088	\$588,630	\$600,403	\$612,411
	\$7,837,078	\$7,635,740	\$7,442,556	\$7,257,290	\$7,079,717	\$6,909,620	\$6,746,789	\$6,591,023	\$6,442,130	\$6,299,923	\$6,164,224	\$6,034,863
<i>Potential New Development</i>												
New Power Plant (Merchant)	\$0	\$0	\$4,700,000	\$4,543,333	\$4,391,889	\$4,245,493	\$4,103,976	\$3,967,177	\$3,834,938	\$3,707,106	\$3,583,536	\$3,464,085
New Industrial Development (10% capture)												
Improvements	\$199,704	\$212,209	\$224,964	\$237,974	\$251,245	\$264,781	\$278,587	\$307,334	\$336,655	\$366,563	\$397,069	\$428,185
Land	\$143,140	\$146,409	\$149,730	\$153,103	\$156,528	\$160,007	\$163,539	\$167,672	\$171,844	\$176,054	\$180,303	\$184,590
	\$342,844	\$358,619	\$5,074,695	\$4,934,411	\$4,799,662	\$4,670,280	\$4,546,103	\$4,442,183	\$4,343,436	\$4,249,723	\$4,160,908	\$4,076,860
<b>Total Base 1% Levy</b>	<b>\$8,179,922</b>	<b>\$7,994,359</b>	<b>\$12,517,250</b>	<b>\$12,191,701</b>	<b>\$11,879,379</b>	<b>\$11,579,900</b>	<b>\$11,292,892</b>	<b>\$11,033,206</b>	<b>\$10,785,566</b>	<b>\$10,549,646</b>	<b>\$10,325,132</b>	<b>\$10,111,723</b>
<b>Allocation to City and County General Funds after Anne</b>												
<i>Statutory Allocation to City General Fund</i>												
<i>Existing Development</i>												
Gateway Generating Station	\$474,629	\$458,808	\$443,515	\$428,731	\$414,440	\$400,625	\$387,271	\$374,362	\$361,883	\$349,820	\$338,160	\$326,888
Other PG&E Properties												
Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation	\$185	\$188	\$192	\$196	\$200	\$204	\$208	\$212	\$217	\$221	\$225	\$230
Vacant Site (APN 051-032-008)	\$8,935	\$9,113	\$9,296	\$9,481	\$9,671	\$9,864	\$10,062	\$10,263	\$10,468	\$10,678	\$10,891	\$11,109
Subtotal Stat. Allocation to City	\$483,749	\$468,110	\$453,002	\$438,408	\$424,311	\$410,694	\$397,541	\$384,837	\$372,568	\$360,719	\$349,276	\$338,227
<i>Statutory Allocation to County General Fund</i>												
<i>Existing Development</i>												
Gateway Generating Station	\$682,634	\$659,879	\$637,883	\$616,621	\$596,067	\$576,198	\$556,991	\$538,425	\$520,477	\$503,128	\$486,357	\$470,145
PG&E Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation	\$8,743	\$8,917	\$9,096	\$9,278	\$9,463	\$9,652	\$9,845	\$10,042	\$10,243	\$10,448	\$10,657	\$10,870
Vacant Site (APN 051-032-008)	\$12,850	\$13,107	\$13,369	\$13,637	\$13,909	\$14,188	\$14,471	\$14,761	\$15,056	\$15,357	\$15,664	\$15,978
Subtotal Stat. Allocation to County	\$704,227	\$681,904	\$660,348	\$639,535	\$619,439	\$600,038	\$581,308	\$563,228	\$545,777	\$528,933	\$512,678	\$496,993
<i>Allocation To City/County Not Addressed by Statute</i>												
<i>Existing / Known Future Development</i>												
Marsh Landing Generating Station	\$772,638	\$746,883	\$721,987	\$697,921	\$674,657	\$652,168	\$630,429	\$609,415	\$589,101	\$569,465	\$550,482	\$532,133
Contra Costa Power Plant	\$54,193	\$56,000	\$57,866	\$59,795	\$61,788	\$63,848	\$65,976	\$68,175	\$70,448	\$72,796	\$75,223	\$77,730
Area 2b	\$38,201	\$38,965	\$39,745	\$40,539	\$41,350	\$42,177	\$43,021	\$43,881	\$44,759	\$45,654	\$46,567	\$47,498
Industrial Properties	\$97,115	\$99,057	\$101,039	\$103,059	\$105,121	\$107,223	\$109,367	\$111,555	\$113,786	\$116,062	\$118,383	\$120,750
<i>Potential New Development</i>												
New Power Plant (Merchant)	\$0	\$0	\$926,710	\$895,819	\$865,959	\$837,094	\$809,190	\$782,217	\$756,143	\$730,939	\$706,574	\$683,022
New Industrial Development on currently vacant property												
Improvements	\$39,376	\$41,842	\$44,357	\$46,922	\$49,539	\$52,207	\$54,930	\$60,598	\$66,379	\$72,276	\$78,291	\$84,426
Land	\$28,223	\$28,868	\$29,523	\$30,188	\$30,863	\$31,549	\$32,245	\$33,060	\$33,883	\$34,713	\$35,551	\$36,396
Subtotal Allocation Not Addressed by Statute	\$1,029,747	\$1,011,615	\$1,921,226	\$1,874,244	\$1,829,276	\$1,786,266	\$1,745,159	\$1,708,902	\$1,674,499	\$1,641,904	\$1,611,071	\$1,581,956
<b>Total Allocation to City and County General Funds</b>	<b>\$2,217,722</b>	<b>\$2,161,629</b>	<b>\$3,034,577</b>	<b>\$2,952,187</b>	<b>\$2,873,026</b>	<b>\$2,796,998</b>	<b>\$2,724,008</b>	<b>\$2,656,967</b>	<b>\$2,592,844</b>	<b>\$2,531,556</b>	<b>\$2,473,025</b>	<b>\$2,411,175</b>

**TABLE 11B**  
**Estimated Property Tax Revenue to City and County**  
**General Funds- Scenario 2 (20% Capture Rate, One**  
**Additional Public Utility Power Plant)**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

												(Page 1 of 2)												
Base 1% Levy <sup>1</sup>												2022	2023											
Existing/ Under Construction Development												2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Marsh Landing Generating Station												\$0	\$0	\$5,500,000	\$5,316,667	\$5,139,444	\$4,968,130	\$4,802,525	\$4,642,441	\$4,487,693	\$4,338,103	\$4,193,500	\$4,053,717	
Contra Costa Power Plant												\$251,443	\$243,061	\$198,013	\$204,614	\$211,434	\$218,482	\$225,765	\$233,290	\$241,066	\$249,102	\$257,405	\$265,985	
Gateway Generating Station												\$4,301,982	\$4,158,583	\$4,019,963	\$3,885,965	\$3,756,433	\$3,631,218	\$3,510,178	\$3,393,172	\$3,280,066	\$3,170,730	\$3,065,039	\$2,962,871	
Other PG&E Properties																								
Transmission Lines												\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Switchyard / Substation												\$28,923	\$29,501	\$30,091	\$30,693	\$31,307	\$31,933	\$32,571	\$33,223	\$33,887	\$34,565	\$35,256	\$35,962	
Vacant Site (APN 051-032-008)												\$42,512	\$43,362	\$44,229	\$45,114	\$46,016	\$46,936	\$47,875	\$48,832	\$49,809	\$50,805	\$51,821	\$52,858	
Area 2b												\$154,852	\$157,949	\$161,108	\$164,330	\$167,617	\$170,969	\$174,388	\$177,876	\$181,434	\$185,062	\$188,764	\$192,539	
Industrial Properties												\$388,364	\$396,131	\$404,054	\$412,135	\$420,378	\$428,785	\$437,361	\$446,108	\$455,030	\$464,131	\$473,413	\$482,882	
												\$5,168,075	\$5,028,587	\$10,357,458	\$10,059,516	\$9,772,628	\$9,496,453	\$9,230,663	\$8,974,942	\$8,728,986	\$8,492,499	\$8,265,199	\$8,046,813	
Potential New Development																								
New Power Plant (Public Utility)												\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
New Industrial Development (20% capture)																								
Improvements												\$0	\$35,440	\$71,588	\$108,459	\$146,068	\$184,429	\$223,557	\$263,468	\$304,177	\$327,282	\$350,850	\$374,889	
Land												\$103,520	\$107,916	\$112,353	\$116,830	\$121,348	\$125,907	\$130,506	\$135,145	\$139,824	\$143,543	\$147,311	\$151,127	
												\$103,520	\$143,355	\$183,941	\$225,290	\$267,417	\$310,336	\$354,063	\$398,613	\$444,001	\$470,826	\$498,161	\$526,015	
<b>Total Base 1% Levy</b>												<b>\$5,271,595</b>	<b>\$5,171,943</b>	<b>\$10,541,399</b>	<b>\$10,284,806</b>	<b>\$10,040,044</b>	<b>\$9,806,789</b>	<b>\$9,584,726</b>	<b>\$9,373,555</b>	<b>\$9,172,986</b>	<b>\$8,963,325</b>	<b>\$8,763,360</b>	<b>\$8,572,828</b>	
Allocation to City and County General Funds after Annexation																								
Statutory Allocation to City General Fund												Share												
Existing Development																								
Gateway Generating Station												16.57% <sup>(2)</sup>	\$712,908	\$689,144	\$666,173	\$643,967	\$622,502	\$601,752	\$581,693	\$562,303	\$543,560	\$525,441	\$507,927	\$490,996
Other PG&E Properties																								
Transmission Lines												0.50% <sup>(3)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation												0.50% <sup>(3)</sup>	\$146	\$149	\$152	\$155	\$158	\$161	\$164	\$167	\$171	\$174	\$178	\$181
Vacant Site (APN 051-032-008)												16.57% <sup>(4)</sup>	\$7,045	\$7,186	\$7,329	\$7,476	\$7,626	\$7,778	\$7,934	\$8,092	\$8,254	\$8,419	\$8,588	\$8,759
Potential New Development																								
New Power Plant (Public Utility)												16.57% <sup>(5)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Allocated to City													\$720,099	\$696,479	\$673,654	\$651,598	\$630,285	\$609,691	\$589,791	\$570,563	\$551,985	\$534,035	\$516,692	\$499,936
Statutory Allocation to County General Fund																								
Existing Development																								
Gateway Generating Station												23.83% <sup>(2)</sup>	\$1,025,338	\$991,160	\$958,121	\$926,184	\$895,311	\$865,467	\$836,618	\$808,731	\$781,773	\$755,714	\$730,524	\$706,173
PG&E Transmission Lines												23.83% <sup>(2)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation												23.83% <sup>(2)</sup>	\$6,893	\$7,031	\$7,172	\$7,315	\$7,462	\$7,611	\$7,763	\$7,918	\$8,077	\$8,238	\$8,403	\$8,571
Vacant Site (APN 051-032-008)												23.83% <sup>(4)</sup>	\$10,132	\$10,335	\$10,542	\$10,752	\$10,967	\$11,187	\$11,411	\$11,639	\$11,872	\$12,109	\$12,351	\$12,598
Potential New Development																								
New Power Plant (Public Utility)												23.83% <sup>(5)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Allocated to County													\$1,042,363	\$1,008,526	\$975,835	\$944,251	\$913,740	\$884,265	\$855,792	\$828,288	\$801,722	\$776,061	\$751,278	\$727,342
Allocation To City/County Not Addressed by Statute																								
Existing Development																								
Marsh Landing Generating Station												19.72% <sup>(6)</sup>	\$0	\$0	\$1,084,448	\$1,048,299	\$1,013,356	\$979,578	\$946,925	\$915,361	\$884,849	\$855,354	\$826,842	\$799,281
Contra Costa Power Plant												19.72% <sup>(6)</sup>	\$49,578	\$47,925	\$39,043	\$40,344	\$41,689	\$43,079	\$44,515	\$45,998	\$47,532	\$49,116	\$50,753	\$52,445
Area 2b												19.45% <sup>(7)</sup>	\$30,121	\$30,724	\$31,338	\$31,965	\$32,604	\$33,256	\$33,922	\$34,600	\$35,292	\$35,998	\$36,718	\$37,452
Industrial Properties												19.72% <sup>(7)</sup>	\$76,575	\$78,106	\$79,668	\$81,262	\$82,887	\$84,545	\$86,235	\$87,960	\$89,719	\$91,514	\$93,344	\$95,211
Potential New Development																								
New Industrial Development on currently vacant property																								
Improvements												19.72% <sup>(8)</sup>	\$0	\$6,988	\$14,115	\$21,385	\$28,801	\$36,364	\$44,079	\$51,949	\$59,975	\$64,531	\$69,178	\$73,918
Land												19.72% <sup>(8)</sup>	\$20,411	\$21,278	\$22,153	\$23,036	\$23,927	\$24,825	\$25,732	\$26,647	\$27,569	\$28,303	\$29,046	\$29,798
Subtotal Allocation Not Addressed by Statute													\$176,685	\$185,021	\$1,270,765	\$1,246,291	\$1,223,263	\$1,201,647	\$1,181,408	\$1,162,515	\$1,144,936	\$1,124,815	\$1,105,881	\$1,088,104
<b>Total Allocation to City and County General Fund</b>													<b>\$1,939,147</b>	<b>\$1,890,025</b>	<b>\$2,920,254</b>	<b>\$2,842,140</b>	<b>\$2,767,288</b>	<b>\$2,695,602</b>	<b>\$2,626,991</b>	<b>\$2,561,366</b>	<b>\$2,498,643</b>	<b>\$2,434,911</b>	<b>\$2,373,850</b>	<b>\$2,315,383</b>

<sup>1</sup> One percent (1%) property tax net of special assessments.

<sup>2</sup> Currently the County receives 23.83% from the 1% base levy. It is assumed that, because this is a public utility under Section 100.95 of the Tax Revenue Code, following annexation that 16.57% of the base property tax levy will be allocated to the City of Antioch. The County will continue to receive its 23.83% allocation. It is assumed that the P6 property tax distribution will not be allocated to the City. Please see Appendix E for the calculation of the allocation of the 1% property tax property tax.

<sup>3</sup> According to PG&E staff, this vacant parcel is technically part of the Gateway Generating Station, therefore it is assumed that property tax revenue is distributed among taxing entities similarly to other Qualified Property. See Footnote 2.

<sup>4</sup> See Footnote 2.

<sup>5</sup> Since the MLGS and the CCPP are merchant power plants property tax revenues are allocated to those governmental agencies and school entities in the tax rate area where the facility is located. These power plants are located in tax rate area 53004. The County's allocation of 19.72% will be allocated between the City and the County pursuant to a tax sharing agreement. Please see Appendix D.

<sup>6</sup> Some of these properties are located in tax rate area 53053 where the General Fund and P6 share is 19.68%. However, the majority of the assessed value is in tax rate area 53004, therefore the 19.72% factor for tax rate area 53004 is used.

<sup>7</sup> It is assumed that projected new development will occur in the Forestar USA parcels, which are currently for sale, and are located in tax rate area 53004.

<sup>8</sup> General fund allocation of 19.45% reflects the weighted average of property value within TRA 53026 (GF allocation of 18.89%) and value within TRA 53004 (GF allocation of 19.72%).

**TABLE 11B**  
**Estimated Property Tax Revenue to City and County**  
**General Funds- Scenario 2 (20% Capture Rate, One**  
**Additional Public Utility Power Plant)**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

	(Page 2 of 2)											
Base 1% Levy <sup>1</sup>	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Existing/ Under Construction Development</b>												
Marsh Landing Generating Station	\$3,918,593	\$3,787,973	\$3,661,707	\$3,539,650	\$3,421,662	\$3,307,607	\$3,197,353	\$3,090,775	\$2,987,749	\$2,888,157	\$2,791,885	\$2,698,822
Contra Costa Power Plant	\$274,852	\$284,013	\$293,480	\$303,263	\$313,372	\$323,818	\$334,612	\$345,765	\$357,291	\$369,200	\$381,507	\$394,224
Gateway Generating Station	\$2,864,109	\$2,768,639	\$2,676,351	\$2,587,139	\$2,500,901	\$2,417,538	\$2,336,953	\$2,259,055	\$2,183,753	\$2,110,961	\$2,040,596	\$1,972,576
Other PG&E Properties												
Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation	\$36,681	\$37,414	\$38,163	\$38,926	\$39,704	\$40,499	\$41,308	\$42,135	\$42,977	\$43,837	\$44,714	\$45,608
Vacant Site (APN 051-032-008)	\$53,915	\$54,993	\$56,093	\$57,215	\$58,359	\$59,526	\$60,717	\$61,931	\$63,170	\$64,433	\$65,722	\$67,036
Area 2b	\$196,390	\$200,317	\$204,324	\$208,410	\$212,578	\$216,830	\$221,167	\$225,590	\$230,102	\$234,704	\$239,398	\$244,186
Industrial Properties	\$492,539	\$502,390	\$512,438	\$522,687	\$533,140	\$543,803	\$554,679	\$565,773	\$577,088	\$588,630	\$600,403	\$612,411
	\$7,837,078	\$7,635,740	\$7,442,556	\$7,257,290	\$7,079,717	\$6,909,620	\$6,746,789	\$6,591,023	\$6,442,130	\$6,299,923	\$6,164,224	\$6,034,863
<b>Potential New Development</b>												
New Power Plant (Public Utility)	\$0	\$0	\$4,700,000	\$4,543,333	\$4,391,889	\$4,245,493	\$4,103,976	\$3,967,177	\$3,834,938	\$3,707,106	\$3,583,536	\$3,464,085
New Industrial Development (20% capture)												
Improvements	\$399,408	\$424,418	\$449,929	\$475,949	\$502,490	\$529,561	\$557,175	\$614,667	\$673,310	\$733,125	\$794,137	\$856,369
Land	\$154,991	\$158,905	\$162,868	\$166,882	\$170,946	\$175,061	\$179,227	\$184,535	\$189,862	\$195,206	\$200,566	\$205,939
	\$554,399	\$583,323	\$532,797	\$5,186,164	\$5,065,324	\$4,950,115	\$4,840,377	\$4,766,380	\$4,698,110	\$4,635,438	\$4,578,239	\$4,526,394
<b>Total Base 1% Levy</b>	<b>\$8,391,477</b>	<b>\$8,219,063</b>	<b>\$12,755,353</b>	<b>\$12,443,454</b>	<b>\$12,145,042</b>	<b>\$11,859,735</b>	<b>\$11,587,166</b>	<b>\$11,357,403</b>	<b>\$11,140,240</b>	<b>\$10,935,361</b>	<b>\$10,742,464</b>	<b>\$10,561,257</b>
<b>Allocation to City and County General Funds after Anne</b>												
<i>Statutory Allocation to City General Fund</i>												
<i>Existing Development</i>												
Gateway Generating Station	\$474,629	\$458,808	\$443,515	\$428,731	\$414,440	\$400,625	\$387,271	\$374,362	\$361,883	\$349,820	\$338,160	\$326,888
Other PG&E Properties												
Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation	\$185	\$188	\$192	\$196	\$200	\$204	\$208	\$212	\$217	\$221	\$225	\$230
Vacant Site (APN 051-032-008)	\$8,935	\$9,113	\$9,296	\$9,481	\$9,671	\$9,864	\$10,062	\$10,263	\$10,468	\$10,678	\$10,891	\$11,109
<i>Potential New Development</i>												
New Power Plant (Public Utility)	\$0	\$0	\$778,866	\$752,904	\$727,807	\$703,547	\$680,095	\$657,426	\$635,511	\$614,328	\$593,850	\$574,055
Subtotal Allocated to City	\$483,749	\$468,110	\$1,231,869	\$1,191,312	\$1,152,118	\$1,114,241	\$1,077,636	\$1,042,263	\$1,008,079	\$975,047	\$943,126	\$912,282
<i>Statutory Allocation to County General Fund</i>												
<i>Existing Development</i>												
Gateway Generating Station	\$682,634	\$659,879	\$637,883	\$616,621	\$596,067	\$576,198	\$556,991	\$538,425	\$520,477	\$503,128	\$486,357	\$470,145
PG&E Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation	\$8,743	\$8,917	\$9,096	\$9,278	\$9,463	\$9,652	\$9,845	\$10,042	\$10,243	\$10,448	\$10,657	\$10,870
Vacant Site (APN 051-032-008)	\$12,850	\$13,107	\$13,369	\$13,637	\$13,909	\$14,188	\$14,471	\$14,761	\$15,056	\$15,357	\$15,664	\$15,978
<i>Potential New Development</i>												
New Power Plant (Public Utility)	\$0	\$0	\$1,120,201	\$1,082,861	\$1,046,766	\$1,011,874	\$978,145	\$945,540	\$914,022	\$883,555	\$854,103	\$825,633
Subtotal Allocated to County	\$704,227	\$681,904	\$1,780,550	\$1,722,396	\$1,666,205	\$1,611,912	\$1,559,453	\$1,508,768	\$1,459,798	\$1,412,488	\$1,366,781	\$1,322,626
<i>Allocation To City/County Not Addressed by Statute</i>												
<i>Existing Development</i>												
Marsh Landing Generating Station	\$772,638	\$746,883	\$721,987	\$697,921	\$674,657	\$652,168	\$630,429	\$609,415	\$589,101	\$569,465	\$550,482	\$532,133
Contra Costa Power Plant	\$54,193	\$56,000	\$57,866	\$59,795	\$61,788	\$63,848	\$65,976	\$68,175	\$70,448	\$72,796	\$75,223	\$77,730
Area 2b	\$38,201	\$38,965	\$39,745	\$40,539	\$41,350	\$42,177	\$43,021	\$43,881	\$44,759	\$45,654	\$46,567	\$47,498
Industrial Properties	\$97,115	\$99,057	\$101,039	\$103,059	\$105,121	\$107,223	\$109,367	\$111,555	\$113,786	\$116,062	\$118,383	\$120,750
<i>Potential New Development</i>												
New Industrial Development on currently vacant property												
Improvements	\$78,752	\$83,684	\$88,713	\$93,844	\$99,077	\$104,415	\$109,859	\$121,195	\$132,758	\$144,552	\$156,582	\$168,852
Land	\$30,560	\$31,332	\$32,113	\$32,904	\$33,706	\$34,517	\$35,339	\$36,385	\$37,436	\$38,489	\$39,546	\$40,606
Subtotal Allocation Not Addressed by Statute	\$1,071,460	\$1,055,921	\$1,041,463	\$1,028,063	\$1,015,699	\$1,004,348	\$993,992	\$990,607	\$988,287	\$987,018	\$986,783	\$987,570
<b>Total Allocation to City and County General Fund</b>	<b>\$2,259,435</b>	<b>\$2,205,935</b>	<b>\$4,053,882</b>	<b>\$3,941,772</b>	<b>\$3,834,022</b>	<b>\$3,730,501</b>	<b>\$3,631,081</b>	<b>\$3,541,638</b>	<b>\$3,456,165</b>	<b>\$3,374,552</b>	<b>\$3,296,690</b>	<b>\$3,222,477</b>

TABLE 11C

Estimated Property Tax Revenue to City and County General Funds- Scenario 3 (30% Capture Rate, One Additional Public Utility Power Plant and One Additional Merchant Power Plant)  
 Northeast Antioch Annexation Area Market Study  
 Antioch, CA

(Page 1 of 2)													
Base 1% Levy <sup>1</sup>													
Existing / Under Construction Development													
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Marsh Landing Generating Station	\$0	\$0	\$5,500,000	\$5,316,667	\$5,139,444	\$4,968,130	\$4,802,525	\$4,642,441	\$4,487,693	\$4,338,103	\$4,193,500	\$4,053,717	
Contra Costa Power Plant	\$251,443	\$243,061	\$198,013	\$204,614	\$211,434	\$218,482	\$225,765	\$233,290	\$241,066	\$249,102	\$257,405	\$265,985	
Gateway Generating Station	\$4,301,982	\$4,158,583	\$4,019,963	\$3,885,965	\$3,756,433	\$3,631,218	\$3,510,178	\$3,393,172	\$3,280,066	\$3,170,730	\$3,065,039	\$2,962,871	
Other PG&E Properties													
Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Switchyard / Substation	\$28,923	\$29,501	\$30,091	\$30,693	\$31,307	\$31,933	\$32,571	\$33,223	\$33,887	\$34,565	\$35,256	\$35,962	
Vacant Site (APN 051-032-008)	\$42,512	\$43,362	\$44,229	\$45,114	\$46,016	\$46,936	\$47,875	\$48,832	\$49,809	\$50,805	\$51,821	\$52,858	
Area 2b	\$154,852	\$157,949	\$161,108	\$164,330	\$167,617	\$170,969	\$174,388	\$177,876	\$181,434	\$185,062	\$188,764	\$192,539	
Industrial Properties	\$388,364	\$396,131	\$404,054	\$412,135	\$420,378	\$428,785	\$437,361	\$446,108	\$455,030	\$464,131	\$473,413	\$482,882	
	\$5,168,075	\$5,028,587	\$10,357,458	\$10,059,516	\$9,772,628	\$9,496,453	\$9,230,663	\$8,974,942	\$8,728,986	\$8,492,499	\$8,265,199	\$8,046,813	
<b>Potential New Development</b>													
New Power Plant (Merchant)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
New Power Plant (Public Utility)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
New Industrial Development (30% capture)													
Improvements	\$0	\$53,159	\$107,382	\$162,689	\$219,102	\$276,644	\$335,336	\$395,202	\$456,265	\$490,924	\$526,275	\$562,333	
Land	\$103,520	\$109,079	\$114,678	\$120,317	\$125,996	\$131,713	\$137,469	\$143,262	\$149,091	\$153,457	\$157,871	\$162,333	
	\$103,520	\$162,238	\$222,060	\$283,006	\$345,098	\$408,357	\$472,805	\$538,464	\$605,356	\$644,381	\$684,146	\$724,666	
<b>Total Base 1% Levy</b>	<b>\$5,271,595</b>	<b>\$5,190,825</b>	<b>\$10,579,518</b>	<b>\$10,342,523</b>	<b>\$10,117,726</b>	<b>\$9,904,810</b>	<b>\$9,703,468</b>	<b>\$9,513,406</b>	<b>\$9,334,342</b>	<b>\$9,136,880</b>	<b>\$8,949,345</b>	<b>\$8,771,479</b>	
<b>Allocation to City and County General Funds After Annexation</b>													
<i>Statutory Allocation to City General Fund</i>													
<b>Share</b>													
<i>Existing/Under Construction Development</i>													
Gateway Generating Station	16.57% <sup>(2)</sup>	\$712,908	\$689,144	\$666,173	\$643,967	\$622,502	\$601,752	\$581,693	\$562,303	\$543,560	\$525,441	\$507,927	\$490,996
Other PG&E Properties													
Transmission Lines	0.50% <sup>(3)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Switchyard / Substation	0.50% <sup>(3)</sup>	\$146	\$149	\$152	\$155	\$158	\$161	\$164	\$167	\$171	\$174	\$178	\$181
Vacant Site (APN 051-032-008)	16.57% <sup>(4)</sup>	\$7,045	\$7,186	\$7,329	\$7,476	\$7,626	\$7,778	\$7,934	\$8,092	\$8,254	\$8,419	\$8,588	\$8,759
<i>Potential New Development</i>													
New Power Plant (Public Utility)	16.57% <sup>(5)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal Allocated to City		\$720,099	\$696,479	\$673,654	\$651,598	\$630,285	\$609,691	\$589,791	\$570,563	\$551,985	\$534,035	\$516,692	\$499,936
<i>Statutory Allocation to County General Fund</i>													
<i>Existing/Under Construction Development</i>													
Gateway Generating Station	23.83% <sup>(2)</sup>	\$1,025,338	\$991,160	\$958,121	\$926,184	\$895,311	\$865,467	\$836,618	\$808,731	\$781,773	\$755,714	\$730,524	\$706,173
PG&E Transmission Lines	23.83% <sup>(3)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Switchyard / Substation	23.83% <sup>(3)</sup>	\$6,893	\$7,031	\$7,172	\$7,315	\$7,462	\$7,611	\$7,763	\$7,918	\$8,077	\$8,238	\$8,403	\$8,571
Vacant Site (APN 051-032-008)	23.83% <sup>(4)</sup>	\$10,132	\$10,335	\$10,542	\$10,752	\$10,967	\$11,187	\$11,411	\$11,639	\$11,872	\$12,109	\$12,351	\$12,598
<i>Potential New Development</i>													
New Power Plant (Utility)	23.83% <sup>(5)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal Allocated to County		\$1,042,363	\$1,008,526	\$975,835	\$944,251	\$913,740	\$884,265	\$855,792	\$828,288	\$801,722	\$776,061	\$751,278	\$727,342
<i>Allocation to City/County GF Not Addressed by Statute</i>													
<i>Existing/Under Construction Development</i>													
Marsh Landing Generating Station	19.72% <sup>(6)</sup>	\$0	\$0	\$1,084,448	\$1,048,299	\$1,013,356	\$979,578	\$946,925	\$915,361	\$884,849	\$855,354	\$826,842	\$799,281
Contra Costa Power Plant	19.72% <sup>(6)</sup>	\$49,578	\$47,925	\$39,043	\$40,344	\$41,689	\$43,079	\$44,515	\$45,998	\$47,532	\$49,116	\$50,753	\$52,445
Area 2b	19.45% <sup>(10)</sup>	\$30,121	\$30,724	\$31,338	\$31,965	\$32,604	\$33,256	\$33,922	\$34,600	\$35,292	\$35,998	\$36,718	\$37,452
Industrial Properties	19.72% <sup>(7)</sup>	\$76,575	\$78,106	\$79,668	\$81,262	\$82,887	\$84,545	\$86,235	\$87,960	\$89,719	\$91,514	\$93,344	\$95,211
<i>Potential New Development</i>													
New Power Plant (Merchant)	19.72% <sup>(8)</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
New Industrial Development on currently vacant property													
Improvements	19.72% <sup>(9)</sup>	\$0	\$10,482	\$21,173	\$32,078	\$43,201	\$54,546	\$66,119	\$77,923	\$89,963	\$96,797	\$103,767	\$110,876
Land	19.72% <sup>(8)</sup>	\$20,411	\$21,507	\$22,611	\$23,723	\$24,843	\$25,970	\$27,105	\$28,247	\$29,397	\$30,257	\$31,128	\$32,008
Subtotal Allocation Not Addressed by Statute		\$176,685	\$188,744	\$1,278,281	\$1,257,671	\$1,238,580	\$1,220,974	\$1,204,821	\$1,190,089	\$1,176,751	\$1,159,035	\$1,142,552	\$1,127,273
<b>Total Allocation to City and County General Funds</b>		<b>\$1,939,147</b>	<b>\$1,893,749</b>	<b>\$2,927,770</b>	<b>\$2,853,521</b>	<b>\$2,782,605</b>	<b>\$2,714,929</b>	<b>\$2,650,403</b>	<b>\$2,588,941</b>	<b>\$2,530,458</b>	<b>\$2,469,132</b>	<b>\$2,410,521</b>	<b>\$2,354,551</b>

<sup>1</sup> One percent (1%) property tax net of special assessments.

<sup>2</sup> Currently the County receives 23.83% from the 1% base levy. It is assumed that, because this is a public utility under Section 100.95 of the Tax Revenue Code, following annexation that 16.57% of the base property tax levy will be allocated to the City of Antioch. The County will continue to receive its 23.83% allocation. It is assumed that the P6 property tax distribution will not be allocated to the City. Please see Appendix E for the calculation of the allocation of the 1% property tax levy.

<sup>3</sup> These assets are assessed by the SBE under the unitary approach and revenues distributed according to the unitary Countywide distribution of the 1% levy. The City of Antioch receives 0.50% and the County Receive 23.83 of unitary property tax.

<sup>4</sup> According to PG&E staff, this vacant parcel is technically part of the Gateway Generating Station, therefore it is assumed that property tax revenue is distributed among taxing entities similarly to other Qualified Property. See Footnote 2.

<sup>5</sup> This is considered "Qualified Property" therefore section 100.95 of the Tax Revenue Code applies. See Footnote 2.

<sup>6</sup> Since the MGLS and the CCPP are merchant power plants property tax revenues are allocated to those governmental agencies and school entities in the tax rate area where the facility is located. These power plants are located in tax rate area 53004. It is assumed that allocation between City and County after annexation is subject to tax sharing agreement. Please see Appendix D for the allocation of the basic 1% property tax levy for TRA 53004. It is assumed that the P-6 fund will be reallocated to the City/County General Fund pool following annexation.

<sup>7</sup> Some of these properties are located in tax rate area 53053 where the general fund and P6 share is 19.68%. However, the majority of the assessed value is in tax rate area 53004, therefore the 19.72% factor for tax rate area 53004 is used.

<sup>8</sup> It is assumed that the new plant will be a merchant plant located in the property owned by GenOn, where MGLS and CCPP are located (tax rate area 53004).

<sup>9</sup> It is assumed that projected new development will occur in the Forestar USA parcels, which are currently for sale, and are located in tax rate area 53004.

<sup>10</sup> General fund allocation of 19.45% reflects the weighted average of property value within TRA 53026( GF allocation of 18.89%) and value within TRA 53004 (GF allocation of 19.72%).

TABLE 11C

Estimated Property Tax Revenue to City and County General Funds- Scenario 3 (30% Capture Rate, One Additional Public Utility Power Plant and One Additional Merchant Power Plant)  
 Northeast Antioch Annexation Area Market Study  
 Antioch, CA

(Page 2 of 2)												
Base 1% Levy <sup>1</sup>												
Existing / Under Construction Development												
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Marsh Landing Generating Station	\$3,918,593	\$3,787,973	\$3,661,707	\$3,539,650	\$3,421,662	\$3,307,607	\$3,197,353	\$3,090,775	\$2,987,749	\$2,888,157	\$2,791,885	\$2,698,822
Contra Costa Power Plant	\$274,852	\$284,013	\$293,480	\$303,263	\$313,372	\$323,818	\$334,612	\$345,765	\$357,291	\$369,200	\$381,507	\$394,224
Gateway Generating Station	\$2,864,109	\$2,768,639	\$2,676,351	\$2,587,139	\$2,500,901	\$2,417,538	\$2,336,953	\$2,259,055	\$2,183,753	\$2,110,961	\$2,040,596	\$1,972,576
Other PG&E Properties												
Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation	\$36,681	\$37,414	\$38,163	\$38,926	\$39,704	\$40,499	\$41,308	\$42,135	\$42,977	\$43,837	\$44,714	\$45,608
Vacant Site (APN 051-032-008)	\$53,915	\$54,993	\$56,093	\$57,215	\$58,359	\$59,526	\$60,717	\$61,931	\$63,170	\$64,433	\$65,722	\$67,036
Area 2b	\$196,390	\$200,317	\$204,324	\$208,410	\$212,578	\$216,830	\$221,167	\$225,590	\$230,102	\$234,704	\$239,398	\$244,186
Industrial Properties	\$492,539	\$502,390	\$512,438	\$522,687	\$533,140	\$543,803	\$554,679	\$565,773	\$577,088	\$588,630	\$600,403	\$612,411
	\$7,837,078	\$7,635,740	\$7,442,556	\$7,257,290	\$7,079,717	\$6,909,620	\$6,746,789	\$6,591,023	\$6,442,130	\$6,299,923	\$6,164,224	\$6,034,863
<b>Potential New Development</b>												
New Power Plant (Merchant)	\$0	\$0	\$4,700,000	\$4,543,333	\$4,391,889	\$4,245,493	\$4,103,976	\$3,967,177	\$3,834,938	\$3,707,106	\$3,583,536	\$3,464,085
New Power Plant (Public Utility)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,700,000	\$4,543,333	\$4,391,889	\$4,245,493	\$4,103,976
New Industrial Development (30% capture)												
Improvements	\$599,112	\$636,628	\$674,893	\$713,923	\$753,735	\$794,342	\$835,762	\$922,001	\$1,009,965	\$1,099,688	\$1,191,206	\$1,284,554
Land	\$166,843	\$171,400	\$176,006	\$180,661	\$185,363	\$190,114	\$194,914	\$201,399	\$207,881	\$214,359	\$220,829	\$227,289
	\$765,955	\$808,028	\$850,899	\$894,584	\$939,098	\$984,456	\$1,030,676	\$1,078,399	\$1,127,846	\$1,178,047	\$1,229,035	\$1,280,843
<b>Total Base 1% Levy</b>	<b>\$8,603,033</b>	<b>\$8,443,768</b>	<b>\$8,293,455</b>	<b>\$8,149,874</b>	<b>\$7,999,815</b>	<b>\$7,850,076</b>	<b>\$7,705,465</b>	<b>\$7,565,424</b>	<b>\$7,429,976</b>	<b>\$7,299,076</b>	<b>\$7,172,729</b>	<b>\$7,050,706</b>
<b>Allocation to City and County General Funds After Annexation</b>												
<i>Statutory Allocation to City General Fund</i>												
<i>Existing/Under Construction Development</i>												
Gateway Generating Station	\$474,629	\$458,808	\$443,515	\$428,731	\$414,440	\$400,625	\$387,271	\$374,362	\$361,883	\$349,820	\$338,160	\$326,888
Other PG&E Properties												
Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation	\$185	\$188	\$192	\$196	\$200	\$204	\$208	\$212	\$217	\$221	\$225	\$230
Vacant Site (APN 051-032-008)	\$8,935	\$9,113	\$9,296	\$9,481	\$9,671	\$9,864	\$10,062	\$10,263	\$10,468	\$10,678	\$10,891	\$11,109
<i>Potential New Development</i>												
New Power Plant (Public Utility)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$778,866	\$752,904	\$727,807	\$703,547	\$680,095
Subtotal Allocated to City	\$483,749	\$468,110	\$453,002	\$438,408	\$424,311	\$410,694	\$397,541	\$385,228	\$373,791	\$362,627	\$351,707	\$341,083
<i>Statutory Allocation to County General Fund</i>												
<i>Existing/Under Construction Development</i>												
Gateway Generating Station	\$682,634	\$659,879	\$637,883	\$616,621	\$596,067	\$576,198	\$556,991	\$538,425	\$520,477	\$503,128	\$486,357	\$470,145
PG&E Transmission Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Switchyard / Substation	\$8,743	\$8,917	\$9,096	\$9,278	\$9,463	\$9,652	\$9,845	\$10,042	\$10,243	\$10,448	\$10,657	\$10,870
Vacant Site (APN 051-032-008)	\$12,850	\$13,107	\$13,369	\$13,637	\$13,909	\$14,188	\$14,471	\$14,761	\$15,056	\$15,357	\$15,664	\$15,978
<i>Potential New Development</i>												
New Power Plant (Utility)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,120,201	\$1,082,861	\$1,046,766	\$1,011,874	\$978,145
Subtotal Allocated to County	\$704,227	\$681,904	\$660,348	\$639,535	\$619,439	\$600,038	\$581,308	\$563,429	\$546,338	\$530,341	\$514,281	\$498,168
<i>Allocation to City/County GF Not Addressed by Statute</i>												
<i>Existing/Under Construction Development</i>												
Marsh Landing Generating Station	\$772,638	\$746,883	\$721,987	\$697,921	\$674,657	\$652,168	\$630,429	\$609,415	\$589,101	\$569,465	\$550,482	\$532,133
Contra Costa Power Plant	\$54,193	\$56,000	\$57,866	\$59,795	\$61,788	\$63,848	\$65,976	\$68,175	\$70,448	\$72,796	\$75,223	\$77,730
Area 2b	\$38,201	\$38,965	\$39,745	\$40,539	\$41,350	\$42,177	\$43,021	\$43,881	\$44,759	\$45,654	\$46,567	\$47,498
Industrial Properties	\$97,115	\$99,057	\$101,039	\$103,059	\$105,121	\$107,223	\$109,367	\$111,555	\$113,786	\$116,062	\$118,383	\$120,750
<i>Potential New Development</i>												
New Power Plant (Merchant)	\$0	\$0	\$926,710	\$895,819	\$865,959	\$837,094	\$809,190	\$782,217	\$756,143	\$730,939	\$706,574	\$683,022
New Industrial Development on currently vacant property												
Improvements	\$118,128	\$125,525	\$133,070	\$140,766	\$148,616	\$156,622	\$164,789	\$181,793	\$199,137	\$216,828	\$234,873	\$253,278
Land	\$32,897	\$33,795	\$34,704	\$35,621	\$36,549	\$37,485	\$38,432	\$39,391	\$40,368	\$41,366	\$42,384	\$43,411
Subtotal Allocation Not Addressed by Statute	\$1,113,173	\$1,100,226	\$1,087,566	\$1,074,917	\$1,062,342	\$1,049,832	\$1,037,386	\$1,024,995	\$1,012,659	\$1,000,378	\$988,151	\$976,073
<b>Total Allocation to City and County General Funds</b>	<b>\$2,301,148</b>	<b>\$2,250,240</b>	<b>\$2,200,021</b>	<b>\$2,149,811</b>	<b>\$2,099,607</b>	<b>\$2,049,418</b>	<b>\$1,999,234</b>	<b>\$1,949,055</b>	<b>\$1,898,881</b>	<b>\$1,848,712</b>	<b>\$1,798,548</b>	<b>\$1,748,389</b>



**TABLE 12**  
**G-SUR Franchise Fee Surcharge, Existing Private Power Plants in Market Area**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

Facility	EXISTING POWER PLANTS		UNDER CONSTRUCTION
	Contra Costa Power Plant	Pittsburg Power Plant	Marsh Landing Generating Station
Location (Jurisdiction)	C.C. County	Pittsburg	C.C. County
Generating Capacity (MW/h) <sup>1</sup>	680	1,984	760
Annual Capacity Factor <sup>2</sup>	4%	4%	7.5%
Estimated Annual Generation (MWh) <sup>3</sup>	235,824	695,194	499,320
Gas Usage per MWh Produced (MMBTUs) <sup>4</sup>	10	10	10
Gas Usage per Year (MMBTUs)	2,358,240	6,951,936	4,993,200
G-SUR Franchise Fee Surcharge (\$ per MMBTU) <sup>5</sup>	\$0.0397	\$0.0397	\$0.0397
<b>Annual G-SUR Franchise Fee Surcharge Revenue <sup>6</sup></b>	<b>\$93,622</b>	<b>\$275,992</b>	<b>\$198,230</b>

<sup>1</sup> California Energy Commission Power Plants Database.

<sup>2</sup> According to John Chillemi at Genon, the CCPP and PPP will be operated 3% to 5%. The MLGS will operate 5 to 10%. The midpoint is selected for these calculations.

<sup>3</sup> MW hours are calculated assuming 8,760 hours per year.

<sup>4</sup> John Chillemi at GenOn.

<sup>5</sup> PG&E, Advice Letter No. 3205-G, Effective June 1, 2011.

**TABLE 13**

**Projected Surcharge Fees, and Franchise Fees Generated in Area 1 and 2a  
Northeast Antioch Annexation Area Market Study  
Antioch, CA**

**SURCHARGE FEES <sup>1</sup>**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>SCENARIO 1</b>													
<i>Existing/under Construction Development</i>													
Contra Costa Power Plant <sup>2</sup>	\$93,622												
Marsh Landing Generating Station <sup>2</sup>		\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<i>Potential New Development</i>													
New Power Plant (Merchant) <sup>3</sup>	\$93,622	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<b>SCENARIO 2</b>													
<i>Existing/under Construction Development</i>													
Contra Costa Power Plant <sup>2</sup>	\$93,622												
Marsh Landing Generating Station <sup>2</sup>		\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<i>Potential New Development</i>													
New Power Plant (Public Utility) <sup>4</sup>	NOT APPLICABLE												
	\$93,622	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<b>SCENARIO 3</b>													
<i>Existing/under Construction Development</i>													
Contra Costa Power Plant <sup>2</sup>	\$93,622												
Marsh Landing Generating Station <sup>2</sup>		\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<i>Potential New Development</i>													
New Power Plant (Merchant) <sup>3</sup>	NOT APPLICABLE												
New Power Plant (Public Utility) <sup>5</sup>	NOT APPLICABLE												
	\$93,622	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230

**FRANCHISE FEES**

The additional Franchise Fee Revenue associated with new development (including new power plants) is assumed to be de minimis. Franchise Fees are paid by PG&E based on miles of service line (gas or electricity) that runs through a particular jurisdiction. It is assumed that the number of service miles will not increase significantly as a result of the projected new development.

Notes:

- <sup>1</sup> See Table 12 for an estimation of surcharge fees generated by existing facilities. See Table 9 for an estimation of franchise fees generated by hypothetical merchant power plant. Actual annual revenues are highly volatile as they depend on actual output.
- <sup>2</sup> It is assumed that the Marsh Landing Generating Station will come online in 2013. It is assumed that the CCPP will be decommissioned after the MLGS comes online.
- <sup>3</sup> A new merchant power plant is assumed to come online between 2020 and 2030. The midpoint, 2025, has been selected for modeling purposes.
- <sup>4</sup> A new, public utility-owned power plant is assumed to come online between 2020 and 2030. The midpoint, 2025, has been selected for modeling purposes. However, public utilities power plants are exempt from the surcharge fees. Instead, the public utility pays Franchise Fees based on their overall revenues in their service area.
- <sup>5</sup> This power plant is assumed to come online between 2030 and 2040. The year 2030 has been selected for modeling purposes. However, public utility-owned power plants are exempt from Surcharge Fees.

**TABLE 13**

**Projected Surcharge Fees, and Franchise Fees Generated in Area 1 and 2a  
Northeast Antioch Annexation Area Market  
Study  
Antioch, CA**

(Page 2 of 2)

**SURCHARGE FEES <sup>1</sup>**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>SCENARIO 1</b>											
<i>Existing/under Construction Development</i>											
Contra Costa Power Plant <sup>2</sup>											
Marsh Landing Generating Station <sup>2</sup>	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<i>Potential New Development</i>											
New Power Plant (Merchant) <sup>3</sup>	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497
	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>
<b>SCENARIO 2</b>											
<i>Existing/under Construction Development</i>											
Contra Costa Power Plant <sup>2</sup>											
Marsh Landing Generating Station <sup>2</sup>	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<i>Potential New Development</i>											
New Power Plant (Public Utility) <sup>4</sup>	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
	<u>\$198,230</u>	<u>\$198,230</u>	<u>\$198,230</u>	<u>\$198,230</u>	<u>\$198,230</u>	<u>\$198,230</u>	<u>\$198,230</u>	<u>\$198,230</u>	<u>\$198,230</u>	<u>\$198,230</u>	<u>\$198,230</u>
<b>SCENARIO 3</b>											
<i>Existing/under Construction Development</i>											
Contra Costa Power Plant <sup>2</sup>											
Marsh Landing Generating Station <sup>2</sup>	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<i>Potential New Development</i>											
New Power Plant (Merchant) <sup>3</sup>	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497	\$156,497
New Power Plant (Public Utility) <sup>5</sup>	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>	<u>\$354,727</u>

**FRANCHISE FEES**

The additional Franchise Fee Revenue associated with new development (including new power plants) is assumed to be de minimis. Franchise Fees are paid by PG&E based on miles of service line (gas or electricity) that runs through a particular jurisdiction. It is assumed that the number of service miles will not increase significantly as a result of the projected new development.

**TABLE 14**

**Estimated Property Tax in Lieu of Motor Vehicle License Fee (VLF) Revenue to City of Antioch, Post Annexation  
Northeast Antioch  
Annexation Area  
Market Study  
Antioch, CA**

(Page 1 of 2)

	2010/11	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Annual Growth in Assessed Value Post Annexation<sup>1</sup></b>	Base Value											
Scenario 1 (Low)	\$531,454,152	(\$4,294,658)	(\$16,148,145)	\$518,873,813	\$491,254,758	\$464,782,113	\$439,422,637	\$415,144,312	\$391,916,308	\$369,708,942	\$347,522,824	\$326,283,309
Scenario 2 (Medium)	\$531,454,152	(\$4,294,658)	(\$14,259,888)	\$522,685,741	\$497,026,431	\$472,550,280	\$449,224,731	\$427,018,466	\$405,901,366	\$385,844,475	\$364,878,313	\$344,881,830
Scenario 3 (High)	\$531,454,152	(\$4,294,658)	(\$12,371,630)	\$526,497,669	\$502,798,104	\$480,318,446	\$459,026,825	\$438,892,620	\$419,886,425	\$401,980,008	\$382,233,803	\$363,480,352
<b>Property Tax In-lieu of VLF Revenue to City of Antioch Post Annexation</b>												
	Dollars per \$1,000 growth in AV for Antioch	\$0.75 <sup>2</sup>										
Scenario 1 (Low)		-\$3,000	-\$12,000	\$387,000	\$366,000	\$347,000	\$328,000	\$310,000	\$292,000	\$276,000	\$259,000	\$243,000
Scenario 2 (Medium)		-\$3,000	-\$11,000	\$390,000	\$371,000	\$352,000	\$335,000	\$318,000	\$303,000	\$288,000	\$272,000	\$257,000
Scenario 3 (High)		-\$3,000	-\$9,000	\$393,000	\$375,000	\$358,000	\$342,000	\$327,000	\$313,000	\$300,000	\$285,000	\$271,000

<sup>1</sup> Please see Table 10. Growth is the difference between the value at annexation and the future AV. AV is projected to decline in 2012 and 2013 relative to 2010/11 because of the estimated depreciation in the AV of the Gateway Generating Station.

<sup>2</sup> Pursuant to the State Controller's Office, Antioch receives \$.746 of property tax in lieu of Vehicle License Fees for every \$1,000 of growth in assessed value after the annexation.

**TABLE 14**

**Estimated Property Tax in Lieu of Motor Vehicle License Fee (VLF) Revenue to City of Antioch, Post Annexation  
Northeast Antioch  
Annexation Area  
Market Study  
Antioch, CA**

(Page 2 of 2)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Annual Growth in Assessed Value Post Annexation<sup>1</sup></b>													
<i>Scenario 1 (Low)</i>	\$305,963,628	\$286,538,024	\$267,981,719	\$720,270,884	\$687,715,947	\$656,483,785	\$626,535,850	\$597,835,013	\$571,866,449	\$547,102,466	\$523,510,446	\$501,059,039	\$479,718,124
<i>Scenario 2 (Medium)</i>	\$325,828,692	\$307,693,585	\$290,452,182	\$744,081,114	\$712,891,279	\$683,050,031	\$654,519,306	\$627,262,474	\$604,286,136	\$582,569,830	\$562,081,960	\$542,792,215	\$524,671,535
<i>Scenario 3 (High)</i>	\$345,693,757	\$328,849,146	\$312,922,645	\$767,891,345	\$738,066,611	\$709,616,276	\$682,502,762	\$656,689,934	\$1,106,705,823	\$1,072,370,527	\$1,039,842,363	\$1,009,074,651	\$980,022,562
<b>Property Tax In-lieu of VLF Revenue to City of Antioch Post Ann</b>													
	Dollars per \$1,000 growth in AV for Antioch												
<i>Scenario 1 (Low)</i>	\$228,000	\$214,000	\$200,000	\$537,000	\$513,000	\$490,000	\$467,000	\$446,000	\$426,000	\$408,000	\$390,000	\$374,000	\$358,000
<i>Scenario 2 (Medium)</i>	\$243,000	\$229,000	\$217,000	\$555,000	\$532,000	\$509,000	\$488,000	\$468,000	\$451,000	\$434,000	\$419,000	\$405,000	\$391,000
<i>Scenario 3 (High)</i>	\$258,000	\$245,000	\$233,000	\$573,000	\$550,000	\$529,000	\$509,000	\$490,000	\$825,000	\$800,000	\$775,000	\$752,000	\$731,000

<sup>1</sup> Please see Table 10. Growth is the difference between the value at annexation and the future AV. AV is projected to decline in 2012 and 2013 relative to 2010/11 because of the estimated depreciation in the AV of the Gateway Generating Station.

<sup>2</sup> Pursuant to the State Controller's Office, Antioch receives \$.746 of property tax in lieu of Vehicle License Fees for every \$1,000 of growth in assessed value after the annexation.

**TABLE 15**

**Projected City and County General Fund Property Tax Revenues, Property Tax In-Lieu of Motor Vehicle License Fees (VLF), and Surcharge Fees from Annexation Areas 1 and 2a**

**Northeast Antioch Annexation Area Market Study**

**Antioch, CA**

(Page 1 of 2)

	Total 2012-2035 (rounded)	Annual Average (rounded)	2012	2013	Marsh Landing is Reflected on Tax Roll 2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>SCENARIO 1</b>													
<i>Property Tax Revenue</i> <sup>1</sup>													
Statutory Allocation to City	\$12,130,000	\$510,000	\$720,099	\$696,479	\$673,654	\$651,598	\$630,285	\$609,691	\$589,791	\$570,563	\$551,985	\$534,035	\$516,692
Statutory Allocation to County	\$17,640,000	\$740,000	\$1,042,363	\$1,008,526	\$975,835	\$944,251	\$913,740	\$884,265	\$855,792	\$828,288	\$801,722	\$776,061	\$751,278
Allocation to City/County Not addressed by Statute	\$31,280,000	\$1,300,000	\$176,685	\$181,298	\$1,263,249	\$1,234,911	\$1,207,947	\$1,182,320	\$1,157,995	\$1,134,940	\$1,113,122	\$1,090,595	\$1,069,209
	\$61,050,000	\$2,550,000	\$1,939,147	\$1,886,302	\$2,912,737	\$2,830,760	\$2,751,972	\$2,676,275	\$2,603,578	\$2,533,791	\$2,466,828	\$2,400,691	\$2,337,179
<i>Surcharge Fee Revenue</i> <sup>2</sup>	\$6,370,000	\$270,000	\$93,622	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<i>Property Tax In Lieu of MVLF</i> <sup>3</sup>	\$7,840,000	\$330,000	(\$3,000)	(\$12,000)	\$387,000	\$366,000	\$347,000	\$328,000	\$310,000	\$292,000	\$276,000	\$259,000	\$243,000
<b>Total Projected Revenues</b>	<b>\$75,270,000</b>	<b>\$3,140,000</b>	<b>\$2,030,000</b>	<b>\$2,073,000</b>	<b>\$3,498,000</b>	<b>\$3,395,000</b>	<b>\$3,297,000</b>	<b>\$3,203,000</b>	<b>\$3,112,000</b>	<b>\$3,024,000</b>	<b>\$2,941,000</b>	<b>\$2,858,000</b>	<b>\$2,778,000</b>
<b>SCENARIO 2</b>													
<i>Property Tax Revenue</i> <sup>4</sup>													
Statutory Allocation to City	\$18,840,000	\$790,000	\$720,099	\$696,479	\$673,654	\$651,598	\$630,285	\$609,691	\$589,791	\$570,563	\$551,985	\$534,035	\$516,692
Statutory Allocation to County	\$27,310,000	\$1,140,000	\$1,042,363	\$1,008,526	\$975,835	\$944,251	\$913,740	\$884,265	\$855,792	\$828,288	\$801,722	\$776,061	\$751,278
Allocation to City/County Not addressed by Statute	\$24,260,000	\$1,010,000	\$176,685	\$185,021	\$1,270,765	\$1,246,291	\$1,223,263	\$1,201,647	\$1,181,408	\$1,162,515	\$1,144,936	\$1,124,815	\$1,105,881
	\$70,410,000	\$2,940,000	\$1,939,147	\$1,890,025	\$2,920,254	\$2,842,140	\$2,767,288	\$2,695,602	\$2,626,991	\$2,561,366	\$2,498,643	\$2,434,911	\$2,373,850
<i>Surcharge Fee Revenue</i> <sup>2</sup>	\$4,650,000	\$190,000	\$93,622	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<i>Property Tax In Lieu of MVLF</i> <sup>3</sup>	\$8,210,000	\$340,000	(\$3,000)	(\$11,000)	\$390,000	\$371,000	\$352,000	\$335,000	\$318,000	\$303,000	\$288,000	\$272,000	\$257,000
<b>Total Projected Revenues</b>	<b>\$83,280,000</b>	<b>\$3,470,000</b>	<b>\$2,030,000</b>	<b>\$2,077,000</b>	<b>\$3,508,000</b>	<b>\$3,411,000</b>	<b>\$3,318,000</b>	<b>\$3,229,000</b>	<b>\$3,143,000</b>	<b>\$3,063,000</b>	<b>\$2,985,000</b>	<b>\$2,905,000</b>	<b>\$2,829,000</b>
<b>SCENARIO 3</b>													
<i>Property Tax Revenue</i> <sup>5</sup>													
Statutory Allocation to City	\$15,770,000	\$660,000	\$720,099	\$696,479	\$673,654	\$651,598	\$630,285	\$609,691	\$589,791	\$570,563	\$551,985	\$534,035	\$516,692
Statutory Allocation to County	\$22,880,000	\$950,000	\$1,042,363	\$1,008,526	\$975,835	\$944,251	\$913,740	\$884,265	\$855,792	\$828,288	\$801,722	\$776,061	\$751,278
Allocation to City/County Not addressed by Statute	\$33,240,000	\$1,380,000	\$176,685	\$188,744	\$1,278,281	\$1,257,671	\$1,238,580	\$1,220,974	\$1,204,821	\$1,190,089	\$1,176,751	\$1,159,035	\$1,142,552
	\$71,890,000	\$2,990,000	\$1,939,147	\$1,893,749	\$2,927,770	\$2,853,521	\$2,782,605	\$2,714,929	\$2,650,403	\$2,588,941	\$2,530,458	\$2,469,132	\$2,410,521
<i>Surcharge Fee Revenue</i> <sup>2</sup>	\$6,370,000	\$270,000	\$93,622	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<i>Property Tax In Lieu of MVLF</i> <sup>3</sup>	\$10,220,000	\$430,000	(\$3,000)	(\$9,000)	\$393,000	\$375,000	\$358,000	\$342,000	\$327,000	\$313,000	\$300,000	\$285,000	\$271,000
<b>Total Projected Revenues</b>	<b>\$88,490,000</b>	<b>\$3,690,000</b>	<b>\$2,030,000</b>	<b>\$2,083,000</b>	<b>\$3,519,000</b>	<b>\$3,427,000</b>	<b>\$3,339,000</b>	<b>\$3,255,000</b>	<b>\$3,176,000</b>	<b>\$3,100,000</b>	<b>\$3,029,000</b>	<b>\$2,952,000</b>	<b>\$2,880,000</b>

<sup>1</sup> See Table 11A for details.

<sup>2</sup> See Table 13 for details.

<sup>3</sup> See Table 14 for details.

<sup>4</sup> See Table 11B for details.

<sup>5</sup> See Table 11C for details.

**TABLE 15**

**Projected City and County General Fund Prop  
Revenues, Property Tax In-Lieu of Motor Vehi  
Fees (VLF), and Surcharge Fees from Annexa  
2a**

**Northeast Antioch Annexation Area Market  
Study**

**Antioch, CA**

(Page 2 of 2)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>SCENARIO 1</b>													
<i>Property Tax Revenue</i> <sup>1</sup>													
Statutory Allocation to City	\$499,936	\$483,749	\$468,110	\$453,002	\$438,408	\$424,311	\$410,694	\$397,541	\$384,837	\$372,568	\$360,719	\$349,276	\$338,227
Statutory Allocation to County	\$727,342	\$704,227	\$681,904	\$660,348	\$639,535	\$619,439	\$600,038	\$581,308	\$563,228	\$545,777	\$528,933	\$512,678	\$496,993
Allocation to City/County Not addressed by Statute	\$1,048,936	\$1,029,747	\$1,011,615	\$1,921,226	\$1,874,244	\$1,829,276	\$1,786,266	\$1,745,159	\$1,708,902	\$1,674,499	\$1,641,904	\$1,611,071	\$1,581,956
	\$2,276,214	\$2,217,722	\$2,161,629	\$3,034,577	\$2,952,187	\$2,873,026	\$2,796,998	\$2,724,008	\$2,656,967	\$2,592,844	\$2,531,556	\$2,473,025	\$2,417,175
<i>Surcharge Fee Revenue</i> <sup>2</sup>	\$198,230	\$198,230	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727
<i>Property Tax In Lieu of MVLF</i> <sup>3</sup>	\$228,000	\$214,000	\$200,000	\$537,000	\$513,000	\$490,000	\$467,000	\$446,000	\$426,000	\$408,000	\$390,000	\$374,000	\$358,000
<b>Total Projected Revenues</b>	<b>\$2,702,000</b>	<b>\$2,630,000</b>	<b>\$2,716,000</b>	<b>\$3,926,000</b>	<b>\$3,820,000</b>	<b>\$3,718,000</b>	<b>\$3,619,000</b>	<b>\$3,525,000</b>	<b>\$3,438,000</b>	<b>\$3,356,000</b>	<b>\$3,276,000</b>	<b>\$3,202,000</b>	<b>\$3,130,000</b>
<b>SCENARIO 2</b>													
<i>Property Tax Revenue</i> <sup>4</sup>													
Statutory Allocation to City	\$499,936	\$483,749	\$468,110	\$1,231,869	\$1,191,312	\$1,152,118	\$1,114,241	\$1,077,636	\$1,042,263	\$1,008,079	\$975,047	\$943,126	\$912,282
Statutory Allocation to County	\$727,342	\$704,227	\$681,904	\$1,780,550	\$1,722,396	\$1,666,205	\$1,611,912	\$1,559,453	\$1,508,768	\$1,459,798	\$1,412,488	\$1,366,781	\$1,322,626
Allocation to City/County Not addressed by Statute	\$1,088,104	\$1,071,460	\$1,055,921	\$1,041,463	\$1,028,063	\$1,015,699	\$1,004,348	\$993,992	\$990,607	\$988,287	\$987,018	\$986,783	\$987,570
	\$2,315,383	\$2,259,435	\$2,205,935	\$4,053,882	\$3,941,772	\$3,834,022	\$3,730,501	\$3,631,081	\$3,541,638	\$3,456,165	\$3,374,552	\$3,296,690	\$3,222,477
<i>Surcharge Fee Revenue</i> <sup>2</sup>	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230	\$198,230
<i>Property Tax In Lieu of MVLF</i> <sup>3</sup>	\$243,000	\$229,000	\$217,000	\$555,000	\$532,000	\$509,000	\$488,000	\$468,000	\$451,000	\$434,000	\$419,000	\$405,000	\$391,000
<b>Total Projected Revenues</b>	<b>\$2,757,000</b>	<b>\$2,687,000</b>	<b>\$2,621,000</b>	<b>\$4,807,000</b>	<b>\$4,672,000</b>	<b>\$4,541,000</b>	<b>\$4,417,000</b>	<b>\$4,297,000</b>	<b>\$4,191,000</b>	<b>\$4,088,000</b>	<b>\$3,992,000</b>	<b>\$3,900,000</b>	<b>\$3,812,000</b>
<b>SCENARIO 3</b>													
<i>Property Tax Revenue</i> <sup>5</sup>													
Statutory Allocation to City	\$499,936	\$483,749	\$468,110	\$453,002	\$438,408	\$424,311	\$410,694	\$397,541	\$1,163,703	\$1,125,472	\$1,088,526	\$1,052,823	\$1,018,322
Statutory Allocation to County	\$727,342	\$704,227	\$681,904	\$660,348	\$639,535	\$619,439	\$600,038	\$581,308	\$1,683,429	\$1,628,638	\$1,575,699	\$1,524,552	\$1,475,138
Allocation to City/County Not addressed by Statute	\$1,127,273	\$1,113,173	\$1,100,226	\$2,015,120	\$1,973,522	\$1,934,039	\$1,896,618	\$1,861,205	\$1,836,747	\$1,814,363	\$1,794,009	\$1,775,643	\$1,759,227
	\$2,354,551	\$2,301,148	\$2,250,240	\$3,128,471	\$3,051,465	\$2,977,789	\$2,907,349	\$2,840,054	\$4,683,880	\$4,568,473	\$4,458,234	\$4,353,019	\$4,252,687
<i>Surcharge Fee Revenue</i> <sup>2</sup>	\$198,230	\$198,230	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727	\$354,727
<i>Property Tax In Lieu of MVLF</i> <sup>3</sup>	\$258,000	\$245,000	\$233,000	\$573,000	\$550,000	\$529,000	\$509,000	\$490,000	\$825,000	\$800,000	\$775,000	\$752,000	\$731,000
<b>Total Projected Revenues</b>	<b>\$2,811,000</b>	<b>\$2,744,000</b>	<b>\$2,838,000</b>	<b>\$4,056,000</b>	<b>\$3,956,000</b>	<b>\$3,862,000</b>	<b>\$3,771,000</b>	<b>\$3,685,000</b>	<b>\$5,864,000</b>	<b>\$5,723,000</b>	<b>\$5,588,000</b>	<b>\$5,460,000</b>	<b>\$5,338,000</b>





**Appendix A, Table 1**  
**New, Proposed, or under-Construction Power Plants in the Region**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

**WORKING DRAFT**

Power Plant	Location	Online Date	Generating		AV	AV/MW	AV/Acre
			Power	Acres			
Marsh Landing Generating Station	Unincorporated CC County	Under Construction	760	27	\$550,000,000	\$723,684	\$20,370,370
Gateway Generating Station	Unincorporated CC County	2009	530	34	\$445,032,652	\$839,684	\$13,233,204
Oakley Generating Station	Oakley	Under Construction	624	22	\$475,000,000	\$761,218	\$21,640,091
Willow Pass Road	Pittsburg	Proposed (On-Hold)	550	26			
		Average	616	27		\$768,042	\$17,801,316

Prototype Characteristics		Metric	Estimated AV
Generating Power (MW)	600	\$768,042 per MW	\$460,825,283
Acres	27	\$17,801,316 per acre	\$480,635,524
			\$470,000,000



**Appendix B****Industrial / Business Parks****Antioch, Pittsburg, Oakley, Brentwood**

Project Name/Location	Land Area Acres	Building SF		Use	Comments
<b>Antioch</b>					
<b>Delta Industrial Park - Older Portion</b> Verne Roberts Circle at W 10th St	78.87	990,492	074-051-004 to 006, 009, 011 to 013, 016 to 019, 029, 030; 074-052- 015, 020 to 023, 036 to 038	industrial park, light industrial, storage, commecial, office	Mixed use park under various ownerships. Exact boundaries unclear. Warehouse space and industrial condos. Users include: Costco, Goodwill, Ordaz Marble & Onyx, Mission Associates.
<b>Delta Industrial Park - Newer Portion</b> Verne Roberts Circle at W 10th St	14.50	164,178	29% FAR 074-470-001 to 006, 008 to 012, 014 to 016, 018, 019, 021 to 031, 034 to 040	industrial park	A newer park (2004-2005) was developed (Ziegler Development) around the existing park. Mutliple flex / free standing bldgs; some single tenant some condos.
<b>Antioch Distribution Center</b> 2110--2300 Wilbur Lane	26.26	662,810	26% 051-100-025-9	warehouse / manufacturing facility	Inland American & Stephens, owner (REIT)
Wilbur Ave	10.80	169,322	58% FAR 051-100-021-8	warehouse	Inland American & Stephens, owner (REIT)
<b>Antioch Glass Industrial</b> 1400 W 4th Street	16.61	272,260	36% 074-040-025-4	light industrial	Warehousing, production, or manufacturing uses; owner is Green Valley Corp
1700 W 4th St	17.35	235,456	38% FAR 074-040-047-8	light industrial	Occupied by Bond Manufacturing (garden and outdoor living products); owner is Rivertown
<b>Antioch Marina Business Park</b> 1200-1300 W 4th St	12.58	404,890 (RQ) 488,375 (web)	31% 066-110-009-9 066-110-005-7	industrial park	Inexpensive bulk warehousing and manufacturing space in downtown Antioch; owner is Libitzky Property Companies
<b>Brentwood</b>					
<b>Brentwood Business Center</b> 580 Valdry Court	3.93	57,180	010-160-028-6	light industry, warehouse, auto	

## Industrial / Business Parks

Antioch, Pittsburg, Oakley, Brentwood

Project Name/Location	Land Area Acres	Building SF		Use	Comments
<b>Pittsburg</b>					
<b>Los Medanos Industrial Park</b> Between Highway 4 and East Leland Road, from Railroad Avenue to Gladstone Drive	164.43	1,404,927	multiple, in books 088-150, 171, 183, 240, 250, 390, 400, 500, 530, 540, 570, 590, 620	light mfg, warehouse, office, auto	Large industrial area under multiple ownerships.
<b>Pittsburg Industrial Park</b> California Avenue, North Park Boulevard, Loveridge Road	94.81	541,124	multiple, in books 073-190, 230, and 290	light industrial	Multiple owners, occupants include Union Carbide/Praxair, Vintners Distributors, Public Storage, RRM Enterprises.
<b>Contra Costa Industrial Park</b> California Avenue, North Park Boulevard, Loveridge Road	82.23	477,568	073-230-015, 030, to 033	light industrial	Two large users, including Stone Engineering Contractors, and vacant parcel.
<b>Willow Pass Propeties</b> 701 Willow Pass Road	35.95	420,048	085-280-009-3	warehouse	Occupants include Angelica Linens.
1664-1666 Willow Pass Road	11.56	108,100	096-092-013-0	warehouse / light mfg	Occupants include Diverse Steel, Irish Construction.
<b>Markstein Beverage Company</b> 2700 California Ave	6.00	51,765 70,000		warehouse	2 buildings; one for lease.

Sources: Co Star, Loopnet, RealQuest, Colliers International, Cassidy / Turley, Pittsburg Chamber of Commerce, Antioch Chamber of Commerce.



BOARD ROLL OF STATE-ASSESSED PROPERTY  
PREPARED BY THE CALIFORNIA STATE BOARD OF EQUALIZATION PURSUANT TO CONSTITUTIONAL AND STATUTORY PROVISIONS

COUNTY CONTRA COSTA

YEAR 2010

Page 67

LINE	ASSESSEE'S NAME AND DESCRIPTION OF PROPERTY	TAX RATE AREA PRI-SEC	ASSESSEE NUMBER	LAND	IMPROVEMENTS	PERSONAL PROPERTY	TOTAL TANGIBLE PROPERTY	LINE
	Assessee Total		*	500	940		500,940	1
	Tax Rate Area Total		*	500	940		500,940	2
	Pacific Bell Telephone Co	017-004	279					3
	Map 0279 07 037 Par 01	017-004	279	371	132		371,132	4
	Assessee Total		*	371	132		371,132	5
	Tax Rate Area Total		*	371	132		371,132	6
	Pacific Bell Telephone Co	017-091	279					7
	Map 0279 07 041 Par 04N	017-091	279	104	937		104,937	8
	Assessee Total		*	104	937		104,937	9
	Tax Rate Area Total		*	104	937		104,937	10
	Pacific Bell Telephone Co	019-023	279					11
	Map 0279 07 061 Par 01	019-023	279	62	100		62,100	12
	Assessee Total		*	62	100		62,100	13
	Tax Rate Area Total		*	62	100		62,100	14
	Pacific Gas & Electric Co.	019-083	135					15
	Map 0135 07 081 Par 02	019-083	135	784	125		784,125	16
	Assessee Total		*	784	125		784,125	17
	Tax Rate Area Total		*	784	125		784,125	18
	Mirant Delta, LLC	053-004	1109					19
	Map 1109 07 003A Par 01	053-004	1109	21,921	168		21,921,168	20
	Unitary Improvements	053-004	1109		4,987	108	4,987,108	21
	Assessee Total		*	21,921	168	4,987	26,908,276	22
	Tax Rate Area Total		*	21,921	168	4,987	26,908,276	23
	Pacific Gas & Electric Co.	053-053	135					24

Source: California State Board of Equalization

APPENDIX - Table I Contra Costa Power Plant Assessed Value FY 2010

**APPENDIX C - Table 2A**  
**2011/2012 Assessed Value of Gateway Generating Station**

<b>Gateway Generating Station</b>			
Asset	Land Par Map/Ident #	Description	Assessed Values
Land	135-07-23F Parcel 4	Gateway Power Plant - Unitary	667,800
Land	135-07-23F Parcel 4N	Gateway Power Plant - Non Unitary	3,500,000
Land	135-07-23F- Parcel 6	Gateway Power Plant - Unitary	6,608,400
Imps	see imps & per sheet	improvements and personal property <sup>1</sup>	438,424,252
			<u>449,200,452</u>
		<b>Value excluding Parcels 4 and 4N<sup>2</sup></b>	<b>445,032,652</b>

Source: Pacific Gas and Electric

<sup>1</sup> See attached breakdown in Table 1B

<sup>2</sup> Parcels 4 and 4N are vacant parcels south of Wilbur Avenue. According to PG&E. According to PG&E these parcels technically are part of the Gateway Generating Station. Table 1A lists these assessed values separately.

**APPENDIX C - Table 2B**

**2011/12 Assessed Value of Gateway Generating Station, Improvements and Personal Property**

Ident #	Description	Total Assessed Value
37	GGs-Struct & Imps TRA 53004	47,338,091
38	GGs-Struct & Imps TRA 53004	1,886,348
39	GGs-Boiler Plt Eq. Pol Cntrl TRA 53004	1,417,358
40	GGs-Boiler Plt Eq. TRA 53004	70,924,500
41	GGs-Boiler Plt Eq. Pol Cntrl TRA 53004	50,367
42	GGs-Boiler Plt Eq. TRA 53004	2,040,840
43	GGs-TurboGen Units TRA 53004	92,571,312
44	GGs-TurboGen Units TRA 53004	16,678,130
45	GGs-Acc Elec Eq. TRA 53004	20,104,560
46	GGs-Acc Elec Eq. TRA 53004	917,725
47	GGs-Misc Pwr Plnt Eq. TRA 53004	8,336,721
48	GGs-Misc Pwr Plnt Eq. TRA 53004	2,646,313
49	GGs-Struct & Imps TRA 53004	16,730,488
50	GGs-Struct & Imps TRA 53004	732,887
51	GGs-Hldrs Produc & Acc TRA 53004	1,600,653
52	GGs-Hldrs Produc & Acc TRA 53004	43,581
53	GGs-Prime Movers TRA 53004	51,567,289
54	GGs-Prime Movers TRA 53004	1,883,531
55	GGs-Generators TRA 53004	28,470,470
56	GGs-Acc Elec Eq. TRA 53004	35,433,690
57	GGs-Acc Elec Eq. TRA 53004	982,824
58	GGs-Misc Pwr Plt Eq. TRA 53004	15,988,021
59	GGs-Misc Pwr Plt Eq. TRA 53004	1,692,492
61	GGs-Pwr Plnt Step-Up Trns TRA 53004	11,618,990
62	GGs-Pwr Plt Step-up Trnsfrmr TRA 53004	1,829,968
64	GGs-Towers & Fixtures TRA 53004	3,201,307
65	GGs-Towers & Fixtures TRA 53004	90,418
66	GGs-OH Conductors & Devices TRA 53004	1,600,653
67	GGs-OH Conductors & Devices TRA 53004	44,725
		438,424,252

Source: Pacific Gas and Electric





**APPENDIX D**

**Allocation of Basic 1% Property Tax, Fiscal Year 2010-11**  
*(Page 1 of 3)*

<b>Tax Rate Area 53004</b>		<b>Tax Rate Area 07076</b>	
COUNTY GENERAL	18.51%	COUNTY GENERAL	3.68%
COUNTY LIBRARY	1.90%	COUNTY LIBRARY	2.01%
CONTRA COSTA FIRE	19.21%	CONTRA COSTA FIRE	19.99%
C C FLOOD CONTROL	0.22%	CC FLOOD CONTROL	0.24%
SERV AREA P-6	1.21%	CO WATER AGENCY	0.05%
CO WATER AGENCY	0.05%	CC RES CONSV	0.02%
CC RES CONSV	0.02%	CO CO MOSQUITO ABA	0.23%
CO CO MOSQUITO ABA	0.20%	LOS MED HLTH CARE	2.51%
CONTRA COSTA WATER	0.60%	CONTRA COSTA WATER	0.64%
BART	0.80%	BART	0.85%
BAY AREA AIR MGMNT	0.23%	BAY AREA AIR MGMNT	0.25%
EAST BAY REGNL PK	3.82%	EAST BAY REGNL PK	4.05%
CO SUPT SCHOOLS	2.30%	CITY OF PITTSBURG	4.75%
K-12 SCHOOLS ERAF	10.20%	CO SUPT SCHOOLS	2.25%
ANTIOCH UNIFIED	33.34%	K-12 SCHOOLS ERAF	17.73%
CO CO COMM COLLEGE	5.86%	PITTSBURG UNIFIED	32.41%
COMM COLLEGE ERAF	1.52%	CO CO COMM COLLEGE	5.72%
TOTAL	100.00%	COMM COLLEGE ERAF	2.64%
		TOTAL	100.00%

Source: Contra Costa County

**(Page 2 of 3)**

**Tax Rate Area 19091**

COUNTY GENERAL	13.3%
COUNTY LIBRARY	2.0%
C C FLOOD CONTROL	0.2%
CO WATER AGENCY	0.0%
EAST CO CO FIRE	11.1%
CC RES CONSV	0.0%
CO CO MOSQUITO ABA	0.2%
CONTRA COSTA WATER	0.6%
BART	0.8%
BAY AREA AIR MGMNT	0.2%
EAST BAY REGNL PK	4.0%
CITY OF OAKLEY	6.9%
OAKLEY POLICE SVC	1.2%
OAKLEY RDA PROJ 2	0.0%
CO SUPT SCHOOLS	2.4%
K-12 SCHOOLS ERAF	13.7%
ANTIOCH UNIFIED	34.9%
CO CO COMM COLLEGE	6.1%
COMM COLLEGE ERAF	2.0%
TOTAL	100.0%

**Tax Rate Area 86004**

COUNTY GENERAL	17.54%
COUNTY LIBRARY	1.80%
CONTRA COSTA FIRE	18.58%
C C FLOOD CONTROL	0.21%
SERV AREA P-6	1.21%
CO WATER AGENCY	0.04%
CC RES CONSV	0.02%
CO CO MOSQUITO ABA	0.19%
DELTA DIABLO ZN 1	2.91%
LOS MED HLTH CARE	2.25%
CONTRA COSTA WATER	0.57%
BART	0.76%
BAY AREA AIR MGMNT	0.22%
EAST BAY REGNL PK	3.62%
CO SUPT SCHOOLS	2.18%
K-12 SCHOOLS ERAF	9.47%
PITTSBURG UNIFIED	31.46%
CO CO COMM COLLEGE	5.55%
COMM COLLEGE ERAF	1.41%
TOTAL	100.00%

**(Page 3 of 3)**

**Tax Rate Area 86006**

COUNTY GENERAL	7.23%
COUNTY LIBRARY	2.01%
CONTRA COSTA FIRE	19.99%
CC FLOOD CONTROL	0.24%
SERV AREA P-6	1.20%
CO WATER AGENCY	0.05%
CC RES CONSV	0.02%
CO CO MOSQUITO ABA	0.23%
LOS MED HLTH CARE	2.51%
CONTRA COSTA WATER	0.64%
BART	0.85%
BAY AREA AIR MGMNT	0.25%
EAST BAY REGNL PK	4.05%
CO SUPT SCHOOLS	2.25%
K-12 SCHOOLS ERAF	17.73%
PITTSBURG UNIFIED	32.41%
CO CO COMM COLLEGE	5.72%
COMM COLLEGE ERAF	2.64%
TOTAL	100.00%

**Tax Rate Area 53053**

COUNTY GENERAL	18.47%
COUNTY LIBRARY	1.90%
CONTRA COSTA FIRE	19.54%
C C FLOOD CONTROL	0.22%
SERV AREA P-6	1.21%
CO WATER AGENCY	0.05%
CC RES CONSV	0.02%
CO CO MOSQUITO ABA	0.20%
CONTRA COSTA WATEF	0.60%
BART	0.80%
BAY AREA AIR MGMNT	0.23%
EAST BAY REGNL PK	3.82%
ANTIOCH RDA PROJ 4	0.00%
CO SUPT SCHOOLS	2.30%
K-12 SCHOOLS ERAF	10.03%
ANTIOCH UNIFIED	33.27%
CO CO COMM COLLEGE	5.85%
COMM COLLEGE ERAF	1.49%
TOTAL	100.00%



**Appendix E - Table 1**  
**Public Utility Property Tax Allocation If Area is Annexed**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

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	<b>KMA Calculation</b>	
	<b>Assumption <sup>1</sup></b>	<b>\$</b>
Assessed Value (per KMA)	\$	445,000,000
1% Base	\$	4,450,000
<b>Unitary Tax Rates:</b>		
County	0.238341	<b>\$ 1,060,616</b>
School Entities/ERAF	0.377261	\$ 1,678,810
Non-Enterprise Special Districts	0.200269	\$ 891,199
	<u>0.815871</u>	<u>\$ 3,630,625</u>
Balance	\$	819,375
City Share	0.900000	<b>\$ 737,437</b> (16.57% of 1% base)
Water District (City?)	0.100000	<b>\$ 81,937</b>

<sup>1</sup> See Table 2 for allocation to taxing entities.

**Appendix E - Table 2**  
**2010-11 Unitary 1% Allocation for Qualified Property in TRA 53004**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

**WORKING DRAFT**

*(Page 1 of 3)*

<b>Org No</b>	<b>Fund No</b>	<b>Jurisdiction</b>	<b>Allocation Factor</b>
<b>County Allocation</b>			
5	100300	County General	0.238340744
<b>Allocation to Special Districts</b>			
8	120600	County Library	0.01437962531
7028	202800	Crockett Carquinez Fire	0.00032897460
7060	206000	East CC Fire	0.00282540375
7241	424100	Co Svc Area R-8	0.00021650588
7250	307400	Moraga-Orinda Fire	0.00554712303
7300	202000	CCC Fire Protection	0.03833740482
7394	240100	Service Area L-100	0.00058014290
7470	247000	Service Area M-1	0.00004364714
7475	247500	Service Area M-29	0.00002051654
7488	248800	Service Area M-16 Clyde	0.00000715924
7489	248900	Service Area M-17 Montalvin	0.00006232365
7492	249200	Service Area M-20 Rodeo	0.00000420205
7494	249400	Svc Area RD4Bethel Isle	0.00000368797
7496	249600	Svc Area M23 Blackhawk	0.00053203834
7505	250500	Flood Control CCC Water	0.00181021814
7520	252000	Flood Control Zone 3B	0.00202712206
7521	252100	Flood Cont Z1 Marsh Crk	0.00053624663
7527	252700	Flood Control Zone 7	0.00004038133
7530	253000	Flood Control Zone 8	0.00001523268
7531	253100	Flood Control Zone 8A	0.00001261155
7550	255000	Flood Cont Drainage 290	0.00000077569
7551	255100	Flood Cont Drainage 300	0.00000148109
7552	255200	Flood Cont Drainage A13	0.00008167353
7554	255400	Flood Cont Drainage 10	0.00008449430
7563	256300	Flood Cont Drainage 127	0.00000693631
7583	258300	Flood Cont Drainage 16	0.00002155967
7652	265200	S/A PI 2 Danville	0.00000282992
7653	265300	S/A PI-2 Zone A	0.00003476307
7655	265500	S/A PI 5 Round Hill	0.00005635352
7656	265600	*S/A PI 6	0.04339243537
7657	265700	S/A PI-2 Zone B	0.00006141569
7702	270200	S/A Lib-2 El Sobrante	0.00007352273
7710	271000	S/A Lib-10 Pinole	0.00000053695
7712	271200	S/A Lib-12 Moraga	0.00001096326
7713	271300	S/A Lib-13 Ygnacio	0.00004623833
7751	275100	Svc Area R-4 Moraga	0.00003192233
7758	275800	Svc Area R-7 Zone A	0.00033377640
7800	301100	Rodeo-Hercules Fire	0.00207780075
7830	300500	San Ramon Valley Fire	0.03138387362

**Appendix E - Table 2**  
**2010-11 Unitary 1% Allocation for Qualified Property in TRA 53004**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

**WORKING DRAFT**

*(Page 2 of 3)*

<b>Allocation to Special Districts (Continued)</b>			
<b>Org No</b>	<b>Fund No</b>	<b>Jurisdiction</b>	<b>Allocation Factor</b>
7840	300700	Kensington Fire	0.00073549638
8000	310200	Co Co Resource Cons	0.00015650682
8010	325500	Kensington Community Svc	0.00036590545
8015	326000	Diablo Community Svc	0.00008076474
8020	330100	CCC Mosquito Abate Dst1	0.00313949255
8080	351500	Los Medanos Healthcare Dist	0.00371317995
8082	352000	Mt Diablo Healthcare Dist	0.00005604532
8085	352500	West CCC Healthcare Dist	0.00183343525
8091	360100	Alamo-Lafayette Cemetery	0.00011089030
8093	360300	B B K Union Cemetery	0.00021695716
8100	370000	Ambrose Rec & Park	0.00054675362
8115	371500	Green Valley Rec & Park	0.00001297465
8135	373500	Pleasant Hill Rec & Park	0.00146849556
8140	374000	Rolling-Willart Rec&Park	0.00001199432
8155	377000	Bethel Isle Muni Imp	0.00026563028
8379	429400	Oakley P-6	0.00003822520
8407	400700	A-C Transit Spec Dist 1	0.00406469246
8409	400900	BART	0.00642626222
8410	401000	Bay Area Air Poll Cont	0.00187337237
8431	402200	Dev Ctr Handi'd Minor	0.00000792079
8439	402900	Trainable MR Alameda	0.00001995921
8445	402500	Dublin San Ramon Svc	0.00003690007
8446	402600	East Bay Regional Park	0.02888504544
8601	411000	Reclamation Dist 800 Exp	0.00028638598
8602	411100	Discovery Bay Recl/Drng	0.00001588859
8660	424000	Pleasant Hill Lgt Dist 1	0.00014332837
8662	425200	Martinez Pine Ridge Mtce	0.00000261614
8663	425300	Martinez Parking Dist 1	0.00001908702
8668	424800	Clayton Light Mtce 1	0.00001324042
8673	426300	Lafayette Core Area Mtc	0.00009681263
8674	426400	Lafayette St Lt Mtce Z1	0.00000216612
8681	427100	Concord Vly Terr StLtMtc	0.00000128395
8682	427200	Concord Kirkwood Mtce 1	0.00001642222
8684	427400	Concord Blhn Terr St Lt	0.00000050160
8690	428000	Antioch Parking Mtce 1A	0.00001363305
8695	428500	Moraga St Lt Mtce 1	0.00003572385
8722	423200	SR M-29	0.00016487015
8756	423100	Brentwood Rec & Park	0.00035659174
<b>Subtotal Non-Enterprise Special Districts</b>			<b>0.20026937208</b>



**Appendix E - Table 2**  
**2010-11 Unitary 1% Allocation for Qualified Property in TRA 53004**  
**Northeast Antioch Annexation Area Market Study**  
**Antioch, CA**

**WORKING DRAFT**

*(Page 3 of 3)*

<b>Allocation to School Entities/ERAF</b>			
<b>Org No</b>	<b>Fund No</b>	<b>Jurisdiction</b>	<b>Allocation Factor</b>
8425	401600	Ed Phys Handic'd Elem	0.00004424815
8427	401800	Livermore Jt Unified	0.00210522948
8429	402000	Chabot-Las Positas Comm College	0.00028338428
9001	500100	Acalanes Union Hi Gen	0.01448326860
9051	510100	Canyon Elementary Gen	0.00004035430
9101	520100	Lafayette Elementary Gen	0.00488644290
9151	530100	Moraga Elementary Gen	0.00265032607
9201	540100	Orinda Elementary Gen	0.00425695890
9251	550100	Walnut Creek General	0.00710517923
9301	600100	Liberty Union Hi Gen	0.00810242951
9351	610100	Brentwood Elem Gen	0.00366108878
9401	620100	Byron Elementary Gen	0.00167915360
9451	630100	Knightsen Elementary Gen	0.00076223842
9501	640100	Oakley Elementary Gen	0.00343027065
9601	690100	County Schools Gen	0.01646084784
9699	699900	K-12 ERAF	0.01939576395
9701	710100	Antioch Unified Gen	0.03045695388
9721	720100	John Swett General	0.00530757597
9741	740100	Martinez Unified Gen	0.00909515457
9751	750100	Mt Diablo Unified Gen	0.05088003127
9801	760100	Pittsburg Unified Gen	0.04561086808
9851	770100	Richmond Unified Gen	0.03200176383
9899	799900	Community College ERAF	0.00288770826
9901	780100	San Ramon Valley Unif	0.06505679664
9951	790100	Co Co Comm College Gen	0.04661670671
<b>Subtotal School Entities/ERAF</b>			<b>0.37726074387</b>
<b>Subtotal County, Non-Ent Special Dist., and School Entities/ERAF</b>			<b>0.81587086037</b>
<b>Situs Based Allocation</b>			
5	100300	County (90% of Remainder) <sup>1</sup>	0.16571622567
8160	380300	Water District (10% of Remainder)	0.01841291396
<b>Subtotal Situs Based Allocation</b>			<b>0.18412913963</b>
<b>TOTAL</b>			<b>1.00000000000</b>

Source: Contra Costa County Auditor-Controller's Office

<sup>1</sup> Currently allocated to County. This share would be allocated to the City if area is incorporated.

## WORK PROGRAM CALENDAR as of August 22, 2011

	Description	Target Date	Status	Completed/On-Time
Task #1	Finalize Work Program and Form Subcommittee:			
	<ul style="list-style-type: none"> <li>Finalize Work Program</li> </ul>	April 25, 2011	Finalized	Yes/Yes
	<ul style="list-style-type: none"> <li>Form Subcommittee</li> </ul>	February 2011	Formed	Yes/Yes
	<ul style="list-style-type: none"> <li>Prepare Public Information Strategy</li> </ul>	Nov/Dec 2011	Not Initiated	No/Yes
Task #2	Consensus on Fiscal Analysis:			
	<ul style="list-style-type: none"> <li>Prepare and present draft market analysis</li> </ul>	June 27, 2011	Draft Analysis presented 8/22	Yes/Yes
	<ul style="list-style-type: none"> <li>Prepare and present draft infrastructure cost analysis</li> </ul>	June 27, 2011	Draft Analysis presented 7/25	Yes/Yes
	<ul style="list-style-type: none"> <li>Prepare and present updated fiscal analysis</li> </ul>	August 22, 2011	Draft Analysis presented 8/22	Yes/Yes
Task #3	Explore infrastructure financing models	To Be Determined	Exploration initiated	No/No schedule
Task #4	Tax Exchange/Revenue Sharing Agreement:			
	<ul style="list-style-type: none"> <li>Subcommittee level</li> </ul>	October 2011	Dependent on Task #2 and #3	No/Yes
<ul style="list-style-type: none"> <li>Board/Council level</li> </ul>	December 2011			
Task #5	Land Use Requirements	May/June 2012	Dependent on Task #2	No/Yes
Task #6 and #7	Formalizing Economic Development Strategy	May 2012	Initiated	No/Yes

To: LAFCO Commissioners  
From: Victor Carniglia, City of Antioch  
Date: September 6, 2011  
Subject: City of Antioch Agreement with GenOn

**Summary:**

The intent of this memo is to describe and clarify to LAFCO the Agreement the City of Antioch City Council approved with GenOn on August 9, 2011. This Agreement, a copy of which is attached, serves primarily two purposes. First, it updates an earlier September 2009 Benefit Agreement the City had with GenOn by substantially increasing and broadening the fiscal benefits to the City. Second, the Agreement addresses the requirements and standards through which water and sewer collection services will be provided by the City of Antioch to GenOn's Marsh Landing Generating Station (MLGS).

**Description of Agreement:**

The attached Agreement is relatively lengthy. Part of this length is due to the fact that the Agreement contains a series of provisions that provide for payments to the City under a range of different scenarios. These scenarios include payments to the City after annexation, payments irrespective of annexation status, and payments if annexation does not occur.

**Fiscal Implications of Agreement:** A good way to get an understanding of how the various payments are structured in the attached Agreement is by looking at the attached spreadsheet. The spreadsheet lists these payments to the City from GenOn under best case and worst case scenarios, from an annexation perspective. Under the best case scenario, annexation is assumed to occur as scheduled prior to December 31, 2012. With the worst case scenario, annexation is assumed not to occur within the 12 year time frame of the GenOn Agreement.

It is important to note that the total revenue to the City under both scenarios, annexation versus no annexation, is identical as shown in the spreadsheet. In preparing the Agreement both the City worked with the goal that the Agreement be at a minimum "annexation neutral" in terms of its fiscal implications. Taking into account the City's annexation fee (approximately \$28,000), the Agreement delivers more money to the City in the scenario where annexation occurs as planned. While this is an incentive to annex, it is a small incentive when it is considered that \$28,000 is the total net difference between annexation versus no annexation over the entire term of the Agreement. This works out to just over \$2300/yr.

**Implications of Agreement for Annexation:** The preceding description of the Agreement should begin to clarify that the real fiscal incentive or disincentive for

annexation is not the City's Agreement with GenOn, which is essentially fiscally neutral, but hinges on securing a reasonable share of the tax revenue generated by the Northeast Antioch Annexation Area in the Tax Transfer Agreement Negotiation. A fiscal analysis of the annexation area was recently completed by the financial consulting firm of "Keyser Marston". This analysis determined that with the construction of the GenOn power plant, the Northeast Antioch Annexation Area will generate approximately \$3.5 million a year in tax revenue that can be split between the City and the County through the Tax Transfer Agreement process. How this \$3.5 million a year in tax revenue is split between the City and the County will be the decisive factor in resolving the Northeast Antioch Annexation given the amount of tax money involved.

For example, under the City's Agreement with GenOn, the City stands to gain or lose a total net difference of just \$28,000 depending on whether the annexation occurs or does not occur. In contrast, when considering the projected tax revenue from the annexation area, the amount of money at stake is much greater. If annexation does not occur during the same 12 year time frame of the City Agreement with GenOn, the City stands to lose its share of the \$42 million in tax revenue generated in the Northeast Annexation Area during that same 12 year time period. Hopefully it should be clearer with this comparison that the City's Agreement with GenOn will not detract from the City's goal of completing the annexation process.

Provision in Agreement to Address Scenario that Annexation Does Not Occur: The Agreement with GenOn provides for payments to the City in the scenario where annexation occurs, or if annexation does not occur. The provisions dealing with the possibility of the annexation not moving forward were included in the Agreement due to the fact that the City does have complete control over the annexation process. The biggest "wild card" is the Tax Transfer Agreement, in which the City and County must reach agreement on how to share tax revenue. This negotiation is not a perfectly level playing field as the County is already receiving all the taxes from the annexation area, and if the negotiations break down the County will continue to receive all the taxes. The City, by providing water and sewer services to the GenOn facility is helping to create over one half billion in new tax base, with no guarantee it will receive a share of that new tax base through annexation. The provision in the Agreement concerning annexation not going forward can perhaps be best seen as an insurance policy, and should not be interpreted as lack of commitment by the City.

**Conclusion:**

It is understandable that a document as complex as the City's Agreement with GenOn may have raised a number of questions and concerns. Hopefully the preceding discussion addresses concerns over the Agreement. The City remains as committed as ever to move the annexation process forward as rapidly as possible. Please feel free to contact me if you have any questions concerning this memo or the attached Agreement.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
<b><u>Antioch/GenOn Agreement without Annexation</u></b>												
Representative Tax Payment <sup>1</sup>	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,000,000
Genl Fund Payment <sup>2</sup>	\$ 1,000,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300,000
Initial contribution to foundation <sup>3</sup>	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Creation of the Foundation <sup>4</sup>	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
<b>TOTAL</b>	<b>\$ 1,350,000</b>	<b>\$ 800,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 6,650,000</b>

**Antioch/GenOn Agreement with Annexation**

Post Annexation Payments <sup>5</sup>	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 2,500,000
Genl Fund Payment <sup>2</sup>	\$ 1,000,000	\$ 300,000										\$ 1,300,000
Financial Incentive for 12/31/12 Annex <sup>6</sup>	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,000,000
Initial contribution to foundation <sup>3</sup>	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Initial foundation payment & yrly paymnt <sup>7</sup>	\$ 400,000	\$ 250,000	\$ 200,000	\$ 150,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 1,400,000
Payment to foundation for other needs <sup>8</sup>	\$ -	\$ 25,000	\$ 20,000	\$ 15,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 100,000
Creation of the foundation <sup>9</sup>	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
<b>TOTAL</b>	<b>\$ 1,750,000</b>	<b>\$ 925,000</b>	<b>\$ 570,000</b>	<b>\$ 515,000</b>	<b>\$ 460,000</b>	<b>\$ 405,000</b>	<b>\$ 405,000</b>	<b>\$ 405,000</b>	<b>\$ 405,000</b>	<b>\$ 405,000</b>	<b>\$ 405,000</b>	<b>\$ 6,650,000</b>

<sup>1</sup> term of agreement F(1)(a) not including less CEC mitigation payments at \$1,000/acre foot not to exceed 50 acre feet per year

<sup>2</sup> term of agreement F(3)(a)(b) (c)

<sup>3</sup> term of agreement G(1)

<sup>4</sup> term of agreement G(4)

<sup>5</sup> term of agreement F(2)

<sup>6</sup> term of agreement F(4)

<sup>7</sup> term of agreement G(2)(a)(b)c(d)(e)(f)

<sup>8</sup> terms of agreement G(3)

<sup>9</sup> terms of agreement G(4)

Recording Requested by and  
when Recorded Return to:

City Attorney  
City of Antioch  
P.O. Box 5007  
Antioch, CA 94531-5007

APN: 051-031-018

DOCUMENTARY TRANSFER TAX \$  
NONE

## OUT OF AGENCY SERVICES AND PROJECT AGREEMENT BETWEEN THE CITY OF ANTIOCH AND GENON MARSH LANDING LLC

This Out of Agency Services and Project Agreement ("**Agreement**") dated as of the \_\_\_\_ day of \_\_\_\_\_, 2011 (the "**Effective Date**"), is between the City of Antioch, California, a municipal corporation ("**City**") and **GenOn Marsh Landing, LLC**, a limited liability company formerly known as Mirant Marsh Landing, LLC ("**GenOn Marsh Landing**"). The **City** and **GenOn Marsh Landing** are referred to individually as a "**Party**", and collectively as "**Parties**". This **Agreement** incorporates relevant provisions of the September 8, 2009 Project Agreement and hereby supersedes the Project Agreement.

### I: RECITALS

**WHEREAS**, **GenOn Marsh Landing** owns approximately 27 acres of unincorporated land located within the Northeast Antioch Reorganization Area in proximity to the City of Antioch, more particularly depicted in Attachment A and described in the legal description in Attachment B (the "**MLGS Property**"); and

**WHEREAS**, the **MLGS Property** was previously part of 117 acre parcel of property in unincorporated land located within the Northeast Antioch Reorganization Area with the remaining 87 acres owned by GenOn Delta, LLC ("**GenOn Delta**") (the "**GenOn Delta Property**"), which is depicted Attachment C and described more particularly in the legal description in Attachment D; and

**WHEREAS**, **GenOn Marsh Landing** is constructing a 760 megawatt natural gas-fired electricity generating facility known as the Marsh Landing Generating Station ("**MLGS**") on the **MLGS Property**; and

**WHEREAS, GenOn Marsh Landing** supports the annexation of the MLGS Property to the City and desires to receive City services, and also supports annexation of the same area to Delta Diablo Sanitation District (“**DDSD**”) and desires to receive sewer treatment services; and

**WHEREAS**, the City Council of the **City** on June 26, 2007 initiated the reorganization process, known as the Northeast Antioch Reorganization, for 481 acres of primarily industrial land referred to as “Area 1” of the Northeast Antioch Reorganization Area (as depicted in Attachment E). This reorganization would bring the **MLGS Property** owned by **GenOn Marsh Landing** into the **City** and **DDSD**, along with the **GenOn Delta Property** owned by **GenOn Delta**. This reorganization application was subsequently filed with the Contra Costa County (the “**County**”) Local Agency Formation Commission (“**LAFCO**”) by City staff in August 2007; and

**WHEREAS, LAFCO** staff, upon receipt of the reorganization application, requested that the **City** include as part of the reorganization Area 2a (as depicted in Attachment E), consisting of 94 acres of primarily marina and industrial uses, and Area 2b (as depicted in Attachment E), consisting of 103 acres, with the primary land use being an existing residential neighborhood with approximately 120 existing single family homes, along with some multiple family housing. Including Areas 2a and 2b with Area 1 would increase the size of the Northeast Antioch Reorganization Area to a total of approximately 688 acres; and

**WHEREAS**, it is the policy of **LAFCO** not to deem an annexation or reorganization application complete until such time as the Tax Transfer Agreement is negotiated and executed between the **City** and the County; and

**WHEREAS**, in September 2007 the **City** retained the economic consulting firm of Gruen + Gruen Associates to quantify the projected tax revenue from the Northeast Antioch Reorganization Area, along with the cost of providing **City** services and infrastructure to the Northeast Antioch Reorganization Area. The primary purpose of this analysis was to provide both the **City** and County with relevant information regarding negotiation of the terms of the Tax Transfer Agreement; and

**WHEREAS**, on September 8, 2009 the City Council approved an Annexation Agreement dated October 8, 2009 between the City and Mirant Delta now known as “**GenOn Delta**” to address support of the annexation of the **MLGS Property** and **GenOn Delta Property** into the City of Antioch, which was recorded as Instrument No. 2009-0264285 on November 5, 2009 (“**Agreement Regarding Annexation**”); and

**WHEREAS**, on September 8, 2009, the City Council approved a Project Benefit Agreement dated October 8, 2009 between the **City** and Mirant Marsh Landing, now known as **GenOn Marsh Landing** to address community benefits and support of the **MLGS** (“**Project Agreement**”); and

**WHEREAS**, due to challenges in negotiating the Tax Transfer Agreement between the **City** and County, the **City** and the County prepared a Work Program to

implement a Joint City/County Economic Development Strategy for the Northeast Antioch Reorganization Area, which the Antioch City Council approved on January 11, 2011 and County's Board of Supervisors approved on February 8, 2011; and

**WHEREAS**, the **City** appointed two members to serve on the Northeast Antioch Annexation Subcommittee and the County's Board of Supervisors appointed one member to serve on the Northeast Antioch Annexation Subcommittee; and

**WHEREAS**, on April 13, 2011 **LAFCO** appointed two members to serve as non-voting participants on the Northeast Antioch Annexation Subcommittee, and

**WHEREAS**, since the time **City** staff filed the reorganization application with **LAFCO** in August 2007, **GenOn Marsh Landing** has received the necessary approval from the California Energy Commission ("**CEC**"), which was granted in a decision issued by the CEC on August 25, 2010 in CEC Docket No. 08-AFC-3 (as amended and modified from time to time, the "**CEC Decision**"), and the necessary approval from the Bay Area Air Quality Management District ("**BAAQMD**"), to construct the **MLGS** on the **MLGS Property**; and

**WHEREAS**, **GenOn Marsh Landing** has to date waited over three years for the Northeast Antioch Reorganization process to be completed and requires that in order to address financing concerns and to meet its construction schedule for the **MLGS**, the long-term provision of the needed sewer and water infrastructure and services for the **MLGS** needs to be resolved as expeditiously as possible; and

**WHEREAS**, given the aforementioned circumstances, **GenOn Marsh Landing** is not in a position to be able to wait the extensive time necessary for the Work Program to be implemented, the Tax Transfer Agreement to be resolved, and the Northeast Antioch Reorganization to be completed; and

**WHEREAS**, California Government Code Section 56133 allows a jurisdiction to enter into an "Out of Agency Services Agreement" to permit the extension of services to property located outside of the boundaries of the jurisdiction in anticipation of reorganization, subject to **LAFCO** granting the **City** that authority; and

**WHEREAS**, it was necessary to execute this Agreement in order for **GenOn Marsh Landing** to ensure its financing and construction schedule, and related contractual obligations concerning the delivery of electricity under its long-term power purchase agreement, be met; and

**WHEREAS**, the authority to enter into an Out of Agency Services Agreement was previously granted to the **City** by **LAFCO** for the Pacific Gas and Electric Company ("**PG&E**") Gateway Generating Station, which is located on a site near and to the east of the **MLGS Property**; and

**WHEREAS**, the precedent already exists for providing City services to **GenOn Marsh Landing** and to the **MLGS Property**, as the City currently provides potable water to the existing power plant owned by **GenOn Delta** located on the **GenOn Delta**



**Property** under an arrangement that was initiated at a time before State law required the use of Out of Agency Services Agreements; and

**WHEREAS**, the City Council of the City on October 26, 2010 authorized **City** staff to submit to **LAFCO** an application for the authority to enter into an Out of Agency Services Agreement with **GenOn Marsh Landing** which would allow (1) the **City** to provide the **MLGS** with **Potable Water**, sewer collection services, and the authority to provide process water to the power plant, and (2) **DDSD** to provide **MLGS** with sewer treatment services; and

**WHEREAS**, the **CEC** in its approval of the **MLGS** in the **CEC Decision** specified that the **MLGS** would utilize **City** and **DDSD** services, and also allowed the **MLGS** to utilize either well water that would be treated on site for use as process water, or **City** water for process water; and

**WHEREAS**, **GenOn Marsh Landing** prefers the use of **City** water as it addresses certain feasibility issues associated with the use of well water, and irrespective of the source of process water, the **CEC Decision** specifies that **City** water will be used at the **MLGS** to meet potable water needs; and

**WHEREAS**, a Mitigated Negative Declaration was prepared and was adopted by the City Council of the City on June 8, 2010 that adequately addressed the environmental impacts of the Northeast Antioch Reorganization, with the scope of the Mitigated Negative Declaration being sufficient to address this **Agreement** and was utilized by **LAFCO** in their action on the issue of this **Agreement**; and

**WHEREAS**, on February 9, 2011 **LAFCO** authorized the **City** to enter into an Out of Agency Services Agreement with **GenOn Marsh Landing** for the purpose of allowing the **City** to provide process water, potable water, and sewer collection services for the **MLGS**, and also authorized **DDSD** to provide sewer treatment services to the **MLGS**; and

**WHEREAS**, on June 6<sup>th</sup>, 2011, **DDSD** and **GenOn Marsh Landing, LLC** entered into an Out of Agency Agreement to provide sewer treatment services to the **MLGS**;

**NOW THEREFORE**, in consideration of the mutual interests of the **City** and **GenOn Marsh Landing** in appropriately addressing the need for infrastructure to serve the **MLGS**, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

## **II: Terms of Agreement Between the City and GenOn Marsh Landing**

A. **Water and Sewer Infrastructure and Service**: The **City** will make available potable water service (such service as described in this **Agreement** and subject to the

terms and conditions of the Agreement is referred to as the “**Water Service**”), and sewer collection service (such service as described in this **Agreement** and subject to the terms and conditions of the **Agreement** is referred to as the “**Sewer Service**”) to **GenOn Marsh Landing** for the **MLGS**. The **Water Service** and the **Sewer Service** are collectively referred to as the “**City Services**.” These **City Services** will be specifically made available to the **MLGS Property**, which is the approximately 27 acre parcel on which the **MLGS** is being constructed, as more particularly defined in the recitals above.

The **City** will make available to **GenOn Marsh Landing**, for use at the **MLGS**, treated water meeting all laws, ordinances, standards, and regulations promulgated by any federal, state or local governmental authority as may be in effect and modified from time to time (collectively “**Governmental Regulations**”) that are applicable to the provision, sale, or distribution of water used for human drinking and consumption purposes within the jurisdictional boundaries of the **City** (“**Potable Water**”). **City** also will make available sewer collection service to the **MLGS** in accordance with all **Governmental Regulations** applicable to the provision of sewer collection within the jurisdictional boundaries of the **City**. **City** will make all reasonable efforts to make available to **GenOn Marsh Landing Potable Water** in sufficient quantities to meet the requirements of the **MLGS** for potable water (as estimated below) and in accordance with the following terms and conditions:

- 1) The quantity of **City Potable Water** desired by **GenOn Marsh Landing** for the **MLGS** is estimated to be:
  - a) Approximately 0.2 acre feet per year for personal and sanitary uses (“**Basic Water Needs**”); plus
  - b) As much as, but no more than, fifty (50) acre feet per year for power plant process uses as authorized in the CEC Decision (“**Process Water Needs**”).
- 2) **Potable Water** will be made available by the **City** to **GenOn Marsh Landing** with the goal of attaining **GenOn Marsh Landing**’s desired water pressure of between 90 pounds per square inch (“**PSI**”) and 130 PSI and with a desired capacity of 420 gallons per minute, with the understanding that the **City** cannot guarantee this water pressure and volume.
- 3) The rates applicable to the provision of the **City Services** to the **MLGS** shall be the same annual rates as established citywide by the **City** that are in effect at the time **City Services** are provided to the **MLGS**. The **City** agrees that the percentage change of any future rate increase for **City Services** provided to the **MLGS** shall not exceed the percent increase in water and sewer rates applicable to water and sewer users Citywide.
- 4) In accordance with the **CEC Decision**, **GenOn Marsh Landing** shall make the annual mitigation payments to the **City** established by the **CEC** for the use of **Potable Water** for **Process Water Needs**, as specified in the **CEC Decision** in

Condition of Certification SOIL & WATER 6 (attached hereto as Attachment F) (“**CEC Mitigation Payments**”). The City shall ensure that the **CEC Mitigation Payments** are directed to a water conservation program, as contemplated in the **CEC Decision** and Condition of Certification SOIL & WATER 6, and shall cooperate with and assist **GenOn Marsh Landing** in preparing data and information regarding such water conservation program so as to enable **GenOn Marsh Landing** to provide compliance reports to the **CEC** as required in Condition of Certification SOIL & WATER 6 and the associated verification. The Parties expressly acknowledge and agree that the **CEC Mitigation Payments** adequately mitigate all potential environmental impacts associated with the use of **Potable Water** at the **MLGS Property** to the full extent required by the California Environmental Quality Act. The **CEC Mitigation Payments** only apply to the extent that **MLGS Potable Water** is used as power plant process water, and the payments do not apply to any **Potable Water** that is used for **Basic Water Needs**.

5) As specified in Section 1 above, the **City** will make available for purchase by **GenOn Marsh Landing** sufficient quantities of **Potable Water** to serve the **Process Water Needs** of the **MLGS**. **GenOn Marsh Landing**, at its sole discretion, may choose to utilize **Potable Water** supplied by the **City** as the primary water source for its **Process Water Needs**, or may decide to utilize well water to serve its **Process Water Needs**, as allowed by the **CEC**, in which case **GenOn Marsh Landing** would utilize **Potable Water** as the backup and emergency source for **Potable Water** needs and the **City** would supply **Potable Water** in sufficient quantities to meet the **Potable Water** needs when called upon as a backup or emergency supply, recognizing that in a City-wide emergency the **City** will allocate water and other resources according to the greatest need for the public health, welfare and safety.

6) In the event of water rationing due to drought conditions, the **City** commits to the extent allowed by law to minimize any water rationing required of the **MLGS** if such rationing would impact the ability of the **MLGS** to operate when called upon by any purchaser of the project’s output, the California Independent System Operator, or any agency or entity with authority to require the **MLGS** to operate.

7) Regardless of whether **GenOn Marsh Landing** uses the **City’s Potable Water** as a primary process water source or as a backup/emergency process water source, the terms and obligations in this **Agreement** shall remain in full force.

B. **Support for Annexation:** **GenOn Marsh Landing** agrees to use all reasonable efforts to support any **LAFCO** administered election and to vote in favor of the reorganization/annexation of the **MLGS Property** to the **City** and **DDSD** as part of the Northeast Antioch Reorganization process previously initiated by the **City**, or subsequent reorganization/annexation application filed in the future by the **City**.

C. **Reimbursement of City Staff and Consultant Costs:** **GenOn Marsh Landing** agrees to reimburse the **City** for staff and consultant costs related to processing the Northeast Antioch Reorganization through **LAFCO** and the Antioch City Council, as specified in the Reimbursement Agreement between the City of Antioch and **GenOn Marsh Landing**, initially dated as of May 13, 2009, subject to the review by **GenOn**

**Marsh Landing** of such costs as provided for in the Reimbursement Agreement. This requirement to reimburse **City** staff and consultant costs shall extend and be in effect until the **Commencement Date** of the **MLGS**, as the term is defined in this **Agreement**, at which date it shall expire. This funding by **GenOn Marsh Landing** will also include **City** costs relating to the implementation of the Joint City/County Economic Development Program for the Northeast Antioch Reorganization Area, including the costs of a facilitator to expedite the annexation process as agreed to by the Parties and **LAFCO**, provided that **GenOn Marsh Landing** shall have the right to review and approve all such costs on the same terms as provided in the Reimbursement Agreement. The amount of reimbursement allowed under this provision shall not exceed a total \$200,000 for charges incurred by the City occurring after the **Effective Date** of this **Agreement** and prior to the **Commencement Date** of the **MLGS**.

D. **Annexation Fees:** Within 60 days after the effective date of the annexation of the **MLGS Property**, **GenOn Marsh Landing** agrees to pay to the **City** the annexation fee attributable to the approximately 27 acre **MLGS Property** being annexed to the **City**. The amount of the annexation fee paid shall be calculated based on the rate of one thousand fifty dollars per acre (\$1050/acre). The annexation fee for the approximately 87 acre **GenOn Delta Property** will be deferred by the **City** until such time as new development is proposed on the 87 acre property **GenOn Delta Property**. The timing of the collection of the annexation fee for the **GenOn Delta Property** will be determined as part of the entitlement process for the new development proposed. The amount of the annexation fee shall be the fee in place at the time any application for approval of such development is filed for the **GenOn Delta Property**.

E. **Limitations Concerning Requests to CEC:** The **MLGS** has been approved by the **CEC** to use **City Sewer Service** and to use **Potable Water** supplied by the **City** for Basic Water Needs and, subject to certain conditions specified in the **CEC Decision**, to use **Potable Water** supplied by the **City** for power plant process water purposes. The **CEC Decision** allows the **MLGS** to use groundwater from wells drilled on the site adjacent to the **MLGS Property** as the primary water source to serve power plant process needs (with **Potable Water** supplied by the **City** to be available and used as a backup and emergency supply), or alternately to use **Potable Water** supplied by the **City** as the primary water source to serve power plant process water purposes (with groundwater from the wells to be available and used as a backup and emergency supply). Provided that the **City** makes available and provides the **City Services** in accordance with the terms of this **Agreement** on a continuous basis and without deliberate and intended interruption or delay, **GenOn Marsh Landing** agrees not to request or otherwise seek **CEC** approval to allow the **MLGS** to utilize any means to dispose of **MLGS** process water other than the City's sewer collection system, nor to utilize any source of **Potable Water** other than **Potable Water** supplied by the **City**. For the avoidance of doubt, the foregoing shall not restrict **GenOn Marsh Landing's** ability to utilize groundwater in the manner authorized in the **CEC Decision**, including as the primary source of process water or as a backup source of process water if **Potable Water** supplied by the **City** becomes the primary source.

F. **Financial Contributions by GenOn Marsh Landing to the City:** As an acknowledgement of the benefits to **GenOn Marsh Landing** of receiving the **City Services** prior to the annexation of the **MLGS Property** to the **City**, and as an acknowledgement of the assurances that benefit **GenOn Marsh Landing** after annexation of the **MLGS Property**, as contained within this **Agreement**, **GenOn Marsh Landing** agrees to fulfill the obligations in this **Agreement**, including but not limited to making payments to the **City** in the following manner:

1) **Pre Annexation Payments to City's General Fund:** During the time period prior to the annexation of the **MLGS Property** to the **City**, **GenOn Marsh Landing** agrees to make pre-annexation payments to the **City** that are representative of the amount of property tax revenue the **City** would have otherwise received if the **MLGS Property** were located within the jurisdictional boundaries of the **City**.

a) **Calculation of the Representative Tax Revenue Payment.** A representative tax revenue payment shall be calculated as follows: Using a rate of ten (10) cents (\$0.10) per dollar of property taxes assessed on the **MLGS Property**, with the **MLGS Property** deemed for purposes of this **Agreement** (and regardless of any assessment that may be made for other purposes) to have an assessed value of five hundred million dollars (\$500,000,000), which assessed value includes the full value of the **MLGS** and all associated improvements after construction. Under this calculation, the representative tax revenue payment equals five hundred thousand dollars (\$500,000) per year, which (i) shall not be adjusted up or down due to inflation, changes in tax rate, or changes in property value, and shall not be increased or decreased due to any other circumstance; and (ii) shall be offset and reduced by the full amount of the **CEC Mitigation Payments** that are required to be paid for the **MLGS** in the same annual period, but shall not be otherwise reduced to reflect other payments due under this **Agreement** (the resulting payment, after adjustment and offset/reduction in accordance with the foregoing, is the "**Representative Tax Revenue Payment**").

b) **Commencement of Payment.** The **Representative Tax Revenue Payment** shall be paid to the **City** on an annual basis beginning on the commencement of commercial operation of the **MLGS** (the "**Commencement Date**"). The **Commencement Date** shall be deemed to have occurred on the date when power generated by the **MLGS** is first purchased by **PG&E** or a successor to **PG&E** under the Power Purchase Agreement for the **MLGS** between **GenOn Marsh Landing** and **PG&E** dated as of September 2, 2009 (the "**PPA**"); or if the **PPA** ceases to be in effect, then either (i) when power generated by the **MLGS** is purchased by **PG&E** under a new or revised power purchase agreement containing terms and conditions that are reasonably comparable to the **PPA**; or (ii) when power generated by the **MLGS** is purchased by a party other than **PG&E** under a power purchase agreement containing terms and conditions that are reasonably comparable to the **PPA**.

c) Payment Schedule. The **Representative Tax Revenue Payment** shall be paid to the **City** in the following manner until the earlier to occur of: (i) annexation of the **MLGS Property** to the **City**; or (ii) the 10<sup>th</sup> anniversary of the **Commencement Date**:

i) The first **Representative Tax Revenue Payment**, which shall be made for the year in which the **Commencement Date** occurs, shall be paid to the **City** within thirty (30) days after the **Commencement Date**. For each succeeding calendar year after the year in which the **Commencement Date** occurs, **GenOn Marsh Landing** shall pay the **Representative Tax Revenue Payment** in two equal installments, with the first installment to be paid prior to or on June 30 of such calendar year, and the second installment to be paid prior to or on December 31 of such calendar year;

ii) The **Representative Tax Revenue Payment** shall be paid in accordance with this **Agreement** until the earlier of the date when the annexation of the **MLGS Property** is complete or the 10<sup>th</sup> anniversary of the **Commencement Date**, at which time **GenOn Marsh Landing's** obligation to pay the **Representative Tax Revenue Payment** shall cease, unless extended as provided for in this **Agreement**.

iii) Due to the inherent delays between completion of the Annexation to the **City** and the **MLGS Property** appearing on the **City's** property tax rolls, and provided that the 10<sup>th</sup> anniversary of the **Commencement Date** has not yet occurred, the **Representative Tax Revenue Payment** shall be made by **GenOn Marsh Landing** up to and including June 30 of the fiscal year in which the annexation of the **MLGS Property** to the **City** is complete.

d) Extended PPA before Annexation. If the 10<sup>th</sup> anniversary of the **Commencement Date** occurs before the **MLGS Property** is annexed to the **City**, then subject to **GenOn Marsh Landing** or successor entering into a power purchase agreement or other contractual arrangement for the **MLGS** that contains terms and conditions that are reasonably comparable to the **PPA** and that provides substantially the same economic return to **GenOn Marsh Landing** as the **PPA** (an "**Extended PPA**"), the Parties will enter into an agreement extending the **Representative Tax Revenue Payment** such that it continues until the earlier to occur of (i) annexation of the **MLGS Property** to the **City**; or (ii) the expiration of a period commensurate with the term of the **Extended PPA**. As part of this extension process, the **Representative Tax Revenue Payment** negotiated between **GenOn Marsh Landing** and the **City** will be modified to reflect the terms of the **Extended PPA** as compared to the **PPA**.

2) Post -Annexation Payments by GenOn Marsh Landing to City's General Fund: Upon completion of the annexation of the **MLGS Property** to the **City**, **GenOn Marsh Landing** shall make to the **City** post-annexation payments of \$250,000 per year, which shall be offset and reduced by the full amount of the **CEC Mitigation Payments** that are required to be paid for the **MLGS** in the same annual period, but shall not be otherwise reduced to reflect other payments under this **Agreement** (the resulting

payment, after offset/reduction in accordance with the foregoing is the “**Post-Annexation Payment**”).

a) Payment Schedule. The **Post-Annexation Payment** shall be paid to the **City** on an annual basis beginning the calendar year the **MLGS Property** is annexed to the **City**, but excluding any year for which **GenOn Marsh Landing** has paid the **Representative Tax Revenue Payment**, and ending on the 10<sup>th</sup> anniversary of the **Commencement Date** if the **Commencement Date** occurs before the annexation of the **MLGS Property** to the **City**. The first **Post-Annexation Payment** shall be paid to the **City** within thirty (30) days after annexation of the **MLGS Property** to the **City** unless a **Representative Tax Revenue Payment** has been made for that year.

b) Annexation before the Commencement Date. If the annexation of the **MLGS Property** to the **City** precedes the **Commencement Date**, then the **Post-Annexation Payment** will not be due or payable until the calendar year in which the **Commencement Date** occurs, but excluding any year for which **GenOn Marsh Landing** has paid the **Representative Tax Revenue Payment**. **GenOn Marsh Landing** shall make the **Post-Annexation Payment** in a single installment, with the payment made prior to or on June 30 of each calendar year for which the **Post-Annexation Payment** is due. The number of years this **Post-Annexation Payment** is to be paid to the **City** is determined shall be determined by subtracting the number of years the **Representative Tax Payment** has been made to the **City** from 10 years. For example, if under the terms of this **Agreement** the **Representative Tax Payment** is made to the **City** for three years, the **Post-Annexation Payment** would be due annually over the following seven years.

c) If the **Representative Tax Revenue Payment** has been made for the calendar year in which the **MLGS Property** is annexed to the **City**, then a **Post-Annexation Payment** is not required for that calendar year.

d) Extended PPA after Annexation. If the 10<sup>th</sup> anniversary of the **Commencement Date** occurs after the **MLGS Property** is annexed to the **City**, then if **GenOn Marsh Landing** or successor entering enters into an **Extended PPA**, the Parties will enter into an agreement extending the **Post-Annexation Payment** such that it continues until the expiration of a period commensurate with the term of the **Extended PPA**. As part of this extension process, the **Post-Annexation Payment** negotiated between **GenOn Marsh Landing** and the **City** will be modified to reflect the terms of the **Extended PPA** as compared to the **PPA**.

3) Payment by GenOn Marsh Landing to City's General Fund Irrespective of Annexation Status: In order to provide the **City** with needed funding prior to the **Commencement Date** of the **MLGS**, **GenOn Marsh Landing** agrees to make the following payments to the **City**. Such payments shall be made to the **City** irrespective of the status of the Northeast Antioch Annexation and irrespective of whether the **Commencement Date** has occurred:

- a) On or before January 1, 2012 **GenOn Marsh Landing** shall make a payment of \$500,000 to the **City**.
- b) On or before July 1, 2012 **GenOn Marsh Landing** shall make a payment of \$500,000 to the **City**.
- c) On or before January 1, 2013 **GenOn Marsh Landing** shall make a payment of \$300,000 to the **City**.

4) Financial Incentive to Complete Annexation by a Date Certain: As agreed to by **GenOn Marsh Landing** at the March 9, 2011 **LAFCO** hearing, **GenOn Marsh Landing** shall make an annual payment of \$100,000 per year to the **City's** general fund for 10 years in the event the **MLGS Property** is annexed to the **City** prior to December 31, 2012. For the purposes of this section 4, "annexed" shall mean the date that the Antioch City Council approves the annexation after it has been authorized by **LAFCO**. This payment shall be made in conjunction with and in addition to the post annexation payments and payments irrespective of annexation as described in this **Agreement**. The foregoing payment shall not be due or owing if the **MLGS Property** is not annexed to the **City** prior to December 31, 2012.

G. Contributions to the Antioch Community Centers Foundation: **GenOn Marsh Landing** agrees to make contributions to support operations of the Community Centers in Antioch through a non-profit Antioch Community Centers Foundation (the "**Foundation**") as specified in the following sections. These contributions by **GenOn Marsh Landing** are contingent on the **MLGS Property** being annexed to the **City** and the **Commencement Date** of the **MLGS** occurring (and, shall not be due until both annexation and the **Commencement Date** have occurred), with the exception of the \$300,000 payment required by Section G.1 below and the \$50,000 payment to create the **Foundation** required by Section G.4 below:

1) Initial Contribution. Subject to **GenOn Marsh Landing** securing the required permits and authorizations for the construction and operation of the **MLGS**, and **GenOn Marsh Landing** closing on a non-recourse debt financing of the **MLGS**, both of which **GenOn Marsh Landing** acknowledges to have occurred as of the Effective Date of this Agreement, **GenOn Marsh Landing** will contribute \$300,000 to the **Foundation** within 60 calendar days of the **Effective Date** of this **Agreement**. If the **Foundation** is yet to be created at that time, then the payment shall be made to the **City** for support of the Community Centers in Antioch.

2) Annual Contribution. Contingent upon both the **Commencement Date** of the **MLGS** and the annexation to the **City** of the **MLGS Property** occurring, **GenOn Marsh Landing** shall contribute additional funds to the **Foundation** for support of the Community Centers in Antioch. These contributions shall be due on the dates specified below. Each contribution in subsections (b) through (f) below will be subject to consumer price index (CPI) modification. The CPI amount shall be determined each year based on the San Francisco Bay Area Consumer Price Index (CPI), but in no event shall it exceed 5% per year.



a) **GenOn Marsh Landing** shall make a contribution to the **Foundation** in the amount of \$400,000 ("**Initial Foundation Payment**") on the earlier of annexation of the **MLGS Property** to the **City** or the first anniversary of the date when the last **Representative Tax Revenue Payment** is made ("**Initial Foundation Payment Date**").

b) **GenOn Marsh Landing** shall make a contribution to the **Foundation** in the amount of \$250,000 on the first anniversary of the **Initial Foundation Payment Date**.

c) **GenOn Marsh Landing** shall make a contribution to the **Foundation** in the amount of \$200,000 on the second anniversary of the **Initial Foundation Payment Date**.

d) **GenOn Marsh Landing** shall make a contribution to the **Foundation** in the amount of \$150,000 on the third anniversary of the **Initial Foundation Payment Date**.

e) **GenOn Marsh Landing** shall make a contribution to the **Foundation** in the amount of \$100,000 on the fourth anniversary of the **Initial Foundation Payment Date**.

f) **GenOn Marsh Landing** shall make a contribution to the **Foundation** in the amount of \$50,000 on the fifth, sixth, seventh, eighth, ninth, and tenth anniversary of the **Initial Foundation Payment Date**.

3) Payment to Found for Other Community Needs: For any payment that is due and payable to the **Foundation** as specified above, beginning on the first anniversary of the **Initial Foundation Payment Date**, **GenOn Marsh Landing** will also contribute an additional total amount on the same payment dates equal to ten percent (10%) of the payment then due. This additional contribution shall be for community projects and needs designated by the **Foundation**. If the CPI adjustment applies to the pay due under the section above, the CPI adjustment shall also apply to the extra 10% payment due under this section, with the CPI adjustment not to exceed five percent (5%).

4) Creation of the Foundation: The costs associated with the formation of the **Foundation** shall be borne by **GenOn Marsh Landing**, in an amount not to exceed \$50,000. The Parties agree that the **Foundation** will be governed by an independent board of three (3) members, which will include one (1) **GenOn Marsh Landing** appointee. Upon the **Effective Date** of this **Agreement**, **GenOn Marsh Landing** agrees to work with the **City** to advance these start-up costs if necessary.

5) Naming Rights: In addition, as consideration for its support of the **Foundation** and Community Centers and upon the first payment made pursuant to this section, the **City** will grant the naming rights at a facility supported by **GenOn Marsh Landing**, subject to the **City's** naming protocols and reasonable approval, and only for the period of time that **GenOn Marsh Landing** provides such support. The **City** will

arrange to have **GenOn Marsh Landing** added to the sponsor wall at the facility. At other signage shall be at the cost of **GenOn Marsh Landing** and be subject to the reasonable approval of the **City**.

6) Extension of Community Benefits: After the 11<sup>th</sup> anniversary of the **Commencement Date** and subject to **GenOn Marsh Landing** entering into an **Extended PPA**, the Parties will enter into an extension of the community benefits program described in this section.

H. Termination of the Project Agreement. Upon the **Effective Date** of this **Agreement**, the Parties agree that the Project Agreement between the Parties effective October 8, 2009 shall be terminated and of no further force and effect, and neither party shall have any obligations under the Project Agreement.

I. **Wilbur Avenue Frontage Improvements:**

1) Required Wilbur Improvements. **GenOn Marsh Landing** shall construct or cause to be constructed the Wilbur Avenue frontage improvements along the entire Wilbur Avenue frontage (approximately 2200 lineal feet) of the **GenOn Delta Property**, as specified in the final plans that are filed with the Antioch Public Works Department and dated October 14, 2010 and pursuant to the conditions of approval of the Parcel Map approved by the County in July 2010 (the "**Final Plans**"). These improvements are known as the **Required Wilbur Improvements** and shall be installed as required by the conditions of the County Parcel Map, but no later than the **Commencement Date** of the **MLGS**.

2) Final Design. The **City** agrees that the design of the **Required Wilbur Improvements** filed as the Final Plans constitute the design of the ultimate frontage improvements that the City will require for the approximately 2200 lineal feet of Wilbur Avenue adjacent to the **GenOn Delta Property**, and no further frontage improvements will be required in the future by the City. The exception to this provision is that the **City** may in the future require minor improvements to the Wilbur Avenue frontage, such as turn pockets needed to address improvements proposed on the **GenOn Delta Property**.

J. **Utility Pipelines.**

1) Construction of Required Pipelines. **GenOn Marsh Landing** is responsible, at its cost and expense, for designing, constructing, and installing all pipelines and related equipment that are necessary to connect the **MLGS Property** and facilities with the **City's Potable Water** supply system to obtain the **Water Service**, and to connect the **MLGS Property** with the **City's sewer** system to obtain the **Sewer Service** (collectively, "**Required Pipelines**"). **GenOn Marsh Landing** also is responsible, at its cost and expense, for obtaining any permits that may be required under applicable **Governmental Regulations** to construct and install the **Required Pipelines**, including any environmental clearances, encroachment permits and

connection fees that may be required from the **City** or other agencies in accordance with applicable **Governmental Regulations**.

2) Construction of the Wilbur Avenue Sewer Extension. **GenOn Marsh Landing** is also responsible, at its costs and expense, for designing, constructing and installing all pipelines and related equipment to extend the existing **City** sewer line from its current terminus in Wilbur Avenue along the entire Wilbur Avenue frontage to the western edge of the **GenOn Delta Property**, which is a total distance of approximately 2200 lineal feet (this segment of pipeline is the "**Wilbur Avenue Sewer Extension**"). However, assuming that **GenOn Marsh Landing** complies with state prevailing wage laws in the construction of the **Wilbur Avenue Sewer Extension**, **GenOn Marsh Landing** shall not be obligated or required to incur more than seven hundred thousand dollars (\$700,000) in the aggregate for all costs, fees, charges, and expenses associated with the **Wilbur Avenue Sewer Extension** (including with respect to its design, construction, installation, and permitting, and acquisition of any encroachment permits but excluding any connection fees). Construction of the **Wilbur Avenue Sewer Extension** shall occur with the construction of the **Required Wilbur Improvements**, unless otherwise agreed to by the City Engineer.

3) Plans. **GenOn Marsh Landing** shall submit plans for the design, construction and installation of the **Wilbur Avenue Sewer Extension** to the **City** for review and approval prior to the initiation of construction, which approval shall not be unreasonably withheld, conditioned or delayed. The **City** agrees to work cooperatively in its review and approval of all such plans to facilitate construction of all **Required Pipelines** and the **Wilbur Avenue Sewer Extension** in accordance with the overall **MLGS** project construction schedule.

4) Inspection Costs. In designing, constructing, and installing the **Required Pipelines** and the **Wilbur Avenue Sewer Extension**, **GenOnMarsh Landing** shall pay all inspection costs and all connection, usage fees, and charges as determined by the **City's** Master Fee Resolution.

5) Acceptance of Improvements. Any required pipelines, or any sewer and water improvements required by the provisions of this **Agreement** that are constructed by **GenOn Marsh Landing** within the **City** right of way, including the **Wilbur Avenue Sewer Extension**, are subject to inspection and acceptance by the **City**, and shall be owned by the **City** ("**City Owned Improvements**"). Upon completion of any **City Owned Improvements** and, contingent upon such improvements satisfactorily passing inspection by the **City**, the **City** shall assume ownership of the **City Owned Improvements** and the Parties shall execute a quitclaim bill of sale or other similar instrument to convey ownership to **City**. **GenOn Marsh Landing** agrees to use commercially reasonable efforts to convey any **City Owned Improvements** to **City** free and clear of any liens or encumbrances caused by or arising from **GenOn Marsh Landing's** construction of same.

### III: ADMINISTRATIVE PROVISIONS

A. **Term of the Agreement:** Except as agreed to in writing by the Parties, the term of the **Agreement** runs for as long as there are obligations outstanding on either Party. The **Agreement** does not terminate until all obligations, including any financial payments, are met under the **Agreement**.

B. **Default and Dispute Resolution:**

1) **Suspension of City Services.** The **City** retains the right to immediately suspend the **City Services** to the **MLGS** if an **Event of Default** has occurred in which **GenOn Marsh Landing** is the **Defaulting Party**, provided that an **Event of Default** in which the **City** is the **Defaulting Party** is not also then in effect.

2) **Event of Default.** In addition, upon the occurrence and continuance of an **Event of Default**, the **Non-Defaulting Party** shall be entitled to terminate this **Agreement** upon written notice to the **Defaulting Party** and/or, subject to the limitations in Section III.A.3 hereof, to exercise all rights and remedies available at law or in equity, including without limitation, the right to seek specific performance or other equitable remedies. A Party will be deemed to be in default under this **Agreement** ("**Defaulting Party**") upon the occurrence and continuance beyond all applicable cure periods of any of the following (each shall be an "**Event of Default**"):

b) the **Defaulting Party** fails to pay an amount due to the other Party under this Agreement (the "**Non-Defaulting Party**") and such failure continues for more than fifteen (15) days after the date of written notice from the **Non-Defaulting Party** specifying the amount that is owing and past due in reasonable detail; or

c) the **Defaulting Party** fails to perform any other material obligation under this **Agreement** and such failure continues for more than thirty (30) days after the date of written notice from the **Non-Defaulting Party** specifying such failure to perform in reasonable detail.

3) **No Damages.** In the event of non-performance or default by **City, GenOn Marsh Landing** shall not be entitled to any damages with its only remedy limited to specific performance and the recovery of fees and costs in accordance with Section III.A.4. The **City** would not have entered into this **Agreement** without such limitation.

4) **Prevailing Party.** The prevailing party in any litigation or action to enforce the obligations of this Agreement shall be entitled to recover reasonable and substantiated attorneys' fees and costs, including in-house legal costs.

C. **Indemnification and Insurance:**

1) **GenOn Marsh Landing** shall indemnify, defend, and hold harmless the **City**, its officers, officials, employees and agents from and against any and all loss, damage, claims, demands or causes of action (including reasonable costs of litigation and reasonable fees for attorneys, consultants and experts) from all of the following: a) resulting from **GenOn Marsh Landing's** design or construction of the **Required Pipelines, the Wilbur Avenue Sewer Expansion, and the Required Wilbur Improvements**; b) resulting from the operations of the **MLGS**; or c) resulting from any material misrepresentation, material breach of warranty or covenant, or material non-fulfillment of any representation, covenant or agreement on the part of **GenOn Mirant Marsh Landing** pursuant to this **Agreement**. The foregoing indemnity obligation of **GenOn Marsh Landing** shall not apply to the extent that any claims, causes of action or damages are caused by the sole negligence or intentional misconduct of the **City**, but shall apply if any claims or damages are occasioned by the joint negligence of **GenOn Marsh Landing** and the **City**.

2) **GenOn Marsh Landing** shall indemnify, defend, and hold harmless the **City**, its officers, officials, employees and agents from and against any and all loss, damage, claims, demands or causes of action (including reasonable costs of litigation and reasonable fees for attorneys, consultants and experts) arising ) from third party claims against the **City** challenging its execution of this Agreement. The foregoing indemnity obligation of **GenOn Marsh Landing** shall not apply to the extent that any claims, causes of action or damages are caused by the sole negligence or intentional misconduct of the **City**, but shall apply if any claims or damages are occasioned by the joint negligence of **GenOn Marsh Landing** and the **City**, but only to the extent of **GenOn Marsh Landing's** own negligence.

3) **GenOn Marsh Landing** shall provide adequate insurance pursuant to the **City's** encroachment permit in accordance with the requirements applied to similarly situated projects and developers.

D. **Limitation of Liability:** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY HEREUNDER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, LOSSES, OR LIABILITY OF ANY KIND WHATSOEVER, INCLUDING TO THE EXTENT RESULTING FROM OR ARISING OUT OF ANY INDEMNIFIABLE CLAIM. THE FOREGOING LIMITATION SHALL APPLY FOR ANY AND ALL MANNERS OF LIABILITY INCLUDING LIABILITIES BASED IN CONTRACT, TORT, STATUTORY, REGULATORY, ENVIRONMENTAL OR ANY BASIS IN ANY LAW OR EQUITY.

E. **Governing Law; Venue:** This **Agreement** shall be governed by, and construed in accordance with, the laws of the State of California and the United States, as appropriate. The Parties agree that disputes arising out of this Agreement may be brought in the Superior Court of the State of California, in and for the County of Contra

Costa, and in the U.S. District Court for the Northern District of California if federal jurisdiction applies.

F. **Binding on Successors:** This **Agreement** shall run with the land, be recorded against the **MLGS Property** and be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

G. **Assignment:** No Party may assign its rights or obligations under this **Agreement** without the prior written consent of the other Party. Notwithstanding the foregoing, **GenOn Marsh Landing** shall have the right, without obtaining **City's** consent, to assign its rights and obligations under this **Agreement** to any lender, investor, or party providing financing in connection with the **MLGS** (including any refinancing), or to any entity succeeding to **GenOn Marsh Landing's** ownership interest in the **MLGS Property**. **City** agrees to cooperate with **GenOn Marsh Landing** on reasonable terms to facilitate any assignment that is permitted under the previous sentence, including by executing such acknowledgment, consent and attornment instruments as may be reasonably requested by any such lender, investor, financing party, or successor in interest.

H. **Severability:** If any term, covenant, condition, or provision of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall remain in full force and effect, and shall in no way be affected, impaired or invalidated thereby.

I. **Entire Agreement:** This **Agreement** constitutes the entire understanding between the Parties hereto with respect to the transactions contemplated herein and all prior to contemporaneous agreements, understandings, representations, and statements, whether oral or written, are deemed merged into this Agreement with the exception of the Reimbursement Agreement. Neither this Agreement, nor any provisions hereof may be waived, modified, amended, discharged, or terminated except by instrument in writing signed by both Parties and then only to the extent set forth in such agreement. In addition, this **Agreement** supersedes the **Project Agreement** but does not supersede the **Agreement Regarding Annexation**.

J. **Counterparts:** This **Agreement** may be executed in two or more counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Execution of duplicates and delivery by facsimile will be binding upon the Parties hereto.

K. **Cooperation:** Each Party shall from time to time execute and deliver all such further documents and instruments as the other Party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this **Agreement**. The foregoing provisions shall not be construed to require either Party to execute, acknowledge or deliver any further documents or instruments, or to take any other actions, which are inconsistent with its rights under this Agreement.

L. **No Third Party Beneficiaries:** This **Agreement** is solely and exclusively between the Parties and any obligations created herein shall be the sole obligations of the Parties. No Party shall have recourse to any affiliate of any other Party for performance of such obligations unless the obligations are guaranteed or assumed in writing by the Person against whom recourse is sought.

M. **Modification.** Any modification to this **Agreement** shall be in writing and execute by each Party.

N. **Notices.** Notices provided under the terms of this **Agreement** shall be in writing and transmitted by mail or overnight mail service. Notices to the City shall be addressed to:

City Manager  
City of Antioch  
P.O. Box 5007  
Antioch, California 94531-5007  
Telephone: 925-779-7011

With a copy to: City Attorney  
City of Antioch  
P.O. Box 5007  
Antioch, California 94531-5007  
Telephone: 925-779-7015

Notices to GenOn Marsh Landing shall be addressed to:

GenOn Marsh Landing, LLC  
696 West 10<sup>th</sup> Street  
Pittsburg, California 94565  
Attention: John Chillemi, President  
Telephone: 925-427-3560

with a copy to:

GenOn Marsh Landing, LLC  
C/O GenOn Energy, Inc.  
1000 Main Street  
Houston, Texas 77002  
Attention: Steven B. Nickerson, Senior Vice President and  
Deputy General Counsel  
Telephone: 832-357-6440

O. **Ambiguities:** Each Party and its counsel have participated fully in the review and revision of this **Agreement**. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement.

P. **Waiver:** No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this **Agreement** shall be effective unless it is in writing and signed by the Party waiving the breach, failure, right or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

Q. **Independent Contractors:** The Parties are independent contractors and neither Party may bind the other Party. This **Agreement** shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of any duty, obligation or undertaking pursuant to this **Agreement**.

R. **Representations.** As of the **Effective Date**, each Party represents that it has all power and authority to execute this **Agreement** and perform its obligations hereunder, and that this **Agreement** has been validly executed and constitutes a legal, valid, and binding obligation of such Party, except as may be limited by applicable bankruptcy laws and equitable defenses. As of the **Effective Date**, each Party represents that it is not in violation of any law or internal regulation and that there is no legal or enforcement action pending or threatened related to such Party, except as would not have a material adverse effect on its ability to perform its obligations hereunder.

**GenOn Marsh Landing**

**City of Antioch**

By: \_\_\_\_\_

By: \_\_\_\_\_

Jim Jakel, City Manager

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

\_\_\_\_\_  
L. Jolene Martin, City Clerk

Name: \_\_\_\_\_

Approved as to Form:

Title: \_\_\_\_\_

\_\_\_\_\_  
Lynn Tracy Nerland, City Attorney

*[signatures to be notarized]*



**BASIS OF BEARINGS**

THE BEARING S89°04'11"E (TAKEN FOR THIS SURVEY) BETWEEN FOUND MONUMENTS ON THE CONTRA COSTA PRECISE ALIGNMENT OF WILBUR AVENUE, WAS USED AS THE BASIS OF BEARINGS FOR THIS SURVEY.

**LEGEND**

- FOUND 1" BRASS DISK W/PUNCH IN MON. WELL
- FOUND MONUMENT AS NOTED
- SET 5/8" REBAR WITH PLASTIC CAP, LS 8398
- PAE PRIVATE ACCESS EASEMENT
- FND FOUND
- (M-M) MONUMENT TO MONUMENT
- SNF SEARCHED FOR NOTHING FOUND
- (R) RADIAL BEARING
- (T) TOTAL
- ( ) RECORD

**REFERENCES**

- ① 741 LSM 44
- ② DOC# 1999-103334
- ③ CONTRA COSTA COUNTY PRECISE ALIGNMENT OF WILBUR AVENUE
- ④ DOC# 2007-0178344

**PARCEL "B"**  
86.81 acres GROSS  
86.65 acres NET

**PARCEL "A"**  
26.84 acres

**PARCEL "B"**  
86.81 acres GROSS  
86.65 acres NET

**PACIFIC GAS & ELECTRIC**  
DOC# 2007-0178344  
APN: 051-031-015  
NOT A PART

**PARCEL "B"**  
86.81 acres GROSS  
86.65 acres NET

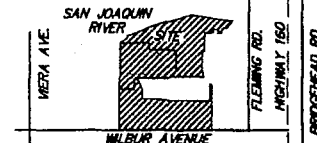
**PARCEL MAP**  
**SUBDIVISION MS 09-0011**

BEING A PORTION OF SECTION 16, TS2N, R2E, M.D.M

**CONTRA COSTA COUNTY, CALIFORNIA**

RONALD GREENWELL AND ASSOCIATES  
ANTIOCH CALIFORNIA

SCALE: 1"=200' SEPTEMBER 2010



**LINE TABLE**

LINE	LENGTH	BEARING
L1	17.00	S 07°11'11" W
L2	122.77	N 81°45'59" E
L3	79.18	N 00°39'52" E
L4	64.70	S 82°31'11" E
L5	21.25	S 82°31'11" E
L6	84.18	S 12°24'38" W
L7	107.87	S 80°22'35" W
L8	226.11	S 38°28'04" W
L9	71.79	S 48°28'42" W
L10	14.82	S 48°28'42" W
L11	58.70	S 00°28'10" W
L12	37.13	S 80°28'10" E
L13	24.84	S 00°28'10" W
L14	44.59	S 80°28'10" E
L15	14.89	N 00°28'10" E
L16	58.09	N 00°28'10" E
L17	148.17	S 00°28'10" E
L18	600.08	S 44°30'40" E
L19	241.23	S 00°28'10" W
L20	86.13	S 30°32'00" E
L21	48.00	S 00°28'10" W
L22	85.00	S 80°28'10" E
L23	40.00	S 00°28'10" W
L24	10.03	S 80°28'10" E
L25	44.85	S 00°28'10" W
L26	86.11	S 30°32'00" E
L27	241.23	S 00°28'10" W
L28	400.08	S 44°30'40" E
L29	148.18	S 00°28'10" W
L30	84.40	S 00°28'10" W
L31	84.33	S 48°28'10" W
L32	478.89	S 00°28'10" W
L33	241.23	N 80°28'10" E
L34	478.89	S 00°28'10" W
L35	40.00	S 80°28'10" E
L36	86.11	N 00°28'10" E
L37	40.00	N 80°28'10" E

**CURVE TABLE**

CURVE	LENGTH	RADIUS	DELTA
C1	60.72	88.00	81°10'00"
C2	142.86	180.00	88°21'00"
C3	82.38	88.00	85°00'00"
C4	121.86	220.00	81°48'00"
C5	127.82	230.00	81°48'00"
C6	148.70	270.00	81°48'00"
C7	86.80	180.00	81°48'00"
C8	84.15	108.00	88°20'00"
C9	117.82	180.00	80°21'00"
C10	188.50	180.00	80°21'00"
C11	128.88	80.00	80°20'00"
C12	37.42	20.00	80°20'00"
C13	88.74	180.00	80°20'00"
C14	82.71	88.00	80°20'00"
C15	137.44	180.00	172°50'12.38" (K4)
C17	180.80	180.00	84°20'00"

MLGS Property

205 PM 40

ATTACHMENT A

N.Q. 1789.00E

A.P.N. 051-031-017

SHEET 2 OF 2

205-40

**ATTACHMENT B-  
MLGS PROPERTY**

A PORTION OF SECTION 16, TOWNSHIP 2 NORTH, RANGE 2 EAST, MOUNT DIABLO  
BASE AND MERIDIAN MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
PARCEL "A" OF MINOR SUBDIVISION 09-0011, AS RECORDED IN BOOK 205 OF PARCEL  
MAPS AT PAGE 39, CONTRA COSTA COUNTY RECORDS, TOGETHER WITH THE  
NONEXCLUSIVE EASEMENT FOR INGRESS AND EGRESS TO AND FROM SAID PARCEL "A"  
OVER AND ACROSS THE PROPERTY DELINEATED AS "PRIVATE ACCESS EASEMENT" OR  
"PAE" ON SUCH PARCEL MAP AND LOCATED ON PARCEL "B" OF SUCH PARCEL MAP, AND  
ALL OF THE FOREGOING SUBJECT TO ANY EASEMENTS OR ENCUMBRANCES DELINEATED  
ON SUCH PARCEL MAP AND LOCATED ON SUCH PARCEL OR SUCH PRIVATE ACCESS  
EASEMENT AND ALL OTHER MANERS OF RECORD ENCUMBERING SUCH PARCEL OR  
SUCH PRIVATE ACCESS EASEMENT.

**BASIS OF BEARINGS**

THE BEARING S89°04'11"E (TAKEN FOR THIS SURVEY) BETWEEN FOUND MONUMENTS ON THE CONTRA COSTA PRECISE ALIGNMENT OF WILBUR AVENUE, WAS USED AS THE BASIS OF BEARINGS FOR THIS SURVEY.

**LEGEND**

- FOUND 1" BRASS DISK W/PUNCH IN MON. WELL
- FOUND MONUMENT AS NOTED
- SET 5/8" REBAR WITH PLASTIC CAP, LS 8398
- PAE PRIVATE ACCESS EASEMENT
- FND FOUND
- (M-N) MONUMENT TO MONUMENT
- SFNF SEARCHED FOR NOTHING FOUND
- (R) RADIAL BEARING
- (T) TOTAL
- (.) RECORD

**REFERENCES**

- ① 141 LSM 44
- ② DOC# 1999-103334
- ③ CONTRA COSTA COUNTY PRECISE ALIGNMENT OF WILBUR AVENUE
- ④ DOC# 2007-0178344

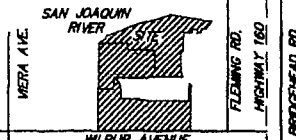
**PARCEL "B"**  
86.81 acres GROSS  
86.65 acres NET

**PARCEL MAP**  
**SUBDIVISION MS 09-0011**

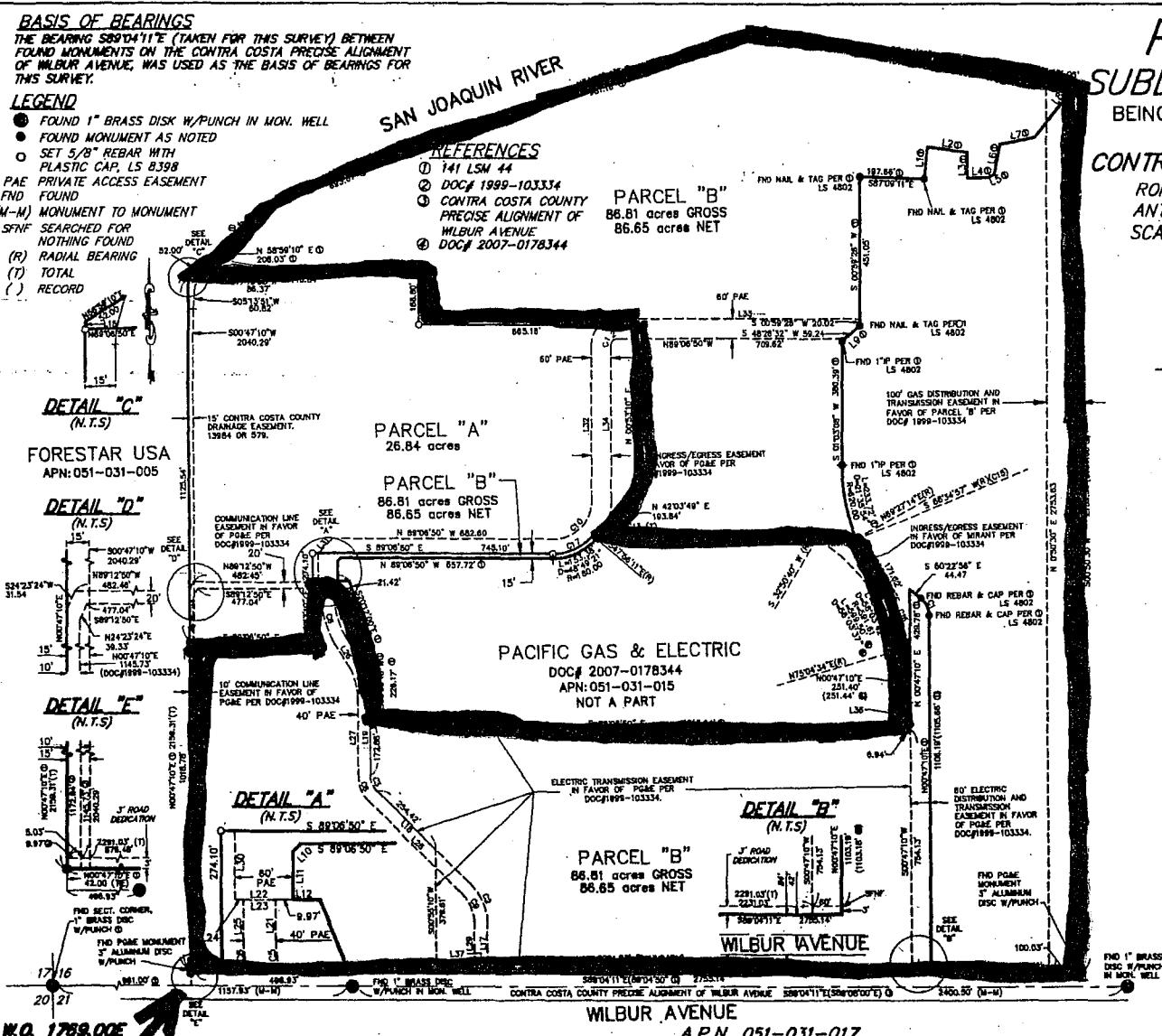
BEING A PORTION OF SECTION 16, TS2N, R2E, M.D.M

CONTRA COSTA COUNTY, CALIFORNIA

RONALD GREENWELL AND ASSOCIATES  
ANTIOCH  
SCALE: 1"=200' SEPTEMBER 2010



COUNTY MAP (N.T.S)



**LINE TABLE**

LINE	LENGTH	BEARING
L1	87.00	S 07°11'54" W
L2	122.77	N 81°55'30" W
L3	79.18	N 00°28'42" E
L4	84.78	S 88°41'11" W
L5	71.26	S 83°17'14" W
L6	84.18	S 12°04'18" W
L7	107.87	S 80°26'30" W
L8	220.11	S 38°28'00" W
L9	71.78	S 48°29'33" W
L10	16.82	S 48°34'10" W
L11	58.70	S 00°24'10" W
L12	37.13	S 80°06'10" W
L13	24.84	S 00°33'10" W
L14	44.59	S 80°18' E
L15	14.99	N 07°47'10" E
L16	58.05	N 00°26'10" W
L17	148.17	S 00°06'10" W
L18	420.08	S 44°30'50" E
L19	85.00	S 88°18'50" E
L20	40.00	S 88°18'50" E
L21	10.03	S 88°18'50" E
L22	46.95	S 00°24'10" W
L23	86.19	S 30°24'50" E
L24	400.04	S 44°30'50" E
L25	148.18	S 00°26'10" W
L26	84.80	S 00°18'50" E
L27	84.84	S 48°33'10" W
L28	478.88	S 00°24'10" W
L29	36.19	S 30°24'50" E
L30	378.99	N 88°18'50" E
L31	40.00	S 88°18'50" E
L32	81.82	N 00°24'10" W
L33	40.00	N 88°18'50" E

**CURVE TABLE**

CURVE	LENGTH	RADIUS	DELTA
C1	85.73	88.00	81°07'08"
C2	142.88	180.00	48°21'00"
C3	82.38	85.00	89°28'00"
C4	121.90	225.00	49°28'00"
C5	127.32	230.00	51°48'00"
C6	148.00	275.00	51°48'00"
C7	85.80	180.00	57°56'00"
C8	84.18	108.00	48°28'00"
C9	111.22	140.00	48°21'00"
C10	188.00	180.00	80°24'00"
C11	25.88	80.00	80°24'00"
C12	31.42	80.00	80°24'00"
C13	88.74	180.00	80°24'00"
C14	88.74	180.00	80°24'00"
C15	137.24(137.18)(4)	1251.8	17°08'11"(17°38'45" X(4))
C17	120.80	180.00	48°28'11"

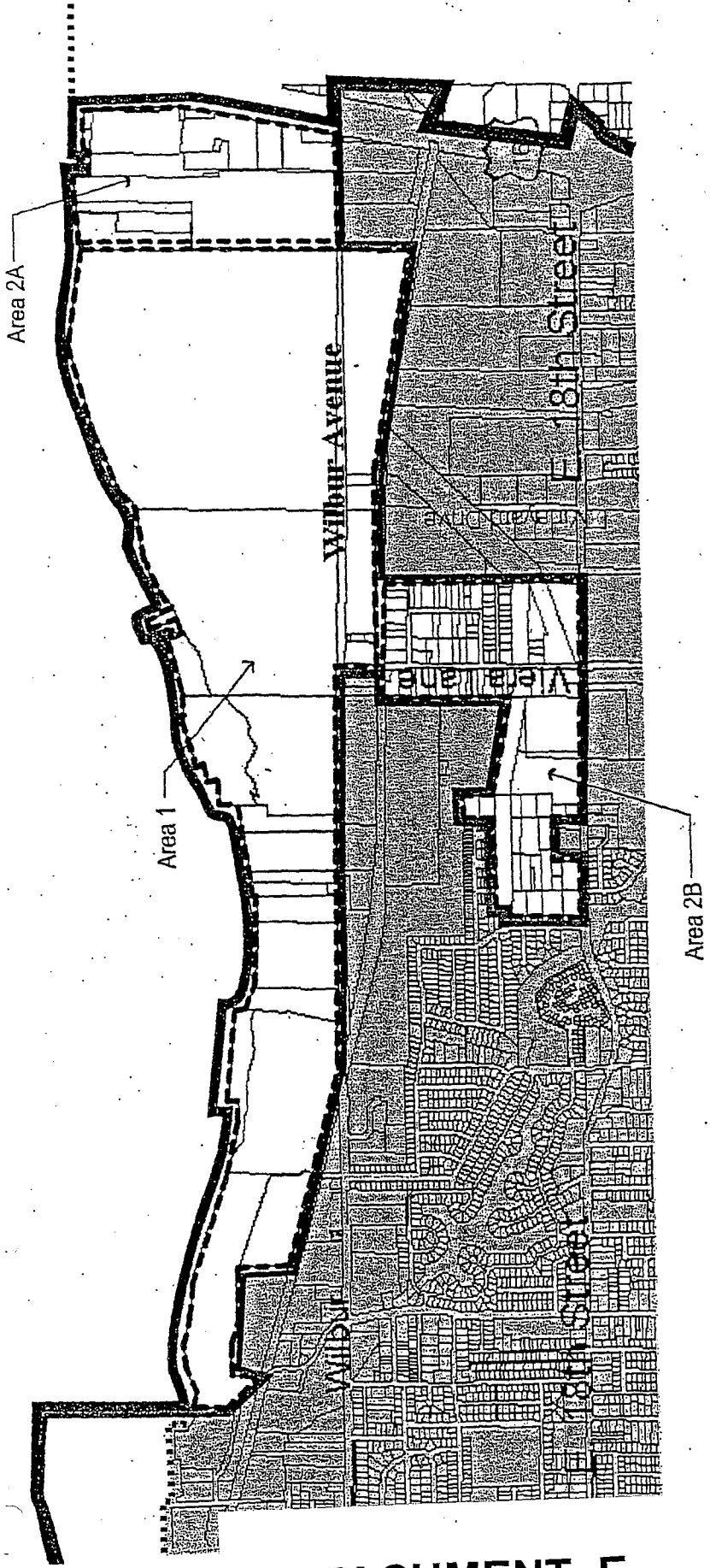
205 PM 40

ATTACHMENT C

**ATTACHMENT D-  
GENON DELTA PROPERTY**

A PORTION OF SECTION 16, TOWNSHIP 2 NORTH, RANGE 2 EAST, MOUNT DIABLO BASE AND MERIDIAN MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
PARCEL "B" OF MINOR SUBDIVISION 09-0011, AS RECORDED IN BOOK 205 OF PARCEL MAPS AT PAGE 39, CONTRA COSTA COUNTY RECORDS, TOGETHER WITH THE NONEXCLUSIVE EASEMENT FOR INGRESS AND EGRESS TO AND FROM SAID PARCEL "B" OVER AND ACROSS THE PROPERTY DELINEATED AS "PRIVATE ACCESS EASEMENT" OR "PAE" ON SUCH PARCEL MAP AND LOCATED ON PARCEL "A" OF SUCH PARCEL MAP, AND ALL OF THE FOREGOING SUBJECT TO ANY EASEMENTS OR ENCUMBRANCES DELINEATED ON SUCH PARCEL MAP AND LOCATED ON SUCH PARCEL OR SUCH PRIVATE ACCESS EASEMENT AND ALL OTHER MANERS OF RECORD ENCUMBERING SUCH PARCEL OR SUCH PRIVATE ACCESS EASEMENT.

**ATTACHMENT D**



**ATTACHMENT E**

**ATTACHMENT F-  
CEC MITIGATION PAYMENTS**

**California Energy Commission Final Decision for 08-AFC-3C  
Excerpt from Conditions of Certification**

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**SOIL & WATER-6:** Prior to the use of groundwater or potable water for operation of the MLGS, the project owner shall install and maintain metering devices as part of the water supply and distribution system to monitor and record in gallons per day the volume of groundwater and potable water supplied to the MLGS. The metering devices shall be operational for the life of the project. An annual summary of daily water use by the MLGS, differentiating between groundwater, potable water, and recycled water (if applicable) shall be submitted to the CPM in the annual compliance report.

Process water use shall not exceed 50 AFY from any source. Water supplied to MLGS shall be used for evaporative cooler makeup, service water, and water for combustion turbine washes and meet the following condition:

The primary MLGS water source shall be brackish groundwater. Once annually, the project owner shall sample groundwater quality at both pumping wells. The project owner shall treat plant wastewater (effluent) to meet Delta Diablo Sanitation District's (DDSD's) discharge requirements or implement zero liquid discharge technologies to manage the plant's process wastewater. Laboratory test results from the groundwater quality sample and the effluent sample, shall be submitted to the CPM in the annual compliance report.

Prior to installing a connection to the City of Antioch water supply system for an alternative source, the project owner shall provide evidence to the CPM that City has agreed to supply emergency backup water to the project in sufficient quantities to meet the project's needs at a flow rate comparable with the flow rate provided by one on-site well.

For the purpose of this condition, the term emergency shall mean the operation and/or emergency issues that arise with the two proposed wells or with mobile water filtration and ion exchange trailers, or the permanent water treatment plant. The City's supply must provide access to a quantity sufficient to meet MLGS demand due to Acts of God, natural disaster and other circumstances beyond the control of the project owner and it is necessary for the MLGS to continue to operate at peaking load capacity.

Any connection to a water supply line shall be properly metered throughout the period of time of the emergency. The project owner may provide evidence to the CPM that the water source described above is not feasible. Such evidence may be based on technical feasibility and/or project economics.

The project owner, at the recommendation of the CPM, shall identify a primary alternative water supply as described herein:

The primary alternative MLGS water source shall be City of Antioch fresh water supply. No more than 50 acre-feet of fresh water shall be supplied annually. The project owner shall pay a fee equal to no more than \$1,000 per acrefoot of City of Antioch water consumed annually (potable water for personnel consumption, eyewash stations, showers, and sanitary needs not included) to City of Antioch's water conservation program to implement new water conservation measures.

The water conservation program may change with CPM approval. A payment of \$15,000 shall be made to the City to offset fresh water used for construction and initiate the water conservation program. Water conservation fees are not required for use of recycled water during construction or operation. The project owner shall maintain the facilities necessary to obtain brackish groundwater as a backup water supply. Brackish groundwater or recycled water (when feasible) may be used to supplement the fresh water sources.

**Verification:** At least 60 days prior to use of any water source for MLGS operation, the project owner shall:

1. submit to the CPM evidence that metering devices have been installed and are operational on the groundwater wells, potable water and recycled water (if applicable) pipelines serving the project, and
2. provide a report on the servicing, testing, and calibration of the metering devices in the annual compliance report.

The project owner shall submit copies to the CPM of all correspondence between the project owner and the City of Antioch regarding alternative sources of water within 10 days of its receipt or submittal. No later than 30 days prior to installing a connection to the City of Antioch potable water main, the project owner shall submit to the CPM evidence that water meters have been installed and are operational. The project shall also provide proof that the City can deliver alternative water to the MLGS in the event of an emergency water interruption at a flow rate comparable with the flow rate provided by one on-site well, up to 420-gpm.

The project owner shall submit a water use summary report to the CPM in the annual compliance report for the life of the project. The annual summary report shall be based on and shall distinguish recorded daily groundwater, potable water, and recycled water (if applicable) use. Included in the annual summary of water use, the project owner shall submit copies of meter records from the City of Antioch documenting the volume of potable water supplied over the previous year. Water supplied to MLGS as an emergency or alternative primary source of water from the City of Antioch shall be reported separately. The report shall include calculated monthly range, monthly average, and annual use by the project in acre-feet. After the first year and for subsequent years, this information shall also include the yearly range and yearly average groundwater, potable water and recycled water used by the project. The

Annual Compliance Report (ACR) shall include the brackish groundwater sample laboratory test results during years when groundwater use is reported.

The project owner shall provide proof that the initial water conservation fee of \$15,000 was paid to the City of Antioch prior to site operations. Annual use payments shall be determined at the rate of \$1,000 per acre-foot of fresh water reported annually in the ACR. Annual use payments to a water conservation program, confirmed by the CPM, shall be made no later than 60 days following CPM approval of the ACR. The project owner shall provide data or information to the CPM describing the water conservation program with estimates of the annual water saved in acre-feet in the subsequent ACR.