ATTACHMENT P

MIDWAY RISING
SAN DIEGO, CALIFORNIA

ECONOMIC DEVELOPMENT SUBSIDY REPORT
California Government Code
Section 53083

PURSUANT TO PROPOSED
ENHANCED INFRASTRUCTURE FINANCING DISTRICT (EIFD)
FINANCING ACQUISITION AND FINANCING AGREEMENT

THE CITY OF SAN DIEGO
AND
MIDWAY RISING, LLC

City of San Diego, California
October 2026

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I. INTRODUCTION

A. Purpose of Report

This Economic Development Subsidy Report (Report) was prepared in accordance with Section 53083 of the California Government Code in order to inform the City Council of the City of San Diego (City), the County of San Diego (County) Board of Supervisors, and the public of the terms of the City's and County's public investments in a public/private partnership for the redevelopment of a 48.5-acre site (Property) located within the Midway-Pacific Highway Community. The Property is currently owned by the City. Midway Rising, LLC (Master Developer) is proposing a minimum of 2,000 affordable residential units, 2,254 market-rate residential units, a 16,000-seat capacity multi-purpose entertainment center (Entertainment Center), a maximum of 130,000 square feet (SF) of commercial space, and approximately 14.62 acres of parks and public space (Project). The City will retain ownership of the Property and lease it for development of the Project under a proposed Disposition and Development Agreement (DDA) between the City and the Master Developer, which provides for a horizontal ground lease of the Property followed by vertical ground leases of individual development parcels.

The proposed Economic Development Subsidy (Subsidy) consists of two (2) components: (1) the proposed commitment of allocated tax revenue by the City and County (Allocated Tax Revenue) and proceeds of Enhanced Infrastructure Financing District (EIFD) bonds (collectively, EIFD Funding Sources) to the Midway Rising Enhanced Infrastructure Financing District (Midway Rising EIFD) as described in the Infrastructure Financing Plan (IFP); and (2) the payment of out-of-pocket qualified costs incurred by the Master Developer (Actual Costs) plus a rate not to exceed 3.00% compounded annually of the Actual Costs of eligible improvements authorized to be financed under EIFD Law (Qualified EIFD Improvements) (Master Developer Cost of Capital). The Actual Costs and Master Developer Cost of Capital (collectively, Purchase Price) will be governed by the terms defined in a future EIFD Acquisition and Financing Agreement by and among the City, the Master Developer, and the Midway Rising EIFD (Acquisition Agreement). Under State of California (State) law, specifically Government Code Section 53083(a), the redirection of future tax increment revenues is considered a form of economic development subsidy because it represents the use of public revenues to assist in financing improvements that facilitate private development. The City and County view their participation through the Midway Rising EIFD as an investment in long-term public infrastructure and community-serving assets consistent with a public/private partnership framework.

This Report describes and specifies:

(1) The name and address of all corporations or any other business entities that are the beneficiary of the Subsidy;

(2) The start and end dates and schedule, if applicable, for the Subsidy;

(3) The description of the Subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the City and County as a result of the Subsidy;

(4) The statement of the public purposes for the Subsidy;

(5) The projected tax revenue to the City and County as a result of the Subsidy; and

(6) The estimated number of jobs created by the Subsidy, broken down by full-time, part-time, and temporary positions.

B. Summary of Findings

The principal conclusions of this Report are summarized as follows:

- EIFD Funding Sources will fund Qualified EIFD Improvements. This revenue, generated from each agency's share of property tax increment, is estimated at approximately $1.2 billion on a future value basis, or $147.8 million in present value terms, and will flow into the Midway Rising EIFD to support payments to the Master Developer. Under the future Acquisition Agreement, the EIFD Funding Sources will be used to pay the Purchase Price for Qualified EIFD Improvements, which consists of reimbursement of Actual Costs (currently estimated at $462 million in 2026 dollars), plus a Master Developer Cost of Capital accruing at not more than 3.00% compounded annually, not to exceed the total EIFD Funding Sources available.

- The end date of the Subsidy will be the earlier of: (a) 45 years from the date of the first EIFD bond issuance or, if no bonds are issued, 45 years from the date the City or County approves a loan to the EIFD; (b) the date on which the EIFD has fully paid the Purchase Price to the Master Developer under the future Acquisition Agreement; (c) the date upon which the EIFD reaches the limit on the total number of dollars of taxes allocated to the district; or (d) such earlier date as may be established under the terms of the future Acquisition Agreement.

- Over a 30-year operating period, total recurring tax revenues to the City, after diversion of property tax to the Midway Rising EIFD and Redevelopment Property Tax Trust Fund (RPTTF) obligations, are estimated at $151.6 million.

- Over a 30-year operating period, total recurring tax revenues to the County, after diversion of property tax to the Midway Rising EIFD and RPTTF obligations, are estimated at $121.1 million.

- Development of the Project is expected to generate 23,610 full-time equivalent (FTE) construction jobs Countywide, including 19,320 within the City.

- At buildout, an estimated 1,200 net new permanent FTE jobs are projected to be created Countywide, including 980 within the City.

C. Description of Property and Proposed Project

The Property consists of approximately 48.5 acres located at 3500, 3250, 3220, and 3240 Sports Arena Boulevard in the Midway-Pacific Highway Community of the City. The Property is currently owned by the City and is occupied by the Pechanga Arena and associated surface parking areas. The Project represents an approximately $4.2 billion redevelopment of the Property. The Project will deliver a mixed-use neighborhood anchored by a modern Entertainment Center with a capacity of 16,000 seats, approximately 4,254 new apartments (including a minimum of 2,000 affordable units), commercial, dining, and entertainment spaces, a large urban park, public plazas, and improved pedestrian and bike connections.

Table I-1 below provides a general summary of the physical characteristics of the proposed Project.

Table I-1: Project Description	
Total Site Area	48.5 Acres
Affordable Housing	Minimum 2,000 Units
Market-Rate Housing	Maximum of 2,254 Units
Entertainment Center	Minimum of 380,000 SF
Commercial	Maximum of 130,000 SF
Parks / Public Space	8.2 Acres (Parks) 6.42 Acres (Public Space)

D. Proposed Transaction Terms

Future Acquisition Agreement

This section summarizes the salient aspects of the proposed Subsidy. The Allocated Tax Revenue to the Midway Rising EIFD is governed by the IFP. The Purchase Price to the Master Developer, comprised of Actual Costs plus Master Developer Cost of Capital, are governed by the future Acquisition Agreement.

- The City and County intend to establish the Midway Rising EIFD in accordance with State law, through adoption of a Resolution of Intention (ROI), preparation of an IFP, and formation of a Public Financing Authority (PFA), in order to fund Qualified EIFD Improvements associated with the Project.

- The Purchase Price payable to the Master Developer under the future Acquisition Agreement comprises Actual Costs of Qualified EIFD Improvements. These costs are currently estimated at $462 million in 2026 dollars, plus Master Developer Cost of Capital defined as not more than 3.00% of Actual Costs compounded annually, not to exceed the total EIFD Funding Sources available.

- The City will commit 100% of City property tax increment revenue generated by the Project to the Midway Rising EIFD for Qualified EIFD Improvements, subject to the maximum allocation limit within the Midway Rising EIFD IFP.

- The County will commit 100% of County property tax increment revenue generated by the Project to the Midway Rising EIFD for Qualified EIFD Improvements, subject to the maximum allocation limit within the Midway Rising EIFD IFP.

- The Project site is located within the former North Bay Redevelopment Project Area. As a result, a portion of the property tax increment generated by the Project will first be allocated to the Successor Agency to the former Redevelopment Agency (Successor Agency) pursuant to the RPTTF to fulfill existing enforceable obligations before the remaining increment is distributed to the taxing entities, including the Midway Rising EIFD. This RPTTF obligation is estimated to reduce net recurring tax revenues to the City by approximately $9.3 million and to the County by approximately $8.5 million over the 30-year operating period. The RPTTF obligation is projected to be satisfied by approximately 2044, after which all property tax increment will flow directly to the taxing entities.

- The maximum tax increment revenue to be committed to the Midway Rising EIFD is estimated at $1.2 billion in future dollars, or $147.8 million in present value terms.

- The proposed timeline of the Midway Rising EIFD includes formation in Fiscal Year 2028 (FY 2028) (Base Year) and the life of the EIFD will extend 45 years from the date of the first bond issuance or from the date the City or County approves a loan to the EIFD.

- All Qualified EIFD Improvements must be consistent with the adopted IFP and limited to eligible public facilities, including streets, utilities, parks, and other infrastructure that supports the Project.

- The Midway Rising EIFD may issue bonds or other debt instruments over the life of the district, as permitted under State law. Current projections assume up to five (5) series of bonds.

- Midway Rising EIFD revenues will be used to fund the Purchase Price for Qualified EIFD Improvements, as defined in the future Acquisition Agreement, which represents the primary mechanism for reimbursing the Master Developer for eligible public infrastructure costs. Consistent with State EIFD law, such revenues may also be applied to certain ongoing operations and maintenance costs of publicly owned facilities financed by the Midway Rising EIFD, to the extent eligible.

- Annual reporting by the PFA is required to ensure transparency and compliance with EIFD statutes.

- Upon establishment of the Midway Rising EIFD and satisfaction of the conditions set forth in the IFP and future Acquisition Agreement, Allocated Tax Revenue will be deposited into the EIFD and applied toward EIFD Funding Sources, which will be used to pay for Qualified EIFD Improvements supporting the Project.

Disposition and Development Agreement

In addition to the Subsidy described above, the City and the Master Developer propose to enter into a DDA. The DDA sets the business terms for the ground lease and phased development of the Property. The City will keep fee ownership of the Property and convey leasehold interests through one (1) Horizontal Ground Lease and a series of Vertical Ground Leases. The Horizontal Ground Lease covers the entire Property for site preparation and backbone infrastructure. As each development parcel is completed, it will be released to a Vertical Developer under an Entertainment Center, Market-Rate Housing/Retail, or Affordable Housing Vertical Ground Lease. The Master Developer will privately finance all horizontal improvements. Eligible costs may be reimbursed as Qualified EIFD Improvements under the future Acquisition Agreement.

- *Horizontal Ground Lease* – The Master Developer will construct the horizontal improvements at its sole expense in three (3) phases, beginning with the Entertainment Center parcel. The current term allows the existing Pechanga Arena lease to remain in effect until December 4, 2031, or until the new Entertainment Center opens. During that period, the Master Developer will pay the greater of Existing Arena Percentage Rent or Existing Arena Minimum Monthly Rent ($70,648 per month in 2026), plus $3.00 per paid ticket for non-Tenant Team events. In addition, the Master Developer will pay Base Rent of $100,000 annually for the term of the Horizontal Ground Lease.

- *Entertainment Center Vertical Ground Lease* – The Entertainment Center Vertical Ground Lease will have an 85-year term and no minimum annual rent. Rent will consist of a Ticket Charge of $1.50 per ticket, escalating 3.0% annually. The Ticket Charge starts ten (10) years after the Entertainment Center's final Certificate of Occupancy, and 75% of it is deferred until the tenant achieves a 16.5%

levered internal rate of return (IRR). The City will also receive 5% of net proceeds from each sale or assignment of the lease (Capital Sales Event) after the tenant achieves a 19% levered IRR, increasing to 10% at a 30% levered IRR.

- *Market-Rate Housing/Retail Development Vertical Ground Leases* – Each Market-Rate Housing/Retail Vertical Ground Lease will have an 85-year term. Once the Vertical Developer's equity is repaid, it will pay Percentage Rent of 0.5% through Lease Year 55 and 2.5% thereafter, subject to fair market resets in Lease Years 56 and 71. Once aggregate Percentage Rent across these leases reaches $500,000 annually, a Minimum Rent applies. The Minimum Rent steps up to $2.0 million as rent thresholds are met. These leases include the same Capital Sales Event participation as the Entertainment Center Vertical Ground Lease.

- *Affordable Housing Vertical Leases* – The Master Developer, through its affordable housing partner (collectively, Developers), will construct 2,000 units affordable to households earning up to 80% of Area Median Income (AMI), with a weighted average not exceeding 60% AMI. At least 200 units will be reserved for permanent supportive housing. The units will be spread across the Property, phased alongside the market-rate units, and restricted for at least 55 years. No ground rent will be payable to the City, which reduces land costs and supports the financial feasibility of the affordable developments. This land contribution is separate from the gap financing the Developers must secure. The lease form will be negotiated within 180 days after the Effective Date, subject to City Council approval.

- *Other DDA Provisions*:

    - The City has no financial obligation regarding the development under the Agreement, the Horizontal Ground Lease, or any Vertical Ground Lease; the Master Developer will privately finance all initial construction.

    - The Master Developer will pay the full cost of a City Project Coordinator position from the Effective Date through the earlier of the last Vertical Ground Lease closing or the 20th anniversary of the Effective Date, estimated by City staff at approximately $5.0 million in total.

    - The Master Developer, its contractors, and subcontractors will participate in the City's Business Cooperation Program and allocate all eligible use tax on construction materials and equipment to the City.

II. NAME AND ADDRESS OF BUSINESS ENTITY RECEIVING ECONOMIC DEVELOPMENT SUBSIDY

The Purchase Price payable under the future Acquisition Agreement constitutes an Economic Development Subsidy, as defined under Government Code Section 53083, in the form of reimbursement for eligible public infrastructure improvements funded through EIFD Funding Sources, and will be paid to the Master Developer under the name:

Midway Rising, LLC,
a Delaware limited liability company
329 S Highway 101, Suite 150
Solana Beach, CA 92075

III. START AND END DATES OF ECONOMIC DEVELOPMENT SUBSIDY

Allocated Tax Revenue will be deposited to the Midway Rising EIFD by the City and County in accordance with the IFP. Payment of the Purchase Price to the Master Developer, comprised of Actual Costs of Qualified EIFD Improvements plus accrued Master Developer Cost of Capital, will be made by the Midway Rising EIFD pursuant to the future Acquisition Agreement. The period of Subsidy will commence following the generation of property tax increment revenues after the Base Year. Tax increment revenues are projected to begin flowing to the EIFD beginning in FY 2033, when absorption of new buildings is first expected to generate incremental assessed value above the Base Year.

The end date of the Subsidy will be the earlier of: (a) 45 years from the date of the first EIFD bond issuance or, if no bonds are issued, 45 years from the date the City or County approves a loan to the EIFD; (b) the date on which the EIFD has fully paid the Purchase Price to the Master Developer under the future Acquisition Agreement; (c) the date upon which the EIFD reaches the limit on the total number of dollars of taxes allocated to the district; or (d) such earlier date as may be established under the terms of the future Acquisition Agreement.

IV. DESCRIPTION OF ECONOMIC DEVELOPMENT SUBSIDY

The proposed Economic Development Subsidy consists of two (2) components:

(1) Allocated Tax Revenue by the City and County to the Midway Rising EIFD as described in detail in the IFP; and

(2) Payment of the Purchase Price to the Master Developer from EIFD Funding Sources as governed by the future Acquisition Agreement.

The Midway Rising EIFD is governed by a PFA, composed of legislative members of the City and County along with three (3) public members. The PFA is responsible for adopting the IFP and authorizing the issuance of EIFD Bonds to fund Qualified EIFD Improvements.

Pursuant to the IFP and the Keyser Marston Associates, Inc. (KMA) Tax Increment Analysis completed in October 2026, and subject to change upon the final adoption of the IFP and future Acquisition Agreement, the Allocated Tax Revenue contributions are estimated as follows:

- The City will allocate 100% of its share of the Allocated Tax Revenue generated by the Project to the Midway Rising EIFD over the life of the District. This contribution is estimated at $605.2 million in future value, or $76.9 million in present value terms.

- The County will allocate 100% of its share of the Allocated Tax Revenue generated by the Project to the EIFD over the life of the District. This contribution is estimated at $557.8 million in future value, or $70.9 million in present value terms.

- The combined total Allocated Tax Revenue contribution to the EIFD is estimated at $1.2 billion in future value, or $147.8 million in present value terms.

- The PFA is projected to issue approximately five (5) series of EIFD Bonds. Total debt service required to amortize these bonds is estimated at $333.8 million in future value, or $59.4 million in present value.

- Total EIFD Bond proceeds, net of issuance costs and debt service reserves, are estimated at $156.9 million, or $57.4 million in present value terms.

- The maximum total EIFD Funding Sources available (net EIFD Bond proceeds plus net Allocated Tax Revenue after debt service) is estimated at $986.0 million in future value, or $145.7 million in present value terms. The Purchase Price payable to the Master Developer under the future

Acquisition Agreement is comprised of Actual Costs of Qualified EIFD Improvements. These costs are currently estimated at $462 million in 2026 dollars plus Master Developer Cost of Capital at not more than 3.00% compounded annually as set forth in the future Acquisition Agreement. The estimated Actual Costs of Qualified EIFD Improvements is comprised of approximately $370.0 million in eligible horizontal costs, and $92.0 million in eligible maintenance costs.

Table IV-1 below presents a summary of the estimated total EIFD Funding Sources.

Table IV-1: Total EIFD Funding Sources — Net Bond Proceeds and Net Tax Increment (1)(2)(3)

	Future Value	Present Value (4)
City Property Tax Increment	$605.2 M	$76.9 M
County Property Tax Increment	$557.8 M	$70.9 M
Total Property Tax Increment	**$1.2 B**	**$147.8 M**
(Less) Total Debt Service	($333.8 M)	($59.4 M)
Net Tax Increment After Debt Service (Rounded)	**$829.2 M**	**$88.3 M**
Total Net Bond Proceeds	$156.9 M	$57.4 M
Net Bond Proceeds + Net Tax Increment (Rounded)	**$986.0 M**	**$145.7 M**

(1) Source: Keyser Marston Associates, Inc., Tax Increment Analysis, as of October 2026. Assumes a 6.0% discount rate. Actual financing costs may vary depending on market conditions at the time of bond issuance. Projections assume a debt service coverage ratio of 1.50, interest rate of 5.0%, and issuance costs of $500,000 per bond series (FY 2026 dollars).

(2) KMA is not advising or recommending any action be taken by the City and County with respect to any prospective, new, or existing municipal financial products, or issuance of municipal securities (including the structure, timing, terms, and other similar matters). KMA is not acting as a Municipal Advisor to the City or County and does not assume any fiduciary duty hereunder, including, without limitation, a fiduciary duty to the City or County pursuant to Section 15B of the Exchange Act. The City and County should discuss any such information and material contained in the KMA analysis with internal and/or external advisors and experts, including their own Municipal Advisors, that they deem appropriate before acting on the information and material.

(3) The figures above represent total EIFD Funding Sources and are separate from the Purchase Price payable to the Master Developer under the future Acquisition Agreement. The Purchase Price comprises Actual Costs of Qualified EIFD Improvements. These costs are currently estimated at $462 million (FY 2026 dollars) plus Master Developer Cost of Capital accrued at not more than 3.00% compounded annually.

(4) Present values are expressed in FY 2027 dollars.

V. PUBLIC PURPOSE OF ECONOMIC DEVELOPMENT SUBSIDY

Provision of the proposed Subsidy can be expected to assist the City and County in achieving goals and objectives of each jurisdiction's General and Community Plans, as described below.

A. City Goals and Objectives

- Prepare a Specific Plan or development plan consistent with the Community Plan vision and the General Plan's City of Villages strategy to comprehensively guide the transformation of the City-owned property within the Sports Arena Community Village.
- Establish a pedestrian- and transit-oriented landmark entertainment destination.
- Ensure on-site affordable residential units are in excess of the Surplus Land Act requirement.
- Include an entertainment venue — specifically a new modern 16,000-seat multi-purpose arena.
- Incorporate a new street, pedestrian, and bicycle network within the superblock to create a walkable scale and improve public north-south access through the Midway District.
- Incorporate a main street with pedestrian-oriented retail uses.
- Provide a development phasing and implementation program that addresses the implementation of public facilities, including on-site parks and public space to serve residential uses.
- Generate increased General Fund revenues through an expanded tax base, enabling the City to increase public services and improve public infrastructure.
- Provide employment opportunities for residents of the City and surrounding region.
- Revitalize underutilized City-owned land that is currently generating minimal tax revenue.

B. County Goals and Objectives

- Provide affordable and suitable housing for all economic segments, with emphasis on the housing needs of lower-income households.
- Generate County tax revenues that support the provision of public services across the region.
- Support economic development that creates jobs and expands the County's employment base.

In response to these objectives, the Project will provide 936 affordable units in excess of the Surplus Land Act requirement; a new multi-purpose 16,000-seat entertainment center; approximately 14.62 acres of parks and public space; and major mobility infrastructure improvements including a multimodal transportation network, bicycle infrastructure improvements, and enhancement of existing bus stops. In addition, the Project will pay an ad hoc fire Development Impact Fee to fund an upgrade to Fire Station 20 on Kemper Street.

The total estimated value of extraordinary public benefits associated with the Project — including the affordable housing premium, entertainment center, parks, and public infrastructure — is estimated at approximately $1.2 billion. But for the Economic Development Subsidy provided through the EIFD, the Project would not generate sufficient returns to the Master Developer to make the Project financially feasible at this level of public benefit delivery.

VI. PROJECTED TAX REVENUE TO CITY AND COUNTY RESULTING FROM ECONOMIC DEVELOPMENT SUBSIDY

As a result of ongoing operations of the Project, the City and County are expected to receive tax revenues in the form of property taxes, property tax in-lieu of vehicle license fees (VLF), sales taxes, real estate transfer taxes, and franchise fees. As such, in April 2026, the City engaged Century | Urban, LLC (Century | Urban) to perform a fiscal and economic impact analysis of the proposed Project, which includes estimates of recurring tax revenue to the City and County generated by the Project. The following section presents Century | Urban's estimates of cumulative recurring tax revenues, net of property tax increment allocated to the Midway Rising EIFD and RPTTF obligations, over a 30-year operating period. One-time revenues, including development impact fees and construction-period taxes, were excluded. Notably, the Midway Rising EIFD's term will extend beyond the 30-year operating period analyzed in this section.

A. Cumulative Net Recurring Tax Revenue to the City

As shown in Table VI-1, the City's cumulative net recurring tax revenues over a 30-year operating period are estimated at $151.6 million, after diversion of EIFD property tax and payment of RPTTF obligations.

Table VI-1: Cumulative Net Recurring Tax Revenues to the City[(1)(2)]

Category	30-Year Total
Cumulative Recurring Tax Revenues to the City	$264.2 M
(Less) Property Tax Increment Diverted to the Midway Rising EIFD	($103.3 M)
(Less) RPTTF Obligation	($9.3 M)
Cumulative Net Recurring Tax Revenues	**$151.6 M**

(1) Reflects cumulative recurring tax revenues during operations; one-time revenues (development impact fees, construction-period taxes, and transfer tax at land sale) are excluded. Source: Century | Urban, LLC, Fiscal and Economic Impact Analysis, April 2026.

(2) EIFD property tax diversion comprises 100% of the City's share of the 1.0% property tax increment generated by the Project, which will be diverted to the Midway Rising EIFD as Allocated Tax Revenue pursuant to the IFP.

B. Cumulative Net Recurring Tax Revenue to the County

As shown in Table VI-2, the County's cumulative net recurring tax revenues over a 30-year operating period are estimated at $121.1 million, after diversion of EIFD property tax and payment of RPTTF obligations.

Table VI-2: Cumulative Net Recurring Tax Revenues to the County [(1)(2)]

Category	30-Year Total
Cumulative Recurring Tax Revenues to the County	$223.9 M
(Less) Property Tax Increment Diverted to the Midway Rising EIFD	($94.3 M)
(Less) RPTTF Obligation	($8.5 M)
Cumulative Net Recurring Tax Revenues	**$121.1 M**

(1) Reflects cumulative recurring tax revenues during operations; one-time revenues (development impact fees, construction-period taxes, and transfer tax at land sale) are excluded. Source: Century | Urban, LLC, Fiscal and Economic Impact Analysis, April 2026.

(2) EIFD property tax diversion comprises 100% of the County's share of the 1.0% property tax increment generated by the Project, which will be allocated to the Midway Rising EIFD as Allocated Tax Revenue pursuant to the IFP.

VII. ESTIMATED NUMBER OF JOBS CREATED BY THE ECONOMIC DEVELOPMENT SUBSIDY

Century | Urban also provided estimates of both temporary and permanent employment associated with the construction and on-going operations of the Project. Total employment impacts were measured as follows:

- *Direct Impacts* – arise from direct business activity to construct the Project as well as the ongoing business activities of the Project commercial buildings and tenants
- *Indirect Impacts* – occur when local firms impacted by the Project purchase materials, supplies, or services from other businesses
- *Induced Impacts* – result from the household spending of employees at firms directly or indirectly affected by the Project

This section presents the total estimated temporary and permanent employment impacts of the Project to both the City and the County. Consistent with Government Code Section 53083(a)(6), employment estimates are expressed as full-time equivalent (FTE) positions, which combine full-time and part-time positions into a single measure.

A. Temporary Employment (Construction)

Construction of the Project is projected to generate significant temporary employment across the County. Using the RIMS II econometric input/output model developed by the Bureau of Economic Analysis (BEA), Century | Urban estimates that construction of the Project will generate the following total employment impacts.

- 23,610 total full-time equivalent (FTE) construction jobs Countywide over the full construction period, which extends through approximately 2050 across all phases.
- 19,320 of these construction FTE jobs are projected to be located within the City.

B. Permanent Employment (On-going Operations)

At buildout and stabilization, the Project is projected to support permanent employment through direct on-site operations including commercial, entertainment, and residential property management, as well as indirect and induced employment throughout the County. Key findings include:

- 1,200 net new permanent FTE jobs Countywide during on-going operations of the Project. These new jobs are comprised of approximately 760 direct on-site jobs, 240 indirect jobs, and 200 induced jobs.

- 980 of these permanent FTE jobs are projected to be located within the City.

Table VII-1 below summarizes the estimated total employment generated by the Economic Development Subsidy.

Table VII-1: Estimated Number of Jobs Created by the Project(1)

Category	Countywide Total	City of San Diego
Temporary / Construction FTE Jobs(2)	23,610	19,320
Permanent FTE Jobs(2)	1,200	980

(1) Source: Century | Urban, LLC, Fiscal and Economic Impact Analysis, April 2026.

(2) Reflects direct, indirect, and induced employment. City of San Diego figures are included within the Countywide totals.

VIII. LIMITING CONDITIONS

(1) The analyses supporting this Report are based, in part, on data provided by secondary sources such as state and local governments, planning agencies, real estate brokers, cost estimators, and other third parties. While the City, County, and its consultants believe that these sources are reliable, accuracy cannot be guaranteed.

(2) The projections and analyses contained herein are based on estimates and assumptions developed using currently available economic data, project-specific data, and other relevant information. It is the nature of forecasting that some assumptions may not materialize and unanticipated events and circumstances may occur. Such changes are likely to be material to the projections and conclusions herein and, if they occur, would require review or potential revision of this document.

(3) Any estimates of revenue or cost projections are based on the best project-specific and fiscal data available at this time as well as experience with comparable projects. They are not intended to be projections of actual future performance of any specific project. Any changes to costs, development program, or project performance may render the conclusions contained herein invalid.

(4) This Report assumes that all applicable laws and governmental regulations in place as of the date of this document will remain unchanged throughout the projection period of the analysis. In the event that this does not hold true—including changes in tax rates, state allocation of property tax, or EIFD statutory requirements—the analysis would need to be revised.

(5) KMA is not advising or recommending any action be taken by the City or County with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues).

(6) KMA is not acting as a Municipal Advisor to the City or County and does not assume any fiduciary duty hereunder, including, without limitation, a fiduciary duty to the City or County pursuant to Section 15B of the Exchange Act with respect to the services provided hereunder and any information and material contained in KMA's work product.

(7) The City or County shall discuss any such information and material contained in KMA's work product with any and all internal and/or external advisors and experts, including their own Municipal Advisors, that they deem appropriate before acting on the information and material. The tax increment projections contained in this Report were completed in October 2026 and are subject to change upon final adoption of the IFP and the future Acquisition Agreement.