

Cost of Doing Business in Alameda

EXHIBIT 1

Second Quarter, 2009

Office space (professional firm)= 20,000 square feet

Gross Payroll [1] = \$6,400,000

	Electricity Annual Cost	Rent [3]	Business License Tax (Gross Payroll) Administrative Headquarters Rate unless noted	Parking availability/1000 sf.	Parking spaces	Parking Cost per space/month	Parking [4] Annual Cost	Total Annual Cost	Cost Difference w/ Alameda
Pleasanton	\$35,597	\$1.50	0.03% [6]	4	80	free	\$0	\$397,517	(\$75,285)
<b>Alameda [2]</b>	\$22,413	\$1.85	0.04% [5]	3.4	68	free	\$0	\$468,973	(\$3,829)
<b>Alameda</b>	\$26,242	\$1.85	0.04% [5]	3.4	68	free	\$0	\$472,802	\$0
Emeryville	\$35,597	\$2.10	0.08% [7]	3	60	\$75	\$54,000	\$598,717	\$125,915
Berkeley DT	\$35,597	\$2.40	0.12%	2	40	\$125	\$60,000	\$679,277	\$206,475
Oakland CBD	\$35,597	\$2.65	0.12%	1	20	\$175	\$42,000	\$721,277	\$248,475

[1] Assumptions for gross payroll: 1 employee per 250 sf of office space (80 employees for this hypothetical), average annual salary of \$80,000.

[2] Annual cost with Alameda's Economic Development Discount for annual demand of at least 50 kW and less than 200 kW; 15% averaged over five years; no PG&E discount; regular modern office, 15 kWh/sf/yr.

[3] Cornish & Carey Commercial.

[4] Parking information from Cornish & Carey Commercial.

[5] Alameda rate at .04% of either payroll or gross receipts.

[6] Pleasanton's calculation for non-revenue producing segment is .03% of all expenses incurred at the business location, including payroll (and benefits), utilities, supplies, consultants, insurance, rent, depreciation and equipment. Please note for simplicity, this analysis will just assume payroll and the actual tax will likely be higher.

[7] Emeryville's calculation for non-gross receipts BLT as .08% of all expenses incurred at the business location, including payroll, utilities, depreciation, and rent. Please note for simplicity, this analysis will just assume payroll and the actual tax will likely be higher.

R&D (bio-pharmaceutical) [1] = 20,000 square feet

Gross Receipts [2] \$ 10,000,000

	Electricity	Rent [4]	Business License Tax (Gross Receipts)	Parking availability/1000 sf.	Parking spaces	Parking Cost per space/month	Parking [5] Annual Cost	Total Annual Cost	Cost Difference w/ Alameda
<b>Alameda [3]</b>	\$70,521	\$0.85	0.04%	3.4	68	free	\$0	\$278,521	(\$12,342)
<b>Alameda</b>	\$82,863	\$0.85	0.04%	3.4	68	free	\$0	\$290,863	\$0
Hayward	\$109,863	\$0.70	0.133% [6]	3.5	70	free	\$0	\$291,163	\$300
Fremont	\$109,863	\$0.80	0.025%	3.5	70	free	\$0	\$304,363	\$13,500
Richmond	\$109,863	\$0.80	\$2,997 [8]	3.5	70	free	\$0	\$304,860	\$13,997
Oakland Airport	\$109,863	\$0.85	0.12% [7]	3.5	70	free	\$0	\$325,863	\$35,000
Emeryville	\$109,863	\$1.00	0.08%	3	60	\$75	\$54,000	\$411,863	\$121,000
Berkeley	\$109,863	\$1.10	0.36% [9]	2	40	\$65	\$31,200	\$441,063	\$150,200

[1] An R&D building for this survey is defined as modern concrete tilt-up construction designed for light manufacturing, research and development or lab usage, with at least 2.5 parking spaces per 1,000 sf of building area.

[2] Assumptions for gross receipts: \$500,000 per 1,000 sf.

[3] Annual cost with Alameda's Economic Development Discount, 15% averaged over five years; no PG&E discount; bio-pharmaceutical, 45 kWh/sf/year.

[4] Cornish & Carey Commercial.

[5] Parking information from Cornish & Carey Commercial.

[6] Hayward's gross receipts is based on Code 86, Table C: for gross receipts \$100,000 and over, it is \$100 plus \$1.33 per thousand over \$100,000.

[7] Oakland calculations are based on .12% of "value added," which is gross receipts minus the cost of raw materials. Since cost of raw materials widely varies between businesses, this cost comparison is based on gross receipts with the understanding that Oakland's tax will be lower than this amount.

[8] Richmond charges a basic rate of \$257 for each business, plus \$51.50 per employee for 1 to 25 employees, then an additional \$44.00 for each employee above 25 employees (effective 1/23/06). Assumption for number of R&D employees: 1 employee per 350 sf of space.

[9] Berkeley would apply its "professional" business classification.