

Fiscal Impact Analysis of Broad & Washington City of Falls Church, Virginia

Prepared for Insight Property Group LLC | March 16, 2017



INSIGHT PROPERTY GROUP, LLC

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STUDY OBJECTIVE AND KEY FINDINGS

Insight Property Group LLC (“Client”) engaged RCLCO (Robert Charles Lesser & Co.), a national real estate advisory firm based in Bethesda, Maryland, to analyze the fiscal impact on the City of Falls Church, Virginia, of its proposed development, Broad & Washington. Assuming the property is rezoned according to the Client’s application, the development program would consist of 292 rental apartments, 26,300 square feet of in-line retail including an estimated 13,000 square feet of restaurant space, 66,700 square feet of office space, and a 5,000 square foot theater. RCLCO analyzed the fiscal impact of development of the site under the proposed rezoning. We have not included the impact of the theater in our analysis.

Between 2017 and 2036, the typical 20-year time period for which RCLCO conducts fiscal impact analyses, RCLCO estimates that the property will generate tax revenues of approximately \$58.1 million against operating expenditures of \$26.6 million, resulting in a positive net fiscal operating impact of \$31.4 million. (See Figure 1 and Exhibit 1.) Exhibit 2 shows the total revenues and expenditures and net fiscal impact by year, as well as the cumulative net fiscal impact. Exhibit 3 graphs the cumulative net fiscal impact.

Without taking account of inflation or the fiscal benefits from construction, the annual gross fiscal impact after stabilization of the development will be \$2,664,000 and the annual net fiscal impact will be \$1,420,000.

Development on the site will result in approximately 366 permanent jobs.

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Summary of Fiscal Impact Analysis
Broad & Washington, 2017-2036

Figure 1

| City of Falls Church | | |
|--------------------------|---------------------|--------------|
| ESTIMATED REVENUES | | DISTRIBUTION |
| Real Property Tax | \$30,445,000 | 52% |
| Personal Property Tax | \$3,557,000 | 6% |
| Sales Tax | \$3,322,000 | 6% |
| Meals Tax | \$7,513,000 | 13% |
| BPOL Tax | \$1,708,000 | 3% |
| Licenses and Permits | \$540,000 | 1% |
| Miscellaneous Revenues | \$10,978,000 | 19% |
| Total | \$58,063,000 | 100% |
| ESTIMATED EXPENDITURES | | |
| Total Expenditures | \$26,644,000 | |
| Net Fiscal Impact | \$31,419,000 | |

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ASSUMPTIONS AND METHODOLOGY

All of the assumptions are shown on Exhibit 4 and discussed below.

Revenues

Real Property Tax Revenues

RCLCO determined the site's land value from the City of Falls Church Property Assessment database. RCLCO estimated the assessed values for the various types of development planned for the site based on the city's fiscal impact model. The current assessed value of the land is included until the development is assumed to be completed, but no credit has been taken for other taxes on the existing development. The city's tax rate of \$1.315 per \$100 in assessed value was applied to the estimated assessed value to estimate the real property tax in each year. The proposed development was assumed to come on line by 2021.

Personal Property Tax Revenues

RCLCO estimated that each household in the city pays, on average, \$323 per person per year in personal property tax. RCLCO also estimated that businesses pay, on average, \$105 per employee in personal property tax. Annual tax revenues were calculated by multiplying the annual estimated population and employment by the appropriate factors, which were assumed to increase by 2.5% annually.

Sales and Meals Taxes

RCLCO estimated the generation of sales taxes from two sources: retail spending by residents, and on-site retail spending. RCLCO determined annual household retail spending from the BLS Consumer Expenditure Survey, with 25% of retail spending and 20% of restaurant spending estimated to be in the city (not including retail spending at on-site retail). RCLCO assumed that the on-site retail would generate sales of \$643 per square foot at the restaurants, and \$435 per square foot at the other retail, based on information provided by the Client's retail broker. The estimates of annual taxable retail sales in the city were multiplied by the city sales tax rate of 1% to determine the actual sales tax receipts, and the restaurant sales were multiplied by the 4% meals tax rate. Retail sales were assumed to increase at the 2.5% rate of inflation every year.

BPOL Tax

RCLCO assumed BPOL tax generation from four sources. The first is receipts of contractors involved in the construction of the project. RCLCO estimated construction costs based on data from the developer. The BPOL tax rate of \$0.16 per \$100 of gross receipts was applied to the estimate of construction costs. The second source is retail sales receipts in the city generated by residents and the on-site retail. The total receipts amount is assumed to equal the

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amount estimated for purposes of the sales tax calculation described above. The BPOL tax rate of \$0.19 per \$100 in gross receipts was applied to these receipts. Finally, the property owner must pay a BPOL tax of \$0.38 per \$100 in gross receipts for residential rental income and \$0.52 per \$100 in gross receipts for commercial rental revenue. For this purpose, RCLCO assumed rental rates provided by the Client.

Other Licenses and Permits

Anticipated licenses and permit payments other than BPOL were provided by the Client.

Miscellaneous Revenues

To forecast miscellaneous revenues, which include a variety of revenue items, such as utility taxes, cigarette taxes, charges for services, and fines and forfeitures, RCLCO typically identifies the total amount collected in a given year and estimates the portion of those revenues that are likely attributable to employees in the city and the portion attributable to residents. On that basis, an average amount of miscellaneous revenue per resident and employee can be calculated. RCLCO followed a similar approach for this report. Details are shown on Exhibit 6. RCLCO relied on the city fiscal impact model for assumptions regarding residents per rental apartment. Miscellaneous revenues were assumed to increase by 2.5% per year.

Expenditures

Operating Expenditures

The estimation of operating expenditures follows a similar methodology to that of miscellaneous revenues. The total city general fund expenditures, as shown in the FY 2017 budget, that were judged to vary with new development were divided among the estimated number of residents, employees, and students in the city to arrive at average expenditure estimates per resident, per employee, and per student. Details are shown on Exhibit 7. RCLCO relied on the city fiscal impact model for assumptions regarding residents per rental apartment. RCLCO estimated the number of students per unit as discussed in the following section. Average operating expenditures per resident, per employee, and per student were assumed to increase by 2.5% per year.

Student Generation Rates

RCLCO applied student generation rates by number of bedrooms (including accounting for dens), based on the newer rental apartment developments in the city, as shown in Exhibit 8. Data on West Broad, currently in lease-up, was included as of January 2017. Using these rates and the unit mix planned for Broad & Washington, the pupil generation rate at Broad & Washington will be 0.249, or 84 students.

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This engagement was conducted by Leonard Bogorad, Managing Director. If you have any questions regarding the conclusions and recommendations included herein, or wish to learn about other RCLCO advisory services, please call (240) 644-1300.

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GENERAL LIMITING CONDITIONS

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.

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CRITICAL ASSUMPTIONS

Our conclusions are based on our analysis of the information available from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions periodically to ensure that they are reflective of changing market conditions.

We assume that the economy and real estate markets will grow at a stable and moderate rate to 2020 and beyond. However, stable and moderate growth patterns are historically not sustainable over extended periods of time, the economy is cyclical, and real estate markets are typically highly sensitive to business cycles. Further, it is very difficult to predict when an economic and real estate upturn will end.

With the above in mind, we assume that the long term average absorption rates and price changes will be as projected, realizing that most of the time performance will be either above or below said average rates.

Our analysis does not consider the potential impact of future economic shocks on the national and/or local economy, and does not consider the potential benefits from major "booms" that may occur. Similarly, the analysis does not reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology.

As such, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, the project and investment economics should be "stress tested" to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause failure.

In addition, we assume that the following will occur in accordance with current expectations:

- Economic, employment, and household growth.
- Other forecasts of trends and demographic and economic patterns, including consumer confidence levels.
- The cost of development and construction.
- Tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth).
- Availability and cost of capital and mortgage financing for real estate developers, owners and buyers.
- Competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand.
- Major public works projects occur and are completed as planned.

Should any of the above change, this analysis should be updated, with the conclusions reviewed accordingly (and possibly revised).

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APPENDIX: SUPPORTING EXHIBITS

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LIST OF EXHIBITS

- | | |
|------------------|--|
| <i>Exhibit 1</i> | Net Fiscal Impact Summary; Broad & Washington; 2017-2036 |
| <i>Exhibit 2</i> | Total Revenues and Expenditures by Year; Broad & Washington; 2017-2036 |
| <i>Exhibit 3</i> | Cumulative Net Fiscal Impact; Broad & Washington; 2017-2036 |
| <i>Exhibit 4</i> | Assumptions; Falls Church, Virginia; 2016 |
| <i>Exhibit 5</i> | Fiscal Impact Analysis - Broad & Washington; City of Falls Church; 2015-2034 |
| <i>Exhibit 6</i> | Allocation of City Revenues - General Fund; Falls Church, Virginia |
| <i>Exhibit 7</i> | Allocation of City Expenditures; Falls Church, Virginia |
| <i>Exhibit 8</i> | Calculation of Student Generation Rates |

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Exhibit 1

NET FISCAL IMPACT SUMMARY BROAD & WASHINGTON 2017-2036

| City of Falls Church | | |
|--------------------------|---------------------|--------------|
| ESTIMATED REVENUES | | DISTRIBUTION |
| Real Property Tax | \$30,445,000 | 52% |
| Personal Property Tax | \$3,557,000 | 6% |
| Sales Tax | \$3,322,000 | 6% |
| Meals Tax | \$7,513,000 | 13% |
| BPOL Tax | \$1,708,000 | 3% |
| Licenses and Permits | \$540,000 | 1% |
| Miscellaneous Revenues | \$10,978,000 | 19% |
| Total | \$58,063,000 | 100% |
| ESTIMATED EXPENDITURES | | |
| Total Expenditures | \$26,644,000 | |
| Net Fiscal Impact | \$31,419,000 | |

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Exhibit 2

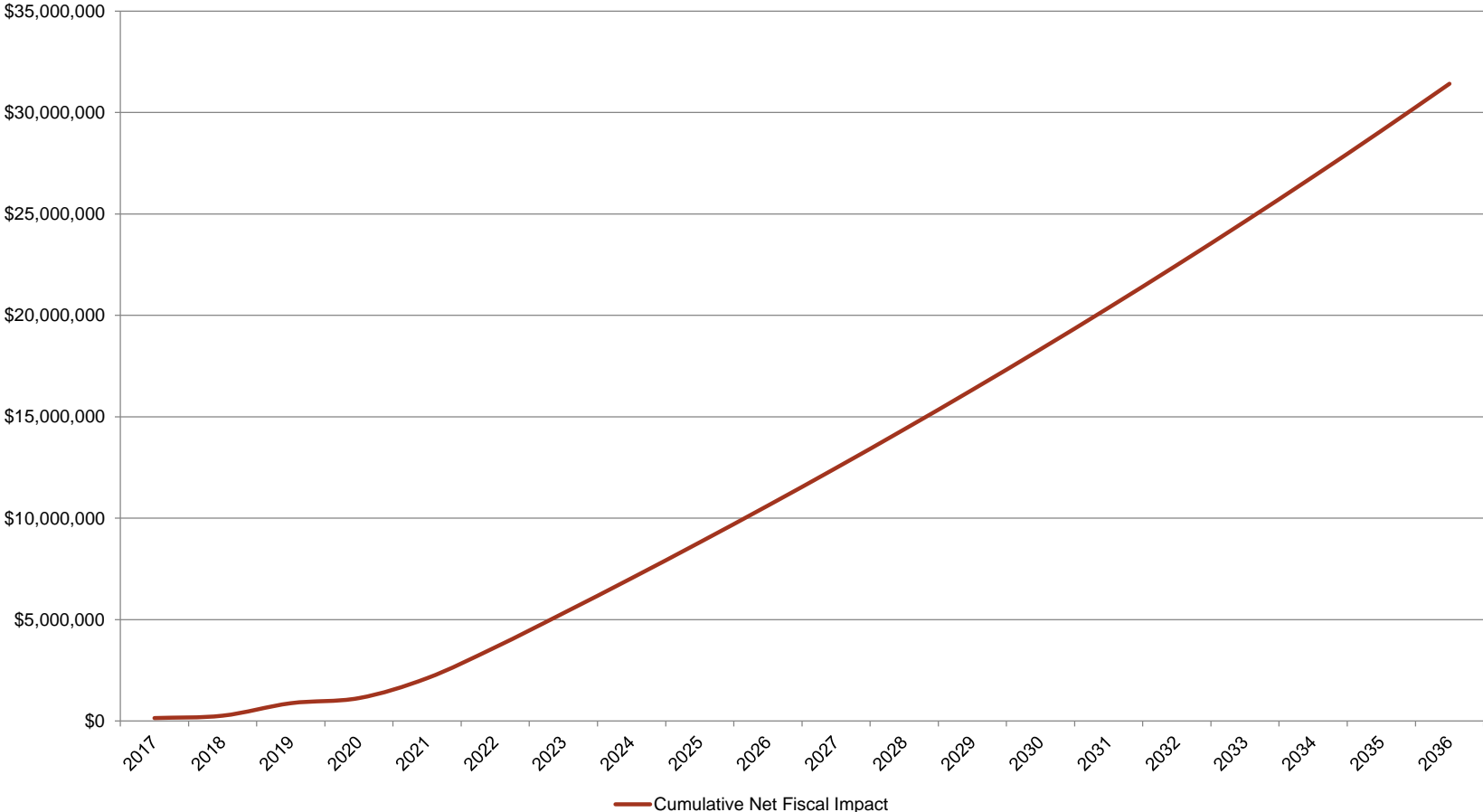
TOTAL REVENUES AND EXPENDITURES BY YEAR BROAD & WASHINGTON 2017-2036

| | Total Revenues | Total Expenditures | Net Fiscal Impact | Cumulative Net Fiscal Impact |
|--------------|---------------------|---------------------|---------------------|------------------------------|
| 2017 | \$144,000 | \$0 | \$144,000 | \$144,000 |
| 2018 | \$117,000 | \$0 | \$117,000 | \$262,000 |
| 2019 | \$615,000 | \$0 | \$615,000 | \$877,000 |
| 2020 | \$252,000 | \$0 | \$252,000 | \$1,129,000 |
| 2021 | \$1,753,000 | \$771,000 | \$982,000 | \$2,111,000 |
| 2022 | \$2,967,000 | \$1,443,000 | \$1,524,000 | \$3,635,000 |
| 2023 | \$3,161,000 | \$1,479,000 | \$1,682,000 | \$5,317,000 |
| 2024 | \$3,240,000 | \$1,516,000 | \$1,724,000 | \$7,041,000 |
| 2025 | \$3,321,000 | \$1,554,000 | \$1,767,000 | \$8,809,000 |
| 2026 | \$3,404,000 | \$1,593,000 | \$1,811,000 | \$10,620,000 |
| 2027 | \$3,489,000 | \$1,632,000 | \$1,857,000 | \$12,476,000 |
| 2028 | \$3,576,000 | \$1,673,000 | \$1,903,000 | \$14,379,000 |
| 2029 | \$3,666,000 | \$1,715,000 | \$1,951,000 | \$16,330,000 |
| 2030 | \$3,757,000 | \$1,758,000 | \$1,999,000 | \$18,329,000 |
| 2031 | \$3,851,000 | \$1,802,000 | \$2,049,000 | \$20,379,000 |
| 2032 | \$3,947,000 | \$1,847,000 | \$2,100,000 | \$22,479,000 |
| 2033 | \$4,046,000 | \$1,893,000 | \$2,153,000 | \$24,632,000 |
| 2034 | \$4,147,000 | \$1,940,000 | \$2,207,000 | \$26,839,000 |
| 2035 | \$4,251,000 | \$1,989,000 | \$2,262,000 | \$29,101,000 |
| 2036 | \$4,357,000 | \$2,039,000 | \$2,318,000 | \$31,420,000 |
| TOTAL | \$58,063,000 | \$26,644,000 | \$31,420,000 | |

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Exhibit 3

CUMULATIVE NET FISCAL IMPACT BROAD & WASHINGTON 2017-2036



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Exhibit 4

ASSUMPTIONS FALLS CHURCH, VIRGINIA 2016

| ASSUMPTION | | | SOURCE | | DEVELOPMENT PROGRAM | | | SOURCE | | |
|--|---------------------------------|--------------------------------------|--------|--|-----------------------------------|--------------|-----------|---------------------------|------------|---------------|
| Inflation Rate | 2.5% | RCLCO | | | Residential Units | | | Avg. Rent per Unit | | |
| Real Property Taxes | | | | | Studio | 33 | | | | |
| Real Property Tax Rate | \$1.315 per \$100 AV | Falls Church Tax Rate eff. Dec. 2015 | | | 1-BR | 139 | | | | |
| Site's Current Assessed Land Value | \$8,121,300 | Assessment Database | | | 1-BR Den | 22 | | | | |
| Est. Property Value per Unit | \$255,000 | City Model and Client Financials | | | 2-BR | 73 | | | | |
| Personal Property Taxes | | | | | 2-BR Den | 15 | | | | |
| Personal Property Tax Rate | \$5.00 per \$100 AV | Falls Church FY 2015 Tax Rates | | | 3-BR | 10 | | | | |
| | | | | | Total | 292 | | \$2,187 | Client | |
| | | | | | Assessed Value per Unit | \$255,000 | | | City Model | |
| | | | | | Stabilized Occupancy | 95% | | | | |
| | | | | | Lease-Up Pace per Month | 16 | | | | |
| | | | | | | | | | | |
| | | | | | Total Restaurant/Retail: | 26,500 SF | | Rent per SF | | |
| | | | | | Restaurant | 13,000 SF | | \$45 | Client | |
| | | | | | Other Retail | 13,500 SF | | \$40 | Client | Excl. theater |
| | | | | | Grocery | 0 SF | | \$27 | Client | |
| | | | | | Office | 66,700 SF | | \$29 | Client | |
| | | | | | | | | | | |
| | | | | | Retail Avg. Assessed Value per SF | \$520 | | | City Model | |
| | | | | | Office Avg. Assessed Value per SF | \$275 | | | City Model | |
| | | | | | Hard Construction Cost | \$84,000,000 | | | Client | |
| | | | | | | | | | | |
| | | | | | Grocery Sales per SF | \$0 | | | Client | |
| | | | | | Other Retail Sales per SF | \$435 | | | Client | |
| | | | | | Restaurant Sales per SF | \$643 | | | Client | |
| | | | | | FTE Grocery Employees | 0 | | | Client | |
| | | | | | SF/FTE Rest./Other Retail Empl. | 251 | | | City Model | |
| | | | | | SF/FTE Office Empl. | 256 | | | City Model | |
| | | | | | Meals as % of Grocery Sales | 0% | | | Client | |
| | | | | | Licenses & Permits | | | | Client | |
| | | | | | | 2017 | \$35,000 | | | |
| | | | | | | 2018 | \$5,000 | | | |
| | | | | | | 2019 | \$500,000 | | | |
| BPOL | | | | | | | | | | |
| BPOL Tax Rate: Rental by Owner - Commercial | \$0.52 per \$100 Gross Receipts | Falls Church FY 2016 Tax Rates | | | | | | | | |
| BPOL Tax Rate: Rental by Owner - Residential | \$0.38 per \$100 Gross Receipts | Falls Church FY 2016 Tax Rates | | | | | | | | |
| BPOL Tax Rate: Repair & Personal Service | \$0.36 per \$100 Gross Receipts | Falls Church FY 2016 Tax Rates | | | | | | | | |
| BPOL Tax Rate: Wholesale | \$0.08 per \$100 Gross Receipts | Falls Church FY 2016 Tax Rates | | | | | | | | |
| BPOL Tax Rate: Public Utilities | \$0.50 per \$100 Gross Receipts | Falls Church FY 2016 Tax Rates | | | | | | | | |
| BPOL Tax Rate: Professional Services | \$0.52 per \$100 Gross Receipts | Falls Church FY 2016 Tax Rates | | | | | | | | |
| BPOL Tax Rate: Retail Sales | \$0.19 per \$100 Gross Receipts | Falls Church FY 2016 Tax Rates | | | | | | | | |
| BPOL Tax Rate: Contracting Services | \$0.16 per \$100 Gross Receipts | Falls Church FY 2016 Tax Rates | | | | | | | | |
| BPOL Tax Rate: Specialized Occupations | \$0.36 per \$100 Gross Receipts | Falls Church FY 2016 Tax Rates | | | | | | | | |
| State/Shared Tax | | | | | | | | | | |
| Sales and Use Tax | 1.00% | Falls Church FY 2016 Tax Rates | | | | | | | | |
| Restaurant Food Tax | 4.00% | Falls Church FY 2016 Tax Rates | | | | | | | | |
| Misc. Revenues | | | | | | | | | | |
| Per Resident (Excl. Personal Property Tax) | \$772 | See Exhibit 6 | | | | | | | | |
| Per Employee (Excl. Personal Prop. Tax) | \$392 | See Exhibit 6 | | | | | | | | |
| Operating Expenditures | | | | | | | | | | |
| Per Resident | \$1,096 | See Exhibit 7 | | | | | | | | |
| Per Employee | \$340 | See Exhibit 7 | | | | | | | | |
| | | | | | | | | | | |
| Overall Persons per Unit | 1.64 | City Model | | | | | | | | |
| Pupils per Unit | | | | | | | | | | |
| Studios | 0.000 | See Exhibit 8 based on City Data | | | | | | | | |
| 1-Bedrooms | 0.019 | See Exhibit 8 based on City Data | | | | | | | | |
| 1-Bedroom Den | 0.167 | See Exhibit 8 based on City Data | | | | | | | | |
| 2-Bedrooms | 0.352 | See Exhibit 8 based on City Data | | | | | | | | |
| 2-Bedroom-Den | 0.714 | See Exhibit 8 based on City Data | | | | | | | | |
| 3-Bedrooms | 1.320 | See Exhibit 8 based on City Data | | | | | | | | |
| Overall Avg. per Unit | 0.191 | Weighted Average | | | | | | | | |

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Exhibit 5

FISCAL IMPACT ANALYSIS - BROAD & WASHINGTON CITY OF FALLS CHURCH 2017-2036

| Year | Assumption | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|---------------|---------------|---------------|---------------|
| Inflation | 2.50% | 1.000 | 1.025 | 1.051 | 1.077 | 1.104 | 1.131 | 1.160 | 1.189 | 1.218 | 1.249 |
| Undeveloped Site Value | \$8,121,300 | \$8,121,300 | \$8,324,333 | \$8,532,441 | \$8,745,752 | \$8,964,396 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Average Value per Residential Unit | \$255,000 | \$255,000 | \$261,375 | \$267,909 | \$274,607 | \$281,472 | \$288,509 | \$295,722 | \$303,115 | \$310,693 | \$318,460 |
| Average Value per Retail SF | \$520 | \$520 | \$533 | \$546 | \$560 | \$574 | \$588 | \$603 | \$618 | \$633 | \$649 |
| Average Value per Office SF | \$275 | \$275 | \$282 | \$289 | \$296 | \$304 | \$311 | \$319 | \$327 | \$335 | \$343 |
| New Apartments | 292 | 0 | 0 | 0 | 0 | 0 | 97 | 195 | 0 | 0 | 0 |
| Cumulative Apartments | 292 | 0 | 0 | 0 | 0 | 0 | 97 | 292 | 292 | 292 | 292 |
| Apartment Occupancy | Stabilized Occupancy 95% | | | | | | 95% | 95% | 95% | 95% | 95% |
| Occupied Apartments | | 0 | 0 | 0 | 0 | 0 | 92 | 277 | 277 | 277 | 277 |
| New Grocery | Square Feet 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cumulative Grocery | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Restaurant | 13,000 | 0 | 0 | 0 | 0 | 0 | 13,000 | 0 | 0 | 0 | 0 |
| Cumulative New Restaurant | | 0 | 0 | 0 | 0 | 0 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 |
| New Other Retail | 13,500 | 0 | 0 | 0 | 0 | 0 | 13,500 | 0 | 0 | 0 | 0 |
| Cumulative Other Retail | 13,500 | 0 | 0 | 0 | 0 | 0 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 |
| New Office | 66,700 | 0 | 0 | 0 | 0 | 0 | 66,700 | 0 | 0 | 0 | 0 |
| Cumulative New Office | 66,700 | 0 | 0 | 0 | 0 | 0 | 66,700 | 66,700 | 66,700 | 66,700 | 66,700 |
| Real Property Tax | | | | | | | | | | | |
| Total Assessed Real Property Value | | \$8,121,300 | \$8,324,333 | \$8,532,441 | \$8,745,752 | \$8,964,396 | \$64,321,123 | \$123,594,906 | \$126,684,779 | \$129,851,898 | \$133,098,195 |
| Real Property Tax Revenue | \$1.315 per \$100 AV | \$106,795 | \$109,465 | \$112,202 | \$115,007 | \$117,882 | \$845,823 | \$1,625,273 | \$1,665,905 | \$1,707,552 | \$1,750,241 |
| Personal Property Tax | | | | | | | | | | | |
| Non-Resid. Personal Property Tax | \$72 | \$0 | \$0 | \$0 | \$0 | \$0 | \$29,756 | \$30,500 | \$31,263 | \$32,044 | \$32,845 |
| Residential Personal Property Tax | \$323 per Resident | \$0 | \$0 | \$0 | \$0 | \$0 | \$58,178 | \$179,514 | \$184,001 | \$188,601 | \$193,316 |
| Total Personal Property Tax | | \$0 | \$0 | \$0 | \$0 | \$0 | \$87,935 | \$210,014 | \$215,264 | \$220,646 | \$226,646 |
| Sales and Meals Tax | | | | | | | | | | | |
| Est. Avg. HH Income of Residents | \$105,000 | \$105,000 | \$107,625 | \$110,316 | \$113,074 | \$115,900 | \$118,798 | \$121,768 | \$124,812 | \$127,932 | \$131,131 |
| Res. Retail Spending as % of Income | 16.3% | \$17,165 | \$17,594 | \$18,034 | \$18,485 | \$18,947 | \$19,420 | \$19,906 | \$20,403 | \$20,914 | \$21,436 |
| Total Retail Spending by Residents | | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,789,584 | \$5,521,882 | \$5,659,929 | \$5,801,427 | \$5,946,463 |
| Spending Off-site and in Falls Church | 20% | \$0 | \$0 | \$0 | \$0 | \$0 | \$357,917 | \$1,104,376 | \$1,131,986 | \$1,160,285 | \$1,189,293 |
| Res. Restaurant Spending as % of Income | 3.7% | \$3,872 | \$3,969 | \$4,068 | \$4,169 | \$4,274 | \$4,381 | \$4,490 | \$4,602 | \$4,717 | \$4,835 |
| Total Res. Restaurant Spending | | \$0 | \$0 | \$0 | \$0 | \$0 | \$403,667 | \$1,245,541 | \$1,276,680 | \$1,308,597 | \$1,341,311 |
| Restaurant Spending in Falls Church | 20% | \$0 | \$0 | \$0 | \$0 | \$0 | \$80,733 | \$249,108 | \$255,336 | \$261,719 | \$268,262 |
| Restaurant Tax Revenue | 4% | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,229 | \$9,964 | \$10,213 | \$10,469 | \$10,730 |
| Grocery Sales per SF | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Grocery Sales | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Retail Sales per SF | \$435 | \$435 | \$446 | \$457 | \$468 | \$480 | \$492 | \$504 | \$517 | \$530 | \$543 |
| Retail Sales | | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,644,195 | \$6,810,300 | \$6,980,557 | \$7,155,071 | \$7,333,948 |
| Restaurant Sales per SF | \$643 | \$643 | \$659 | \$676 | \$692 | \$710 | \$727 | \$746 | \$764 | \$783 | \$803 |
| Restaurant Sales | | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,457,441 | \$9,693,877 | \$9,936,224 | \$10,184,630 | \$10,439,246 |
| Total Taxable Retail Sales | | \$0 | \$0 | \$0 | \$0 | \$0 | \$16,459,553 | \$17,608,553 | \$18,048,767 | \$18,499,986 | \$18,962,486 |
| Total Taxable Restaurant Sales Incl. Groc@ | 25% | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,538,175 | \$9,942,985 | \$10,191,560 | \$10,446,349 | \$10,707,508 |
| Total Sales Tax Revenue | Sales Tax Rate 1.00% | \$0 | \$0 | \$0 | \$0 | \$0 | \$164,596 | \$176,086 | \$180,488 | \$185,000 | \$189,625 |
| Total Meals Tax Revenue | 4.00% | \$0 | \$0 | \$0 | \$0 | \$0 | \$381,527 | \$397,719 | \$407,662 | \$417,854 | \$428,300 |

INSIGHT PROPERTY GROUP, LLC

Exhibit 5

FISCAL IMPACT ANALYSIS - BROAD & WASHINGTON CITY OF FALLS CHURCH 2017-2036

| Year | Assumption | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|---------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| BPOL Tax | | | | | | | | | | | |
| Average Rental Rate per Unit | \$2,187 | \$2,187 | \$2,242 | \$2,298 | \$2,355 | \$2,414 | \$2,474 | \$2,536 | \$2,600 | \$2,665 | \$2,731 |
| Total Revenue (Gross Receipts) | | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,736,180 | \$8,442,667 | \$8,653,734 | \$8,870,077 | \$9,091,829 |
| BPOL Rate on Apartment Rental | \$0.38 per \$100 Gross Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,397 | \$32,082 | \$32,884 | \$33,706 | \$34,549 |
| Grocery Rental Rate | \$27 per SF | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 |
| Restaurant/Other Retail Rental Rate | \$45 per SF | \$45 | \$46 | \$47 | \$48 | \$50 | \$51 | \$52 | \$53 | \$55 | \$56 |
| Office Rental Rate | \$29 per SF | \$29 | \$30 | \$30 | \$31 | \$32 | \$33 | \$34 | \$34 | \$35 | \$36 |
| Total Rental Revenue | | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,537,687 | \$3,626,129 | \$3,716,783 | \$3,809,702 | \$3,904,945 |
| BPOL Rate on Commercial Landlord Revenue | \$0.52 per \$100 Gross Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$18,396 | \$18,856 | \$19,327 | \$19,810 | \$20,306 |
| Retail Spending in Falls Church | | \$0 | \$0 | \$0 | \$0 | \$0 | \$16,459,553 | \$17,608,553 | \$18,048,767 | \$18,499,986 | \$18,962,486 |
| BPOL Rate on Retail Gross Receipts | \$0.19 per \$100 Gross Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$31,273 | \$33,456 | \$34,293 | \$35,150 | \$36,029 |
| Construction Cost | \$84,000,000 | \$0 | \$0 | \$0 | \$0 | \$84,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| BPOL Rate on Building/Development | \$0.16 per \$100 Gross Receipts | \$0 | \$0 | \$0 | \$0 | \$134,400 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total BPOL Revenue | \$1,707,818 | \$0 | \$0 | \$0 | \$0 | \$134,400 | \$60,067 | \$84,394 | \$86,504 | \$88,667 | \$90,883 |
| Licenses and Permits | | | \$35,000 | \$5,000 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous Revenues | | | | | | | | | | | |
| Per Resident | \$772 | \$772 | \$792 | \$811 | \$832 | \$852 | \$874 | \$896 | \$918 | \$941 | \$964 |
| Per Employee | \$392 | \$392 | \$402 | \$412 | \$422 | \$433 | \$444 | \$455 | \$466 | \$478 | \$490 |
| Residents | 1.64 per Unit | 0 | 0 | 0 | 0 | 0 | 159 | 479 | 479 | 479 | 479 |
| Employees | 366 | 0 | 0 | 0 | 0 | 0 | 366 | 366 | 366 | 366 | 366 |
| Total Miscellaneous Revenues | | \$0 | \$0 | \$0 | \$0 | \$0 | \$301,445 | \$595,397 | \$610,282 | \$625,539 | \$641,177 |
| Total Revenues by Source (2017-2036) | | | | | | | | | | | |
| Real Property Tax | \$30,444,654 | \$106,795 | \$109,465 | \$112,202 | \$115,007 | \$117,882 | \$845,823 | \$1,625,273 | \$1,665,905 | \$1,707,552 | \$1,750,241 |
| Personal Property Tax | \$3,557,141 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$87,935 | \$210,014 | \$215,264 | \$220,646 |
| Sales Tax | \$3,322,148 | \$0 | \$0 | \$0 | \$0 | \$0 | \$164,596 | \$176,086 | \$180,488 | \$185,000 | \$189,625 |
| Meals Tax | \$7,513,402 | \$0 | \$0 | \$0 | \$0 | \$0 | \$381,527 | \$397,719 | \$407,662 | \$417,854 | \$428,300 |
| BPOL Tax | \$1,707,818 | \$0 | \$0 | \$0 | \$0 | \$134,400 | \$60,067 | \$84,394 | \$86,504 | \$88,667 | \$90,883 |
| Licenses and Permits | \$540,000 | \$0 | \$35,000 | \$5,000 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous Revenues | \$10,978,061 | \$0 | \$0 | \$0 | \$0 | \$0 | \$301,445 | \$595,397 | \$610,282 | \$625,539 | \$641,177 |
| Total Revenues | \$58,063,225 | \$106,795 | \$144,465 | \$117,202 | \$615,007 | \$252,282 | \$1,753,457 | \$2,966,804 | \$3,160,855 | \$3,239,876 | \$3,320,873 |
| Expenditures | | | | | | | | | | | |
| Operating Expenditures per Resident | \$340 | \$340 | \$348 | \$357 | \$366 | \$375 | \$384 | \$394 | \$404 | \$414 | \$424 |
| Operating Expenditures per Employee | \$1,096 | \$1,096 | \$1,124 | \$1,152 | \$1,181 | \$1,210 | \$1,241 | \$1,272 | \$1,303 | \$1,336 | \$1,369 |
| Total Non-Educational Operating Expenditures | | \$0 | \$0 | \$0 | \$0 | \$0 | \$515,369 | \$654,227 | \$670,583 | \$687,347 | \$704,531 |
| Avg. Students per Total Apartments | 0.191 per Unit | 0 | 0 | 0 | 0 | 0 | 19 | 56 | 56 | 56 | 56 |
| Educational Expenditures per Student | \$12,170 | \$0 | \$0 | \$0 | \$0 | \$0 | \$255,576 | \$788,597 | \$808,312 | \$828,520 | \$849,233 |
| Total Operating Expenditures | \$26,643,559 | \$0 | \$0 | \$0 | \$0 | \$0 | \$770,945 | \$1,442,824 | \$1,478,895 | \$1,515,867 | \$1,553,764 |
| Net Fiscal Impact | \$31,419,666 | \$106,795 | \$144,465 | \$117,202 | \$615,007 | \$252,282 | \$982,512 | \$1,523,980 | \$1,681,960 | \$1,724,009 | \$1,767,109 |

INSIGHT PROPERTY GROUP, LLC

Exhibit 5

FISCAL IMPACT ANALYSIS - BROAD & WASHINGTON CITY OF FALLS CHURCH 2017-2036

| Year | Assumption | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Inflation | 2.50% | 1.280 | 1.312 | 1.345 | 1.379 | 1.413 | 1.448 | 1.485 | 1.522 | 1.560 | 1.599 | 1.639 |
| Undeveloped Site Value | \$8,121,300 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Average Value per Residential Unit | \$255,000 | \$326,422 | \$334,582 | \$342,947 | \$351,520 | \$360,308 | \$369,316 | \$378,549 | \$388,013 | \$397,713 | \$407,656 | \$417,847 |
| Average Value per Retail SF | \$520 | \$665 | \$682 | \$699 | \$716 | \$734 | \$753 | \$772 | \$791 | \$811 | \$831 | \$852 |
| Average Value per Office SF | \$275 | \$352 | \$361 | \$370 | \$379 | \$389 | \$398 | \$408 | \$418 | \$429 | \$440 | \$451 |
| New Apartments | 292 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cumulative Apartments | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 |
| | Stabilized Occupancy | | | | | | | | | | | |
| Apartment Occupancy | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Occupied Apartments | | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 |
| | Square Feet | | | | | | | | | | | |
| New Grocery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cumulative Grocery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Restaurant | 13,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cumulative New Restaurant | | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 |
| New Other Retail | 13,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cumulative Other Retail | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 |
| New Office | 66,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cumulative New Office | 66,700 | 66,700 | 66,700 | 66,700 | 66,700 | 66,700 | 66,700 | 66,700 | 66,700 | 66,700 | 66,700 | 66,700 |
| Real Property Tax | | | | | | | | | | | | |
| Total Assessed Real Property Value | | \$136,425,650 | \$139,836,292 | \$143,332,199 | \$146,915,504 | \$150,588,391 | \$154,353,101 | \$158,211,929 | \$162,167,227 | \$166,221,408 | \$170,376,943 | \$174,636,366 |
| Real Property Tax Revenue | \$1.315 per \$100 AV | \$1,793,997 | \$1,838,847 | \$1,884,818 | \$1,931,939 | \$1,980,237 | \$2,029,743 | \$2,080,487 | \$2,132,499 | \$2,185,812 | \$2,240,457 | \$2,296,468 |
| Personal Property Tax | | | | | | | | | | | | |
| Non-Resid. Personal Property Tax | \$72 | \$33,667 | \$34,508 | \$35,371 | \$36,255 | \$37,162 | \$38,091 | \$39,043 | \$40,019 | \$41,019 | \$42,045 | \$43,096 |
| Residential Personal Property Tax | \$323 per Resident | \$198,149 | \$203,103 | \$208,181 | \$213,385 | \$218,720 | \$224,188 | \$229,792 | \$235,537 | \$241,426 | \$247,461 | \$253,648 |
| Total Personal Property Tax | | \$226,162 | \$231,816 | \$243,611 | \$243,552 | \$249,640 | \$255,881 | \$262,278 | \$268,835 | \$275,556 | \$282,445 | \$289,506 |
| Sales and Meals Tax | | | | | | | | | | | | |
| Est. Avg. HH Income of Residents | \$105,000 | \$134,409 | \$137,769 | \$141,213 | \$144,744 | \$148,362 | \$152,071 | \$155,873 | \$159,770 | \$163,764 | \$167,858 | \$172,055 |
| Res. Retail Spending as % of Income | 16.3% | \$21,972 | \$22,522 | \$23,085 | \$23,662 | \$24,253 | \$24,860 | \$25,481 | \$26,118 | \$26,771 | \$27,440 | \$28,126 |
| Total Retail Spending by Residents | | \$6,095,124 | \$6,247,502 | \$6,403,690 | \$6,563,782 | \$6,727,877 | \$6,896,073 | \$7,068,475 | \$7,245,187 | \$7,426,317 | \$7,611,975 | \$7,802,274 |
| Spending Off-site and in Falls Church | 20% | \$1,219,025 | \$1,249,500 | \$1,280,738 | \$1,312,756 | \$1,345,575 | \$1,379,215 | \$1,413,695 | \$1,449,037 | \$1,485,263 | \$1,522,395 | \$1,560,455 |
| Res. Restaurant Spending as % of Income | 3.7% | \$4,956 | \$5,080 | \$5,207 | \$5,337 | \$5,471 | \$5,607 | \$5,748 | \$5,891 | \$6,039 | \$6,190 | \$6,344 |
| Total Res. Restaurant Spending | | \$1,374,844 | \$1,409,215 | \$1,444,446 | \$1,480,557 | \$1,517,571 | \$1,555,510 | \$1,594,398 | \$1,634,258 | \$1,675,114 | \$1,716,992 | \$1,759,917 |
| Restaurant Spending in Falls Church | 20% | \$274,969 | \$281,843 | \$288,889 | \$296,111 | \$303,514 | \$311,102 | \$318,880 | \$326,852 | \$335,023 | \$343,398 | \$351,983 |
| Restaurant Tax Revenue | 4% | \$10,999 | \$11,274 | \$11,556 | \$11,844 | \$12,141 | \$12,444 | \$12,755 | \$13,074 | \$13,401 | \$13,736 | \$14,079 |
| Grocery Sales per SF | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Grocery Sales | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Retail Sales per SF | \$435 | \$557 | \$571 | \$585 | \$600 | \$615 | \$630 | \$646 | \$662 | \$678 | \$695 | \$713 |
| Retail Sales | | \$7,517,296 | \$7,705,229 | \$7,897,860 | \$8,095,306 | \$8,297,689 | \$8,505,131 | \$8,717,759 | \$8,935,703 | \$9,159,096 | \$9,388,073 | \$9,622,775 |
| Restaurant Sales per SF | \$643 | \$823 | \$844 | \$865 | \$886 | \$909 | \$931 | \$955 | \$978 | \$1,003 | \$1,028 | \$1,054 |
| Restaurant Sales | | \$10,700,227 | \$10,967,732 | \$11,241,926 | \$11,522,974 | \$11,811,048 | \$12,106,324 | \$12,408,982 | \$12,719,207 | \$13,037,187 | \$13,363,117 | \$13,697,195 |
| Total Taxable Retail Sales | | \$19,436,548 | \$19,922,462 | \$20,420,523 | \$20,931,036 | \$21,454,312 | \$21,990,670 | \$22,540,437 | \$23,103,948 | \$23,681,546 | \$24,273,585 | \$24,880,425 |
| Total Taxable Restaurant Sales Incl. Groc | 25% | \$10,975,196 | \$11,249,575 | \$11,530,815 | \$11,819,085 | \$12,114,562 | \$12,417,426 | \$12,727,862 | \$13,046,059 | \$13,372,210 | \$13,706,515 | \$14,049,178 |
| | Sales Tax Rate | | | | | | | | | | | |
| Total Sales Tax Revenue | 1.00% | \$194,365 | \$199,225 | \$204,205 | \$209,310 | \$214,543 | \$219,907 | \$225,404 | \$231,039 | \$236,815 | \$242,736 | \$248,804 |
| Total Meals Tax Revenue | 4.00% | \$439,008 | \$449,983 | \$461,233 | \$472,763 | \$484,582 | \$496,697 | \$509,114 | \$521,842 | \$534,888 | \$548,261 | \$561,967 |

INSIGHT PROPERTY GROUP, LLC

Exhibit 5

FISCAL IMPACT ANALYSIS - BROAD & WASHINGTON CITY OF FALLS CHURCH 2017-2036

| Year | Assumption | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|--|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| BPOL Tax | | | | | | | | | | | | |
| Average Rental Rate per Unit | \$2,187 | \$2,800 | \$2,870 | \$2,941 | \$3,015 | \$3,090 | \$3,167 | \$3,247 | \$3,328 | \$3,411 | \$3,496 | \$3,584 |
| Total Revenue (Gross Receipts) | | \$9,319,125 | \$9,552,103 | \$9,790,906 | \$10,035,678 | \$10,286,570 | \$10,543,735 | \$10,807,328 | \$11,077,511 | \$11,354,449 | \$11,638,310 | \$11,929,268 |
| BPOL Rate on Apartment Rental | \$0.38 per \$100 Gross Receipts | \$35,413 | \$36,298 | \$37,205 | \$38,136 | \$39,089 | \$40,066 | \$41,068 | \$42,095 | \$43,147 | \$44,226 | \$45,331 |
| Grocery Rental Rate | | | | | | | | | | | | |
| Grocery Rental Rate | \$27 per SF | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 |
| Restaurant/Other Retail Rental Rate | | | | | | | | | | | | |
| Restaurant/Other Retail Rental Rate | \$45 per SF | \$58 | \$59 | \$61 | \$62 | \$64 | \$65 | \$67 | \$68 | \$70 | \$72 | \$74 |
| Office Rental Rate | | | | | | | | | | | | |
| Office Rental Rate | \$29 per SF | \$37 | \$38 | \$39 | \$40 | \$41 | \$42 | \$43 | \$44 | \$45 | \$46 | \$48 |
| Total Rental Revenue | | \$4,002,568 | \$4,102,633 | \$4,205,198 | \$4,310,328 | \$4,418,087 | \$4,528,539 | \$4,641,752 | \$4,757,796 | \$4,876,741 | \$4,998,659 | \$5,123,626 |
| BPOL Rate on Commercial Landlord Revenue | \$0.52 per \$100 Gross Receipts | \$20,813 | \$21,334 | \$21,867 | \$22,414 | \$22,974 | \$23,548 | \$24,137 | \$24,741 | \$25,359 | \$25,993 | \$26,643 |
| Retail Spending in Falls Church | | | | | | | | | | | | |
| Retail Spending in Falls Church | | \$19,436,548 | \$19,922,462 | \$20,420,523 | \$20,931,036 | \$21,454,312 | \$21,990,670 | \$22,540,437 | \$23,103,948 | \$23,681,546 | \$24,273,585 | \$24,880,425 |
| BPOL Rate on Retail Gross Receipts | \$0.19 per \$100 Gross Receipts | \$36,929 | \$37,853 | \$38,799 | \$39,769 | \$40,763 | \$41,782 | \$42,827 | \$43,898 | \$44,995 | \$46,120 | \$47,273 |
| Construction Cost | | | | | | | | | | | | |
| Construction Cost | \$84,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| BPOL Rate on Building/Development | \$0.16 per \$100 Gross Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total BPOL Revenue | \$1,707,818 | \$93,155 | \$95,484 | \$97,871 | \$100,318 | \$102,826 | \$105,397 | \$108,032 | \$110,733 | \$113,501 | \$116,338 | \$119,247 |
| Licenses and Permits | | | | | | | | | | | | |
| Licenses and Permits | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous Revenues | | | | | | | | | | | | |
| Per Resident | \$772 | \$989 | \$1,013 | \$1,039 | \$1,065 | \$1,091 | \$1,118 | \$1,146 | \$1,175 | \$1,204 | \$1,235 | \$1,265 |
| Per Employee | \$392 | \$502 | \$515 | \$527 | \$541 | \$554 | \$568 | \$582 | \$597 | \$612 | \$627 | \$643 |
| Residents | 1.64 per Unit | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 |
| Employees | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 |
| Total Miscellaneous Revenues | | \$657,207 | \$673,637 | \$690,478 | \$707,740 | \$725,433 | \$743,569 | \$762,159 | \$781,212 | \$800,743 | \$820,761 | \$841,280 |
| Total Revenues by Source (2017-2036) | | | | | | | | | | | | |
| Real Property Tax | \$30,444,654 | \$1,793,997 | \$1,838,847 | \$1,884,818 | \$1,931,939 | \$1,980,237 | \$2,029,743 | \$2,080,487 | \$2,132,499 | \$2,185,812 | \$2,240,457 | \$2,296,468 |
| Personal Property Tax | \$3,557,141 | \$226,162 | \$231,816 | \$237,611 | \$243,552 | \$249,640 | \$255,881 | \$262,278 | \$268,835 | \$275,556 | \$282,445 | \$289,506 |
| Sales Tax | \$3,322,148 | \$194,365 | \$199,225 | \$204,205 | \$209,310 | \$214,543 | \$219,907 | \$225,404 | \$231,039 | \$236,815 | \$242,736 | \$248,804 |
| Meals Tax | \$7,513,402 | \$439,008 | \$449,983 | \$461,233 | \$472,763 | \$484,582 | \$496,697 | \$509,114 | \$521,842 | \$534,888 | \$548,261 | \$561,967 |
| BPOL Tax | \$1,707,818 | \$93,155 | \$95,484 | \$97,871 | \$100,318 | \$102,826 | \$105,397 | \$108,032 | \$110,733 | \$113,501 | \$116,338 | \$119,247 |
| Licenses and Permits | \$540,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous Revenues | \$10,978,061 | \$657,207 | \$673,637 | \$690,478 | \$707,740 | \$725,433 | \$743,569 | \$762,159 | \$781,212 | \$800,743 | \$820,761 | \$841,280 |
| Total Revenues | \$58,063,225 | \$3,403,895 | \$3,488,992 | \$3,576,217 | \$3,665,622 | \$3,757,263 | \$3,851,194 | \$3,947,474 | \$4,046,161 | \$4,147,315 | \$4,250,998 | \$4,357,273 |
| Expenditures | | | | | | | | | | | | |
| Operating Expenditures per Resident | \$340 | \$435 | \$446 | \$457 | \$468 | \$480 | \$492 | \$504 | \$517 | \$530 | \$543 | \$557 |
| Operating Expenditures per Employee | \$1,096 | \$1,404 | \$1,439 | \$1,475 | \$1,512 | \$1,549 | \$1,588 | \$1,628 | \$1,668 | \$1,710 | \$1,753 | \$1,797 |
| Total Non-Educational Operating Expenditures | | \$722,144 | \$740,198 | \$758,703 | \$777,670 | \$797,112 | \$817,040 | \$837,466 | \$858,403 | \$879,863 | \$901,859 | \$924,406 |
| Avg. Students per Total Apartments | 0.191 per Unit | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 |
| Educational Expenditures per Student | \$12,170 | \$870,463 | \$892,225 | \$914,531 | \$937,394 | \$960,829 | \$984,849 | \$1,009,471 | \$1,034,707 | \$1,060,575 | \$1,087,090 | \$1,114,267 |
| Total Operating Expenditures | \$26,643,559 | \$1,592,608 | \$1,632,423 | \$1,673,233 | \$1,715,064 | \$1,757,941 | \$1,801,889 | \$1,846,937 | \$1,893,110 | \$1,940,438 | \$1,988,949 | \$2,038,673 |
| Net Fiscal Impact | \$31,419,666 | \$1,811,287 | \$1,856,569 | \$1,902,983 | \$1,950,558 | \$1,999,322 | \$2,049,305 | \$2,100,538 | \$2,153,051 | \$2,206,877 | \$2,262,049 | \$2,318,601 |

INSIGHT PROPERTY GROUP, LLC

Exhibit 6

ALLOCATION OF CITY REVENUES - GENERAL FUND FALLS CHURCH, VIRGINIA

| | | | |
|-------------|--------|--------|-----------|
| Population: | 13,208 | 51.2% | Esri 2016 |
| Employment: | 12,608 | 48.8% | Esri 2016 |
| Total | 25,816 | 100.0% | |

| Department | FY 2017 Approved Revenues | Percentage Allocation | | | Budget Allocation | | Revenue/ Employee | Revenue/ Resident |
|---|---------------------------------|-----------------------|------------|-----------|-------------------|-------------|----------------------|----------------------|
| | | Unallocated | Employment | Residents | Employment | Residents | | |
| Property Taxes (incl. Personal Property) | \$51,941,464 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Personal Property Taxes | \$5,175,000 | 0.0% | 17.5% | 82.5% | \$905,625 | \$4,269,375 | \$72 | \$323 |
| Non-Assessed Property Taxes | \$350,000 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Local Sales and Use Taxes | \$4,649,000 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Utility Tax | \$2,250,000 | 0.0% | 48.8% | 51.2% | \$1,098,853 | \$1,151,147 | \$87 | \$87 |
| Cigarette Tax | \$340,000 | 20.0% | 39.1% | 40.9% | \$132,839 | \$139,161 | \$11 | \$11 |
| Meals Tax | \$2,948,000 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Other Sales and Use Taxes | \$529,000 | 0.0% | 48.8% | 51.2% | \$258,353 | \$270,647 | \$20 | \$20 |
| Gross Receipts Business Taxes | \$4,200,000 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Other Taxes | \$1,100,000 | 60.0% | 30.0% | 10.0% | \$330,000 | \$110,000 | \$26 | \$8 |
| Total Taxes | \$73,482,464 | | | | | | \$216 | \$450 |
| Building and Inspection Fees | \$1,490,000 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Other Licenses, Fees, and Permits | \$240,100 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Federal, State, and Developer Contributions | \$4,416,083 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Charges for Services | \$3,317,977 | 25.0% | 10.0% | 65.0% | \$331,798 | \$2,156,685 | \$26 | \$163 |
| Fines and Forfeitures | \$665,100 | 25.0% | 10.0% | 65.0% | \$66,510 | \$432,315 | \$5 | \$33 |
| Use of Property and Money (Rental Income) | \$283,260 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous | \$59,000 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Use of Fund Balance | \$1,700,310 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Debt Proceeds | \$649,000 | 100.0% | 0.0% | 0.0% | \$0 | \$0 | \$0 | \$0 |
| Total General Fund Revenues Incl. Personal Property | \$86,303,294 | | | | | | \$464 | \$1,096 |
| Total Excl Personal Property | | | | | | | \$392 | \$772 |

SOURCE: City of Falls Church FY 2017 Budget

INSIGHT PROPERTY GROUP, LLC

Exhibit 7

ALLOCATION OF CITY EXPENDITURES FALLS CHURCH, VIRGINIA

| | | | | | |
|-------------|--------|--------|-----------|-------|--------------|
| Population: | 13,208 | 51.2% | Students: | 2,685 | FCPS 9/30/16 |
| Employment: | 12,608 | 48.8% | | | |
| Total | 25,816 | 100.0% | | | |

| Department | FY 2017 | Percentage Allocation | | | | Budget Allocation | | | Expenditure/ | | |
|------------------------------------|-----------------------|-----------------------|------------|-----------|----------|-------------------|-------------|--------------|--------------|----------|----------|
| | Budgeted Expenditures | Unallocated | Employment | Residents | Students | Employment | Residents | Students | Employee | Resident | Student |
| Legislative | \$1,103,120 | 75% | 12% | 13% | 0% | \$134,685 | \$141,095 | \$0 | \$11 | \$11 | \$0 |
| Executive | \$3,660,752 | 65% | 10% | 25% | 0% | \$366,075 | \$915,188 | \$0 | \$29 | \$69 | \$0 |
| Finance | \$1,470,454 | 65% | 10% | 25% | 0% | \$147,045 | \$367,614 | \$0 | \$12 | \$28 | \$0 |
| Commissioner of the Revenue | \$797,876 | 87% | 3% | 10% | 0% | \$23,936 | \$79,788 | \$0 | \$2 | \$6 | \$0 |
| Treasurer | \$768,307 | 87% | 3% | 10% | 0% | \$23,049 | \$76,831 | \$0 | \$2 | \$6 | \$0 |
| Registrar | \$302,087 | 87% | 3% | 10% | 0% | \$9,063 | \$30,209 | \$0 | \$1 | \$2 | \$0 |
| Sheriff | \$1,479,843 | 78% | 2% | 20% | 0% | \$29,597 | \$295,969 | \$0 | \$2 | \$22 | \$0 |
| Clerk of the Court | \$42,919 | 30% | 0% | 70% | 0% | \$0 | \$30,043 | \$0 | \$0 | \$2 | \$0 |
| Public Safety | \$9,515,603 | 45% | 20% | 35% | 0% | \$1,903,121 | \$3,330,461 | \$0 | \$151 | \$252 | \$0 |
| Public Works | \$5,955,304 | 40% | 24% | 36% | 0% | \$1,429,273 | \$2,143,909 | \$0 | \$113 | \$162 | \$0 |
| Human Services | \$3,761,763 | 20% | 0% | 80% | 0% | \$0 | \$3,009,410 | \$0 | \$0 | \$228 | \$0 |
| Recreation and Parks | \$3,229,715 | 35% | 0% | 65% | 0% | \$0 | \$2,099,315 | \$0 | \$0 | \$159 | \$0 |
| Library | \$2,018,921 | 35% | 0% | 65% | 0% | \$0 | \$1,312,299 | \$0 | \$0 | \$99 | \$0 |
| Development Services | \$2,167,427 | 60% | 10% | 30% | 0% | \$216,743 | \$650,228 | \$0 | \$17 | \$49 | \$0 |
| Education and Transfers to Schools | \$39,848,512 | 18% | 0% | 0% | 82% | \$0 | \$0 | \$32,675,780 | \$0 | \$0 | \$12,170 |
| Non-Departmental | \$10,181,817 | 100% | 0% | 0% | 0% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$86,304,420 | | | | | | | | \$340 | \$1,096 | \$12,170 |

SOURCE: City of Falls Church FY 2017 Budget

INSIGHT PROPERTY GROUP, LLC

Exhibit 8

CALCULATION OF STUDENT GENERATION RATES

| | UNIT DISTRIBUTION | | | | | | | STUDENTS | | | | | | | STUDENTS PER UNIT | | | | | | |
|--|-------------------|-----------|------------|-----------|------------|-----------|-----------|------------|----------|----------|-----------|-----------|-----------|-----------|-------------------|----------|--------------|--------------|--------------|--------------|--------------|
| | Total | Studio | 1BR | 1BR Den | 2BR | 2BR Den | 3BR | Total | Studio | 1BR | 1BR Den | 2BR | 2BR Den | 3BR | Total | Studio | 1BR | 1BR Den | 2BR | 2BR Den | 3BR |
| Recent Falls Church Rental Apartment Developments | | | | | | | | | | | | | | | | | | | | | |
| Pearson Square | 230 | 0 | 16 | 48 | 58 | 83 | 25 | 127 | 0 | 0 | 10 | 22 | 62 | 33 | 0.552 | | 0.000 | 0.208 | 0.379 | 0.747 | 1.320 |
| Read Building | 26 | 9 | 13 | 0 | 4 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0.038 | | 0.077 | | 0.000 | | |
| West Broad units occupied 1/25/17 | 223 | 2 | 135 | 20 | 66 | 0 | 0 | 24 | | 2 | 2 | 20 | | | 0.108 | | 0.015 | 0.100 | 0.303 | | |
| Northgate | 104 | 1 | 47 | 4 | 37 | 15 | 0 | 25 | 0 | 1 | 0 | 16 | 8 | 0 | 0.240 | 0 | 0.021 | 0.000 | 0.432 | 0.533 | |
| TOTAL | 583 | 12 | 211 | 72 | 165 | 98 | 25 | 177 | 0 | 4 | 12 | 58 | 70 | 33 | 0.304 | 0 | 0.019 | 0.167 | 0.352 | 0.714 | 1.320 |
| Broad & Washington @ Weighted Average | 292 | 33 | 139 | 22 | 73 | 15 | 10 | 55.9 | 0.0 | 2.6 | 3.7 | 25.7 | 10.7 | 13.2 | 0.191 | 0 | 0.019 | 0.167 | 0.352 | 0.714 | 1.320 |

SOURCE: Falls Church Public Schools and Economic Development; RCLCO