

**Addendum to the Report
“An Economic Analysis Addendum of the
Long Beach Garden Homes Project”,
Prepared May 2023**

**Prepared for:
California Investment Regional Center, LLC**

**Prepared by:
David R. Evans
Evans, Carroll & Associates, Inc.
2785 NW 26th St.
Boca Raton, FL 33434
703-835-6978
devans@evanscarrollecon.com**

March 25, 2026

This is an addendum to the report “An Economic Analysis Addendum of the Long Beach Garden Homes Project”, prepared in May 2023 by Baker Tilly US, LLP, for the Los Angeles City Plaza, LP project. California Investment Regional Center (the “client”) has requested an update based on actual expenditures incurred.

As will be shown in the remainder of this report, **based on EB-5 eligible Hard Construction Costs, Furniture, Fixtures & Equipment (FF&E) Purchases, and Architectural & Engineering (A&E) Services, the project has created 350.2 permanent, new jobs – sufficient for up to 35 alien entrepreneurs to invest EB-5 funds.** Summary results are shown below in Table 1.

Table 1. Summary of Expenditures and Employment						
Activity	NAICS Codes	Expenditures (mil curr \$)	Expenditures (mil 2020 \$)	Final Demand Multiplier	Total Jobs	Direct Jobs
Hard Construction Costs	2362	27.106	24.636	13.9403	343.4	175.4
FF&E Purchases*	4232, 4234, 4236	0.258	0.221	5.7226	1.3	0.0
Architectural & Engineering Services	5413	0.486	0.453	12.1691	5.5	2.2
Grand Total					350.2	177.6
* Indirect and induced effects only						
All figures calculated from unrounded numbers						

Consistent with the May 2023 report, the RIMS II multipliers in this addendum are from 2020 for a 5-county Study Region comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties in California; the multipliers are shown in Table 3 (in the Appendix). Thus all figures are deflated to a 2020-dollars basis before applying the multipliers.

Per the client, construction lasted more than 24 consecutive months; thus, direct as well as indirect and induced effects are included for the Hard Construction and A&E activities. As always, only indirect and induced effects are included for the FF&E Purchasing activity.

Hard Construction Costs

As shown in Table 4 (in the Appendix), Hard Construction Costs for the project totaled \$27,922,202. Of these costs, \$27,105,594 are considered EB-5 eligible Hard Construction Costs:

- Total \$27,922,202
- less Insurance (in the General Requirements section) (\$816,607)
- **Equals EB-5 eligible Hard Costs** **\$27,105,594**

As these costs are in 2022 dollars, and the RIMS II multipliers are from 2020, they must first be deflated to a 2020-dollars basis. The Turner Building Cost Index (www.turnerconstruction.com/cost-index) increased about 10.03% from 2020 to 2022, so the Hard Costs are deflated by a factor of 1.1003 – which equates to about \$24.636 million in 2020 dollars.

The RIMS II final demand employment multiplier for Nonresidential structures in the Study Region is 13.9403, so the Hard Construction activity has created 343.4 new jobs.

Furniture, Fixtures & Equipment (FF&E) Purchases

Per the client, EB-5 eligible FF&E Purchases for the project totaled \$258,160.

As these costs are in 2022 dollars and the RIMS II multipliers are from 2020, they must be deflated to 2020 dollars. The deflator for FF&E Purchases is the average of the Producer Price Indexes (PPIs) for (a) Household & institutional furniture & kitchen cabinet manufacturing and (b) Audio & video equipment manufacturing. On average, these increased 17.01% from 2020 to 2022, so the FF&E Purchases are deflated by a factor of 1.1701 – which equates to about \$0.221 million in 2020 dollars.

The final demand employment multiplier for Wholesale trade in the Study Region (excluding direct effects) is 5.7226, so the FF&E Purchasing activity has created 1.3 new jobs.

Architectural & Engineering (A&E) Services

Per Table 5 (in the Appendix), Soft Costs totaled \$8,768,241. Of these costs, \$485,749 are considered EB-5 eligible A&E Services – as shown on the Architecture and Engineering line item.

Once again, we must first deflate from 2022 to 2020 dollars. The PPI for Architectural, engineering, and related services increased about 7.30% from 2020 to 2022, so the A&E Services are deflated by a factor of 1.0730 – which equates to about \$0.453 million in 2020 dollars.

The final demand employment multiplier for Architectural, engineering, and related services in the Study Region is 12.1691, so the A&E activity has created 5.5 new jobs.

Summary

Combining these 3 activities, the project has created 350.2 permanent, new jobs.

Per the EB-5 Reform and Integrity Act of 2022 (RIA), “The Secretary of Homeland Security shall permit aliens seeking admission under this subparagraph to satisfy only up to 90 percent of the requirement under subparagraph (A)(ii) with jobs that are estimated to be created indirectly through investment under this paragraph.”

- As shown in Table 1, of the 350.2 jobs created by the project, 177.6 are direct; the remaining 172.6 jobs are indirect and induced.
- The indirect and induced jobs therefore represent only 49% of the job creation on the project, well below the 90% threshold required by RIA.

Appendix

Table 2 shows the NAICS codes for each type of economic activity. The descriptions are taken from <https://www.census.gov/naics/>.

Table 2. NAICS Codes for Each Type of Activity

2362 Nonresidential Building Construction
4232 Furniture and Home Furnishing Merchant Wholesalers
4234 Professional and Commercial Equipment and Supplies Merchant Wholesalers
4236 Household Appliances and Electrical and Electronic Goods Merchant Wholesalers
5413 Architectural, Engineering and Related Services

Table 3 shows the multipliers, copied directly from Table 1-5 of the RIMS II model for the counties listed below.

Table 3. RIMS II Multipliers for the Study Region

INDUSTRY	Multiplier					
	Final Demand				Direct Effect	
	Output/1/ (dollars)	Earnings/2/ (dollars)	Employment/3/ (jobs)	Value-added/4/ (dollars)	Earnings/5/ (dollars)	Employment (jobs)
2332E0 Nonresidential structures	2.3005	0.8952	13.9403	1.2762	1.7272	1.95
420000 Wholesale trade	2.0326	0.5772	8.6395	1.2078	2.2580	2.96
541300 Architectural, engineering, and related services	2.2164	0.8338	12.1691	1.3251	1.8944	2.49
722110 Full-service restaurants	2.1483	0.7100	19.4267	1.2420	1.9221	1.45

Region Definition: Los Angeles, CA; Orange, CA; Riverside, CA; San Bernardino, CA; Ventura, CA

*Includes Government enterprises.

1. Each entry in column 1 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
2. Each entry in column 2 represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
3. Each entry in column 3 represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry. Because the employment multipliers are based on 2020 data, the output delivered to final demand should be in 2020 dollars.
4. Each entry in column 4 represents the total dollar change in value added that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
5. Each entry in column 5 represents the total dollar change in earnings of households employed by all industries for each additional dollar of earnings paid directly to households employed by the industry corresponding to the entry.
6. Each entry in column 6 represents the total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

NOTE.--Multipliers are based on the 2012 Benchmark Input-Output Table for the Nation and 2020 regional data. Industry List A identifies the industries corresponding to the entries.

SOURCE.--Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.

Table 4. Hard Construction Costs

CSI	DESCRIPTION OF WORK	TOTAL COMPLETED & STORED TO DATE (\$)
-----	---------------------	---------------------------------------

Pre Construction Costs:

101	Architect, Engineering & Soils Study Fees	-
102	Design Review/Plan Check Fees	-
103	Permit - City/County	-
104	Utility Connection Fees (included w/permits)	-
105	School/Park/Misc. Taxes	-
106	Loan Fees	-
107	Inspection Fees	-
108	Land Draw	-
100	SUB-TOTAL PRE-CONSTRUCTION COST	\$0.00

General Requirements:

201	Temporary Utilities & Facilities	\$104,860.00
202	Special Inspections/Testing-Geo-tech, Structural	\$285,281.00
203	Job Security	\$509,693.00
204	Equipment Rental	\$606,194.41
205	Jobsite Overhead	\$89,871.00
206	Project Management/Supervision	\$264,000.00
207	General Contractor's office overhead/profit	
208	State Sales Tax (where applicable)	
209	Builder Contingency	
	Insurance	\$816,607.11
200	SUB-TOTAL GENERAL REQUIREMENTS	\$2,676,506.52

Site Preparation:

301	Demolition	\$135,701.00
302	Clearing/Stakeout	\$49,346.00
303	Rough grading/shoring/excavation/fill	\$1,511,680.00
304	Site retaining walls/waterproofing/backfill	\$220,514.00
305	Site drainage	\$53,972.00
306	Private septic system	\$135,701.00
307	Domestic Water well	-
308	Pump house & Pressure water system	\$100,234.00
309	Environmental	-
310	Off-site improvements	\$161,916.00
	Vehicles	\$23,000.00
300	SUB-TOTAL SITE PREPARATION	\$2,392,064.00

Foundation Complete w/Foundation Endorsement

401	Embedded hardware	\$189,673.00
402	Ground Plumbing	\$100,234.00

403	Ground Mechanical	-
404	Ground Electrical	\$50,888.00
405	Underground Utilities	\$269,860.00
406	Foundation & Building Retaining Walls Poured	\$3,734,606.00
407	Concrete slab	\$4,044,896.00
	Other:	-
400	SUB-TOTAL FOUNDATION COMPLETE	\$8,390,157.00

Building Rough-in Completion

501	Structural masonry	\$248,271.00
502	Rough framing materials	\$1,117,993.00
503	Structural steel	\$136,472.00
504	Modular or Sectional Mfg. Home	-
505	Package/Kit Home	\$562,851.00
506	Mfg. Trusses/Components	-
507	Rough Framing Labor	\$1,117,993.00
508	Lightweight concrete interior floors	\$132,000.00
509	Plumbing Top-Out	\$983,833.00
510	Rough Heating, Ventilation, Air Conditioning	\$499,627.00
511	Rough Electrical	\$826,602.00
512	Fire Protection Sprinklers	\$428,692.00
513	Fireplaces incl. Flues	-
514	Security & Communications pre-wiring	-
	Other:	-
500	SUB-TOTAL BUILDING ROUGH-IN COMPLETION	\$6,054,334.00

Exterior Weather-tight

601	Waterproofing decks, shower pans, etc.	\$291,449.00
602	Gutters, downspouts, sheet metal	\$106,248.00
603	Roof Covering	\$346,963.00
604	Windows	\$486,520.00
605	Exterior doors	\$187,962.00
606	Skylights	-
607	Glazing	\$152,664.00
608	Exterior Siding (see Project Profile)	\$340,795.00
609	Exterior Trim	\$103,318.00
610	Stucco	\$750,983.00
611	Masonry Veneer	\$32,383.00
612	Ornamental Iron	\$117,042.00
613	Garage Doors	\$5,243.00
614	Exterior Painting	\$194,454.00
	Misc. Pickup	-
600	SUB-TOTAL EXTERIOR WEATHER-TIGHT	\$3,116,024.00

Drywall/Finish Carpentry

701	Insulation	\$160,374.00
702	Drywall/Plaster	\$1,031,108.00

703	Interior Stairways	\$351,356.00
704	Cabinetry	\$348,505.00
705	Finish Materials/Millwork	\$211,028.00
706	Interior Doors	\$287,995.00
707	Finish Hardware	\$116,580.00
708	Finish Carpentry labor	\$228,225.00
	T-Bar Ceiling	\$23,000.00
700	SUB-TOTAL DRYWALL/FINISH CARPENTRY	\$2,758,171.00

Building Completion/Final Inspection/N.O.C. filed

801	Countertops	\$66,309.00
802	Tub/shower/enclosures	\$129,886.00
803	Interior painting/Wall coverings	\$251,356.00
804	Hard surface finish flooring	\$326,916.00
805	Carpeting	\$101,062.00
806	Built-in Appliances	\$161,916.00
807	Special Equipment (see property profile)	
808	Security System	\$243,814.00
809	Intercom	\$112,200.00
810	Built-in Vacuum Cleaner	-
811	Finish Plumbing	\$95,608.00
812	Plumbing Fixtures	\$130,458.00
813	Finish Electrical	\$33,309.00
814	Lighting Fixtures	\$61,309.00
815	Finish Heating, Ventilation, Air Conditioning	\$49,346.00
816	Solar Back-up	-
817	Bath Accessories	\$58,551.00
818	Tub and Shower Doors/Mirrors	\$59,477.00
819	Finish Grading	\$28,505.00
820	Pool/Spa	-
821	Hardscape-Driveway, Walkways, Steps	\$212,650.00
822	Landscaping	\$151,752.00
823	Irrigation System	\$58,598.00
824	Fencing including Gates	\$27,757.00
825	Touch-Up/Final Cleaning	\$58,972.00
800	SUB-TOTAL BUILDING COMPLETION	\$2,536,945.00

100	SUB-TOTAL PRE-CONSTRUCTION COST	-
200	SUB-TOTAL GENERAL REQUIREMENTS	\$2,676,506.52
300	SUB-TOTAL SITE PREPARATION	\$2,392,064.00
400	SUB-TOTAL FOUNDATION COMPLETE	\$8,390,157.00
500	SUB-TOTAL BUILDING ROUGH-IN COMPLETION	\$6,054,334.00
600	SUB-TOTAL EXTERIOR WEATHER-TIGHT	\$3,116,024.00
700	SUB-TOTAL DRYWALL/FINISH CARPENTRY	\$2,758,171.00
800	SUB-TOTAL BUILDING COMPLETION	\$2,534,945.00
	GRAND TOTAL	\$27,922,201.52

Table 5. Soft Costs

Advertising	212,478.20
Architecture and Engineering	485,748.86
City Plan and Permit	1,145,373.05
Insurance	816,607.02
Interest and Finance Expenses	4,835,687.45
Internet	12,784.82
Legal and Professional	824,115.29
Property Tax	435,446.53
Soft Costs Total	\$ 8,768,241.22

About Evans, Carroll & Associates, Inc.

Evans, Carroll & Associates (ECA) has been providing economic forecasting and consulting to clients since 1981. The firm specializes in economic analysis for EB-5 programs and the development of custom econometric models for individual industries and companies. ECA has successfully submitted hundreds of EB-5 economic impact reports that have been approved by USCIS.

Dr. Michael K. Evans founded ECA. Previously, Dr. Evans was the president of Chase Econometrics (1970-1980), and served as Clinical Professor of Economics at Kellogg Graduate School of Management, Northwestern University (1996-99) and Assistant and Associate Professor of Economics, Wharton School, University of Pennsylvania (1964-69). Dr. Evans has published over a dozen books and hundreds of articles.

Since 2016, the firm's economic impact practice has been led by **David R. Evans**; the two have worked together on EB-5 economic impact studies since 2012. Prior to joining ECA, Mr. Evans served as the Chief Scoring Officer for Capital One (1999-2011). He started his career in economic consulting (1989-99), most notably at PriceWaterhouse Coopers. Mr. Evans received his degree in Economics from Brown University in 1989. He has repeatedly been named one of the "Top 5 Economists" by *EB-5 Investors Magazine*.

For more information, please see our website at www.evanscarrollecon.com.