KEYSER MARSTON ASSOCIATES

DRAFT

Supplement
to the
Non-Residential Jobs-Housing Nexus Study

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City of Cupertino

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1.0 INTRODUCTION AND SUMMARY OF FINDINGS

This report ("Nexus Supplement") supplements the findings of the City of Cupertino's ("City") *Non-Residential Jobs-Housing Nexus Study Update*, prepared by Keyser Marston Associates, Inc. ("KMA") in 2015 ("2015 Nexus Study") by providing additional findings for:

- Self-storage; and
- Warehouse buildings.

These building types are not addressed in the 2015 Nexus Study. The 2015 Nexus Study and this Nexus Supplement establish maximum affordable housing impact fees that may be applied under the City of Cupertino's Housing Mitigation Program. Maximum fees are determined based on the linkages between new non-residential buildings, the employees who work in them, their demand for affordable housing, and the cost of mitigating the increased affordable housing demand.

1.1 Nexus Supplement Maximum Fee Conclusions

Conclusions of this Nexus Supplement regarding the maximum affordable housing impact fees that may be established for self-storage and warehouse uses are summarized in Table 1-1. Findings reflect the cost of mitigating affordable housing impacts of self-storage and warehouse development within the City of Cupertino. Figures in Table 1-1 represent technical impact analysis findings only and are not recommended fee levels.

Table 1-1. Maximum Fee Conclusions

Building Type	Maximum Fee Per Square Foot (1)
Self-Storage, employee unit provided	$0.56
Self-Storage, employee unit not provided	$1.18
Warehouse	$41.67

(1) Maximum fee level findings reflect the cost of mitigating affordable housing impacts of new development expressed per square foot of net new gross building area excluding parking.

Note: Nexus findings are not recommended fee levels.

Maximum fees for self-storage uses are low as a result of the low employment levels within these facilities. Self-storage facilities commonly provide an on-site employee unit. Nexus Supplement maximum fee level findings are presented with and without provision of an employee unit. Projects providing employee housing address a portion of housing demand within the project, reducing housing impacts and resulting maximum supported housing impact fees. Based on the estimated household incomes of self-storage facility mangers, employee units are estimated to address a need for Moderate Income housing.

Section 2.0 provides a step-by-step narrative of the analysis methodology, data sources and findings.

2.0 NEXUS ANALYSIS

This Nexus Supplement quantifies the number of jobs added by development of new self-storage and warehouse facilities, housing needs by income level for workers who hold these jobs and the net cost per square foot of building area to mitigate the increased affordable housing need. The conclusions of the analysis are maximum supportable or legally defensible affordable housing impact fee levels based on the impact of new self-storage and warehouse facilities on the need for affordable housing. Findings are not recommended fee levels. The City is free to take a range of policy considerations into account in setting fees anywhere below the maximums identified in this report.

2.1 Methodology Overview

The nexus analysis uses the following general steps:

- **Number of jobs** – The numbers of employees working in self-storage and warehouse buildings are estimated based on employment density data and the assumption of a 200,000 square foot building size, for ease of presentation.
- **Number of Households** – Census data on the average number of workers per working household is used to translate the estimated number of jobs into the estimated number of households.
- **Household income** – Household income is estimated by combining data on the occupation profile of workers from the Bureau of Labor Statistics, compensation data from the California Employment Development Department (EDD) specific to Santa Clara County as of 2019, and Census data relating individual worker income to overall household income.
- **Housing Need by Income** – Household income is compared to published income limits from HCD to determine the housing need by income category.
- **Mitigation Costs** – Maximum supported fees are calculated based on the number of Very Low, Low, and Moderate-Income households and the estimated cost to deliver housing affordable within each income category.
- **Credit for Employee Unit** - Self-storage facilities in the area commonly include an employee unit. Since the employee unit addresses a portion of employee housing demand, a credit or reduction is applied in determining maximum fees for self-storage projects that provide an employee housing unit.

2.2 Step-by-Step Narrative of Nexus Methodology

This section provides a step-by-step discussion of the nexus analysis methodology.

KMA conducted the analysis assuming 200,000 square foot buildings. This building size was selected because 200,000 square feet is representative of the size of new self-storage facilities being developed in the area. At the conclusion of the analysis, the findings are divided by building size to express the linkages per square foot so that findings can be applied to buildings of any size.

Following is a description of each step of the analysis:

Step 1 – Estimate of Total New Employees

The number of employees is estimated as follows:

- Self-storage: 3 employees for a 200,000 square foot facility, which equates to approximately one employee per 67,000 square feet of building area; and

- Warehouse: 100 employees for a facility with 200,000 square feet, or 2,000 square feet of building area per employee.

For self-storage facilities, the employment estimate is based on existing and planned facilities in the cities of Cupertino, Sunnyvale and San Jose as listed in Table 2-1. Information is from City staff reports and phone interviews with staff of the facilities.

Table 2-1. Self-Storage Facility Employment Density Data

Facility	Address	City	Square Footage	Number of Employees
Proposed Public Storage Facility*	20565 Valley Green Dr.	Cupertino	263,671	4
Proposed Loc-N-Stor Facility*	10655 Mary Avenue	Cupertino	167,148	4
A-1 Self-storage	1701 Senter Rd	San Jose	107,000	3
Extra Space Storage	106 Lawrence Stn. Rd.	Sunnyvale	159,537	2
Average			174,339	3
Average excl. A-1			196,785	3

Sources: City of Cupertino, City staff reports, interviews with facility staff.

*Represents redevelopment of existing facility to expand the size.

For warehouse facilities, the employment density assumption is based on consideration of the sources summarized in Table 2-2.

Table 2-2. Warehouse Facility Employment Density Estimates	
Source	**Square Feet Per Employee**
Institute of Transportation Engineers, Trip Generation, Warehousing (1)	781 sf
Portland Metro Employment Density Study (2)	
Wholesale Trade	1,390 sf
Transportation and Warehousing	3,290 sf
U.S. Department of Energy, Warehousing (1)	2,114 sf
Estimate for City of Cupertino Nexus Analysis	2,000 sf

(1) Drawn from summary of this data source prepared by U.S. Green Building Council.

(2) Technical Report 1999 Employment Density Study. Prepared by Portland Metro. 1999.

Step 2 – Adjustment for Changing Industries

This step makes an adjustment to employment estimates to account for declines, changes and shifts within all sectors of the economy and to recognize that new space is not always 100% equivalent to net new employees.

The local economy, like that of the U.S. as a whole, is constantly evolving, with job losses in some sectors and job growth in others. Over the past decade, employment declined in some manufacturing sectors of the local economy as well as wholesale trade, telecommunications, and governmental employment. Jobs lost in these declining sectors were replaced by job growth in other industry sectors.

The analysis makes an adjustment to take these declines, changes and shifts within all sectors of the economy into account, recognizing that jobs added are not 100% net new in all cases. A 15% adjustment is utilized based on the long term shifts in employment that have occurred in some sectors of the local economy over the last decade and the likelihood of continuing changes in the future. Long term declines in employment experienced in some sectors of the economy mean that some of the new jobs are being filled by workers that have been displaced from another industry and who are presumed to already have housing locally. The analysis makes the assumption that existing workers downsized from declining industries are available to fill a portion of jobs in new workplace buildings built in San Jose.

The 15% downward adjustment was derived from California Employment Development Department data on employment by industry in the San Jose Sunnyvale Santa Clara MSA. Over the ten-year period from 2008 to 2018, approximately 25,400 jobs were lost in declining industry sectors. Over the same period, growing and stable industries added a total of 218,100 jobs. The figures are used to establish a ratio between jobs lost in declining industries to jobs gained in growing and stable industries at 11.6%, which is rounded up to arrive at the 15% adjustment used in the analysis. The assumption is that 15% of new jobs are filled by a worker down-sized from a declining industry who already lives locally.

The discount for changing industries represents a conservative assumption because many displaced workers may exit the workforce entirely by retiring. In addition, development of new workspace buildings will typically occur only to the extent there is positive net demand after re-occupancy of buildings vacated by businesses in declining sectors of the economy. To the extent existing buildings are re-occupied, the discount for changing industries is unnecessary because new buildings would represent net new growth in employment. The 15% adjustment is conservative in that it is mainly necessary to cover a special case in which buildings vacated by declining industries cannot be readily occupied by other users due to their special purpose nature, because of obsolescence, or because they are torn down or converted to residential.

Step 3 – Adjustment from Employees to Employee Households

This step converts the number of employees to the number of employee households, recognizing that that there is, on average, more than one worker per household, and thus the number of housing units needed for new workers is less than the number of new workers. The workers-per-worker-household ratio eliminates from the equation all non-working households, such as retired persons and students. According to the 2013-2017 ACS, the number of workers per worker household in Santa Clara County was 1.83, including full- and part-time workers. The total number of jobs created is divided by 1.83 to determine the number of new households.

Steps one through three are illustrated in Table 2-3.

Table 2-3. Steps 1-3 Number of Employees and Households

	Self-Storage	Warehouse
Step 1 - Estimate of Number of Employees		
Assumed Building Size (square feet)	200,000	200,000
Employment Density (square feet per employee)	66,667	2,000
Number of Employees	3	100
Step 2 - Net New Employees after 15% Adjustment	2.6	85
Step 3 - Adjustment for Number of Households (1.83)	1.4	46.4

Step 4 – Occupational Distribution of Employees

Estimating the occupational breakdown of employees is the first step to arrive at income levels. For self-storage, KMA contacted several local storage facilities to determine employment levels. Based on information provided in discussions with personnel at these facilities, we determined most facilities have between two and four employees. We also reviewed local jobs listings for employment at self-storage facilities. Lastly, we reviewed published data on the self-storage industry. Based on this research, KMA estimated a 200,000 square foot facility would employ one facility manager and two sales staff.

For the warehouse land use, KMA used published data from the Bureau of Labor Statistics (BLS) 2018 National Industry-Specific Occupational Employment Survey for the warehouse and storage industry (NAICS Code 493100). The BLS data provides a distribution of employee occupations within the warehouse and storage industry sector. Occupations include a mix of primarily transportation and material moving occupations, office and administrative support occupations, and others.

Estimated occupations for self-storage and warehouse employees are summarized in Table 2-4. Appendix Table 2 provides a further breakdown of warehouse employees by detailed occupational category.

Table 2-4. Occupational Distribution

	Self-Storage			Warehouse		
Occupation Categories Representing 2% or More of employment	**Number Employees**	**Number Employee Households***	**Percent**	**Number Employees**	**Number Employee Households***	**Percent**
Management Occupations	1.0	0.5	33.3%	2.7	1.2	2.7%
Business and Financial	-	-	-	2.0	1.0	2.0%
Sales and Related	2.0	0.9	66.7%	1.2	0.6	1.2%
Office and Admin Support	-	-	-	22.5	10.5	22.5%
Installation, Maintenance and Repair	-	-	-	2.8	1.3	2.8%
Production	-	-	-	2.4	1.1	2.4%
Transportation and Material Moving	-	-	-	63.4	29.4	63.4%
Subtotal	**3.0**	**1.4**	**100%**	**97.1**	**45.1**	**97.1%**
All Other Occupations	-	-	-	2.93	1.36	2.9%
Totals	**3.0**	**1.4**	**100.0%**	**100.0**	**46.4**	**100.0%**

Source: KMA estimate for self-storage. Bureau of Labor Statistics, 2018 Occupational Employment Survey for Warehouse and Storage. See Appendix Table 2 for additional detail for Warehouse employee occupations.
*After adjustments applied in Steps 2 and 3, described above.

Step 5 – Estimate of Employee Household Incomes

Employee compensations are estimated based on the occupational distribution from Step 4 in combination with publicly available wage and salary information by occupation category from the California Employment Development Department (EDD). Compensation data is as of the first quarter of 2019 and is specific to Santa Clara County.

For each occupational category, the OES data provides a distribution of specific occupations within the category. For example, within the Transportation and Material Moving Category, there are Industrial Truck and Tractor Operators, Laborers and Freight Material Movers, First-Line Supervisors, etc. Each of these individual categories has a different distribution of wages which

was obtained from EDD and is specific to workers in Santa Clara County as of 2019. The detailed occupation and salary data are provided in Appendix A Tables 2 and 3. Worker compensations used in the analysis assume full time employment (40 hours per week) based on EDD's convention for reporting annual compensation. Compensations as reported by EDD are adjusted upward where applicable to reflect the City of Cupertino's current minimum wage of $15.35 per hour.

Worker household incomes are estimated based upon ratios between individual employee income and household income derived from U.S. Census data for the San Francisco Bay Area as summarized in Table 2-5. Ratios adjust employee incomes upward even for households with only one worker in consideration of non-wage/salary income sources such as child support, disability, social security, investment income and others.

Table 2-5. Ratio of Household Income to Individual Worker Income

Individual Worker Income	One Worker Households	Two Worker Households	Three or More Workers
$25,000 to $50,000	1.26	2.61	3.07
$50,000 to $75,000	1.12	2.05	2.29
$75,000 to $100,000	1.07	1.85	1.93
$100,000 to $150,000	1.05	1.68	1.70
$150,000 to $200,000	1.04	1.53	1.53
$200,000 to $250,000	1.03	1.45	1.45
$250,000 to $300,000	1.03	1.33	1.38

Source: KMA analysis of 2013 to 2017 American Community Survey PUMS data for San Francisco Bay Area.

Estimated household incomes are compared to HCD income criteria to determine the percentage that qualify within each income category. The 2019 household income limits for Santa Clara County are shown in the table below. The comparison is made for each potential household size/number of workers combination. The result is a matrix indicating the percentages of households that would qualify in the affordable income tiers for each occupational category and each potential combination of household size and number of workers in the household.

Table 2-6. 2019 Household Income Limits

		Household Size					
Santa Clara County		**1-person**	**2-person**	**3-person**	**4-person**	**5-person**	**6-person**
Very Low Income	50% of AMI	$51,250	$58,550	$65,850	$73,150	$79,050	$84,900
Low Income	80% of AMI	$72,750	$83,150	$93,550	$103,900	$112,250	$120,550
Moderate Income	120% of AMI	$110,400	$126,150	$141,950	$157,700	$170,300	$182,950

AMI = Area Median Income
Source: California Department of Housing and Community Development

Step 6 – Household Size Distribution

In this step, the household size distribution of workers is estimated using U.S. Census 2013-2017 ACS data for Santa Clara County. Data for the County is used since workers are more representative of the larger area in which workers live (the County) than the City of Cupertino. In addition to the distribution in household sizes, the data also accounts for a range in the number of workers in households of various sizes. Table 2-7 indicates the percentage distribution utilized in the analysis. Application of these percentage factors accounts for the following:

- Households have a range in size and a range in the number of workers.
- Large households generally have more workers than smaller households.

Table 2-7. Percent of Households by Size and No. of Workers

No. of Persons in Household	No. of Workers in Household	Percent of Total Households
1	1	14.6%
2	1	13.0%
	2	15.0%
3	1	8.3%
	2	9.6%
	3+	3.2%
4	1	5.9%
	2	8.2%
	3+	5.2%
5	1	2.7%
	2	3.7%
	3+	2.3%
6	1	2.5%
	2	3.5%
	3+	2.2%
Total		100.0%

Source: 2013-2017 American Community Survey data for Santa Clara County.

Step 7 – Estimate of Households that meet HCD Size and Income Criteria

This step in the analysis calculates the number of employee households that fall into each income category for each size household. This calculation is based on combining the household income distribution (Step 5) with the worker household size distribution (Step 6) to arrive at a distribution of worker household by income tier. The result is the estimated number of households in each income tier by occupation category presented in Table 2-8.

Table 2-8. Estimate of Housing Demand by Occupation and Income Category								
	SELF-STORAGE				WAREHOUSE			
Occupations Representing 2% or more of Employment	Very Low	Low	Moderate	Over 120% AMI	Very Low	Low	Moderate	Over 120% AMI
Management Occupations	0.04	0.08	0.18	0.17	0.01	0.07	0.24	0.93
Business and Financial	-	-	-	-	0.05	0.16	0.36	0.38
Sales and Related	0.44	0.24	0.25	-	-	-	-	-
Office and Admin Support	-	-	-	-	3.88	2.94	3.20	0.44
Installation, Maint. Repair	-	-	-	-	0.26	0.29	0.58	0.20
Production	-	-	-	-	0.39	0.33	0.36	0.06
Transportation	-	-	-	-	10.20	8.16	9.27	1.80
Subtotal	0.48	0.32	0.43	0.17	14.79	11.93	14.00	3.80
Other Occupations	-	-	-		0.64	0.52	0.60	0.16
Total	**0.48**	**0.32**	**0.43**	**0.17**	**15.43**	**12.45**	**14.61**	**3.96**

Due to the low level of employment within self-storage facilities, affordable unit demand is expressed in terms of fractions of a housing unit within each income category. Fractional unit findings can be interpreted as follows:

1) Fractional unit figures recognize that employees are only partly responsible for the need for housing units that are shared with other household members employed elsewhere.

2) Due to employee turnover, a number of different people may hold the same position(s) over the life of the facility and the household size of employees may change over time. Accordingly, the income category within which employees qualify may vary with time. Fractional unit housing demand figures represent the estimated allocable portion of housing demand by income category over the life of the facility.

2.3 Summary of Housing Demand by Income Level

Table 2-9 summarizes the analysis of the number of households in each affordability category, the total number up to 120% of median, and the remaining households earning over 120% of median associated with a 200,000 square foot building.

Table 2-9. Summary of Worker Households by Income Level per 200,000 Square Feet of Building Area				
	Self-Storage		Warehouse	
	Number of Households	Percent	Number of Households	Percent
Very Low Income (0%-50% AMI)	0.5	34%	15.4	33%
Low Income (50%-80% AMI)	0.3	23%	12.4	27%
Moderate Income (80%-120% AMI)	0.4	31%	14.6	31%
Subtotal through 120% AMI	1.2	88%	42.5	91%
Above Moderate (over 120% AMI)	0.2	12%	3.96	9%
Total	1.4	100%	46.4	100%

As shown, 88% of self-storage worker housing demand is for housing affordable at the Very Low to Moderate Income level. For warehouse employees, 91% of housing demand is for units affordable from Very Low to Moderate Income.

2.4 Housing Unit Demand Per Square Foot of Building Area

The analysis thus far has used 200,000 square foot buildings. In this step, the conclusions are translated to housing demand per square foot of building area by dividing the findings in Table 2-9 by 200,000 square feet. The result is shown in Table 2-10.

Table 2-10. New Worker Households Per Square Foot		
	Self-Storage	**Warehouse**
Very Low Income (0%-50% AMI)	0.00000239	0.00007716
Low Income (50%-80% AMI)	0.00000161	0.00006616
Moderate Income (80%-120% AMI)	0.00000213	0.00007304
Total up to 120% AMI	**0.00000613**	**0.00021637**

This is the summary of the housing nexus analysis, or the linkage from self-storage and warehouse buildings to employees to housing demand, by income level. We believe that it is a conservative approximation that most likely understates the households at each income level generated by this building type.

2.5 Credit for Provision of On-Site Unit

As discussed earlier, self-storage facilities commonly provide an onsite housing unit. This is the case for proposed self-storage projects in Cupertino. Providing a housing unit meets or offsets a portion of employee housing demand as documented in the Nexus Supplement; therefore, an adjustment or credit for the provided unit is necessary. The analysis assumes the provided unit would house the facility manager and meets the need for a household in the Moderate Income category. As indicated in Table 2-8, managerial workers are estimated to have a range of household income levels with Moderate Income representing the largest fractional share of

housing demand. Table 2-11 expresses the credit for a provided on-site housing unit on a per square foot basis by dividing one unit by the 200,000 square foot assumed building area.

Table 2-11. Credit for Provision of On-Site Unit	
On-Site Unit	1 unit
Building Area Assumption	200,000 square feet
Credit for Provided Housing Unit Per Square Foot of Building Area [offset to housing demand factors summarized in Table 2-10]	0.00000500

2.6 Mitigation Costs and Maximum Supported Fee Levels

This section takes the conclusions of Section 2.4 and 2.5 on the number of households in the Very Low, Low and Moderate Income categories and identifies the total cost of assistance required to make housing affordable.

The analysis uses the affordability gaps determined in the 2015 Nexus Study as summarized in Table 2-12. Affordability gaps represent the net subsidy required to produce a unit of affordable housing at each income level.

Table 2-12. Affordability Gaps	
Very Low (0% to 50% AMI)	$241,000
Low (50% to 80% AMI)	$213,000
Moderate (80% to 120% AMI)	$123,000

AMI = Area Median Income

The last step in the nexus analysis calculates the cost to deliver affordable housing to workers in new self-storage and warehouse facilities. The results are shown in Table 2-13.

The demand for affordable units in each income range that is generated per square foot of building area is drawn from Table 2-10. The “Maximum Fee per Square Foot” represents the results of the following calculation:

Affordability Gap (Table 2-11)	X	No. affordable units generated per square foot of building area. (from Table 2-10)	=	Maximum Fee Per Square Foot of Building Area

For purposes of applying a credit for provided employee units, the calculation is the same as illustrated above, except that the figure derived in Table 2-11 is multiplied by the applicable affordability gap for moderate income and the result is credited (subtracted) from the mitigation cost findings to determine the maximum supported fee for self-storage projects providing an employee unit.

Table 2-13. Maximum Fee Per Square Foot (Total Nexus Cost)		
	Self-Storage	**Warehouse**
Very Low Income (up to 50% AMI)	$0.58	$18.60
Low Income (50% - 80% AMI)	$0.34	$14.09
Moderate (80% - 120% AMI)	$0.26	$8.98
Maximum Fee if No On-Site Unit	**$1.18**	**$41.67**
Credit if On-Site Unit Provided (1)	($0.62)	
Maximum Fee with One On-Site Unit	**$0.56**	

(1) The credit of $0.62 per square foot is calculated based on the affordability gap for moderate income multiplied by the credit for provided housing unit per square foot of building area from Table 2-11.

Note: Nexus findings are not recommended fee levels.

For Self-Storage, the maximum fee per square foot conclusion is $1.18 per square foot if no employee housing unit is provided and $0.56 per square foot if an employee housing unit is provided. For Warehouse, the maximum supported fee is $41.67 per square foot. Findings apply to the net new building area constructed. These figures represent the maximum impact fee that could be charged to mitigate the impacts on the need for affordable housing. These totals are not recommended fee levels; they represent only the maximums established by this analysis.

2.7 Conservative Assumptions

In establishing the maximum impact fees, several conservative assumptions were employed in the analysis that result in a cost to mitigate affordable housing needs that may be understated. These conservative assumptions include:

- Only direct employees are counted in the analysis. Although it would be appropriate to include affordable housing impacts associated with off-site / indirect jobs, for simplicity and to provide a conservative analysis, only direct employees are included.

- A downward adjustment of 15% has been reflected in the analysis to account for declining industries and the potential that displaced workers from declining sectors of the economy will fill a portion of jobs in new self-storage and warehouse facilities. This is a conservative assumption because many displaced workers may exit the workforce by retiring and the adjustment is only necessary to the extent vacated space is not re-occupied.

- Annual incomes for workers reflect full time employment based upon EDD's convention for reporting the compensation information. In fact, many workers work less than full time; therefore, annual compensations for these workers is likely overstated.

In summary, less conservative assumptions could be made that would justify a higher maximum affordable housing impact fee for self-storage and warehouse facilities.

APPENDIX TABLE 1
2018 NATIONAL WAREHOUSE WORKER DISTRIBUTION BY OCCUPATION
SELF-STORAGE AND WAREHOUSE NEXUS ***Draft***
CUPERTINO, CA

Major Occupations (2% or more)	2018 National Warehouse Industry Occupation Distribution	
Management Occupations	30,540	*2.7%*
Business and Financial Operations Occupations	23,480	*2.0%*
Office and Administrative Support Occupations	257,800	*22.5%*
Installation, Maintenance, and Repair Occupations	32,640	*2.8%*
Production Occupations	27,940	*2.4%*
Transportation and Material Moving Occupations	725,670	*63.4%*
All Other Warehouse Occupations	47,400	*4.1%*
INDUSTRY TOTAL	1,145,470	100.0%

Source: Bureau of Labor Statistics;
Prepared by: Keyser Marston Associates, Inc.
Filename: \\SF-FS2\wp\11\11413\014\warehouse appendix 1.31.20; App1; 1/31/2020; dd

APPENDIX TABLE 2
AVERAGE ANNUAL COMPENSATION, 2019
WAREHOUSE WORKER OCCUPATIONS
SELF-STORAGE AND WAREHOUSE NEXUS ***Draft***
CUPERTINO, CA

Occupation [1]	2019 Avg. Compensation [2]	% of Total Occupation Group [3]	% of Total Warehouse Workers
Page 1 of 2			
Management Occupations			
General and Operations Managers	$164,500	35.4%	0.9%
Administrative Services Managers	$145,000	4.4%	0.1%
Transportation, Storage, and Distribution Managers	$141,100	37.3%	1.0%
Managers, All Other	$174,500	4.9%	0.1%
All Other Management Occupations (Avg. All Categories)	$172,100	18.0%	0.5%
Weighted Mean Annual Wage	***$156,800***	**100.0%**	**2.7%**
Business and Financial Operations Occupations			
Buyers and Purchasing Agents	$80,100	15.8%	0.3%
Human Resources Specialists	$85,800	15.8%	0.3%
Logisticians	$99,800	13.8%	0.3%
Training and Development Specialists	$84,700	12.5%	0.3%
Market Research Analysts and Marketing Specialists	$99,100	5.5%	0.1%
Business Operations Specialists, All Other	$102,500	17.7%	0.4%
Accountants and Auditors	$92,800	9.5%	0.2%
All Other Business and Financial Operations (Avg. All Categories)	$99,300	9.3%	0.2%
Weighted Mean Annual Wage	***$92,300***	**100.0%**	**2.0%**
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$71,200	5.6%	1.3%
Customer Service Representatives	$48,000	7.3%	1.6%
Production, Planning, and Expediting Clerks	$65,900	4.5%	1.0%
Shipping, Receiving, and Traffic Clerks	$40,300	23.2%	5.2%
Stock Clerks and Order Fillers	$33,700	38.7%	8.7%
Office Clerks, General	$48,000	5.2%	1.2%
All Other Office and Administrative Support Occupations (Avg. All Categories)	$51,200	15.5%	3.5%
Weighted Mean Annual Wage	***$43,300***	**100.0%**	**22.5%**

Sources: Bureau of Labor Statistics
Prepared by: Keyser Marston Associates, Inc.
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Occupation [1]	2019 Avg. Compensation [2]	% of Total Occupation Group [3]	% of Total Warehouse Workers
Page 2 of 2			
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$94,200	8.8%	0.2%
Bus and Truck Mechanics and Diesel Engine Specialists	$70,700	9.1%	0.3%
Maintenance and Repair Workers, General	$55,200	60.3%	1.7%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	$62,200	21.8%	0.6%
Weighted Mean Annual Wage	***$61,600***	**100.0%**	**2.8%**
Production Occupations			
First-Line Supervisors of Production and Operating Workers	$77,900	8.3%	0.2%
Assemblers and Fabricators, All Other, Including Team Assemblers	$38,100	15.6%	0.4%
Inspectors, Testers, Sorters, Samplers, and Weighers	$52,000	27.2%	0.7%
Packaging and Filling Machine Operators and Tenders	$34,900	16.8%	0.4%
Production Workers, All Other	$40,800	5.3%	0.1%
All Other Production Occupations (Avg. All Categories)	$46,000	26.7%	0.7%
Weighted Mean Annual Wage	***$46,900***	**100.0%**	**2.4%**
Transportation and Material Moving Occupations			
First-Line Supervisors of Transportation and Material Moving Workers, Except Aircra	$67,800	6.4%	4.0%
Heavy and Tractor-Trailer Truck Drivers	$54,600	7.9%	5.0%
Industrial Truck and Tractor Operators	$45,000	25.3%	16.0%
Laborers and Freight, Stock, and Material Movers, Hand	$39,500	45.4%	28.8%
Packers and Packagers, Hand	$31,900	9.4%	6.0%
All Other Transportation and Material Moving Occupations (Avg. All Categories)	$43,100	5.7%	3.6%
Weighted Mean Annual Wage	***$43,400***	**100.0%**	**63.4%**
Weighted Average Annual Wage - All Occupations	***$48,000***		95.9%

[1] Including occupations representing 4% or more of the major occupation group.

[2] The methodology utilized by the Bureau of Labor Statistics (BLS) assumes hourly paid employees are employed full-time. Annual compensation is calculated by BLS by multiplying hourly wages by 40 hours per work week by 52 weeks. Compensations are adjusted where applicable to reflect Cupertino's $15.35 minimum wage.

[3] Occupation percentages are based on the 2018 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to Santa Clara County as of 2019.

Sources: Bureau of Labor Statistics
Prepared by: Keyser Marston Associates, Inc.
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APPENDIX TABLE 3
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SELF-STORAGE
SELF-STORAGE AND WAREHOUSE NEXUS
CUPERTINO, CA **Draft**

Occupation [3]	Estimated No. of Employees	2019 Avg. Compensation [1]
Property, Real Estate, and Community Association Managers	1	$96,900
Retail Salespersons	2	$36,400

[1] The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

Sources: California Employment Development Department
Keyser Marston Associates, Inc.
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