

TECHNICAL APPENDIX FOR Development Feasibility and Value Capture Analysis

SUPPLEMENT TO REPORT:

ECONOMIC ANALYSIS FOR DOSP ZONING INCENTIVE PROGRAM

Prepared for: Oakland Planning & Building Department

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> > February 2023

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TECHNICAL APPENDIX FOR DEVELOPMENT FEASIBILITY AND VALUE CAPTURE ANALYSIS

PURPOSE

This appendix supplements the report by Hausrath Economics Group released in August 2022 entitled: "Economic Analysis for DOSP Zoning Incentive Program". The appendix does the following.

- Summarizes and highlights key findings and considerations regarding development feasibility and the potential capture of real estate value for community benefits.
- Provides more detail on the methodology and assumptions for assessing development feasibility, the real estate value created by higher intensity development, and potential value capture for community benefits.
- Presents the real estate pro forma analyses and related tables for representative residential and office development projects covering the range of combinations of base zoning and higher intensity zoning proposed throughout the DOSP area under the Zoning Incentive Program (ZIP).

ORGANIZATION

The appendix is organized into five sections.

- I. Highlights of key findings and considerations regarding development feasibility and the potential capture of real estate value for community benefits.
- II. Explanation of the methodology and key components of the analysis.
- III. Overview of appendix material for representative development prototypes presented in Section IV and Section V.
- IV. Documentation for the analysis of downtown <u>Residential Development Projects</u>: tables, map of benefit areas, and representative real estate pro formas.
- V. Documentation for the analysis of downtown <u>Office Development Projects</u>: tables, map of benefit areas, and representative real estate pro formas.

<u>SECTION I</u> KEY FINDINGS AND CONSIDERATIONS REGRADING DEVELOPMENT FEASIBILITY AND VALUE CAPTURE FOR COMMUNITY BENEFITS

The following key findings from the economic analysis of the DOSP Zoning Incentive Program (ZIP) address development feasibility in downtown Oakland, what these development economics mean for higher-intensity development desired downtown, and how they serve as the foundation for a value capture program for community benefits under the ZIP. The findings have implications for structuring the value capture program and for the success of the ZIP program over time.

• <u>Finding</u>: Higher-intensity development is not feasible under current economic conditions. Thus, higher-intensity development under the ZIP and the potential capture of additional value for community benefits will only occur in the FUTURE when development conditions improve and projects become feasible. The timing for the return of feasibility is uncertain.

The real estate pro forma analyses identify that higher-intensity residential and office development in downtown Oakland are not feasible under current real estate market and development cost conditions. These findings are consistent with a slowing of real estate development activity. Construction costs are high and have increased substantially, while rents declined and vacancies increased during and following the COVID-19 Pandemic. The timing for economic recovery is uncertain. Furthermore, it is not certain how pandemic-related adaptations in workplace and residence locations will play out over the long term in the regional real estate market.

Finding that developments are not now feasible, this analysis proceeded to identify conditions when projects could become feasible in the future as real estate economics improve and the gap between costs and revenues closes. The analysis identifies both the likely thresholds for feasibility and the potential increases in value from higher-intensity development under the ZIP once feasibility is restored. However, the timing for return to feasibility remains uncertain.

For higher-intensity residential and office development projects, the analysis identifies a feasibility threshold of approximately +20 percent over current conditions. For ease of analysis, the pro forma analysis models feasibility by testing percentage increases in rents/revenues until feasibility is reached. This is a proxy for a more complex set of changes in various development revenue and cost factors that would support feasibility over time. The larger the threshold for feasibility, the longer the time it could take for project feasibility to be reached.

◆ <u>Finding</u>: The success of the ZIP in facilitating higher-intensity development and providing community benefits depends on the feasibility of higher-intensity development, the timing for return of feasibility, and the strength of the real estate market. The specifics of the value capture program itself could affect the timing for return of feasibility and even the density of development built, as well as the overall success of the ZIP program over time.

Reaching project feasibility for downtown development projects requires closing the gap between development costs and revenues. The timing and the nature of the value capture program have both positive and negative implications for the ability to close this gap.

- Allowing additional density under the ZIP can provide an incentive for higher-intensity development downtown.
- However, additional development costs to achieve that density can offset some of that incentive.
- Within the current market context, costs of community benefits under the value capture program could increase the time needed to achieve project feasibility. The costs also could lead to development at lower density than would otherwise occur.
- Within the current market context, amounts of value capture for community benefits should be at levels that support the return of project feasibility and provide incentives for higher-intensity development.
- The timing for implementation of a value capture program should also be considered.
 There could be benefits of delaying implementation until real estate market conditions improve and show signs of approaching feasibility.

Differences in the types and extent of upzoning proposed under the ZIP also affect development outcomes, feasibility, and the timing of higher intensity development.

- In many locations, the base zoning supports mid-rise/low-rise development, and the higher-intensity zoning encourages larger high-rise development. The increase in density in these situations requires changes to more costly types of construction, there are higher financing/holding costs for the larger buildings, and their feasibility requires higher rents. Thus, these types of projects typically take longer to reach feasibility and to be built, particularly in locations without existing high-density development nearby. As a result, development feasibility for these upzoning situations is likely to be more sensitive to the costs and timing of a value capture program for community benefits as well as to the broader real estate market context affecting feasibility.
- Other increases in density under the ZIP allow larger, taller high-rises in areas where the base zoning already allows high-rise construction, and allow larger, taller mid-rise development where base zoning supports lower mid-rise or low-rise development. Both situations generally involve smaller changes in density than those described above, and there are fewer changes required in underlying development economics. For these rezoning situations, issues of development feasibility and timing are primarily those of the local and regional real estate market context.
- <u>Finding</u>: For a successful zoning incentive program to provide community benefits, the additional value from higher-intensity development needs to be shared among the developer, the landowner, and the community.

The economic analysis identifies *one-third of the additional value* from higher-density development as a reasonable "value capture" for community benefits. The intent is to provide

community benefits and retain incentives for developers and landowners to undertake higherintensity development projects. The successful capture of value for community benefits from higher intensity development is only possible with:

- <u>Incentives for developers</u> to gain value from building larger buildings (that are more costly and more risky); and
- <u>Incentives for landowners</u> to gain value from selling their properties for larger developments (without holding on to them to capture perceived higher/speculative values).

The economic analysis estimates "value capture" for community benefits under the ZIP based on the economics of *feasible development projects in the future*. There is no value to capture until higher-intensity projects are feasible to build in the future. Until development feasibility is restored, the assumed one-third share of additional value from higher density development could be aggressive when/where market conditions remain weak and feasibility is marginal.

Even in the future with return of stronger real estate market conditions, a more aggressive value capture program could have adverse effects on incentives for building the types of high-density projects desired under the DOSP, resulting in less development than would otherwise be the case. This outcome would have negative implications for the broad range of benefits provided by high-intensity development in downtown Oakland that are behind the higher densities in the DOSP. These include benefits for the local community as well as the larger region, including growth of jobs and local business activity, increased housing opportunities, increased tax base providing services and other benefits citywide, greater efficiency of local and regional transportation, and environmental and air quality benefits from the concentration of population and business activity in a high-density urban core at the center of the region.

SECTION II KEY COMPONENTS OF ANALYSIS TO

METHODOLOGY AND KEY COMPONENTS OF ANALYSIS TO ASSESS FEASIBILIITY AND ESTIMATE INCREASED VALUE FROM HIGHER-INTENSITY DEVELOPMENT UNDER THE ZIP

This section describes the methodology for the key components of the economic analysis of the ZIP. It provides more detail than covered in the Economic Analysis report.

Development of pro forma financial feasibility models and identification of representative development prototypes

The economic analysis developed pro forma financial feasibility models and representative development prototypes for each of the proposed combinations of base zoning and maximum intensity zoning.

- Prototype developments were defined spatially considering physical site characteristics and market factors appropriate in the DOSP and its subareas, along with proposed densities of development.
- Cost and economic variables were quantified specific to development types, maximum development intensities, and locations within the DOSP subareas, including costs, rents, and financial parameters. Sources included data from major Oakland development projects, analysis from the earlier EPS study¹, consultation with a cost estimator for a large construction contractor focused on the costs of higher intensity development, and rent data for downtown Oakland development projects.²
- Pro forma financial feasibility models and development prototypes were created for residential developments and for office developments in the DOSP subareas.

Analysis to Estimate Increased Real Estate Value from Higher-Intensity Development

Figure A-1 outlines the step-by-step methodology for this analysis.

- First, the value created by development at the <u>base zoning</u> is calculated.
- Second, the value created by development at the <u>maximum intensity zoning</u> is calculated.

¹ Economic Planning & Systems Inc., *Downtown Oakland Specific Plan: Incentive Program Feasibility Study*, July 10, 2020.

² While inputs for the costs and revenues of development are specific to downtown Oakland, the analysis does not include site or infrastructure costs specific to individual sites and locations. Examples include possible costs for site clean-up, flood control and resiliency improvements, or additional infrastructure and/or amenity improvements beyond those typical of downtown development more generally.

Figure A-1:

Methodology for Estimating Increased Real Estate Value from Higher-Intensity Development under the ZIP

- A. Use pro forma feasibility models with Oakland costs and revenues to identify:
 - Value created by development at Base Zoning
 - Value created by development at Maximum Intensity Zoning
- B. Assess feasibility
 - If not now feasible, adjust to identify feasible projects
- C. Calculate **increase in value** from higher intensity development as difference between Base Zoning and Maximum Intensity Zoning cases (assuming feasible projects)
 - \$ per additional building sq. ft.
 - \$ per additional dwelling unit
- D. Identify value capture for community benefits as share of additional real estate value that could be contributed while retaining incentives for developers and landowners to build at higher intensity
- E. Do large number of analyses due to large number of zoning combinations proposed
- F. Generalize results to facilitate implementation

- Each of the above results is evaluated to <u>assess feasibility</u> based on development costs and revenues at the time of analysis.³ If the development is not feasible with current revenues and costs, the analysis iterates to identify a feasible project and identifies the percentage change in revenues over costs needed for feasibility. The pro forma models assess feasibility by solving for residual land value, a common measure of real estate development feasibility.
- Then, the *increase in value* from the additional, higher-intensity development is calculated as the difference in the value of development under maximum intensity zoning compared to base zoning, assuming feasibility in both cases.
- The value creation from higher-intensity development is expressed as "dollars per building square foot of added development". For residential development, the results are reported as "dollars per dwelling unit added". In that way, the results expressed per unit of additional development can be applied over a range of actual projects with similar development characteristics but different amounts of additional development.
- The estimate of "value capture" available for community benefits is then identified as one-third of the increase in value from the higher-intensity development. As discussed above, for a successful zoning incentive program to provide community benefits, the additional value from higherintensity development needs to be shared among the developer, the landowner, and the community so as to retain incentives for developers and landowners to build larger projects that are more costly and more risky to develop.

Following the steps outlined above, four pro formas are run for each proposed combination of base zoning and maximum intensity zoning, one set (base and maximum intensity) assuming 2021/2022 revenues and costs and one set (base and maximum intensity) adjusted to reflect feasible projects in the future.

Results are Generalized for Implementation

The economic analysis described above provides the basis for generalizations as to the amounts of increased real estate value from greater intensity development that could be allocated for community benefits in exchange for approval to build at a higher intensity than otherwise allowed. A location-based approach was used to identify locations where outcomes are relatively similar based on proposed zoning, market factors, and land use/site characteristics. Summary results identified groups of locations that can be combined for implementation. The generalized results reflect the fact that the estimates of value capture for community benefits are approximate and future development outcomes will vary around the values identified for proposed ZIP intensities in different parts of the downtown.

³ The economic analysis was originally done in 2021 and then expanded and modified as proposed base zoning and intensity area zoning were changed and refined over time during 2022.

SECTION III OVERVIEW OF DOCUMENTATION FOR REAL ESTATE ANALYSIS IN SECTION IV AND SECTION V

The last two sections of this appendix provide documentation for the real estate analyses of residential development projects and office development projects covering the range of base and maximum intensity zoning combinations proposed throughout the DOSP area.

- Section IV provides documentation for the analysis of **Residential Development**, presenting the real estate pro formas and related data for 10 development cases representative of the 26 combinations of base zoning and maximum-intensity zoning under the ZIP.
- Section V provides documentation for the analysis of Office Development, presenting the real estate pro formas and related data for 10 development cases representative of the 27 combinations of base zoning and maximum-intensity zoning under the ZIP.

Each section includes documentation for the following components of the real estate analysis in the order listed:

- Summary table of <u>estimated value capture for community benefits</u> for all cases with the option of building higher-intensity development under the ZIP, identifying the Representative Development Cases_with detailed results presented in this appendix.
- Map of <u>community benefit areas</u> identified for use in implementation of the ZIP. Three Benefit Areas or zones are identified for residential development and three Benefit Areas or zones for office/commercial development. The maps also identify the value of community benefits per additional unit of development in each Benefit Area to be required in exchange for the right to build higher-intensity development under the ZIP. These results are based on generalizations of value capture outcomes for all cases as reported in the first table identified above.
- Summaries of the pro forma <u>analyses of project feasibility</u> for the Representative Development Cases *under current market conditions* and *under feasible market conditions in the future*.
 Separate tables are presented for the development cases under base zoning and under maximum intensity zoning.
- Table identifying the <u>development program assumptions</u> for Representative Development Prototypes/Cases.
- <u>Pro formas</u> for Representative Development Cases <u>assuming feasible projects in the future</u>:
 - Pro forma under base zoning
 - Pro forma with maximum intensity zoning, showing estimated increase in real estate value under upzoning, and estimated value capture for community benefits.
- Table of <u>key revenue and cost inputs</u> for Representative Development Prototypes/Cases.
- Table of <u>parking assumptions</u> for development projects.

SECTION IV

DOCUMENTATION FOR REAL ESTATE ANALYSIS OF RESIDENTIAL DEVELOPMENT

DEVELOPMENT FEASIBILITY AND VALUE CAPTURE ANALYSIS DOSP ZONING INCENTIVE PROGRAM

LIST OF TABLES AND FIGURES

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- Figure A-2: Zoning Incentive Program Residential Development Zone / Benefit Areas
- Appendix Table A-2.1: Summary Pro Forma Analysis Current Market Conditions Compared to Feasible Market Conditions <u>Residential Development Under BASE ZONING</u>
- Appendix Table A-2.2: Summary Pro Forma Analysis Current Market Conditions Compared to Feasible Market Conditions <u>Residential Development Under UPZONING</u>
- Appendix Table A-3: Development Program Assumptions for Representative RESIDENTIAL Development Prototypes / Cases
- Detailed Pro Forma Analysis of Representative Residential Development

Appendix Table R.1: Development Case I-1

Appendix Table R.2: Development Case I-6

Appendix Table R.3: Development Case II-1

Appendix Table R.4: Development Case II-3

Appendix Table R.5: Development Case II-5

Appendix Table R.6: Development Case II-9

Appendix Table R.7: Development Case II-10B

Appendix Table R.8: Development Case II-11

Appendix Table R.9: Development Case III-1

Appendix Table R.10: Development Case III-4

Appendix Table A-4: Key Revenue and Cost Inputs for Representative RESIDENTIAL Development Prototypes / Cases

Appendix Table A-5: Parking Assumptions for Residential Development Cases

APPENDIX TABLE A-1: DOSP Zoning Intensity Program

Summary of Estimated Value Capture for Community Benefits from Higher-Intensity <u>RESIDENTIAL DEVELOPMENT</u> By Development Type, Intensity Increase, and Subarea

Intensity Type for Residential Development	Development Case No.		CAPTURE nity Benefits	Base I	Density	Maxi	IP imum isity	Increase in Density	Intensity Subarea(s)
i		per add'l bldg. SF	per add'l DU	SF per DU	DU per acre	SF per DU	DU per acre	· · · ·	
Greater Intensity High-Rise	♦I-1	\$23	\$23,000	90	484	65	670	+38%	Lake Merritt Office Broadway
Type I construction									City Center
	I-2	\$23	\$23,000	90	484	80	545	+13%	Broadway City Center 14 th Street West
	I-3	\$23	\$23,000	100	436	90	484	+11%	City Center 14 th Street West
	I-4	\$23	\$23,000	110	396	90	484	+22%	14 th Street East
Low-/Mid-Rise to High-Rise Development	I-5	\$18	\$18,000	450	97	110	396	+308%	14 th Street East
<i>Type V/III to Type I construction</i>	♦I-6	\$18	\$18,000	225	194	110	396	+104%	City Center/11 th St. West 14 th Street East 14 th Street West
No Change in Density	_	_	_	110	396	110	396	0	14 th Street East

I. Downtown CBD Intensity Areas

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APPENDIX TABLE A-1: DOSP Zoning Intensity Program (continued)

Summary of Estimated Value Capture for Community Benefits from Higher Intensity <u>RESIDENTIAL DEVELOPMENT</u> By Development Type, Intensity Increase, and Subarea

Intensity Type for Residential Development	Development Case No.		CAPTURE unity Benefits per add'1 DU	Base D SF per DU	Density DU per acre		IP m Density DU per acre	Increase in Density	Intensity Subarea(s)
Low-Rise to High-Rise	♦II-1	\$15	\$15,000	1000	44	110	396	+800%	Jack London West
Development	II-2	\$10-12	\$10K-12K	900	48	100	436	+808%	Jack London West
<i>Type V to Type I</i> <i>construction</i>	♦II-3	\$10	\$10,000	900	48	110	396	+725%	Jack London West
construction	II-4	\$15	\$15,000	900	48	110	396	+725%	JL East - Waterfront
Mid-Rise to	♦II-5	\$12	\$12,000	250	174	90	484	+178%	Victory Court
High-Rise Development	II-6	\$15	\$15,000	260	168	100	436	+160%	Jack London West
Type III to Type I	II-7	\$12	\$12,000	250	174	100	436	+150%	Jack London East
	II-8	\$11	\$11,000	250	174	100	436	+150%	Victory Court
	♦ 11-9	\$13	\$13,000	250	174	110	396	+128%	Jack London East Victory Court
Greater Intensity High-Rise	II-10A ♦II-10B	\$24 \$19	\$24,000 \$19,000	100 100	436 436	90 90	484 484	+11% + 11%	Jack London West Victory Court
Greater Intensity Mid-Rise	♦II-11	\$12	\$12,000	250	174	200	218	+25%	Jack London East
Low-Rise to Mid-Rise	II-12	\$15	\$15,000	1000	44	200	218	+395%	JL East & West – Waterfront
Development – Waterfront	II-13	\$15	\$15,000	900	48	200	218	+355%	JL East – Waterfront
Greater Intensity Mid-Rise Waterfront	II-14	\$21	\$21,000	250	174	200	218	+25%	JL East - Waterfront

II. Jack London/Victory Court Intensity Areas

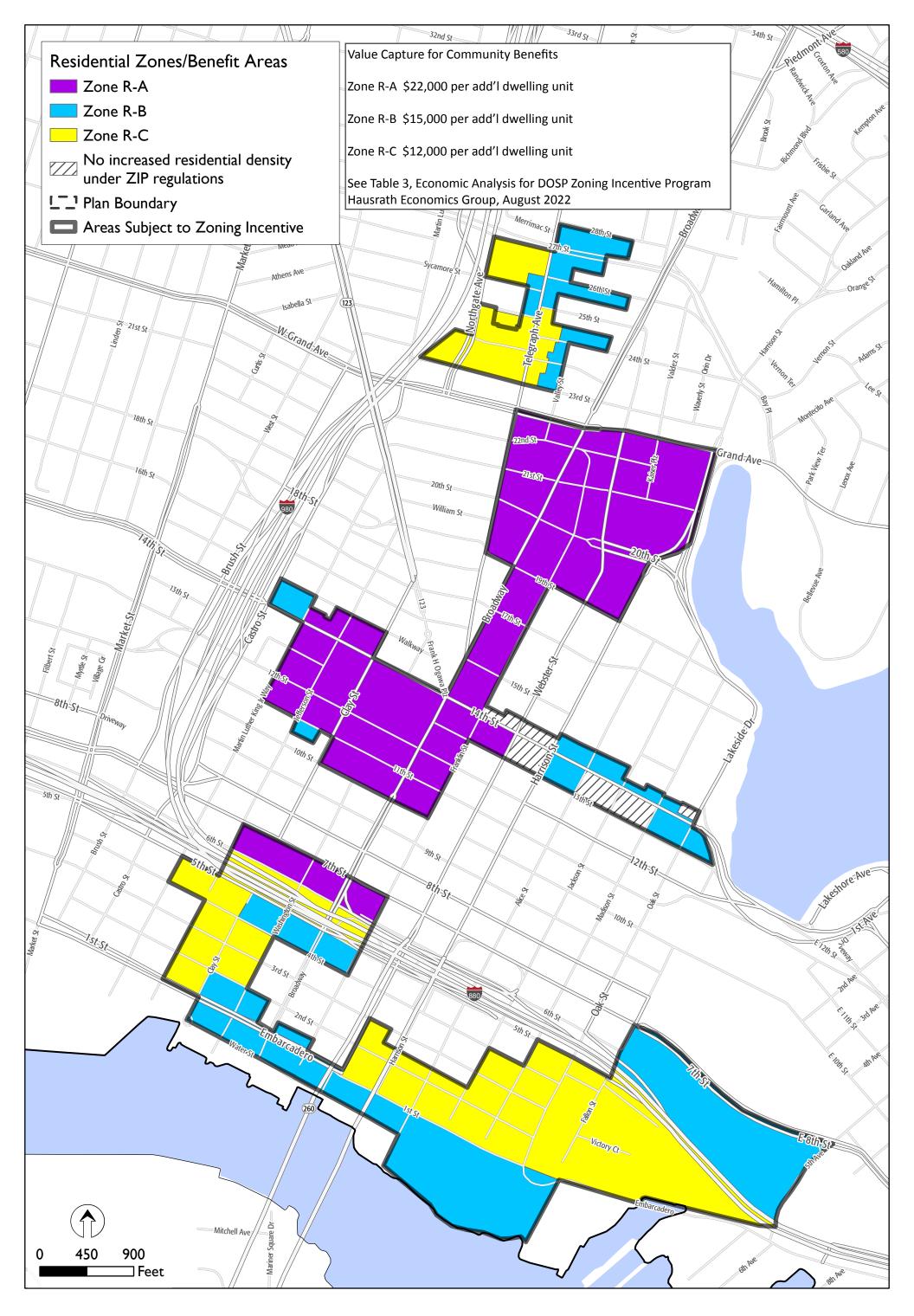
APPENDIX TABLE A-1: DOSP Zoning Intensity Program (continued)

Summary of Estimated Value Capture for Community Benefits from Higher Intensity <u>RESIDENTIAL DEVELOPMENT</u> By Development Type, Intensity Increase, and Subarea

Intensity Type for Residential Development	Development Case No.		CAPTURE nity Benefits per add'l DU	Base I SF per DU	Density DU per acre		TP m Density DU per acre	Increase in Density	Intensity Subarea(s)
Low-/Mid-Rise to High- Rise Development	♦III-1	\$9.40	\$9,400	450	97	110	396	+308%	KONO – West of Telegraph
<i>Type V/III to Type I construction</i>	III-2	\$13.50	\$13,500	450	97	110	396	+308%	KONO – Telegraph & East
Mid-Rise to High-Rise Development <i>Type III to Type I</i>	III-3	\$14.30	\$14,300	225	194	110	396	+104%	KONO – larger sites / higher heights
construction	♦ 111-4	\$15.70	\$15,700	225	194	110	396	+104%	KONO – Rest; primarily east of Telegraph
Greater Intensity Mid-Rise	III-5	\$15.00	\$15,000	450	97	250	174	+79%	Garage District and KONO

III. KONO/Art & Garage District Intensity Areas

• Indicates this is one of the 10 Representative Development Cases documented in Section IV of the Technical Appendix.



Zoning Incentive Program Residential Development Zones/Benefit Areas

Figure A-2

APPENDIX TABLE A-2.1: Summary Pro Forma Analysis - Current Market Conditions Compared to Feasible Market Conditions - Residential Development Under BASE ZONING

Development Case	I-	1	I-	6	II.	-1	ll·	-3	II.	-5
HEG Prototype	2	2	2	0	4	A	4	В	2	5
Intensity Area	CE	3D	CE	D	JL/	′VC	JL/	VC	JL/	'VC
Subarea(s)	Lake Merritt Of City C	, ,,	14th S	t. East		est, Waterfront learby	Jack London	West, Inland	Victor	y Court
Benefit Area	R-	A	R-	·B	R	-В	R	-C	R	-C
Development Characteristics										
Residential Density (minimum lot area per unit)	90		225		1,000		900		250	
Building Type	High-rise		Mid-rise		Low-rise		Low-rise		Mid-rise	
Lot Size	44,720		20,400		60,000		60,000		60,000	
Total Building Area	517,000		105,000		78,000		85,000		252,000	
Residential Units	497		91		60		67		240	
Retail (net floor area)	18,000		12,600		16,200		16,200		10,800	
Residential (net floor area)	387,660		70,980		52,260		52,260		187,200	
Parking Spaces (residential only)	323		82		60		67		240	
		Current Rents		Current Rents		Current Rents		Current Rents		Current Rents
	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for
	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/
Revenue Factors										
Residential Rent per net sq. ft. per month	\$5.38	\$6.45	\$4.90	\$5.88	\$4.80	\$5.76	\$4.70	\$5.65	\$4.75	\$5.70
Retail Rent per net sq. ft. per year	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40
Parking Revenue per space per month (without retail pkg.)	\$150	\$150	\$150	\$150	\$140	\$140	\$140	\$140	\$140	\$140
Net Project Value	\$389,497,917	\$465,353,318	\$69,914,194	\$83,440,866	\$50,460,025	\$60,253,253	\$54,236,709	\$64,835,597	\$165,438,544	\$197,214,817
Total Development Cost	\$424,031,016	\$424,031,016	\$79,189,811	\$79,189,811	\$52,708,196	\$52,708,196	\$57,237,921	\$57,237,921	\$190,331,408	\$190,331,408
Residual Land Value (Net Project Value - Total Cost)	(\$34,533,099)	\$41,322,302	(\$9,275,617)	\$4,251,055	(\$2,248,171)	\$7,545,057	(\$3,001,212)	\$7,597,676	(\$24,892,864)	\$6,883,409
(less) Return on Residual Land Value	\$0	(\$6,611,568)	\$0	(\$595,148)	\$0	(\$905,407)	\$0	(\$911,721)	\$0	(\$963,677)
Net Residual Land Value	(\$34,533,099)	\$34,710,734	(\$9,275,617)	\$3,655,907	(\$2,248,171)	\$6,639,650	(\$3,001,212)	\$6,685,955	(\$24,892,864)	\$5,919,732

NOTE: The economic analysis found that higher-intensity development is not feasible under current real estate market and development cost conditions. The analysis then proceeded to identify and evaluate future scenarios when real estate economics improve and developments become feasible. For ease of analysis, the pro forma models tested percentage increases in rents/revenues until feasibility was reached. This is a proxy for the more complex set of changes in various development revenue and cost factors more likely to occur to support feasibility over time. For the residential development prototypes, feasibility was achieved at rent levels approximately 20% higher than current rents.

/a/ Detailed real estate pro forma analysis was prepared for these current revenue factor assumptions and the conclusions are summarized here. All of the other assumptions in the pro forma analysis for each development case are the same as those detailed in Appendix Tables R.1 - R.10.

APPENDIX TABLE A-2.1: Summary Pro Forma Analysis - Current Market Conditions Compared to Feasible Market Conditions - Residential Development Under BASE ZONING

Development Case	II·	.9	II-1	0B	II-	11		-1	II	-4
HEG Prototype	6	5	2	2	2	4	3	A	3	в
Intensity Area	JL/	VC	JL/	VC	JL/	VC	КО	NO	КО	NO
Subarea(s)	Jack London Eas	t, Victory Court	Victor	/ Court	Jack Lon	don East	Largely west	of Telegraph	Largely east	of Telegraph
Benefit Area	R	-C	R-	В	R	-C	R	-C	R	-В
Development Characteristics										
Residential Density (minimum lot area per unit)	250		100		250		450		225	
Building Type	Mid-rise		Mid-rise		Mid-rise		Low-rise		Mid-rise	
Lot Size	55,000		45,000		60,060		40,000		20,000	
Total Building Area	236,500		462,000		252,000		104,000		104,000	
Residential Units	220		450		240		89		89	
Retail (net floor area)	14,850		10,800		10,800		13,500		13,500	
Residential (net floor area)	171,600		351,000		187,200		69,420		69,420	
Parking Spaces (residential only)	220		450		240		80		80	
		Current Rents		Current Rents		Current Rents		Current Rents		Current Rents
	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for
	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/
Revenue Factors										
Residential Rent per net sq. ft. per month	\$4.75	\$5.70	\$5.17	\$6.20	\$4.72	\$5.66	\$4.55	\$5.46	\$4.85	\$5.82
Retail Rent per net sq. ft. per year	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40
Parking Revenue per space per month (without retail pkg.)	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140
Net Project Value	\$154,842,329	\$184,619,303	\$341,009,040	\$406,482,768	\$164,479,796	\$195,936,465	\$64,773,561	\$77,327,603	\$68,328,977	\$81,594,093
Total Development Cost	\$179,064,530	\$179,064,530	\$386,323,549	\$386,323,549	\$190,332,258	\$190,332,258	\$73,130,347	\$73,130,347	\$79,251,823	\$79,251,823
Residual Land Value (Net Project Value - Total Cost)	(\$24,222,201)	\$5,554,773	(\$45,314,509)	\$20,159,219	(\$25,852,462)	\$5,604,207	(\$8,356,786)	\$4,197,256	(\$10,922,846)	\$2,342,270
(less) Return on Residual Land Value	\$0	(\$777,668)	\$0	(\$3,225,475)	\$0	(\$784,589)	\$0	(\$503,671)	\$0	(\$327,918)
Net Residual Land Value	(\$24,222,201)	\$4,777,105	(\$45,314,509)	\$16,933,744	(\$25,852,462)	\$4,819,618	(\$8,356,786)	\$3,693,585	(\$10,922,846)	\$2,014,352

NOTE: The economic analysis found that higher-intensity development is not feasible under current real estate market and development cost conditions. The analysis then proceeded to identify and evaluate future scenarios when real estate economics improve and developments become feasible. For ease of analysis, the pro forma models tested percentage increases in rents/revenues until feasibility was reached. This is a proxy for the more complex set of changes in various development revenue and cost factors more likely to occur to support feasibility over time. For the residential development prototypes, feasibility was achieved at rent levels approximately 20% higher than current rents.

/a/ Detailed real estate pro forma analysis was prepared for these current revenue factor assumptions and the conclusions are summarized here. All of the other assumptions in the pro forma analysis for each development case are the same as those detailed in Appendix Tables R.1 - R.10.

APPENDIX TABLE A-2.2: Summary Pro Forma Analysis - Current Market Conditions Compared to Feasible Market Conditions - Residential Development Under UPZONING

Development Case	ŀ	-1	I-	6	II·	-1	11-	-3	II.	-5
HEG Prototype	2	2	2	0	4	A	4	В	2	5
Intensity Area	CE	3D	CE	D	JL/	′VC	JL/	VC	JL/	'VC
Subarea(s)	Lake Merritt Of City C	fice, Broadway, enter	14th St. Eas	t and West		est, Waterfront learby	Jack London	West, Inland	Victor	y Court
Benefit Area	R	-A	R-	В	R-	-В	R	-C	R	-C
Development Characteristics										
Residential Density (minimum lot area per unit)	65		110		110		110		90	
Building Type	High-rise		High-rise		High-rise		High-rise		High-rise	
Lot Size	44,720		20,400		60,000		60,000		60,000	
Total Building Area	708,000		200,000		563,000		563,000		675,000	
Residential Units	688		185		545		545		667	
Retail (net floor area)	18,000		13,500		16,200		16,200		7,200	
Residential (net floor area)	536,640		144,300		425,100		425,100		520,260	
Parking Spaces (residential only)	447		120		463		463		567	
		Current Rents		Current Rents		Current Rents		Current Rents		Current Rents
	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for
	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/
Revenue Factors										
Residential Rent per net sq. ft. per month	\$5.45	\$6.54	\$5.25	\$6.30	\$5.30	\$6.36	\$5.20	\$6.24	\$5.15	\$6.18
Retail Rent per net sq. ft. per year	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40
Parking Revenue per space per month (without retail pkg.)	\$150	\$150	\$150	\$150	\$140	\$140	\$140	\$140	\$140	\$140
Net Project Value	\$541,376,745	\$647,378,927	\$146,033,845	\$174,649,578	\$421,833,104	\$503,797,609	\$414,300,882	\$494,758,955	\$494,309,327	\$590,201,587
Total Development Cost	\$589,746,966	\$589,746,966	\$164,286,020	\$164,286,020	\$469,379,679	\$469,379,679	\$469,379,679	\$469,379,679	\$563,305,215	\$563,305,215
Residual Land Value (Net Project Value - Total Cost)	(\$48,370,221)	\$57,631,961	(\$18,252,175)	\$10,363,558	(\$47,546,575)	\$34,417,930	(\$55,078,797)	\$25,379,276	(\$68,995,888)	\$26,896,372
(less) Return on Residual Land Value	\$0	(\$9,797,433)	\$0	(\$1,658,169)	\$0	(\$5,506,869)	\$0	(\$4,060,684)	\$0	(\$4,303,420)
Net Residual Land Value	(\$48,370,221)	\$47,834,528	(\$18,252,175)	\$8,705,389	(\$47,546,575)	\$28,911,061	(\$55,078,797)	\$21,318,592	(\$68,995,888)	\$22,592,952

NOTE: The economic analysis found that higher-intensity development is not feasible under current real estate market and development cost conditions. The analysis then proceeded to identify and evaluate future scenarios when real estate economics improve and developments become feasible. For ease of analysis, the pro forma models tested percentage increases in rents/revenues until feasibility was reached. This is a proxy for the more complex set of changes in various development revenue and cost factors more likely to occur to support feasibility over time. For the residential development prototypes, feasibility was achieved at rent levels approximately 20% higher than current rents.

/a/ Detailed real estate pro forma analysis was prepared for these current revenue factor assumptions and the conclusions are summarized here. All of the other assumptions in the pro forma analysis for each development case are the same as those detailed in Appendix Tables R.1 - R.10.

APPENDIX TABLE A-2.2: Summary Pro Forma Analysis - Current Market Conditions Compared to Feasible Market Conditions - Residential Development Under UPZONING

Development Case	ll·	-9	II-1	OB	-	11		-1	III	-4
HEG Prototype	6	5	2	2	2	4	3	Α	3	В
Intensity Area	JL/	VC	JL/	VC	JL/	VC	КО	NO	КО	NO
Subarea(s)	Jack London Eas	st, Victory Court	Victory	Court	Jack Lon	don East	Largely west	of Telegraph	Largely east	of Telegraph
Benefit Area	R	-C	R-	В	R	-C	R	-C	R	-B
Development Characteristics										
Residential Density (minimum lot area per unit)	110		90		200		110		110	
Building Type	High-rise		High-rise		Mid-rise		High-rise		High-rise	
Lot Size	55,000		45,000		60,060		40,000		20,000	
Total Building Area	516,500		512,000		312,000		379,000		197,000	
Residential Units	500		500		300		364		182	
Retail (net floor area)	14,850		10,800		10,800		13,500		13,500	
Residential (net floor area)	390,000		390,000		234,000		283,920		141,960	
Parking Spaces (residential only)	425		425		300		273		137	
		Current Rents		Current Rents		Current Rents		Current Rents		Current Rents
	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for	Current Rents	+ 20% for
	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/
Revenue Factors										
Residential Rent per net sq. ft. per month	\$5.15	\$6.18	\$5.20	\$6.24	\$4.78	\$5.73	\$5.13	\$6.15	\$5.21	\$6.25
Retail Rent per net sq. ft. per year	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40	\$32.00	\$38.40
Parking Revenue per space per month (without retail pkg.)	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140
Net Project Value	\$376,637,743	\$449,759,835	\$377,482,613	\$450,764,949	\$206,256,446	\$245,622,926	\$273,601,175	\$326,683,455	\$143,181,420	\$171,110,263
Total Development Cost	\$430,673,993	\$430,673,993	\$427,823,609	\$427,823,609	\$237,429,126	\$237,429,126	\$313,072,036	\$313,072,036	\$163,502,896	\$163,502,896
Residual Land Value (Net Project Value - Total Cost)	(\$54,036,250)	\$19,085,842	(\$50,340,996)	\$22,941,340	(\$31,172,680)	\$8,193,800	(\$39,470,861)	\$13,611,419	(\$20,321,476)	\$7,607,367
(less) Return on Residual Land Value	\$0	(\$3,053,735)	\$0	(\$3,670,614)	\$0	(\$1,147,132)	\$0	(\$2,177,827)	\$0	(\$1,217,179)
Net Residual Land Value	(\$54,036,250)	\$16,032,107	(\$50,340,996)	\$19,270,726	(\$31,172,680)	\$7,046,668	(\$39,470,861)	\$11,433,592	(\$20,321,476)	\$6,390,188

NOTE: The economic analysis found that higher-intensity development is not feasible under current real estate market and development cost conditions. The analysis then proceeded to identify and evaluate future scenarios when real estate economics improve and developments become feasible. For ease of analysis, the pro forma models tested percentage increases in rents/revenues until feasibility was reached. This is a proxy for the more complex set of changes in various development revenue and cost factors more likely to occur to support feasibility over time. For the residential development prototypes, feasibility was achieved at rent levels approximately 20% higher than current rents.

/a/ Detailed real estate pro forma analysis was prepared for these current revenue factor assumptions and the conclusions are summarized here. All of the other assumptions in the pro forma analysis for each development case are the same as those detailed in Appendix Tables R.1 - R.10.

Development Case	l-1 2	l-6 20	II-1 4A	II-3 4B	II-5 25	II-9 c	II-10B	II-11	III-1 3A	111-4 3B
HEG Prototype	CBD	CBD	JL/VC	JL/VC	JL/VC	6 JL/VC	22 JL/VC	24 JL/VC	KONO	KONO
Intensity Area		CBD	JL/ VC	JL/ VC	JL/VC	JL/VC	JL/ VC	JL/ VC	KONO	KUNU
Subarea(s)	Lake Merritt Office, Broadway, City Center	14th St. East and West	Jack London West	Jack London West	Victory Court	Jack London East, Victory Court	Victory Court	Jack London East	KONO	KONO
Intensity Type	Greater intensity high-rise	Mid-rise to high- rise	Low-rise to high-rise	Low-rise to high-rise	Mid-rise to high-rise	Mid-rise to high- rise	Greater intensity high- rise	Greater intensity mid- rise	Low-rise to high-rise	Mid-rise to high- rise
			Waterfront and nearby locations	Inland locations				Inland locations	Largely west of Telegraph	Largely east of Telegraph
Benefit Area	R-A	R-B	R-B	R-C	R-C	R-C	R-B	R-C	R-C	R-B
Lot Area (sq. ft., rounded)	44,720	20,400	60,000	60,000	60,000	55,000	45,000	60,060	40,000	20,000
Acres	1.03	0.47	1.38	1.38	1.38	1.26	1.03	1.38	0.92	0.46
BASE ZONING										
Construction Type	Type I	Type III	Type V	Type V	Type III	Type III	Type I	Type III	Type V	Type III
Building Height Maximum	no limit	85'	45'	45'	135'	65'	275'	65'	45'	90'
Building Height Estimated (# of stories)	15+	6	2	2	6	5	12+	5	3	6
Residential Density (min. lot area per unit)	90	225	1,000	900	250	250	100	250	450	225
Residential Density (units per acre)	484	194	44	49	174	174	436		97	194
Gross Floor Area per Unit	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Gross Floor Area (w/o pkg.) sq. ft.	517,000	105,000	78,000	85,000	252,000	236,500	462,000	252,000	104,000	104,000
Office	-	-	-	-	-	-	-	-	-	-
Retail	20,000	14,000	18,000	18,000	12,000	16,500	12,000	12,000	15,000	15,000
Residential	497,000 497	91,000 91	60,000	67,000	240,000	220,000 220	450,000 450	240,000	89,000	89,000
Residential Units Residential Efficiency Ratio	497		60 78%	67 78%	240 78%	78%	450	240 78%	89 78%	89 78%
Retail Efficiency Ratio	78% 90%		78% 90%		78% 90%	78% 90%	78% 90%	78% 90%	78% 90%	78% 90%
Total Net Floor Area (w/o pkg.) sq. ft.	405,660	83,580	63,000	68,460	198,000	186,450	361,800	90% 198,000	90% 82,920	82,920
Office	403,000	65,560	03,000	08,400	198,000	180,430	501,800	198,000	82,920	82,920
Retail	18,000	12,600	16,200	16,200	10,800	14,850	10,800	10,800	13,500	13,500
Residential	387,660	70,980	46,800	52,260	187,200	171,600	351,000	187,200	69,420	69,420
Parking Spaces	343	96	78	85	252	237	462	252	95	95
UPZONING	0.0	50	10	00	202	207	102	202	55	55
Construction Type	Type I	Type I	Type I	Type I	Type 1	Type I	Type I	Type III	Type I	Type I
Building Height Maximum	no limit	85'	175'	175'	275' / 450'	175'	275'	90'	90'	175'
Building Height Estimated (# of stories)	20+	12	12	12	14-18	12	15+	6	10	10 -12
Residential Density (min. lot area per unit)	65	110	110	110	90	110	90	200	110	110
Residential Density (units per acre)	670	394	396	396	484	396	484	218	396	396
Gross Floor Area per Unit	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Gross Floor Area (w/o pkg.) sq. ft.	708,000	200,000	563,000	563,000	675,000	516,500	512,000	312,000	379,000	197,000
Office	-	-	-	-	-	-	-	-	-	-
Retail	20,000	15,000	18,000	18,000	8,000	16,500	12,000	12,000	15,000	15,000
Residential	688,000	185,000	545,000	545,000	667,000	500,000	500,000	300,000	364,000	182,000
Residential Units	688	185	545	545	667	500	500	300	364	182
Residential Efficiency Ratio	78%		78%		78%	78%	78%	78%	78%	78%
Retail Efficiency Ratio	90%	90%	90%		90%	90%	90%	90%	90%	90%
Total Net Floor Area (w/o pkg.) sq. ft.	554,640	157,800	441,300	441,300	527,460	404,850	400,800	244,800	297,420	155,460
Office	-	-	-	-	-	-	-	-	-	-
Retail	18,000	13,500	16,200	16,200	7,200	14,850	10,800	10,800	13,500	13,500
Residential	536,640	144,300	425,100	425,100	520,260	390,000	390,000	234,000	283,920	141,960
Parking Spaces	467	135	481	481	575	442	437	312	288	152
Increase in Residential Units	191	94	485	478	427	280	50	60	275	93
Percent Increase in Residential Density	38%	105%	809%	718%	178%	127%	11%	25%	309%	105%

APPENDIX TABLE R.1 Development Case I-1 (HEG Prototype 2) BASE ZONING

Intensity Area: CBD - Lake Merritt Office, Broadway, and City Center subareas

Lot Size1.03acres44,720sq.Construction Type(not used in calculations)(not used in calculations)in calculations)Building Heightno limit(not used in calculations)(not used in calculations)Building Height Estimated Actual (# of stories)15+(not used in calculations)Residential Density (min. lot area per unit)90(not used in calculations)484 DU per acreTotal Units497units1,040sq. ft. per unit, calculated517,000sq.Net Residential Unit Area78%efficiency ratio387,660sq.Average Unit Size (net sq. ft.)780net sq. ft. per unit	Generalized Location: CBD - Franklin St.	Assumption	Total
Construction Type Building Height Building Height Building Height Building Height Stimated Actual (# of stories) Residential Density (min. lot area per unit) Total Units Total Direct Tores Residential Rental Revenue (less) Vacancy Residential NOI Total NOI Total NOI Total NOI Total Ons Total Direct Costs Total Direct Costs Total Direct Costs Total Direct Costs Subtotal Inforect Costs Sub	DEVELOPMENT PROGRAM	1.02 2000	44.720 cg. ft
building Height Building Height Building Height Building Height Building Height Total Units Total Units Total Units Total Units Total Units Total Units Total Units Total Units Total Units Total Building Area Ner Residential Unit Area Average Units Ethinated Actual (informer) By first (inclusted in calculations) Average Units Ethinated Actual (informer) By first (inclusted in calculations) Average Units Ethinated Actual (informer) By first (inclusted in calculations) Average Units Ethinated Actual (informer) By first (inclusted in calculations) By first (inclusted inclusted inclusted in calculations) By first (inclusted inclusted in			44,720 Sq. It.
Building Height Estimated Actual (#ofstories) Residential Density (min. Iot area per unit) Total Units Total Units Total Units Average Unit Size (net sq. ft.) Net Residential Unit Area Average Unit Size (net sq. ft.) Net Retail Area Net Retail Area Net Retail Area Podium Parking Spaces Spaces Excluding Retail REVENUE Gross Residential Revenue (less) Operating Expenses (Residential) (less) Vacancy (less) Vacancy Retail NOI Source Atom Atom At			
Residential Density (min. Lot area per unit) Total Units Total Units Total Building Area Net Residential Unit Area Average Unit Size (net sq. ft.) Net Retail Area Podium Parking Spaces Spaces Excluding Retail Residential Remain Revenue (less) Operating Expenses (Residential) (less) Capital Reserves Residential NOI Gross Retail Revenue (less) Capital Reserves Retail NOI Net Parking Revenue (without retail parking) Total NOI Total NOI Total NOI Net Parking Revenue (without retail parking) Total NOI Total NOI DevictOrs Building Construction Cost Subtotal Improvements Architecture and Engineering Cher Spaces Subtotal Indirect Costs Ferso Affordable Housing Fee Capital Improvements Architecture and Engineering Cher Spaces Subtotal Indirect Costs Subtotal Indirect Costs			
Total Units 497 junits Tatal Building Area 1,040 sq. ft. per unit, calculated \$17,000 sq. Average Unit Size (net sq. ft.) 780 ret sq. ft. per unit, 387,660 sq. Podium Parking Spaces 343 sp. sp. 323 sp. Spaces Excluding Retail 840 per net sq. ft. per unit, 58,000 sp. 323 sp. (less) Operating Expenses (Residential) 27,55% of residential revenue (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195) (\$1,200,195)			484 DU per acre
Total Building Area 1.040 sq. ft. per unit, calculated 517.000 sq. ft. per unit, calculated 387.660 sq. sq. ft. per unit, calculated 387.660 sq. sq. ft. per unit, calculated 387.660 sq.			
Net Residential Unit Area 78% efficiency ratio 780 net sq. ft. per unit 780 net sq. ft. 591 net sq. ft. 593 not 591 net sq. ft. 513 not 593 not 591 not 591 net sq. ft. 513 not 593 not 591 net sq. ft. 513 not 593	Total Building Area		517,000 sq. ft.
Net Retail Area 18,000 sq Podium Parking Spaces 343 sp Spaces Excluding Retail 323 sp REVENUE 56,45 per net sq, ft, per month \$30,004,884 (less) Operating Expenses (Residential) 27,5% of residential revenue (\$1,20,195) (less) Operating Expenses (Residential) 4.0% of gross annual revenue (\$1,20,195) (less) Operating Expenses (Residential) 50,50 per net sq, ft. \$20,359,516 Gross Retail Revenue \$38,40 per net sq, ft. \$20,359,516 (less) Vacancy 50,50 per net sq, ft. \$20,359,516 Retail NOI \$21,588,556 \$647,640 Net Parking Revenue (without retail parking) \$150 per space per month \$581,400 Total NOI \$21,588,556 \$244,024,000 Capitalized Value \$465,333,318 DEVELOPMENT COST \$244,024,000 \$60,000 per space Direct Costs \$220,580,000 \$20,580,000 Der land sq, ft. \$244,024,000 \$60,000 per space Subtotal Indirect Costs \$250,512,000 \$20,580,000 Deret Costs \$30% of direct costs \$1,590,372 Dradered Expenses 30% of	-		387,660 sq. ft.
Podum Parking Spaces Sculuding Retail Residential Rental Revenue (SS, 2014) (Average Unit Size (net sq. ft.)	780 net sq. ft. per unit	
Spaces Excluding Retail 323 sp REVENUE 330,004,884 330,004,884 (less) Operating Expenses (Residential) 27.5% of residential revenue (%,25,1343) (less) Vacancy 30,004,884 (%,25,1343) (less) Vacancy 50,00 of gross annual revenue (%,25,1343) (less) Vacancy 50,00 of gross annual revenue (%,21,343) (less) Vacancy 50,00 of gross annual revenue (%,21,343) (less) Vacancy 50,00 of gross annual revenue (%,34,560) (less) Vacancy 50,00 of gross annual revenue (%,34,560) (less) Vacancy 50,00 of gross annual revenue (%,34,560) (less) Capital Reserves \$0,00 per net sq. ft. (\$21,588,556 Capital Revenue (without retail parking) \$150 per space per month \$581,400 Total NOI \$21,588,556 \$21,588,556 \$21,588,556 Capital Revenue (without retail parking) 300 (\$21,383,318 DEVELOPMENT COST Step per gross sq. ft. \$244,024,000 Direct Costs \$7,951,336 \$20,580,000 per space \$20,	Net Retail Area		18,000 sq. ft.
Spaces Excluding Retail 323 sp REVENUE Gross Residential Rental Revenue \$6.45 per net sq. ft. per month \$30,004,884 (less) Vacanay 4.00% of gross annual revenue \$31,200,1951 (less) Vacanay 50.50 per net sq. ft. (s1,200,1951) (less) Vacanay 50.60 of gross annual revenue (s1,200,1951) (less) Vacanay 50.60 of gross annual revenue (s3,4500) (less) Vacanay 50.60 of gross annual revenue (s3,4500) (less) Vacanay 50.60 of gross annual revenue (s3,4500) (less) Vacanay 50.50 per net sq. ft. (s5,2000) (less) Vacanay 50.50 per net sq. ft. (s5,2000) Retail NOI S21,588,556 Capital Reserves (s0,6%) (s1,232,371) Net Parking Revenue (without retail parking) 5150 per space \$479,745,689 Direct Costs 5472 per gross sq. ft. \$244,024,000 Parking Construction Cost \$479 per space \$20,580,000 Der VELOPMENT COST Direct Costs \$7,951,536 \$20,580,000			242
REVENUESign of residential RevenueGross Residential Rental Revenue\$6.45per net sq. ft. per month\$38,004,884(less) Operating Expenses (Residential)27.5% of residential revenue(\$1,20,195)(less) Capital Reserves\$0.50per net sq. ft. per year\$691,200(less) Vacancy\$38.40per net sq. ft. per year\$691,200(less) Capital Reserves\$0.50per net sq. ft. per year\$691,200(less) Capital Reserves\$150per space per month\$581,400Total NOI\$21,588,556\$21,588,556\$21,588,556Capitalized Value4.50% cap rate\$479,745,689(less) Cost of Sale/Marketing\$450\$21,588,556Devel DoPMENT COST\$422per gross sq. ft.\$244,024,000Derking Construction Cost\$472per gross sq. ft.\$244,020,000Barking Construction Cost\$400per space\$20,580,000Derect Costs\$20,580,000\$10per retail sq. ft.\$1,800,000Architecture and Engineering\$0.0% of direct costs\$1,593,072Other Expenses\$100per unit\$21,583,586Greenal and Administrative\$0.0% of direct costs <t< td=""><td>5 1</td><td></td><td></td></t<>	5 1		
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Parking Construction Cost\$60,000per space\$20,580,000Demo/Site Improvement Cost\$10per land sq. ft.\$447,200Total Direct Costs\$265,051,200Indirect Costs\$100per retail sq. ft.\$1,800,000Architecture and Engineering6.0% of direct costs\$15,903,072Other Expenses3.0% of direct costs\$7,951,536General and Administrative3.0% of direct costs\$7,951,536Property Tax During Construction2.5% of direct costs\$15,903,072Subtotal Indirect Costs excluding Fees\$56,135,496FeesAffordable Housing Fee\$22,000Affordable Housing Fee\$22,000per unit\$11,250per unit\$10,934,000Capital Improvements\$1,250per unit\$20,750Transportation - Residential\$750Transportation - Residential\$0.75per retail sq. ft.\$20,750\$30,00per gross sq. ft.\$15,510,000Subtotal Indirect Costs\$30,00per gross sq. ft.\$20,252,160\$30,00per gross sq. ft.\$15,510,000Subtotal Fees\$30,00per gross sq. ft.\$15,510,000Subtotal, Direct and Indirect Costs\$30,00per gross sq. ft.\$17,521,943Required Return on Investment16.0% of direct and indirect costs\$17,521,943Required Return on Investment\$16,0% of direct and indirect costs\$442,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302	Direct Costs		
Demo/Site Improvement Cost\$10per land sq. ft.\$447,200Total Direct Costs\$265,051,200Indirect Costs\$265,051,200Indirect Costs\$100per retail sq. ft.\$1,800,000Architecture and Engineering6.0% of direct costs\$1,5903,072Other Expenses3.0% of direct costs\$7,951,536General and Administrative3.0% of direct costs\$7,951,536Property Tax During Construction2.5% of direct costs\$15,903,072Subtotal Indirect Costs excluding Fees\$22,000per unit\$10,934,000Fees\$12,900per unit\$10,934,000Affordable Housing Fee\$22,000per unit\$10,934,000Capital Improvements\$1,250per unit\$10,934,000Capital Improvements\$1,250per unit\$10,934,000Capital Improvements\$1,250per unit\$10,934,000Capital Improvements\$1,250per unit\$372,750Transportation - Residential\$0.75per gross sq. ft.\$15,510,000Subtotal Fee\$3.48per gross sq. ft.\$15,510,000Subtotal Pees\$30.00per gross sq. ft.\$15,510,000Subtotal Direct costs\$350,438,856\$350,438,856Contingency\$.0% of direct and indirect costs\$17,521,943Required Return on Investment\$.0% of direct and indirect costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302	Building Construction Cost	\$472 per gross sq. ft.	\$244,024,000
Total Direct Costs\$265,051,200Indirect Costs\$100 per retail sq. ft.\$1,800,000Architecture and Engineering6.0% of direct costs\$15,903,072Other Expenses3.0% of direct costs\$7,951,536General and Administrative3.0% of direct costs\$7,951,536Property Tax During Construction2.5% of direct costs\$6,626,280Financing6.0% of direct costs\$15,903,072Subtotal Indirect Costs excluding Fees\$22,000 per unit\$10,934,000Capital Improvements\$1,250 per unit\$21,250Transportation - Residential\$750 per unit\$372,750Transportation - Residential\$0.75 per retail sq. ft.\$1,590,000Subtotal Fee\$3.48 per gross sq. ft.\$1,799,160Other Fees\$30.00 per gross sq. ft.\$1,799,160Subtotal Fees\$29,252,160\$34.88Total Indirect Costs\$25,000Subtotal, Direct and Indirect Costs\$17,521,943Required Return on Investment5.0% of direct and indirect costs\$17,521,943Total Costs\$4424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302	Parking Construction Cost	\$60,000 per space	\$20,580,000
Indirect Costs\$100 per retail sq. ft.\$1,800,000 \$15,903,072Tenant Improvements\$100 of direct costs\$15,903,072 \$15,903,072Other Expenses3.0% of direct costs\$7,951,536 \$7,951,536General and Administrative3.0% of direct costs\$7,951,536 \$7,951,536Property Tax During Construction2.5% of direct costs\$6,626,280 \$15,903,072Financing6.0% of direct costs\$15,903,072 \$15,903,072Subtotal Indirect Costs excluding Fees\$56,135,496Fees\$22,000 per unit\$10,934,000 \$621,250Affordable Housing Fee\$22,000 \$1,250 per unit\$10,934,000 \$621,250Capital Improvements\$1,250 per unit\$372,750 \$15,900 \$12,250Transportation - Residential\$750 \$900 per unit\$372,750 \$15,510,000 \$20,000Subtotal Fees\$3.48 \$900 \$30.00per gross sq. ft.\$1,799,160 \$15,510,000 \$29,252,160Total Indirect Costs\$35,0438,856Contingency Required Return on Investment\$0,0% \$0 of direct and indirect costs\$17,521,943 \$56,070,217Total Costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302	Demo/Site Improvement Cost	\$10 per land sq. ft.	\$447,200
Tenant Improvements\$100per retail sq. ft.\$1,800,000Architecture and Engineering6.0%of direct costs\$15,903,072Other Expenses3.0%of direct costs\$7,951,536General and Administrative3.0%of direct costs\$7,951,536Property Tax During Construction2.5%of direct costs\$6,626,280Financing6.0%of direct costs\$15,903,072Subtotal Indirect Costs excluding Fees\$56,135,496Fees\$22,000per unit\$10,934,000Capital Improvements\$1,250per unit\$10,934,000Capital Improvements\$1,250per unit\$10,934,000Transportation - Residential\$750per unit\$372,750Transportation - Retail\$0.75per retail sq. ft.\$15,900,000Subtotal Fee\$3.48per gross sq. ft.\$1,799,160Other Fees\$30.00per gross sq. ft.\$12,510,000Subtotal Fees\$30.00per gross sq. ft.\$15,510,000Subtotal Fees\$30.00per gross sq. ft.\$17,521,943Contingency5.0%of direct and indirect costs\$17,521,943Required Return on Investment16.0%of direct and indirect costs\$56,070,217Total Costs\$424,031,016\$41,322,302\$41,322,302	Total Direct Costs		\$265,051,200
Tenant Improvements\$100per retail sq. ft.\$1,800,000Architecture and Engineering6.0%of direct costs\$15,903,072Other Expenses3.0%of direct costs\$7,951,536General and Administrative3.0%of direct costs\$7,951,536Property Tax During Construction2.5%of direct costs\$6,626,280Financing6.0%of direct costs\$15,903,072Subtotal Indirect Costs excluding Fees\$56,135,496Fees\$22,000per unit\$10,934,000Capital Improvements\$1,250per unit\$10,934,000Capital Improvements\$1,250per unit\$10,934,000Transportation - Residential\$750per unit\$372,750Transportation - Retail\$0.75per retail sq. ft.\$15,900,000Subtotal Fee\$3.48per gross sq. ft.\$1,799,160Other Fees\$30.00per gross sq. ft.\$12,510,000Subtotal Fees\$30.00per gross sq. ft.\$15,510,000Subtotal Fees\$30.00per gross sq. ft.\$17,521,943Contingency5.0%of direct and indirect costs\$17,521,943Required Return on Investment16.0%of direct and indirect costs\$56,070,217Total Costs\$424,031,016\$41,322,302\$41,322,302	ndirect Costs		
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Other Expenses3.0% of direct costs\$7,951,536General and Administrative3.0% of direct costs\$7,951,536Property Tax During Construction2.5% of direct costs\$6,626,280Financing6.0% of direct costs\$15,903,072Subtotal Indirect Costs excluding Fees\$56,135,496FeesAffordable Housing Fee\$22,000 per unit\$10,934,000Capital Improvements\$1,250 per unit\$621,250Transportation - Residential\$750 per unit\$372,750Transportation - Retail\$0.75 \$15,000per gross sq. ft.\$15,900School Impact Fee\$3.48 \$22,020per gross sq. ft.\$15,510,000Subtotal Indirect Costs\$30.00 \$29,252,160\$29,252,160Total Indirect Costs\$50% \$6,070,217\$350,438,856Contingency5.0% \$6,070,217\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302	-		
General and Administrative3.0% 0 of direct costs\$7,951,536Property Tax During Construction2.5% 0 of direct costs\$6,626,280Financing6.0% 0 of direct costs\$15,903,072Subtotal Indirect Costs excluding Fees\$56,135,496Fees\$1,250 per unit\$10,934,000Capital Improvements\$1,250 per unit\$621,250Transportation - Residential\$750 \$0,755per unit\$3.48 School Impact Fee\$3.48 \$22,200 per gross sq. ft.\$1,799,160Other Fees\$3.48 \$29,252,160\$29,252,160Total Indirect Costs\$85,387,656Subtotal, Direct and Indirect Costs\$30,00 \$5,0% of direct and indirect costs\$17,521,943 \$5,070,217Total Costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302			
Property Tax During Construction2.5% 0 of direct costs\$6,626,280Financing6.0% of direct costs\$15,903,072Subtotal Indirect Costs excluding Fees\$56,135,496FeesFees\$1,250Affordable Housing Fee\$1,250Capital Improvements\$1,250Transportation - Residential\$750School Impact Fee\$3.48School Impact Fee\$3.48Subtotal Fees\$29,252,160Total Indirect Costs\$85,387,656Subtotal, Direct and Indirect Costs\$30,00per gross sq. ft.\$15,510,000Subtotal, Direct and Indirect Costs\$30,00Contingency\$.0%Contingency\$.0%Required Return on Investment\$.0%Residual Land Value (Net Project Value - Total Costs)\$41,322,302	•		
Financing6.0% 6.0% of direct costs\$15,903,072 \$56,135,496Subtotal Indirect Costs excluding Fees\$56,135,496FeesAffordable Housing Fee\$22,000 \$1,250per unitCapital Improvements\$1,250 per unit\$621,250Transportation - Residential\$750 \$0,75per unit\$3,48 \$0,001per gross sq. ft.\$1,799,160Other Fees\$3.48 \$29,252,160per gross sq. ft.Subtotal Pees\$30.00 \$29,252,160\$29,252,160Total Indirect Costs\$85,387,656Subtotal, Direct and Indirect Costs\$30,00 \$16,0%Contingency\$.0% \$16,0%of direct and indirect costsRequired Return on Investment\$0,0% \$16,0%of direct and indirect costsTotal Costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302	Property Tax During Construction		
FeesAffordable Housing Fee\$22,000per unit\$10,934,000Capital Improvements\$1,250per unit\$621,250Transportation - Residential\$750per unit\$372,750Transportation - Retail\$0.75per retail sq. ft.\$15,000School Impact Fee\$3.48per gross sq. ft.\$1,799,160Other Fees\$30.00per gross sq. ft.\$15,510,000Subtotal Fees\$30.00per gross sq. ft.\$15,510,000Total Indirect Costs\$85,387,656\$350,438,856Contingency\$.0%of direct and indirect costs\$17,521,943Required Return on Investment16.0%of direct and indirect costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302\$41,322,302		6.0% of direct costs	
Affordable Housing Fee\$22,000per unit\$10,934,000Capital Improvements\$1,250per unit\$621,250Transportation - Residential\$750per unit\$372,750Transportation - Retail\$0.75per retail sq. ft.\$15,000School Impact Fee\$3.48per gross sq. ft.\$1,799,160Other Fees\$30.00per gross sq. ft.\$15,510,000Subtotal Fees\$30.00per gross sq. ft.\$15,510,000Fotal Indirect Costs\$85,387,656\$29,252,160Subtotal, Direct and Indirect Costs\$350,438,856\$350,438,856Contingency\$.0%of direct and indirect costs\$17,521,943Required Return on Investment16.0%of direct and indirect costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302\$41,322,302	Subtotal Indirect Costs excluding Fees		\$56,135,496
Capital Improvements\$1,250per unit\$621,250Transportation - Residential\$750per unit\$372,750Transportation - Retail\$0.75per retail sq. ft.\$15,000School Impact Fee\$3.48per gross sq. ft.\$1,799,160Other Fees\$30.00per gross sq. ft.\$15,510,000Subtotal Fees\$30.00per gross sq. ft.\$15,510,000Fotal Indirect Costs\$29,252,160\$29,252,160Subtotal, Direct and Indirect Costs\$350,438,856Contingency\$.0%of direct and indirect costs\$17,521,943Required Return on Investment\$.0%of direct and indirect costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302\$41,322,302	ees		
Transportation - Residential\$750per unit\$372,750Transportation - Retail\$0.75per retail sq. ft.\$15,000School Impact Fee\$3.48per gross sq. ft.\$1,799,160Other Fees\$30.00per gross sq. ft.\$15,510,000Subtotal Fees\$30.00per gross sq. ft.\$15,510,000Total Indirect Costs\$85,387,656\$350,438,856Subtotal, Direct and Indirect Costs\$30,00of direct and indirect costsContingency\$.0%of direct and indirect costs\$17,521,943Required Return on Investment16.0%of direct and indirect costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302\$41,322,302	Affordable Housing Fee	\$22,000 per unit	\$10,934,000
Transportation - Retail\$0.75per retail sq. ft.\$15,000School Impact Fee\$3.48per gross sq. ft.\$1,799,160Other Fees\$30.00per gross sq. ft.\$15,510,000Subtotal Fees\$30.00per gross sq. ft.\$29,252,160Total Indirect Costs\$85,387,656Subtotal, Direct and Indirect Costs\$350,438,856Contingency5.0%of direct and indirect costs\$17,521,943Required Return on Investment16.0%of direct and indirect costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302\$41,322,302	Capital Improvements	\$1,250 per unit	\$621,250
School Impact Fee\$3.48per gross sq. ft.\$1,799,160Other Fees\$30.00per gross sq. ft.\$15,510,000Subtotal Fees\$29,252,160Total Indirect Costs\$85,387,656Subtotal, Direct and Indirect Costs\$350,438,856Contingency\$.0%of direct and indirect costsRequired Return on Investment\$.0%of direct and indirect costsTotal Costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302	Transportation - Residential	\$750 per unit	\$372,750
Other Fees \$30.00 per gross sq. ft. \$15,510,000 Subtotal Fees \$29,252,160 \$29,252,160 Total Indirect Costs \$85,387,656 Subtotal, Direct and Indirect Costs \$350,438,856 Contingency 5.0% of direct and indirect costs \$17,521,943 Required Return on Investment 16.0% of direct and indirect costs \$56,070,217 Total Costs \$424,031,016 Residual Land Value (Net Project Value - Total Costs) \$41,322,302	-		
Subtotal Fees \$29,252,160 Total Indirect Costs \$85,387,656 Subtotal, Direct and Indirect Costs \$350,438,856 Contingency 5.0% of direct and indirect costs \$17,521,943 Required Return on Investment 16.0% of direct and indirect costs \$17,521,943 Total Costs \$424,031,016 Residual Land Value (Net Project Value - Total Costs) \$41,322,302			\$1,799,160
Total Indirect Costs \$85,387,656 Subtotal, Direct and Indirect Costs \$350,438,856 Contingency 5.0% of direct and indirect costs \$17,521,943 Required Return on Investment 16.0% of direct and indirect costs \$16,070,217 Total Costs \$424,031,016 Residual Land Value (Net Project Value - Total Costs) \$41,322,302		\$30.00 per gross sq. ft.	<u>\$15,510,000</u>
Subtotal, Direct and Indirect Costs \$350,438,856 Contingency 5.0% of direct and indirect costs \$17,521,943 Required Return on Investment 16.0% of direct and indirect costs \$56,070,217 Total Costs \$424,031,016 Residual Land Value (Net Project Value - Total Costs) \$41,322,302	Subtotal Fees		\$29,252,160
Contingency 5.0% of direct and indirect costs \$17,521,943 Required Return on Investment 16.0% of direct and indirect costs \$6,070,217 Total Costs \$424,031,016 Residual Land Value (Net Project Value - Total Costs) \$41,322,302	Total Indirect Costs		\$85,387,656
Required Return on Investment 16.0% of direct and indirect costs \$56,070,217 Total Costs \$424,031,016 Residual Land Value (Net Project Value - Total Costs) \$41,322,302	Subtotal, Direct and Indirect Costs		\$350,438,856
Total Costs\$424,031,016Residual Land Value (Net Project Value - Total Costs)\$41,322,302			
Residual Land Value (Net Project Value - Total Costs) \$41,322,302	Required Return on Investment	16.0% of direct and indirect costs	\$56,070,217
	Total Costs		\$424,031,016
160% (S6.611.568)			
Net Residual Land Value \$34,710,734	. ,	16.0%	

APPENDIX TABLE R.1 Development Case I-1 (HEG Prototype 2) UPZONING

Intensity Area: CBD - Lake Merritt Office, Broadway, and City Center subareas

DEVELOPMENT PROGRAM	Assumption	Total		
Lot Size	1.03 acres	44,720 so	1. ft.	
Construction Type	Type I (not used in calculations)	, , , , , , , , , , , , , , , , , , ,		
Building Height	no limit (not used in calculations)			
Building Height Estimated Actual (# of stories)	20+ (not used in calculations)			
Residential Density (min. lot area per unit)	65 (not used in calculations)	670 DU per acre		
Fotal Units	688 units			
Fotal Building Area	1,029 sq. ft. per unit, calculated	708,000 sq	μ . ft.	
Net Residential Unit Area	78% efficiency ratio	536,640 sq	ą. ft.	
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit			
Net Retail Area		18,000 so	η. ft.	
Podium Parking Spaces		467 sp	2020	
paces Excluding Retail		407 sp 447 sp		
REVENUE		56		
Gross Residential Rental Revenue	\$6.54 per net sq. ft. per month	\$42,115,507		
(less) Operating Expenses (Residential)	27.5% of residential revenue	(\$11,581,764)		
(less) Vacancy	4.0% of gross annual revenue	(\$1,684,620)		
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$268,320)		
Residential NOI	· · ·	\$28,580,803		
	420.40			
Gross Retail Revenue	\$38.40	\$691,200		
(less) Vacancy	5.0% of gross annual revenue	(\$34,560)		
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$9,000)</u>		
Retail NOI		\$647,640		
Net Parking Revenue (without retail parking)	\$150 per space per month	\$804,600		
Total NOI		\$30,033,043		
	4.50%	¢667 400 056		
Capitalized Value (less) Cost of Sale/Marketing	4.50% cap rate	\$667,400,956 <u>(\$20,022,029)</u>		
Net Project Value		\$647,378,927		
DEVELOPMENT COST				
Direct Costs				
Building Construction Cost	\$475 per gross sq. ft.	\$336,300,000		
Parking Construction Cost	\$60,000 per space	\$28,020,000		
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$447,200</u>		
Fotal Direct Costs	tee be and the			
		\$364,767,200		
Indirect Costs				
Tenant Improvements	\$100 per retail sq. ft.	\$1,800,000		
Architecture and Engineering	6.0% of direct costs	\$21,886,032		
Other Expenses	3.0% of direct costs	\$10,943,016		
General and Administrative	3.0% of direct costs	\$10,943,016		
Property Tax During Construction	2.5% of direct costs	\$9,119,180		
inancing	6.5% of direct costs	<u>\$23,709,868</u>		
Subtotal Indirect Costs excluding Fees		\$78,401,112		
Fees	422.000	445 496 999		
Affordable Housing Fee	\$22,000 per unit	\$15,136,000		
Capital Improvements	\$1,250 per unit	\$860,000		
Transportation - Residential	\$750 per unit	\$516,000		
Transportation - Retail	\$0.75 per retail sq. ft.	\$15,000		
School Impact Fee	\$3.48 per gross sq. ft.	\$2,463,840		
Other Fees	\$30.00 per gross sq. ft.	<u>\$21,240,000</u>		
Subtotal Fees		\$40,230,840		
Fotal Indirect Costs		\$118,631,952		
Subtotal, Direct and Indirect Costs		\$483,399,152		
Contingency Required Return on Investment	5.0% of direct and indirect costs 17.0% of direct and indirect costs			
Total Costs		\$589,746,966		
	nete)			
Residual Land Value (Net Project Value - Total Co less) Return on Residual Land Value	17.0%	\$57,631,961 (\$9,797,433)		
Net Residual Land Value		\$47,834,528		
ncremental Development	Net Residual Land Value	60 · 7 · 6		¢co.o
Building Space	191,000 Base Case	\$34,710,734	\$776 per sf land	\$69,841 per DU
Dwelling Units	191 Upzoning		\$1,070 per sf land	\$69,527 per DU
	Increase	\$13,123,794	\$68.71 per add'l bldg SF	\$68,711 per add'l D
	1/3 of Increase		\$22.90 per add'l bldg SF	\$22,904 per add'l [

APPENDIX TABLE R.2 Development Case I-6 (HEG Prototype 20) BASE ZONING

Intensity Area: CBD - 14th Street East and West subareas

Generalized Location: 14th Street East & West	Assumption	Total
DEVELOPMENT PROGRAM	0.47 acros	20,400 cg. ft
Lot Size	0.47 acres	20,400 sq. ft.
Construction Type Building Height	Type III (not used in calculations) 90' (not used in calculations)	
Building Height Estimated Actual (# of stories)	6.00 (not used in calculations)	
Residential Density (min. lot area per unit)	225 (not used in calculations)	194 DU per acre
Total Units	91 units	194 DO per acre
Total Building Area	1,154 sq. ft. per unit, calculated	105,000 sq. ft.
Net Residential Unit Area	78% efficiency ratio	70,980 sq. ft.
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit	70,500 34.11.
Net Retail Area		12,600 sg. ft.
		12,000 39.11.
Podium Parking Spaces		96 spaces
Spaces Excluding Retail		82 spaces
REVENUE		
Gross Residential Rental Revenue	\$5.88 per net sq. ft. per month	\$5,008,349
(less) Operating Expenses (Residential)	30.0% of residential revenue	(\$1,502,505)
(less) Vacancy	4.0% of gross annual revenue	(\$200,334)
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$35,490)</u>
Residential NOI		\$3,270,020
Gross Potal Povenue	\$28.40	6100 010
Gross Retail Revenue	\$38.40 40	\$483,840
(less) Vacancy	5.0% of gross annual revenue	(\$24,192) (\$6,200)
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$6,300)</u>
Retail NOI		\$453,348
Net Parking Revenue (without retail parking)	\$150 per space per month	\$147,600
Total NOI		\$3,870,968
	4.50%	
Capitalized Value	4.50% cap rate	\$86,021,511
(less) Cost of Sale/Marketing	3.0%	<u>(\$2,580,645)</u>
Net Project Value		\$83,440,866
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$420 per gross sq. ft.	\$44,100,000
Parking Construction Cost	\$60,000 per space	\$5,760,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$204,000</u>
Total Direct Costs		\$50,064,000
Indirect Costs		
Tenant Improvements	\$100 per retail sq. ft.	\$1,260,000
Architecture and Engineering	6.0% of direct costs	\$3,003,840
Other Expenses	3.0% of direct costs	\$1,501,920
General and Administrative	3.0% of direct costs	\$1,501,920
Property Tax During Construction	2.0% of direct costs	\$1,001,280
Financing	5.0% of direct costs	\$2,503,200
Subtotal Indirect Costs excluding Fees		\$10,772,160
Fees		
Affordable Housing Fee	\$22,000 per unit	\$2,002,000
Capital Improvements	\$1,250 per unit	\$113,750
Transportation - Residential	\$750 per unit	\$68,250
Transportation - Retail	\$0.75 per retail sq. ft.	\$10,500
School Impact Fee	\$3.48 per gross sq. ft.	\$365,400
Other Fees	\$30.00 per gross sq. ft.	<u>\$3,150,000</u>
Subtotal Fees		\$5,709,900
Total Indirect Costs		\$16,482,060
Subtotal, Direct and Indirect Costs		\$66,546,060
	5.0% of direct and indirect sector	
Contingency Required Return on Investment	5.0% of direct and indirect costs 14.0% of direct and indirect costs	\$3,327,303 \$9,316,448
Total Costs		\$79,189,811
	insts)	\$4,251,055
Residual Land Value (Net Project Value - Total C (less) Return on Residual Land Value	14.0%	(\$595,148)

APPENDIX TABLE R.2 Development Case I-6 (HEG Prototype 20) UPZONING

Intensity Area: CBD - 14th Street East and West subareas

Conceptional Locations 14th Streat Fact & West	Intensity Area: CBD - 14th Street E	ast and west subareas		
Generalized Location: 14th Street East & West	Assumption	Total		
DEVELOPMENT PROGRAM Lot Size	0.47 acres	20,400 so	• f+	
Construction Type	Type I (not used in calculations)	20,400 50	μ. Ι ι.	
Building Height	90' - 175' (not used in calculations)			
Building Height Estimated Actual (# of stories)	12.00 (not used in calculations)			
Residential Density (min. lot area per unit)	110 (not used in calculations)	395 DU per acre		
Total Units Total Building Area	185 units	200,000 so	• f+	
Net Residential Unit Area	1,081 sq. ft. per unit, calculated 78% efficiency ratio	144,300 sc		
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit	11,000	1	
Net Retail Area		13,500 sc	ą. ft.	
Podium Parking Spaces		135 sr	baces	
Spaces Excluding Retail		120 sp		
REVENUE				
Gross Residential Rental Revenue	\$6.30 per net sq. ft. per month	\$10,909,080 (\$2,000,007)		
(less) Operating Expenses (Residential) (less) Vacancy	27.5% of residential revenue 4.0% of gross annual revenue	(\$2,999,997) (\$436,363)		
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$72,150)</u>		
Residential NOI		\$7,400,570		
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$518,400		
(less) Vacancy	5.0% of gross annual revenue	(\$25,920)		
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$6,750)		
Retail NOI		\$485,730		
Net Parking Revenue (without retail parking)	\$150 per space per month	\$216,000		
Total NOI		\$8,102,300		
Capitalized Value	4.50% cap rate	\$180,051,111		
(less) Cost of Sale/Marketing	3.0%	<u>(\$5,401,533)</u>		
Net Project Value		\$174,649,578		
DEVELOPMENT COST				
Direct Costs	A 170	40.4.000.000		
Building Construction Cost Parking Construction Cost	\$470 per gross sq. ft. \$60,000 per space	\$94,000,000 \$8,100,000		
Demo/Site Improvement Cost	\$10 per land sq. ft.	\$8,100,000 <u>\$204,000</u>		
Total Direct Costs		\$102,304,000		
		Ş102,304,000		
Indirect Costs Tenant Improvements	\$100 per retail sq. ft.	\$1,350,000		
Architecture and Engineering	6.0% of direct costs	\$6,138,240		
Other Expenses	3.0% of direct costs	\$3,069,120		
General and Administrative	3.0% of direct costs	\$3,069,120		
Property Tax During Construction	2.5% of direct costs 6.0% of direct costs	\$2,557,600		
Financing Subtotal Indirect Costs excluding Fees	6.0% of direct costs	<u>\$6,138,240</u> \$22,322,320		
Fees		<i><i><i>vLLJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJULJ<i>ULJULJUULJULJULJ<i>ULJULJULJULJ<i>ULJULJULJULJ<i>ULUJULJULJ<i>ULJ<i>ULUJULJ<i>ULJULJ<i>ULUJULJ<i>ULUJULJ<i>ULUJULJ<i>ULUJULUJULUJ<i>ULUJULUJ<i>ULUJUUUUUUUUUUUUU</i></i></i></i></i></i></i></i></i></i></i></i></i></i></i></i>		
Affordable Housing Fee	\$22,000 per unit	\$4,070,000		
Capital Improvements	\$1,250 per unit	\$231,250		
Transportation - Residential	\$750 per unit	\$138,750		
Transportation - Retail School Impact Fee	\$0.75 per retail sq. ft. \$3.48 per gross sq. ft.	\$11,250 \$696,000		
Other Fees	\$30.00 per gross sq. ft.	<u>\$6,000,000</u>		
Subtotal Fees		\$11,147,250		
Total Indirect Costs		\$33,469,570		
Subtotal, Direct and Indirect Costs		\$135,773,570		
Contingency	5.0% of direct and indirect costs	\$6,788,679		
Required Return on Investment	16.0% of direct and indirect costs	1 - 7 7		
Total Costs		\$164,286,020		
Residual Land Value (Net Project Value - Total Cos (less) Return on Residual Land Value	ts)	\$10,363,558 (\$1,658,169)		
Net Residual Land Value	10.070	\$8,705,389		
Residual Land Value per Acre		\$18,588,566		
Incremental Development	Net Residual Land Value	40 cm 00-	¢170	640.475
Building Space Dwelling Units	95,000 Base Case 94 Upzoning	\$3,655,907 \$8,705,389	\$179 per sf land \$427 per sf land	\$40,175 per DU \$47,056 per DU
Dwening Units	Increase	\$8,705,389 \$5,049,482	\$53.15 per add'l bldg SF	\$53,718 per add'l DU
	1/3 of Increase	\$1,683,161	\$17.72 per add'l bldg SF	\$17,906 per add'l DU
		•	· •	

APPENDIX TABLE R.3 Development Case II-1 (HEG Prototype 4A) BASE ZONING

Assumption	Total
<u>1.38</u> acres	60,000 sq. ft.
· · · · · · · · · · · · · · · · · · ·	
	44 DU per acre
	70,000
	78,000 sq. ft.
-	46,800 sq. ft.
780 net sq. ft. per unit	16,200 sq. ft.
	78 spaces
	60 spaces
\$5.76 per net sq. ft. per month	\$3,234,816
	(\$970,445)
	(\$129,393)
\$0.50 per net sq. ft.	<u>(\$23,400)</u>
	\$2,111,578
\$38.40 per net sq. ft. per year	\$622,080
5.0% of gross annual revenue	(\$31,104)
\$0.50 per net sq. ft.	(\$8,100)
	\$582,876
\$140 per space per month	\$100,800
4.500/	\$2,795,254
3.0%	\$62,116,756 <u>(\$1,863,503)</u>
	\$60,253,253
\$360 per gross sq. ft.	\$28,080,000
\$60,000 per space	\$4,680,000
\$10 per land sq. ft.	<u>\$600,000</u>
	\$33,360,000
\$100 per retail sq. ft.	\$1,620,000
	\$2,001,600
	\$1,000,800
	\$1,000,800
	\$667,200
4.0% of direct costs	<u>\$1,334,400</u> \$7,624,800
\$22,000 por unit	¢1 220 000
	\$1,320,000
	\$75,000 \$45,000
	\$13,500 \$271,440
	\$2,340,000
	\$4,064,940
	\$11,689,740 \$45,049,740
5.0% of direct and indirect costs 12.0% of direct and indirect costs	
	\$52.708.196
osts)	\$52,708,196 \$7,545,057
	1.38 acres Type V (not used in calculations) 45' (not used in calculations) 1,000 (not used in calculations) 1,000 (not used in calculations) 60 units 1,300 sq. ft. per unit, calculated 78% efficiency ratio 780 net sq. ft. per unit \$5.76 per net sq. ft. per unit \$0.90 of gross annual revenue \$0.50 per net sq. ft. per year \$0.50 per net sq. ft. \$38.40 per net sq. ft. per year \$0.50 per net sq. ft. \$140 per space per month 4.50% cap rate 3.0% of gross sq. ft. \$140 per space per land sq. ft. \$140 per space \$100 per retail sq. ft. \$140 per space \$140 per space \$140 per gross sq. ft. \$200 per unit sq. ft. \$100 per retail sq. ft. \$100 per retail sq. ft. \$2

APPENDIX TABLE R.3 Development Case II-1 (HEG Prototype 4A) UPZONING

	Intensity Area: JL/VC - Jack	London West subarea		
Generalized Location: JLWest Blocks on	Assumation	Tatal		
Waterfront & nearby DEVELOPMENT PROGRAM	Assumption	Total		
Lot Size	1.38 acres	60,000 sq.	ft	
Construction Type	Type I (not used in calculations)	50,000 34.		
Building Height	175' (not used in calculations)			
Building Height Estimated Actual (# of stor				
Residential Density (min. lot area per unit)	110 (not used in calculations)	396 DU per acre		
Total Units	545 units	•		
Total Building Area	1,033 sq. ft. per unit, calculated	563,000 sq.	ft.	
Net Residential Unit Area	78% efficiency ratio	425,100 sq.	ft.	
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit			
Net Retail Area		16,200 sq.	ft.	
Podium Parking Spaces		481 spa	1005	
Spaces Excluding Retail		463 spa		
REVENUE				
Gross Residential Rental Revenue	\$6.36 per net sq. ft. per month	\$32,443,632		
(less) Operating Expenses (Residential)		(\$8,921,999)		
(less) Vacancy	4.0% of gross annual revenue	(\$1,297,745)		
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$212,550)		
Residential NOI		\$22,011,338		
Gross Retail Revenue	¢28.40 por pot ca ft por your	\$622,080		
(less) Vacancy	\$38.40 per net sq. ft. per year 5.0% of gross annual revenue	(\$31,104)		
(less) Vacancy (less) Capital Reserves	\$0.50 per net sq. ft.	(\$31,104)		
Retail NOI	\$0.50 per net 34. rt.	\$582,876		
		<i>\$562,676</i>		
Net Parking Revenue (without retail par	rking) \$140 per space per month	\$777,840		
Total NOI		\$23,372,054		
Capitalized Value	4.50% cap rate	\$519,378,978		
(less) Cost of Sale/Marketing	3.0%	<u>(\$15,581,369)</u>		
Net Project Value		\$503,797,609		
DEVELOPMENT COST				
Direct Costs				
Building Construction Cost	\$470 per gross sq. ft.	\$264,610,000		
Parking Construction Cost	\$60,000 per space	\$28,860,000		
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$600,000</u>		
Total Direct Costs		\$294,070,000		
Indirect Costs				
Tenant Improvements	\$100 per retail sq. ft.	\$1,620,000		
Architecture and Engineering	6.0% of direct costs	\$17,644,200		
Other Expenses	3.0% of direct costs	\$8,822,100		
General and Administrative	3.0% of direct costs	\$8,822,100		
Property Tax During Construction	2.5% of direct costs	\$7,351,750		
Financing	6.0% of direct costs	<u>\$17,644,200</u>		
Subtotal Indirect Costs excluding Fees	1	\$61,904,350		
Fees	¢22.000	¢14,000,000		
Affordable Housing Fee Capital Improvements	\$22,000 per unit	\$11,990,000		
Transportation - Residential	\$1,250 per unit \$750 per unit	\$681,250 \$408,750		
Transportation - Retail	\$0.75 per retail sq. ft.	\$13,500		
School Impact Fee	\$3.48 per gross sq. ft.	\$1,959,240		
Other Fees	\$30.00 per gross sq. ft.	\$16,890,000		
Subtotal Fees	400,00 bei 8,000 sei in	\$31,942,740		
Total Indirect Costs		\$93,847,090		
Subtotal, Direct and Indirect Costs		\$387,917,090		
Contingency	5.0% of direct and indirect cost			
Required Return on Investment	16.0% of direct and indirect cost			
Total Costs		\$469,379,679		
Residual Land Value (Net Project Value - (less) Return on Residual Land Value Net Residual Land Value	Total Costs)	\$34,417,930 (\$5,506,869) \$28,911,061		
Incremental Development	Net Residual Land Value			
-	ng Space 485,000 Base Case	\$6,639,650	\$111 per sf land	\$110,661 per DU
	ng Units 485 Upzoning	\$28,911,061	\$482 per sf land	\$53,048 per DU
			A	
	Increase 1/3 of Increase		\$45.92 per add'l bldg SF \$15.31 per add'l bldg SF	\$45,920 per add'l DU \$15,307 per add'l DU

APPENDIX TABLE R.4 Development Case II-3 (HEG Prototype 4B) BASE ZONING

DEVELOPMENT PROGRAM	•	
Lot Size	1.38 acres	60,000 sg. ft.
Construction Type	Type V (not used in calculations)	00,000 34.11.
Building Height	45' (not used in calculations)	
Building Height Estimated Actual (#ofstories)	2.00 (not used in calculations)	
Residential Density (min. lot area per unit)	900 (not used in calculations)	49 DU per acre
Total Units	67 units	
Total Building Area	1,269 sq. ft. per unit, calculated	85,000 sq. ft.
Net Residential Unit Area	78% efficiency ratio	52,260 sq. ft.
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit	· · ·
Net Retail Area		16,200 sq. ft.
Podium Parking Spaces		85 spaces
Spaces Excluding Retail		67 spaces
REVENUE		62 5 42 220
Gross Residential Rental Revenue	\$5.65 per net sq. ft. per month	\$3,543,228
(less) Operating Expenses (Residential)	30.0% of residential revenue 4.0% of gross annual revenue	(\$1,062,968) (\$141,720)
(less) Vacancy		(\$141,729)
(less) Capital Reserves Residential NOI	\$0.50 per net sq. ft.	<u>(\$26,130)</u> \$2,212,401
		\$2,312,401
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$622,080
(less) Vacancy	5.0% of gross annual revenue	(\$31,104)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$8,100)
Retail NOI		\$582,876
Net Parking Revenue (without retail parking)	\$140 per space per month	\$112,560
Total NOI	por oppose por more	\$3,007,837
Capitalized Value	4.50% cap rate	\$66,840,822
(less) Cost of Sale/Marketing	3.0%	<u>(\$2,005,225)</u>
Net Project Value		\$64,835,597
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$360 per gross sq. ft.	\$30,600,000
Parking Construction Cost	\$60,000 per space	\$5,100,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$600,000</u>
Total Direct Costs		\$36,300,000
Indirect Costs		
Tenant Improvements	\$100 per retail sq. ft.	\$1,620,000
Architecture and Engineering	6.0% of direct costs	\$2,178,000
Other Expenses	3.0% of direct costs	\$1,089,000
General and Administrative	3.0% of direct costs	\$1,089,000
Property Tax During Construction	2.0% of direct costs	\$726,000
Financing	4.0% of direct costs	\$1,452,000
Subtotal Indirect Costs excluding Fees		\$8,154,000
Fees		4
Affordable Housing Fee	\$22,000 per unit	\$1,474,000
Capital Improvements	\$1,250 per unit	\$83,750
Transportation - Residential	\$750 per unit	\$50,250
Transportation - Retail	\$0.75 per retail sq. ft.	\$13,500
School Impact Fee	\$3.48 per gross sq. ft.	\$295,800
Other Fees	\$30.00 per gross sq. ft.	<u>\$2,550,000</u>
Subtotal Fees		\$4,467,300
Total Indirect Costs		\$12,621,300
Subtotal, Direct and Indirect Costs		\$48,921,300
Contingency	5.0% of direct and indirect costs	\$2,446,065
Required Return on Investment	12.0% of direct and indirect costs	\$5,870,556
Total Costs		\$57,237,921
Residual Land Value (Net Project Value - Total (Costs)	\$7,597,676
(less) Return on Residual Land Value	12.0%	(\$911,721)
		\$6,685,955

APPENDIX TABLE R.4 Development Case II-3 (HEG Prototype 4B) UPZONING

Diversion in procession 1.38 accord 0.000 is, it is is in the interval of the inter	Generalized Location: JL West - Inland	blocks Assumption	Total		
Construction Type: building length building length buil		1.29	60.000	<i>t</i> +	
Building Field Listmated Actual (or former) 12.00 Potential consultations) 396 0U per arc Table Juliding Area 1.003 31 f. per unit, circladated 395 0U per arc Table Juliding Area 1.003 31 f. per unit, circladated 393 000 per arc Average Unit Size (inet sq. ft.) 395 000 per arc 393 000 per arc 393 000 per arc Rester Alex Restal Area 393 000 per arc 393 000 per arc 393 000 per arc Rester Alex Restal Area 3000 per arc 393 000 per arc 393 000 per arc Rester Alex Restal Area 3000 per arc 393 000 per arc 393 000 per arc Rester Alex Restal Area 3000 per arc 393 000 per arc 393 000 per arc (less Vacarroy 3000 per arc st. pt. tr 212 353 000 per arc st. pt. 212 353 000 per arc st. pt. (less Vacarroy 3000 per arc st. pt. 320 000 per arc st. pt. 320 000 per arc st. pt. (less Vacarroy 3000 per arc st. pt. 320 000 per arc st. pt. 320 000 per arc st. pt. (less Vacarroy 3000 per arc st. pt. 320 000 per arc st. pt. 320 000 per arc st. pt. Carla Molin Cost 3000 per			<u> </u>	. 11.	
Recidential benily pine. (arrang area por unit) Tabi Parling Spaces Tabi Parling Space Tabi Parling Tabi					
Total Union 565 wint 503.0001 vs. It. per unit Total Building Area 738 rt. per unit 503.0001 vs. It. per unit Advance Unit Size (reiss, nt.) 728 rt. per unit 503.0001 vs. It. per unit Advance Unit Size (reiss, nt.) 728 rt. per unit 503.0001 vs. It. per unit Gross Residential Renda Revenue 502.200 per net so., It. per unit 503.0001 vs. It. per unit Gross Residential Revenue 503.0001 503.0001 vs. It. per unit 503.0001 Gross Residential Revenue 503.0001 503.0001 503.0001 ssize (reiss) ssize (reiss) Gross Residential Revenue 503.0001 9000 per net so., ft. per year 533.0001 ssize (reiss) ssize (reiss) Gross Residential NOI 5000 per net so., ft. per year 533.0000 ssize (reiss) ssize	• •		396 DU per acre		
Net Reidential Unit Area Areage Unit Size (res 4, ft.) 780 res 43, ft. 223, 100 so ft. Net Reidential Area 6,200 so ft. 6,200 so ft. Ottam Parking Spaces 433, 500 spaces 443 spaces Oreas Residential Renal Revenue (less) Oparating Spaces 5224 per ret so, ft. per month (Siz, 103, 363, 500) 531, 831, 488					
Average Unit Size (ext sq. ft.) 780 ret sq. ft. per unit Polum Parking Spaces 481 15200 14, rt. Polum Parking Spaces 483 201005 Spaces Escluding Retail 463 201005 Residential Retail Revenue (less) Operating Expenses (Residential) (less) Capital Reserves 56.24 per net sq. ft. per month (SR.753, 2650) Residential Revenue (less) Capital Reserves 588.00 per net sq. ft. per year (SR.153, 100, 200) SS.22.800 Cross Residential Revenue (less) Capital Reserves 588.00 per net sq. ft. (SR.153, 100, 200) SS.22.800 Retail NO 588.00 per space per month (SR.153, 100, 200) SS.22.800 SS.22.800 Retail NO 59000 per space per month (SR.153, 100, 200) SS.22.800 SS.22.800 Vet Project Value (less) Cost of Salar/Marketing (SR.10000 59000 per space per month (SR.153, 100, 200) SS.22.800 DetCodo 59000 per space per month (SR.1000, 100, 100, 100, 100, 100, 100, 100	•				
Polum Parking Spaces Spaces Excluding Retail 480 Spaces 400 spaces 400			423,100 34		
Space: 463 space: Gross Residential Rental Revenue (less) Operating Spennes (Residential) 27.57 (27.57) 57.57 (27.57) 57.57 (27.57) (less) Operating Spennes (Residential) 27.57 (27.57) 67.57 (27.57) 57.57 (27.57) (less) Operating Spennes (Residential) 27.57 (27.57) 67.57 (27.57) 57.57 (27.57) (less) Operating Revenue (less) Oparating Revenue (less) Oparating Revenue (less) Oparating Revenue (less) Oparating Revenue (less) Oparating Revenue (without retail parking) 51.60 (27.57) 57.77 (27.56) Net Parking Revenue (without retail parking) 51.60 (27.57) 57.77 (27.60) 57.77 (27.60) Net Parking Revenue (without retail parking) 51.60 (27.57) 57.77 (27.60) 57.77 (27.60) Net Parking Revenue (without retail parking) 51.60 (27.57) 57.77 (27.60) 57.77 (27.60) Net Parking Revenue (without retail parking) 51.60 (27.57) 57.77 (27.60) 57.77 (27.60) Net Parking Revenue (without retail parking) 51.60 (27.67) 57.77 (27.60) 57.77 (27.60) Net Parking Revenue (without retail parking) 51.60 (27.67) 57.77 (27.60) 57.77 (27.60) Devel Costs 51.70 (27.67) 57.77 (27.60)	Net Retail Area		16,200 sq.	. ft.	
REVENUE 55.22 per net sq. ft. per month 27.55 of residential revenue (55,1275,60) (less) Operating Expense (Residential) 4.05 (51,272,500) (51,272,500) (less) Operating Expense (Residential) 500,000 per net sq. ft. (51,1252,01) (less) Operating Expense (Residential) 500,000 per net sq. ft. (51,100,000) (less) Operating Revenue (without retail parking) 5120 per net sq. ft. (51,100,000) (less) Operating Revenue (without retail parking) 5120 per net sq. ft. (51,100,000) (less) Operating Revenue (without retail parking) 5120 per net sq. ft. (51,000,077) (less) Operating Revenue (without retail parking) 5120 per net sq. ft. (51,000,073) (less) Operating Revenue (without retail parking) 5120 per net sq. ft. (51,000,073) (less) Operating Revenue (without retail parking) 5120 per net sq. ft. (51,000,073) (less) Operating Revenue (without retail parking) 5120 per net sq. ft. (524,51,00,000) Vertice Overtice Ove	Podium Parking Spaces				
Gross Residential Renal Revenue (less) Quartary Deprenses (Residential) (less) Quartary Deprenses (Residential) (less) Quartary Deprenses (Residential) (less) Quartary Deprenses (Residential NOI (less) Quartary Deprenses (Residential NOI (Residential			463 spa	aces	
description description description description description description description description description description Gross Real Revenue description description description description Gross Real Revenue (without retail parking) description description description description Gross Real Revenue (without retail parking) description description description description Gross Real Revenue (without retail parking) description description description description Gross Real Revenue (without retail parking) description description description description Gross Real Revenue (without retail parking) description description description description Dired Costs de		\$6.24 per net sq. ft. per month	\$31,831,488		
(lest) Capital Reserves 50.50 per met sq. ft. (221.55.0) Gross Retail Reserves 50.80 of gross annual revenue (33.104) (less) Quartal Reserves 50.80 of gross annual revenue (33.104) Retail Revenue (with state s		·			
Residential NOI \$21,592,019 Gross Retail Revenue (less) Vacancy \$38,400 or rates 0, t. per year (35,100) \$622,080 (35,100) (less) Vacancy \$38,400 or rates 0, t. per year (35,100) \$522,080 (35,100) Net Parking Revenue (without retail parking) \$140 or space per month \$777,840 Total NOI \$22,592,735 \$2100,007 Capitalized Value (less) Cost of Sale/Marketing \$3000 or rate \$2100,007 Optical Cost \$500,000 \$5100,000,778 Vet Porject Value \$690,000 or space per month \$777,840 Vet Divect Orket \$500,000 per space space space space per month \$777,840 Vet Divect Orket \$690,000 per space					
Less (april asserves in the serves					
[Less] Optimization 50% of gross annual revenue (\$31,104) [Less] Optimization 538.2 giver net sq. ft. (\$38.00) Retal NOI 538.2 giver 538.2 giver Net Parking Revenue (without retail parking) 5140 per space per month 537.2 giver Total NOI 522.2 gis2,735 5 Capitalized Value 450% cap rate 5510,060,778 (less) Cost of Sale/Marketing 30% (\$151,301,823) Net Project Value 5400 per gross sq. ft. 5246,610,000 Parking Construction Cost 5400 per gross sq. ft. 5246,610,000 Parking Construction Cost 5400 per gross sq. ft. 5246,010,000 Parking Construction Cost 5400 per gross sq. ft. 5248,000,000 Total Direct Costs 5100 per retail sq. ft. 51,620,000 Architecture and Engineering 6.00% of direct costs 51,744,200 Coher Expenses 5100 per retail sq. ft. 51,620,000 Architecture and Engineering 6.00% of direct costs 51,744,200 Coher Expense 51,000,000 51,744,200 Grost Expense 51,260,000	Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$622,080		
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	Dwe		\$14,632,637	\$30.61 per add'l bldg SF	
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APPENDIX TABLE R.5 Development Case II-5 (HEG Prototype 25) BASE ZONING

Intensity Area: JL/VC - Victory Court subarea

Generalized Location: Near Fallon and 4th	Assumption	Total
DEVELOPMENT PROGRAM Lot Size	1.38 acres	60,000 sq. ft.
Construction Type	Type III (not used in calculations)	00,000 34.11.
Building Height	65'-135' (not used in calculations)	
Building Height Estimated Actual (#ofstories)	6.00 (not used in calculations)	
Residential Density (min. lot area per unit)	250 (not used in calculations)	174 DU per acre
Total Units	240 units	
Total Building Area	1,050 sq. ft. per unit, calculated	252,000 sq. ft.
Net Residential Unit Area	78% efficiency ratio	187,200 sq. ft.
Average Unit Size (net sq. ft.) Net Retail Area	780 net sq. ft. per unit	10,800 sq. ft.
		10,800 Sq. It.
Podium Parking Spaces		252 spaces
Spaces Excluding Retail		240 spaces
REVENUE		642.004.400
Gross Residential Rental Revenue	\$5.70 per net sq. ft. per month 30.0% of residential revenue	\$12,804,480
(less) Operating Expenses (Residential) (less) Vacancy	4.0% of gross annual revenue	(\$3,841,344) (\$512,179)
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$93,600)</u>
Residential NOI	20.30 per net 34. ft.	\$8,357,357
	420.40 ··· · · · · ·	
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$414,720
(less) Vacancy (less) Capital Reserves	5.0% of gross annual revenue \$0.50 per net sq. ft.	(\$20,736) <u>(\$5,400)</u>
Retail NOI	30.30 per net sq. rt.	\$388,584
Net Parking Revenue (without retail parking)	\$140 per space per month	\$403,200
Total NOI		\$9,149,141
Capitalized Value	4.50% cap rate	\$203,314,244
(less) Cost of Sale/Marketing	3.0%	<u>(\$6,099,427)</u>
Net Project Value		\$197,214,817
DEVELOPMENT COST		
Direct Costs	4 100	
Building Construction Cost	\$420 per gross sq. ft. \$60,000 per space	\$105,840,000
Parking Construction Cost Demo/Site Improvement Cost	\$10 per land sq. ft.	\$15,120,000 <u>\$600,000</u>
Total Direct Costs		\$121,560,000
		\$121,500,000
Indirect Costs Tenant Improvements	\$100 per retail sq. ft.	\$1,080,000
Architecture and Engineering	6.0% of direct costs	\$7,293,600
Other Expenses	3.0% of direct costs	\$3,646,800
General and Administrative	3.0% of direct costs	\$3,646,800
Property Tax During Construction	2.0% of direct costs	\$2,431,200
Financing	5.0% of direct costs	<u>\$6,078,000</u>
Subtotal Indirect Costs excluding Fees		\$24,176,400
Fees	\$22,000 por write	ÉF 200 000
Affordable Housing Fee	\$22,000 per unit \$1,250 per unit	\$5,280,000 \$300,000
Capital Improvements Transportation - Residential	\$1,250 per unit	\$300,000 \$180,000
Transportation - Retail	\$0.75 per retail sq. ft.	\$180,000 \$9,000
School Impact Fee	\$3.48 per gross sq. ft.	\$876,960
Other Fees	\$30.00 per gross sq. ft.	\$7,560,000
Subtotal Fees	· ·	\$14,205,960
Total Indirect Costs		\$38,382,360
Subtotal, Direct and Indirect Costs		\$159,942,360
Contingency	5.0% of direct and indirect costs	\$7,997,118
Required Return on Investment	14.0% of direct and indirect costs	\$22,391,930
Total Costs		\$190,331,408
Residual Land Value (Net Project Value - Total ((less) Return on Residual Land Value	Costs)	\$6,883,409 (\$963,677)
Net Residual Land Value	14.070	\$5,919,732

APPENDIX TABLE R.5 Development Case II-5 (HEG Prototype 25) UPZONING

Intensity Area: JL/VC - Victory Court subarea

	-	C - Victory Court subarea	
Generalized Location: Near Fallon and 4	4th Assumption	Total	
	1.20	CO 000 at f t	
Lot Size Construction Type	1.38 acres Type 1 (not used in calculati	60,000 sq. ft.	
Building Height	275-450' (not used in calculati		
Building Height Estimated Actual (#ofst	tories) 14-18 (not used in calculati	ons)	
Residential Density (min. lot area per unit	· · · · · · · · · · · · · · · · · · ·	ons) 484 DU per acre	
Total Units Total Building Area	667 units 1,012 sq. ft. per unit, calc	ulated 675,000 sq. ft.	
Net Residential Unit Area	78% efficiency ratio	520,260 sq. ft.	
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit		
Net Retail Area		7,200 sq. ft.	
Podium Parking Spaces		575 spaces	
Spaces Excluding Retail		567 spaces	
REVENUE	46.40	11	
Gross Residential Rental Revenue (less) Operating Expenses (Residentia	 \$6.18 per net sq. ft. per n 27.5% of residential reven 		
(less) Vacancy	4.0% of gross annual reven		
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$260,130)	
Residential NOI		\$26,168,870	
Gross Retail Revenue	\$38.40 per net sq. ft. per ye	ear \$276,480	
(less) Vacancy	5.0% of gross annual rev		
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$3,600)	
Retail NOI		\$259,056	
Net Parking Revenue (without retail p	parking) \$140 per space per mont	h \$952,560	
Total NOI		\$27,380,486	
Capitalized Value	4.50% cap rate	\$608,455,244	
(less) Cost of Sale/Marketing	3.0%	(\$18,253,657)	
Net Project Value		\$590,201,587	
DEVELOPMENT COST			
Direct Costs			
Building Construction Cost	\$472 per gross sq. ft.	\$318,600,000	
Parking Construction Cost Demo/Site Improvement Cost	\$60,000 per space \$10 per land sq. ft.	\$34,500,000 <u>\$600,000</u>	
Total Direct Costs	per lana sqi ta	\$353,700,000	
		\$333,700,000	
Indirect Costs Tenant Improvements	\$100 per retail sq. ft.	\$720,000	
Architecture and Engineering	6.0% of direct costs	\$21,222,000	
Other Expenses	3.0% of direct costs	\$10,611,000	
General and Administrative	3.0% of direct costs	\$10,611,000	
Property Tax During Construction	2.5% of direct costs	\$8,842,500	
Financing Subtotal Indirect Costs excluding Fee	6.0% of direct costs	<u>\$21,222,000</u> \$73,228,500	
Fees	63	\$73,228,300	
Affordable Housing Fee	\$22,000 per unit	\$14,674,000	
Capital Improvements	\$1,250 per unit	\$833,750	
Transportation - Residential	\$750 per unit	\$500,250 ¢C 000	
Transportation - Retail School Impact Fee	\$0.75 per retail sq. ft. \$3.48 per gross sq. ft.	\$6,000 \$2,349,000	
Other Fees	\$30.00 per gross sq. ft.	\$20,250,000	
Subtotal Fees		\$38,613,000	
Total Indirect Costs		\$111,841,500	
Subtotal, Direct and Indirect Costs		\$465,541,500	
Contingency	5.0% of direct and indired	ct costs \$23,277,075	
Required Return on Investment	16.0% of direct and indired	ct costs \$74,486,640	
Total Costs		\$563,305,215	
Residual Land Value (Net Project Value (less) Return on Residual Land Value Net Residual Land Value	- Total Costs)	\$26,896,372 (\$4,303,420) \$22,592,952	
Incremental Development	Net Residual Land		
•	ding Space 423,000 Base Case		666 per DU
Dwel	lling Units 427 Upzoning		372 per DU
	Increase)47 per add'l DU
	1/3 of Increase	\$5,557,740 \$13.14 per add'l bldg SF \$13,0	016 per add'l DU

APPENDIX TABLE R.6 Development Case II-9 (HEG Prototype 6) BASE ZONING

Intensity Area: JL/VC - Jack London East and Victory Court subareas

below fwy.	Assumption	Total
DEVELOPMENT PROGRAM		
Lot Size	1.26 acres	55,000 sq. ft.
Construction Type	Type III (not used in calculations)	
Building Height	65' (not used in calculations)	
Building Height Estimated Actual (#ofstories)	5.00 (not used in calculations)	
Residential Density (min. lot area per unit)	250 (not used in calculations)	174 DU per acre
Total Units	220 units	
Total Building Area	1,075 sq. ft. per unit, calculated	236,500 sq. ft.
Net Residential Unit Area	78% efficiency ratio	171,600 sq. ft.
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit	
Net Retail Area		14,850 sq. ft.
		227
Podium Parking Spaces		237 space
Spaces Excluding Retail		220 space
REVENUE		
Gross Residential Rental Revenue	\$5.70 per net sq. ft. per month	\$11,737,440
(less) Operating Expenses (Residential)	30.0% of residential revenue	(\$3,521,232)
(less) Vacancy	4.0% of gross annual revenue	(\$469,498)
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$85,800)</u>
Residential NOI		\$7,660,910
	(20.40) ······	AF70.040
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$570,240
(less) Vacancy	5.0% of gross annual revenue	(\$28,512)
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$7,425)</u>
Retail NOI		\$534,303
Not Parking Payanua (without ratail parking)	\$140 per space per month	¢260.600
Net Parking Revenue (without retail parking)	\$140 per space per month	\$369,600
Total NOI		\$8,564,813
Capitalized Value	4.50% cap rate	\$190,329,178
•	3.0%	
(less) Cost of Sale/Marketing	3:0%	<u>(\$5,709,875)</u>
Net Project Value		\$184,619,303
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$420 per gross sq. ft.	\$99,330,000
Parking Construction Cost	\$60,000 per space	\$14,220,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	\$550,000
Fotal Direct Costs		\$114,100,000
ndirect Costs		
Tenant Improvements	\$100 per retail sq. ft.	\$1,485,000
Architecture and Engineering	6.0% of direct costs	\$6,846,000
Other Expenses	3.0% of direct costs	\$3,423,000
General and Administrative	3.0% of direct costs	\$3,423,000
Property Tax During Construction	2.0% of direct costs	\$2,282,000
Financing	5.0% of direct costs	\$5,705,000
Subtotal Indirect Costs excluding Fees	3.070 of anect costs	\$23,164,000
Fees		៹៹៹៹
	\$22,000 per unit	¢1 910 000
Affordable Housing Fee		\$4,840,000
Capital Improvements	\$1,250 per unit	\$275,000
Transportation - Residential	\$750 per unit	\$165,000
Transportation - Retail	\$0.75 per retail sq. ft.	\$12,375
School Impact Fee	\$3.48 per gross sq. ft.	\$823,020
Other Fees	\$30.00 per gross sq. ft.	<u>\$7,095,000</u>
Subtotal Fees		\$13,210,395
Fotal Indirect Costs		\$36,374,395
Subtotal, Direct and Indirect Costs		\$150,474,395
Contingency	5.0% of direct and indirect costs	\$7,523,720
Required Return on Investment	14.0% of direct and indirect costs	
Total Costs		\$179,064,530
	osts)	
Total Costs Residual Land Value (Net Project Value - Total C less) Return on Residual Land Value	osts)	\$179,064,530 \$5,554,773 (\$777,668)

APPENDIX TABLE R.6 Development Case II-9 (HEG Prototype 6) UPZONING

Intensity Area: JL/VC - Jack London East and Victory Court subareas

	Intensity Area: JL/VC - Jack London Ea	st and Victory Court sub	bareas	
Generalized Location: Madison, Oak, Fallon, VC below fwy.	Assumption	Total		
DEVELOPMENT PROGRAM	•		_	
Lot Size Construction Type	1.26 acres Type I (not used in calculations)	<u>55,000</u> sq	ą. ft.	
Building Height	175' (not used in calculations)			
Building Height Estimated Actual (# of stories)	12.00 (not used in calculations)			
Residential Density (min. lot area per unit) Total Units	110 (not used in calculations) 500 units	396 DU per acre		
Total Building Area	1,033 sq. ft. per unit, calculated	516,500 sq	ą. ft.	
Percent On-Site BMR	0%			
Net Residential Unit Area	78% efficiency ratio	390,000 sq	ą. ft.	
Average Unit Size (net sq. ft.) Net Retail Area	780 net sq. ft. per unit	14,850 sq	1. ft.	
		·		
Podium Parking Spaces Spaces Excluding Retail		442 sp 425 sp		
REVENUE				
Gross Residential Rental Revenue	\$6.18 per net sq. ft. per month	\$28,922,400		
(less) Operating Expenses (Residential) (less) Vacancy	27.5% of residential revenue 4.0% of gross annual revenue	(\$7,953,660) (\$1,156,896)		
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$1,150,890) (\$195,000)		
Residential NOI		\$19,616,844		
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$570,240		
(less) Vacancy	5.0% of gross annual revenue	(\$28,512)		
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$7,425)</u>		
Retail NOI		\$534,303		
Net Parking Revenue (without retail parking)	\$140 per space per month	\$714,000		
Total NOI		\$20,865,147		
Capitalized Value	4.50% cap rate	\$463,669,933		
(less) Cost of Sale/Marketing	3.0%	<u>(\$13,910,098)</u>		
Net Project Value		\$449,759,835		
DEVELOPMENT COST				
Direct Costs Building Construction Cost	\$470 per gross sq. ft.	\$242,755,000		
Parking Construction Cost	\$60,000 per space	\$26,520,000		
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$550,000</u>		
Total Direct Costs		\$269,825,000		
Indirect Costs				
Tenant Improvements	\$100 per retail sq. ft.	\$1,485,000		
Architecture and Engineering Other Expenses	6.0% of direct costs 3.0% of direct costs	\$16,189,500 \$8,094,750		
General and Administrative	3.0% of direct costs	\$8,094,750		
Property Tax During Construction	2.5% of direct costs	\$6,745,625		
Financing	6.0% of direct costs	<u>\$16,189,500</u>		
Subtotal Indirect Costs excluding Fees Fees		\$56,799,125		
Affordable Housing Fee	\$22,000 per unit	\$11,000,000		
Capital Improvements	\$1,250 per unit	\$625,000		
Transportation - Residential	\$750 per unit	\$375,000		
Transportation - Retail School Impact Fee	\$0.75 per retail sq. ft. \$3.48 per gross sq. ft.	\$12,375 \$1,797,420		
Other Fees	\$3.48 per gross sq. ft. \$30.00 per gross sq. ft.	\$1,797,420 \$15,495,000		
Subtotal Fees	po. 5.000 od. (c.	\$29,304,795		
Total Indirect Costs		\$86,103,920		
Subtotal, Direct and Indirect Costs		\$355,928,920		
Contingency Required Return on Investment	5.0% of direct and indirect cost 16.0% of direct and indirect cost			
Total Costs		\$430,673,993		
Residual Land Value (Net Project Value - Total Co	osts)	\$19,085,842		
(less) Return on Residual Land Value Net Residual Land Value	16.0%	(\$3,053,735) \$16,032,107		
Incremental Development	Net Residual Land Value			
Building Space		\$4,777,105	\$87 per sf land	\$21,714 per DU
Dwelling Units	s 280 Upzoning Increase	\$16,032,107 \$11,255,002	\$291 per sf land \$40.20 per add'l bldg SF	\$32,064 per DU \$40,196 per add'l DU
	1/3 of Increase	\$3,751,667	\$13.40 per add'l bldg SF	\$13,399 per add'l DU
			~	

APPENDIX TABLE R.7 Development Case II-10B (HEG Prototype 22) BASE ZONING

Intensity Area: JL/VC - Victory Court subarea

Generalized Location: Victory Court - Fwy to 7th; Fallon to 5th	Assumption	Total
DEVELOPMENT PROGRAM		
Lot Size	1.03 acres	45,000 sq. ft.
Construction Type	Type I (not used in calculations)	
Building Height Building Height Estimated Actual (#ofstories)	275' (not used in calculations) 12+ (not used in calculations)	
Residential Density (min. lot area per unit)	100 (not used in calculations)	436 DU per acre
Fotal Units	450 units	
Total Building Area	1,027 sq. ft. per unit, calculated	462,000 sq. ft.
Net Residential Unit Area	78% efficiency ratio	351,000 sq. ft.
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit	
Net Retail Area		<u>10,800</u> sq. ft.
Podium Parking Spaces		462 space 450 space
paces Excluding Retail REVENUE		450 space
Gross Residential Rental Revenue	\$6.20 per net sq. ft. per month	\$26,114,400
(less) Operating Expenses (Residential)	27.5% of residential revenue	(\$7,181,460)
(less) Vacancy	4.0% of gross annual revenue	(\$1,044,576)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$175,500)
Residential NOI		\$17,712,864
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$414,720
(less) Vacancy	5.0% of gross annual revenue	(\$20,736)
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$5,400)</u>
Retail NOI		\$388,584
Net Parking Revenue (without retail parking)	\$140 per space per month	\$756,000
Total NOI		\$18,857,448
Capitalized Value	4.50% cap rate	\$419,054,400
(less) Cost of Sale/Marketing	3.0%	<u>(\$12,571,632)</u>
Net Project Value		\$406,482,768
DEVELOPMENT COST		
Direct Costs	4470	
Building Construction Cost	\$470 per gross sq. ft.	\$217,140,000
Parking Construction Cost	\$60,000 per space	\$27,720,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$450,000</u>
otal Direct Costs		\$245,310,000
ndirect Costs	¢100 per retail og ft	¢1.080.000
enant Improvements Architecture and Engineering	\$100 per retail sq. ft. 6.0% of direct costs	\$1,080,000 \$14,718,600
Other Expenses	3.0% of direct costs	\$7,359,300
General and Administrative	3.0% of direct costs	\$7,359,300
Property Tax During Construction	2.0% of direct costs	\$4,906,200
inancing	5.0% of direct costs	\$12,265,500
Subtotal Indirect Costs excluding Fees		\$47,688,900
ees Affordable Housing Fee	\$22,000 per unit	\$9,900,000
Capital Improvements	\$1,250 per unit	\$562,500
Transportation - Residential	\$750 per unit	\$337,500
Transportation - Retail	\$0.75 per retail sq. ft.	\$9,000
School Impact Fee	\$3.48 per gross sq. ft.	\$1,607,760
Other Fees	\$30.00 per gross sq. ft.	\$13,860,000
Subtotal Fees		\$26,276,760
otal Indirect Costs		\$73,965,660
ubtotal, Direct and Indirect Costs		\$319,275,660
Contingency	5.0% of direct and indirect costs	\$15,963,783
Required Return on Investment	16.0% of direct and indirect costs	\$51,084,106
Total Costs		\$386,323,549
Residual Land Value (Net Project Value - Total (less) Return on Residual Land Value	Costs)	\$20,159,219 (\$3,225,475)
icas, neturi on nesidudi Lanu Value	10.070	(43,223,473)

APPENDIX TABLE R.7 Development Case II-10B (HEG Prototype 22) UPZONING

	Intensity Area: JL/VC - Victor	ory Court subarea		
Generalized Location: Victory Court - Fwy to 7th; Fallon to 5th	Assumption	Total		
DEVELOPMENT PROGRAM	Assumption	TOLAI		
Lot Size	1.03 acres	45,000 sq.	. ft.	
Construction Type Building Height Building Height Estimated Actual (#ofstories) Residential Density (min. lot area per unit)	Type I (not used in calculations) 275' (not used in calculations) 15+ (not used in calculations) 90 (not used in calculations)	484 DU per acre		
Total Units	500 units			
Total Building Area Net Residential Unit Area	1,024 sq. ft. per unit, calculated 78% efficiency ratio	512,000 sq. 390,000 sq.		
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit	590,000 Sq.	. ft.	
Net Retail Area		10,800 sq.	. ft.	
Podium Parking Spaces		437 spa	aces	
Spaces Excluding Retail		425 spa		
REVENUE				
Gross Residential Rental Revenue (less) Operating Expenses (Residential)	\$6.25 per net sq. ft. per month 27.5% of residential revenue	\$29,250,000 (\$8,043,750)		
(less) Vacancy	4.0% of gross annual revenue	(\$1,170,000)		
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$195,000)		
Residential NOI		\$19,841,250		
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$414,720		
(less) Vacancy	5.0% of gross annual revenue	(\$20,736)		
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$5,400)</u>		
Retail NOI		\$388,584		
Net Parking Revenue (without retail parking)	\$140 per space per month	\$714,000		
Total NOI		\$20,943,834		
Capitalized Value (less) Cost of Sale/Marketing	4.50% cap rate 3.0%	\$465,418,533 <u>(\$13,962,556)</u>		
Net Project Value		\$451,455,977		
DEVELOPMENT COST				
Direct Costs				
Building Construction Cost	\$472 per gross sq. ft.	\$241,664,000		
Parking Construction Cost	\$60,000 per space	\$26,220,000		
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$450,000</u>		
Total Direct Costs		\$268,334,000		
Indirect Costs		<i></i>		
Tenant Improvements Architecture and Engineering	\$100 per retail sq. ft. 6.0% of direct costs	\$1,080,000 \$16,100,040		
Other Expenses	3.0% of direct costs	\$8,050,020		
General and Administrative	3.0% of direct costs	\$8,050,020		
Property Tax During Construction	2.5% of direct costs	\$6,708,350		
Financing	6.0% of direct costs	<u>\$16,100,040</u>		
Subtotal Indirect Costs excluding Fees Fees		\$56,088,470		
Affordable Housing Fee	\$22,000 per unit	\$11,000,000		
Capital Improvements	\$1,250 per unit	\$625,000		
Transportation - Residential	\$750 per unit	\$375,000		
Transportation - Retail School Impact Fee	\$0.75 per retail sq. ft. \$3.48 per gross sq. ft.	\$9,000 \$1,781,760		
Other Fees	\$30.00 per gross sq. ft.	<u>\$15,360,000</u>		
Subtotal Fees	For Green of the	\$29,150,760		
Total Indirect Costs		\$85,239,230		
Subtotal, Direct and Indirect Costs		\$353,573,230		
Contingency Required Return on Investment	5.0% of direct and indirect costs	\$17,678,662		
Required Return on Investment Total Costs	16.0% of direct and indirect costs	\$56,571,717 \$427,823,609		
	-+c)			
Residual Land Value (Net Project Value - Total Cos (less) Return on Residual Land Value Net Residual Land Value	16.0%	\$23,632,368 (\$3,781,179) \$19,851,189		
Incremental Development	Net Residual Land Value			
Building Space	50,000 Base Case	\$16,933,744	\$376 per sf land	\$37,631 per DU
Dwelling Units	50 Upzoning Increase	\$19,851,189 \$2,917,445	\$441 per sf land \$58.35 per add'l bldg SF	\$39,702 per DU \$58,349 per add'l DU
	1/3 of Increase	\$972,482	\$19.45 per add'l bldg SF	\$19,450 per add'l DU

APPENDIX TABLE R.8 Development Case II-11 (HEG Prototype 24) BASE ZONING

Webster to Madison	Assumption	Total
DEVELOPMENT PROGRAM		
Lot Size	1.38 acres	60,060 sq. ft
Construction Type	Type III (not used in calculations)	
Building Height	65' (not used in calculations)	
Building Height Estimated Actual (#ofstories)	5.00 (not used in calculations)	
Residential Density (min. lot area per unit)	250 (not used in calculations)	174 DU per acre
Total Units	240 units	4.94
Total Building Area	1,050 sq. ft. per unit, calculated	252,000 sq. f
Net Residential Unit Area	78% efficiency ratio	187,200 sq. f
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit	
Net Retail Area		10,800 sq. f
Podium Parking Spaces		252 spac
Spaces Excluding Retail		240 spac
REVENUE		
Gross Residential Rental Revenue	\$5.66 per net sq. ft. per month	\$12,714,624
(less) Operating Expenses (Residential)	30.0% of residential revenue	(\$3,814,387)
(less) Vacancy	4.0% of gross annual revenue	(\$508,585)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$93,600)
Residential NOI	20.00 per net 34. 14.	\$8,298,052
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$414,720
(less) Vacancy	5.0% of gross annual revenue	(\$20,736)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$5,400)
Retail NOI	per	\$388,584
Net Parking Revenue (without retail parking)	\$140 per space per month	\$403,200
	4 500/	\$9,089,836
Capitalized Value (less) Cost of Sale/Marketing	4.50% cap rate 3.0%	\$201,996,356 <u>(\$6,059,891)</u>
Net Project Value		\$195,936,465
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$420 per gross sq. ft.	\$105,840,000
Parking Construction Cost	\$60,000 per space	\$15,120,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$600,600</u>
Total Direct Costs		\$121,560,600
Indirect Costs		
Tenant Improvements	\$100 per retail sq. ft.	\$1,080,000
Architecture and Engineering	6.0% of direct costs	\$7,293,636
Other Expenses	3.0% of direct costs	\$3,646,818
General and Administrative	3.0% of direct costs	\$3,646,818
	2.0% of direct costs	\$2,431,212
Property Tax During Construction		
Financing Subtotal Indirect Costs excluding Fees	5.0% of direct costs	<u>\$6,078,030</u> \$24,176,514
Fees Affordable Housing Fee	\$22,000 nor writ	¢F 390 000
Affordable Housing Fee	\$22,000 per unit	\$5,280,000
Capital Improvements	\$1,250 per unit	\$300,000
Transportation - Residential	\$750 per unit	\$180,000
Transportation - Retail	\$0.75 per retail sq. ft.	\$9,000
School Impact Fee	\$3.48 per gross sq. ft.	\$876,960
Other Fees	\$30.00 per gross sq. ft.	<u>\$7,560,000</u>
Subtotal Fees		\$14,205,960
Fotal Indirect Costs		\$38,382,474
Subtotal, Direct and Indirect Costs		\$159,943,074
Contingency	5.0% of direct and indirect costs	\$7,997,154
Required Return on Investment	14.0% of direct and indirect costs	
Total Costs		\$190,332,258
Residual Land Value (Net Project Value - Total (\$5,604,207
(less) Return on Residual Land Value	14.0%	(\$784,589)
Net Residual Land Value		\$4,819,618

APPENDIX TABLE R.8 Development Case II-11 (HEG Prototype 24) UPZONING

	Intensity Area: JL/VC - Jack	London East subarea		
Generalized Location: Above Embarcade Webster to Madison	ero, Assumption	Total		
DEVELOPMENT PROGRAM	· · · ·			
Lot Size Construction Type Building Height Building Height Estimated Actual (#ofst	1.38 acres Type III (not used in calculations) 90' (not used in calculations) tories) 6.00 (not used in calculations)	60,060 sc	ą. ft.	
Residential Density (min. lot area per unit Total Units	t) 200 (not used in calculations) 300 units	218 DU per acre		
Total Building Area Net Residential Unit Area Average Unit Size (net sq. ft.)	1,040 sq. ft. per unit, calculated 78% efficiency ratio 780 net sq. ft. per unit	234,000 sc	ą. ft.	
Net Retail Area Podium Parking Spaces		10,800 sc 312 sp	ą. ft. paces	
Spaces Excluding Retail REVENUE		300 sp		
Gross Residential Rental Revenue (less) Operating Expenses (Residentia (less) Vacancy (less) Capital Reserves Residential NOI	 \$5.73 per net sq. ft. per month 30.0% of residential revenue 4.0% of gross annual revenue \$0.50 per net sq. ft. 	\$16,089,840 (\$4,826,952) (\$643,594) <u>(\$117,000)</u> \$10,502,294		
Gross Retail Revenue (less) Vacancy (less) Capital Reserves Retail NOI	\$38.40per net sq. ft. per year5.0%of gross annual revenue\$0.50per net sq. ft.	\$414,720 (\$20,736) <u>(\$5,400)</u> \$388,584		
Net Parking Revenue (without retail p	parking) \$140 per space per month	\$504,000		
Total NOI		\$11,394,878		
Capitalized Value (less) Cost of Sale/Marketing	4.50% cap rate 3.0%	\$253,219,511 <u>(\$7,596,585)</u>		
Net Project Value		\$245,622,926		
DEVELOPMENT COST Direct Costs Building Construction Cost Parking Construction Cost Demo/Site Improvement Cost	\$425 per gross sq. ft. \$60,000 per space \$10 per land sq. ft.	\$132,600,000 \$18,720,000 <u>\$600,600</u>		
Total Direct Costs		\$151,920,600		
Indirect Costs Tenant Improvements Architecture and Engineering Other Expenses General and Administrative Property Tax During Construction Financing Subtotal Indirect Costs excluding Fee Fees	\$100 per retail sq. ft. 6.0% of direct costs 3.0% of direct costs 3.0% of direct costs 2.0% of direct costs 5.0% of direct costs es	\$1,080,000 \$9,115,236 \$4,557,618 \$4,557,618 \$3,038,412 <u>\$7,596,030</u> \$29,944,914		
Affordable Housing Fee Capital Improvements Transportation - Residential Transportation - Retail School Impact Fee Other Fees Subtotal Fees	\$22,000 per unit \$1,250 per unit \$750 per unit \$0.75 per retail sq. ft. \$3.48 per gross sq. ft. \$30.00 per gross sq. ft.	\$6,600,000 \$375,000 \$225,000 \$9,000 \$1,085,760 <u>\$9,360,000</u> \$17,654,760		
Total Indirect Costs		\$47,599,674		
Subtotal, Direct and Indirect Costs		\$199,520,274		
Contingency Required Return on Investment	5.0% of direct and indirect cost 14.0% of direct and indirect cost			
Total Costs		\$237,429,126		
Residual Land Value (Net Project Value (less) Return on Residual Land Value Net Residual Land Value	- Total Costs)	\$8,193,800 (\$1,147,132) \$7,046,668		
	Net Residual Land Value Jing Space 60,000 Base Case Iling Units 60 Upzoning Increase 1/3 of Increase	\$4,819,618 \$7,046,668 \$2,227,050 \$742,350	 \$80 per sf land \$117 per sf land \$37.12 per add'l bldg SF \$12.37 per add'l bldg SF 	\$20,082 per DU \$23,489 per DU \$37,118 per add'l DU \$12,373 per add'l DU

APPENDIX TABLE R.9 Development Case III-1 (HEG Prototype 3A) BASE ZONING

Generalized Location: KONO, largely west of Telegraph	Assumption	Total			
DEVELOPMENT PROGRAM					
Lot Size	0.92 acres	40,000 sq. ft.			
Construction Type	Type V (not used in calculations)				
Building Height	45' (not used in calculations)				
Building Height Estimated Actual (#ofstories)	3.00 (not used in calculations)				
Residential Density (min. lot area per unit)	450 (not used in calculations)	97 DU per acre			
Total Units	89 units				
Total Building Area	1,169 sq. ft. per unit, calculated	104,000 sq. ft.			
Net Residential Unit Area	78% efficiency ratio	69,420 sq. ft.			
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit				
Net Retail Area		13,500 sq. ft.			
Podium Parking Spaces		95 space			
Spaces Excluding Retail		80 space			
REVENUE					
Gross Residential Rental Revenue	\$5.46 per net sq. ft. per month	\$4,548,398			
(less) Operating Expenses (Residential)	30.0% of residential revenue	(\$1,364,519)			
(less) Vacancy	4.0% of gross annual revenue	(\$181,936)			
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$34,710)</u>			
Residential NOI		\$2,967,233			
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$518,400			
(less) Vacancy	5.0% of gross annual revenue	(\$25,920)			
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$6,750)			
Retail NOI		\$485,730			
Net Parking Revenue (without retail parking)	\$140 per space per month	\$134,400			
Total NOI		\$3,587,363			
Capitalized Value	4.50% cap rate	\$79,719,178			
(less) Cost of Sale/Marketing	3.0%	<u>(\$2,391,575)</u>			
Net Project Value		\$77,327,603			
DEVELOPMENT COST					
Direct Costs					
Building Construction Cost	\$390 per gross sq. ft.	\$40,560,000			
Parking Construction Cost	\$60,000 per space	\$5,700,000			
Demo/Site Improvement Cost	\$10 per land sq. ft.	\$400,000			
Total Direct Costs		\$46,660,000			
Indirect Costs					
Tenant Improvements	\$100 per retail sq. ft.	\$1,350,000			
Architecture and Engineering	6.0% of direct costs	\$2,799,600			
Other Expenses	3.0% of direct costs	\$1,399,800			
General and Administrative	3.0% of direct costs	\$1,399,800			
Property Tax During Construction	2.0% of direct costs	\$933,200			
Financing	5.0% of direct costs	<u>\$2,333,000</u>			
Subtotal Indirect Costs excluding Fees	5.0% of direct costs	\$10,215,400			
Fees				
Affordable Housing Fee	\$22,000 per unit	\$1,958,000			
Capital Improvements	\$1,250 per unit	\$111,250			
Transportation - Residential	\$750 per unit	\$66,750			
Transportation - Retail	\$0.75 per retail sq. ft.	\$11,250			
School Impact Fee	\$3.48 per gross sq. ft.	\$361,920			
Other Fees	\$30.00 per gross sq. ft.	<u>\$3,120,000</u>			
Subtotal Fees		\$5,629,170			
Total Indirect Costs		\$15,844,570			
Subtotal, Direct and Indirect Costs		\$62,504,570			
Contingency	5.0% of direct and indirect costs	\$3,125,229			
Required Return on Investment	12.0% of direct and indirect costs	\$7,500,548			
Total Costs		\$73,130,347			
Residual Land Value (Net Project Value - Total C		\$4,197,256			
(less) Return on Residual Land Value	12.0%	(\$503,671)			
		\$3,693,585			

APPENDIX TABLE R.9 Development Case III-1 (HEG Prototype 3A) UPZONING

	Intensity Area: KONO -	KONO subarea		
Generalized Location: KONO, largely west of Telegraph	Assumption	Total		
DEVELOPMENT PROGRAM	Assumption	lotar		
Lot Size	0.92 acres	40,000 sq	. ft.	
Construction Type Building Height	Type I (not used in calculations) 90' (not used in calculations)			
Building Height Estimated Actual (#ofstories)	10.00 (not used in calculations)			
Residential Density (min. lot area per unit)	110 (not used in calculations)	396 DU per acre		
Total Units	364 units	272.000	<i>c</i> .	
Total Building Area Percent On-Site BMR	1,041 sq. ft. per unit, calculated 0%	379,000 sq	. ft.	
Net Residential Unit Area	78% efficiency ratio	283,920 sq	. ft.	
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit			
Net Retail Area		13,500 sq	. ft.	
Podium Parking Spaces		288 sp		
Spaces Excluding Retail REVENUE		273 sp	aces	
Gross Residential Rental Revenue	\$6.15 per net sq. ft. per month	\$20,953,296		
(less) Operating Expenses (Residential)	27.5% of residential revenue	(\$5,762,156)		
(less) Vacancy	4.0% of gross annual revenue	(\$838,132)		
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$141,960)</u>		
Residential NOI		\$14,211,048		
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$518,400 (\$25,020)		
(less) Vacancy (less) Capital Reserves	5.0% of gross annual revenue \$0.50 per net sq. ft.	(\$25,920) <u>(\$6,750)</u>		
Retail NOI	to be be net of the	\$485,730		
Net Parking Revenue (without retail parking)	\$140 per space per month	\$458,640		
Total NOI		\$15,155,418		
Capitalized Value	4.50% cap rate	\$336,787,067		
(less) Cost of Sale/Marketing	3.0%	<u>(\$10,103,612)</u>		
Net Project Value		\$326,683,455		
DEVELOPMENT COST				
Direct Costs Building Construction Cost	\$470 per gross sq. ft.	\$178,130,000		
Parking Construction Cost	\$60,000 per space	\$17,280,000		
Demo/Site Improvement Cost	\$10 per land sq. ft.	\$400,000		
Total Direct Costs		\$195,810,000		
Indirect Costs				
Tenant Improvements	\$100 per retail sq. ft.	\$1,350,000		
Architecture and Engineering Other Expenses	6.0% of direct costs 3.0% of direct costs	\$11,748,600 \$5,874,300		
General and Administrative	3.0% of direct costs	\$5,874,300		
Property Tax During Construction	2.5% of direct costs	\$4,895,250		
Financing	6.0% of direct costs	\$11,748,600		
Subtotal Indirect Costs excluding Fees Fees		\$41,491,050		
Affordable Housing Fee	\$22,000 per unit	\$8,008,000		
Capital Improvements	\$1,250 per unit	\$455,000		
Transportation - Residential	\$750 per unit	\$273,000		
Transportation - Retail School Impact Fee	\$0.75 per retail sq. ft. \$3.48 per gross sq. ft.	\$11,250 \$1,318,920		
Other Fees	\$30.00 per gross sq. ft.	<u>\$11,370,000</u>		
Subtotal Fees		\$21,436,170		
Total Indirect Costs		\$62,927,220		
Subtotal, Direct and Indirect Costs		\$258,737,220		
Contingency Required Return on Investment	5.0% of direct and indirect costs 16.0% of direct and indirect costs			
Total Costs		\$313,072,036		
Residual Land Value (Net Project Value - Total Co	osts)	\$13,611,419		
(less) Return on Residual Land Value Net Residual Land Value	16.0%	(\$2,177,827) \$11,433,592		
Incremental Development	Net Residual Land Value			
	275,000 Base Case	\$3,693,585	\$92 per sf land	\$41,501 per DU
Dwelling Units		\$11,433,592 \$7,740,007	\$286 per sf land	\$31,411 per DU
	Increase 1/3 of Increase	\$7,740,007 \$2,580,002	\$28.15 per add'l bldg SF \$9.38 per add'l bldg SF	\$28,145 per add'l DU \$9,382 per add'l DU
	1/3 of mercase	<i>72,300,002</i>		40,002 per duar DO

APPENDIX TABLE R.10 Development Case III-4 (HEG Prototype 3b) BASE ZONING

-	Area: KONO - KONO subarea	
Generalized Location: KONO, largely east of Telegraph	Assumption	Total
DEVELOPMENT PROGRAM	Assumption	- Total
Lot Size	0.46 acres	20,000 sq. ft.
Construction Type	Type III (not used in calculations)	
Building Height	90' (not used in calculations)	
Building Height Estimated Actual (# of stories) Residential Density (min. lot area per unit)	6.00 (not used in calculations) 225 (not used in calculations)	194 DU per acre
Total Units	89 units	194 DO pel acie
Total Building Area	1,169 sq. ft. per unit, calculated	104,000 sq. ft.
Net Residential Unit Area	78% efficiency ratio	69,420 sq. ft.
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit	
Net Retail Area		13,500 sq. ft.
Podium Parking Spaces		95 spaces
Spaces Excluding Retail		80 spaces
REVENUE Gross Residential Rental Revenue	¢E 92 par pat call ft par month	\$4,848,293
(less) Operating Expenses (Residential)	\$5.82 per net sq. ft. per month 30.0% of residential revenue	(\$1,454,488)
(less) Vacancy	4.0% of gross annual revenue	(\$193,932)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$34,710)
Residential NOI		\$3,165,163
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$518,400
(less) Vacancy	5.0% of gross annual revenue	(\$25,920)
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$6,750)</u>
Retail NOI		\$485,730
Net Parking Revenue (without retail parking)	\$140 per space per month	\$134,400
Total NOI		\$3,785,293
Capitalized Value	4.50% cap rate	\$84,117,622
(less) Cost of Sale/Marketing	3.0%	<u>(\$2,523,529)</u>
Net Project Value DEVELOPMENT COST		\$81,594,093
Direct Costs		
Building Construction Cost	\$425 per gross sq. ft.	\$44,200,000
Parking Construction Cost	\$60,000 per space	\$5,700,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$200,000</u>
Total Direct Costs		\$50,100,000
Indirect Costs	¢100 non noteil on ft	ć1 250 000
Tenant Improvements Architecture and Engineering	\$100 per retail sq. ft. 6.0% of direct costs	\$1,350,000 \$3,006,000
Other Expenses	3.0% of direct costs	\$1,503,000
General and Administrative	3.0% of direct costs	\$1,503,000
Property Tax During Construction	2.0% of direct costs	\$1,002,000
Financing	5.0% of direct costs	<u>\$2,505,000</u>
Subtotal Indirect Costs excluding Fees Fees		\$10,869,000
Affordable Housing Fee	\$22,000 per unit	\$1,958,000
Capital Improvements	\$1,250 per unit	\$111,250
Transportation - Residential	\$750 per unit	\$66,750
Transportation - Retail	\$0.75 per retail sq. ft.	\$11,250
School Impact Fee	\$3.48 per gross sq. ft.	\$361,920
Other Fees	\$30.00 per gross sq. ft.	<u>\$3,120,000</u>
Subtotal Fees		\$5,629,170
Total Indirect Costs		\$16,498,170
Subtotal, Direct and Indirect Costs		\$66,598,170
Contingency Required Return on Investment	5.0% of direct and indirect costs 14.0% of direct and indirect costs	\$3,329,909 \$9,323,744
Total Costs		\$79,251,823
Residual Land Value (Net Project Value - Total C (less) Return on Residual Land Value Net Residual Land Value	Costs)	\$2,342,270 (\$327,918) \$2,014,352

APPENDIX TABLE R.10 Development Case III-4 (HEG Prototype 3B) UPZONING

	Intensity Area: KONO -	KONO subarea		
Generalized Location: KONO, largely east of Telegraph	Assumption	Total		
DEVELOPMENT PROGRAM	Assumption	TOLAI		
Lot Size	0.46 acres	20,000 sc	r. ft.	
Construction Type	Type I (not used in calculations)		1	
Building Height	175' (not used in calculations)			
Building Height Estimated Actual (#ofstories)				
Residential Density (min. lot area per unit)	110 (not used in calculations)	396 DU per acre		
Total Units	182 units			
Total Building Area	1,082 sq. ft. per unit, calculated	197,000 so	q. ft.	
Net Residential Unit Area	78% efficiency ratio	141,960 so	q. ft.	
Average Unit Size (net sq. ft.)	780 net sq. ft. per unit			
Net Retail Area		13,500 sc	q. ft.	
Podium Parking Spaces		152 sr	baces	
Spaces Excluding Retail		137 sr		
REVENUE				
Gross Residential Rental Revenue	\$6.25 per net sq. ft. per month	\$10,647,000		
(less) Operating Expenses (Residential)	27.5% of residential revenue	(\$2,927,925)		
(less) Vacancy	4.0% of gross annual revenue	(\$425,880)		
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$70,980)</u>		
Residential NOI		\$7,222,215		
Gross Retail Revenue	\$38.40 per net sq. ft. per year	\$518,400		
(less) Vacancy	5.0% of gross annual revenue	(\$25,920)		
(less) Capital Reserves	\$0.50 per net sq. ft.	<u>(\$6,750)</u>		
Retail NOI		\$485,730		
Net Parking Revenue (without retail parking	g) \$140 per space per month	\$230,160		
Total NOI		\$7,938,105		
Capitalized Value	4.50% cap rate	\$176,402,333		
(less) Cost of Sale/Marketing	3.0%	<u>(\$5,292,070)</u>		
Net Project Value		\$171,110,263		
DEVELOPMENT COST				
Direct Costs				
Building Construction Cost	\$470 per gross sq. ft.	\$92,590,000		
Parking Construction Cost	\$60,000 per space	\$9,120,000		
Demo/Site Improvement Cost	\$10 per land sq. ft.	\$200,000		
Total Direct Costs		\$101,910,000		
		, - ,,		
Indirect Costs	\$100 per retail sq. ft.	\$1,350,000		
Tenant Improvements	6.0% of direct costs	\$6,114,600		
Architecture and Engineering Other Expenses	3.0% of direct costs	\$3,057,300		
General and Administrative	3.0% of direct costs	\$3,057,300		
Property Tax During Construction	2.5% of direct costs	\$2,547,750		
Financing	6.0% of direct costs	<u>\$6,114,600</u>		
Subtotal Indirect Costs excluding Fees		\$22,241,550		
Fees		, , ,		
Affordable Housing Fee	\$22,000 per unit	\$4,004,000		
Capital Improvements	\$1,250 per unit	\$227,500		
Transportation - Residential	\$750 per unit	\$136,500		
Transportation - Retail	\$0.75 per retail sq. ft.	\$11,250		
School Impact Fee	\$3.48 per gross sq. ft.	\$685,560		
Other Fees	\$30.00 per gross sq. ft.	\$5,910,000		
Subtotal Fees		\$10,974,810		
Total Indirect Costs		\$33,216,360		
Subtotal, Direct and Indirect Costs		\$135,126,360		
Contingency Required Return on Investment	5.0% of direct and indirect costs 16.0% of direct and indirect costs			
Total Costs		\$163,502,896		
Residual Land Value (Net Project Value - Tota (less) Return on Residual Land Value Net Residual Land Value	al Costs)	\$7,607,367 (\$1,217,179) \$6,390,188		
	Not Desident Land Velo	Ψ υ,330,10 0		
Incremental Development	Net Residual Land Value 93,000 Base Case	\$2,014,352	\$101 per sf land	\$22,633 per DU
Dwelling U	,	\$6,390,188	\$320 per sf land	\$35,111 per DU
	Increase	\$4,375,836	\$47.05 per add'l bldg SF	\$47,052 per add'l DU
	1/3 of Increase	\$1,458,612	\$15.68 per add'l bldg SF	\$15,684 per add'l DU
	_,	<i>+-, ..0,0-2</i>		, ,, per 200.000

Residential				Building	Required Return
Density	Intensity Area / Subarea	Residen	tial Rent	Construction Cost	on Investment
Minimum lot area per unit		Current rent per net sq. ft. per month	Current rent + 20% as proxy for achieving feasibility	Cost per gross sq. ft.	
High Density De	<u>velopment</u>				
65	CBD	\$5.45	\$6.54	\$475	17%
90	CBD	\$5.38	\$6.45	\$472	16%
90	VC	\$5.15 - \$5.21	\$6.18 - \$6.25	\$472	16%
100	VC	\$5.17	\$6.20	\$470	16%
110	CBD	\$5.25	\$6.30	\$470	16%
110	JLW waterfront & nearby	\$5.30	\$6.36	\$470	16%
110	JLW Inland	\$5.20	\$6.24	\$470	16%
110	KONO	\$5.13 - \$5.21	\$6.15 - \$6.25	\$470	16%
110	JLE / VC	\$5.15	\$6.18	\$470	16%
Medium Density	<u>/ Development</u>				
200	JLE	\$4.78	\$5.73	\$425	14%
225	KONO	\$4.85	\$5.82	\$425	14%
225	CBD	\$4.90	\$5.88	\$420	14%
250	JLE	\$4.72	\$5.66	\$420	14%
250	VC / JLE	\$4.75	\$5.70	\$420	14%
250	VC	\$4.75	\$5.70	\$420	14%
Lower Density D	<u>evelopment</u>				
450	KONO	\$4.55	\$5.46	\$390	12%
900	JLW inland	\$4.70	\$5.65	\$360	12%
1,000	JLW waterfront & nearby	\$4.80	\$5.76	\$360	12%

APPENDIX TABLE A-4: Key Revenue and Cost Inputs for Representative RESIDENTIAL Development Prototypes / Cases

NOTE: The economic analysis found that higher-intensity development is not feasible under current real estate market and development cost conditions. The analysis then proceeded to identify and evaluate future scenarios when real estate economics improve amd developments become feasible. For ease of analysis, the pro forma models tested percentage increases in rents/revenues until feasibility was reached. This is a proxy for the more complex set of changes in various development revenue and cost factors more likely to occur to support feasibility over time. For the residential development prototypes, feasibility was achieved at rent levels approximately 20% higher than current rents.

APPENDIX TABLE A-5: Parking Assumptions for RESIDENTIAL Development Cases

Intensity Area/Subarea	CBD	14th Street	KONO /Art + Garage District	Jack London	
Development Cases	I-1	I-6	-1, -4	II-1, II-3, II-5, II- 9, II-10B	II-11
Parking Ratios - BASE ZONING					
Residential - per dwelling unit	0.65	0.9	0.9	1.0	1.0
Retail - per 1,000 gross sq. ft.	1.0	1.0	1.0	1.0	1.0

Parking Ratios - UPZONING

Residential - per dwelling unit	0.65	0.65	0.75	0.85	1.0
Retail - per 1,000 gross sq. ft.	1.0	1.0	1.0	1.0	1.0

Source: City of Oakland and Hausrath Economics Group, May/June 2021

SECTION V

DOCUMENTATION FOR REAL ESTATE ANALYSIS OF OFFICE DEVELOPMENT

DEVELOPMENT FEASIBILITY AND VALUE CAPTURE ANALYSIS DOSP ZONING INCENTIVE PROGRAM

LIST OF TABLES AND FIGURES

- Appendix Table B-1: DOSP Zoning Incentive Program Summary of Estimated Value Capture for Community Benefits from Higher-Intensity <u>OFFICE DEVELOPMENT</u>, by Development Type, Intensity Increase, and Subarea
- Figure B-2: Zoning Incentive Program Office Development Zone / Benefit Areas
- Appendix Table B-2.1: Summary Pro Forma Analysis Current Market Conditions Compared to Feasible Market Conditions <u>Office Development Under BASE ZONING</u>
- Appendix Table B-2.2: Summary Pro Forma Analysis Current Market Conditions Compared to Feasible Market Conditions Office Development Under UPZONING
- Appendix Table B-3: Development Program Assumptions for Representative <u>OFFICE</u> Development Prototypes / Cases
- Detailed Pro Forma Analysis of Representative Office Development

Appendix Table C.1: Development Case I-1

Appendix Table C.2: Development Case I-2

Appendix Table C.3: Development Case I-5

Appendix Table C.4: Development Case II-1

Appendix Table C.5: Development Case II-6

Appendix Table C.6: Development Case II-7

Appendix Table C.7: Development Case II-10

Appendix Table C.8: Development Case II-14

Appendix Table C.9: Development Case II-12

Appendix Table C.10: Development Case III-4

Appendix Table B-4: Key Revenue and Cost Inputs for Representative OFFICE Development Prototypes / Cases

Appendix Table B-5: Parking Assumptions for Office Development Cases

APPENDIX TABLE B-1: DOSP Zoning Intensity Program

Summary of Estimated Value Capture for Community Benefits from Higher-Intensity <u>OFFICE DEVELOPMENT</u> By Development Type, Intensity Increase, and Subarea

Intensity Type for Office Development	Development Case No.	VALUE CAPTURE for Community Benefits	Base FAR	Intensity Combin ZIP Maximum FAR	nations Increase in Density	Intensity Subarea(s)
Greater Intensity High-Rise Development	◆I-1	per add'l bldg. sq. ft. \$22	20	30	+50%	Lake Merritt Office Broadway City Center
	◆ I-2	\$29	20	22	+10%	Broadway City Center 14 th Street West
	I-3	\$22	14	17	+21%	City Center 14 th Street West
Mid-Rise to High-Rise Development	I-4	\$22	8	20	+150%	14 th Street East
ingii itase Development	I-5	\$22	8	12	+67%	14 th Street East
	I-6	\$15	5	12	+140%	14 th Street West 11 th St. West – City Center
Greater Intensity Mid-Rise Development	I-7	\$18	5	7.5	+50%	14 th Street East
	I-8	\$17	2.5	7.5	+200%	14 th Street East

I. <u>Downtown CBD Intensity Areas</u>

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APPENDIX TABLE B-1: DOSP Zoning Intensity Program (continued)

Summary of Estimated Value Capture for Community Benefits from Higher Intensity <u>OFFICE DEVELOPMENT</u> By Development Type, Intensity Increase, and Subarea

		VALUE CAPTURE		Intensity Combin	nations	
Intensity Type for Office Development	Development Case No.	for Community Benefits	Base FAR	Maximum FAR	Increase in Density	Intensity Subarea(s)
		per add'l bldg. sq. ft.				
Mid-Rise/Low-Rise to	♦II-1	\$14	5	20	+300%	Victory Court
High-Rise Development	II-2	\$12	5	17	+240%	Victory Court
	II-3	\$15	2	14	+600%	Jack London West
	II-4	\$12	5	14	+180%	Jack London East
	II-5	\$12	5	14	+180%	Victory Court
	♦II-6	\$15	7	14	+100%	Jack London West
Mid-Rise/Low-Rise to	♦II-7	\$15	2	12	+500%	Jack London West
Lower High-Rise Development	II-8	\$14	2	12	+500%	Jack London East
Development	II-9	\$17	3.5	12	+243%	Jack London West
	♦II-10	\$13	5	12	+140%	Jack London East Victory Court
Greater Intensity High-Rise	II-11	\$12 - 15	14	17	+21%	Jack London West Victory Court
Greater Intensity Mid-Rise	♦II-12	\$12	5	7.5	+50%	Jack London East
Greater Intensity Mid-Rise	II-13	\$14	2	7.5	+275%	J L East –Embar. Estuary
– Waterfront	♦II-14	\$17	3.5	7.5	+114%	J L West/East – Waterfront
	II-15	\$15	5.0	7.5	+50%	J L East – Waterfront

II. Jack London/Victory Court Intensity Areas

page 2 of 3

APPENDIX TABLE B-1: DOSP Zoning Intensity Program (continued)

Summary of Estimated Value Capture for Community Benefits from Higher Intensity <u>OFFICE DEVELOPMENT</u> By Development Type, Intensity Increase, and Subarea

III. KONO/Art & Garage District Intensity Areas

		VALUE CAPTURE	I	ntensity Combin	nations	
Intensity Type for Office DevelopmentDevelopmentfor Community BenefitsDevelopmentCase No.Benefitsper add'l bldg. sq. ft.		Base FAR	Maximum FAR	Increase in Density	Intensity Subarea(s)	
Mid-Rise/Low-Rise to Lower High-Rise Development	III-1	\$9 – 10	5.0	12	+140%	KONO / 27 th – 28 th
Greater Intensity Mid-Rise Development	III-2	\$12-14/a/	2.5	7.5	+200%	KONO / Telegraph and east side
	III-3	\$12-14/a/	5.0	7.5	+50%	KONO / West of Telegraph
Greater Intensity Mid-Rise – Garage District	♦III-4	\$18	2.5	5.0	+100%	Art + Garage District/KONO

• Indicates this is one of the 10 Representative Development Cases documented in Section V of the Technical Appendix.

/a/ Higher end of range east of Telegraph Ave.; lower end of range west of Telegraph Ave.

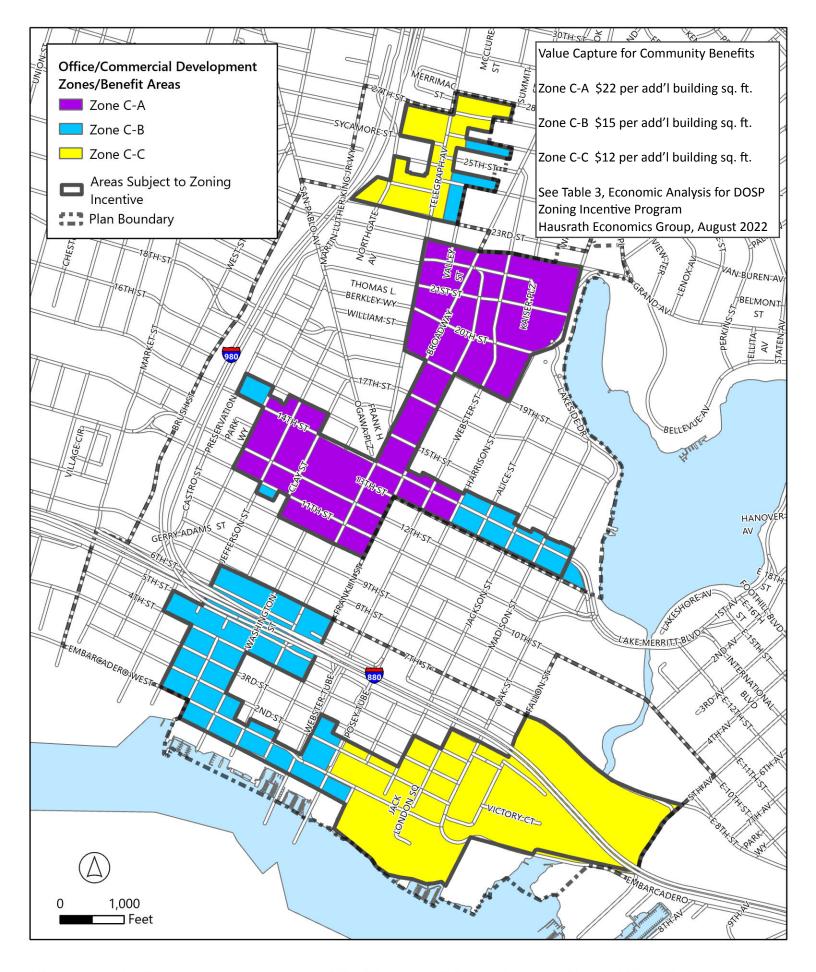


Figure B-2: Zoning Incentive Program Office/Commercial Development Zones/ Benefit Areas

APPENDIX TABLE B-2.1: Summary Pro Forma Analysis - Current Market Conditions Compared to Feasible Market Conditions - Office Development Under BASE ZONING

Development Case	I-	1	ŀ	2	ŀ	-5	II-1		II-6	
HEG Prototype		A	1	В	1	.0	1	1	18	
Intensity Area	CE	3D	CE	D	CE	3D	JLE,	/VC	JL/	VC
Subarea(s)	Lake Merritt Of City C			y Center, 14th West	14th Str	eet East	Victor	y Court	Jack Lond	lon West
Benefit Area	, C-	A	C-	A	C	-A	C-	-C	C-	·B
Development Characteristics										
Office Density (Floor Area Ratio, FAR)	20		20		8		5		7	
Building Type	High-rise		High-rise		Mid-rise		Mid-rise		Mid-rise	
Lot Size	54,700		54,700		28,000		69,000		35,000	
Total Building Area	1,094,000		1,094,000		224,000		348,250		245,000	
Office (net floor area)	962,550		962,550		190,800		304,425		211,500	
Retail (net floor area)	22,050		22,050		10,800		9,000		9,000	
Parking Spaces (office only)	535		535		106		339		235	
		Current Rents		Current Rents		Current Rents		Current Rents		Current Rents
	Current Rents	+ 10% for	Current Rents	+ 10% for	Current Rents	+ 10% for	Current Rents	+ 10% for	Current Rents	+ 10% for
	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/
Revenue Factors										
Office Rent per net sq. ft. per year	\$75.00	\$82.50	\$75.00	\$82.50	\$67.00	\$74.00	\$62.00	\$68.20	\$65.00	\$71.50
Retail Rent per net sq. ft. per year	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$35.20
Parking Revenue per space per month (without retail pkg.)	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185
Net Project Value	\$851,349,459	\$935,257,986	\$851,349,459	\$935,257,986	\$154,556,978	\$170,431,610	\$231,575,931	\$253,682,636	\$169,551,133	\$185,780,608
Total Development Cost	\$873,495,715	\$873,495,715	\$873,495,715	\$873,495,715	\$154,632,840	\$154,632,840	\$243,345,470	\$243,345,470	\$177,411,600	\$177,411,600
Residual Land Value (Net Project Value - Total Cost)	(\$22,146,256)	\$61,762,271	(\$22,146,256)	\$61,762,271	(\$75,862)	\$15,798,770	(\$11,769,539)	\$10,337,166	(\$7,860,467)	\$8,369,008
(less) Return on Residual Land Value	\$0	(\$13,587,700)	\$0	(\$13,587,700)	\$0	(\$2,527,803)	\$0	(\$1,447,203)	\$0	(\$1,339,041)
Net Residual Land Value /c/	(\$22,146,256)	\$48,174,571	(\$22,146,256)	\$48,174,571	(\$75,862)	\$13,270,967	(\$11,769,539)	\$8,889,963	(\$7,860,467)	\$7,029,967

NOTE: The economic analysis found that higher-intensity development is not feasible under current real estate market and development cost conditions. The analysis then proceeded to identify and evaluate future scenarios when real estate economics improve and developments become feasible. For ease of analysis, the pro forma models tested percentage increases in rents/revenues until feasibility was reached. This is a proxy for the more complex set of changes in various development revenue and cost factors more likely to occur to support feasibility over time. For the office development prototypes, feasibility was achieved in most cases at rent levels approximately 10% higher than current rents *at the time of this economic analysis in 2021*. Since then, office rents have declined due to ongoing uncertainties following the pandemic. Thus, rents/revenues that support feasibility as shown in this analysis are possibly closer to 15% or 20% higher than *current rents in 2023*, for many of the development cases.

/a/ Detailed real estate pro forma analysis was prepared for these current revenue factor assumptions and the conclusions are summarized here. All of the other assumptions in the pro forma analysis for each development case are the same as those detailed in Appendix Tables C.1 - C.10.

/b/ See Appendix Tables C.1 - C.10 for the detailed pro forma real estate analysis under these revenue assumptions.

/c/ Under Base Zoning, one of the development cases supports a small positive residual land value, below that sought for project feasibility.

APPENDIX TABLE B-2.1: Summary Pro Forma Analysis - Current Market Conditions Compared to Feasible Market Conditions - Office Development Under BASE ZONING

Development Case	-	7	II-	10	-	14	II-:	12	111	-4
HEG Prototype		7	1	4	13	BA	13B		12	
Intensity Area	JL/	VC	JL/	VC	JL/	'VC	JL/	VC	КО	NO
Subarea(s)	Jack Lond	don West	Jack London Eas	t / Victory Court		st / Jack London ast	Jack Lone	don East	KONO / Art + C	Garage District
Benefit Area	C-	·B	C	-C	C	-B	C-	C	C-	В
Development Characteristics										
Office Density (Floor Area Ratio, FAR)	2		5		3.5		5		2.5	
Building Type	Low-rise		Mid-rise		Mid-rise		Mid-rise		Mid-rise	
Lot Size	60,000		50,000		50,000		50,000		20,000	
Total Building Area	120,000		250,000		175,000		250,000		50,000	
Office (net floor area)	94,500		216,900		152,100		214,200		38,700	
Retail (net floor area)	13,500		8,100		5,400		10,800		6,300	
Parking Spaces (office only)	105		241		169		238		43	
		Current Rents		Current Rents		Current Rents		Current Rents		Current Rents
	Current Rents	+ 10% for	Current Rents	+ 10% for	Current Rents	+ 10% for	Current Rents	+ 10% for	Current Rents	+ 10% for
	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/
Revenue Factors										
Office Rent per net sq. ft. per year	\$60.00	\$66.00	\$62.00	\$68.20	\$63.00	\$69.00	\$62.00	\$68.20	\$68.00	\$74.80
Retail Rent per net sq. ft. per year	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$35.20
Parking Revenue per space per month (without retail pkg.)	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185
Net Project Value	\$75,204,982	\$82,409,613	\$165,840,900	\$181,679,801	\$117,894,929	\$128,638,543	\$165,213,927	\$181,001,894	\$34,743,283	\$38,088,937
Total Development Cost	\$79,957,750	\$79,957,750	\$174,686,250	\$174,686,250	\$118,949,300	\$118,949,300	\$174,733,900	\$174,733,900	\$32,692,050	\$32,692,050
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Residual Land Value (Net Project Value - Total Cost)	(\$4,752,768)	\$2,451,863	(\$8,845,350)	\$6,993,551	(\$1,054,371)	\$9,689,243	(\$9,519,973)	\$6,267,994	\$2,051,233	\$5,396,887
(less) Return on Residual Land Value	\$0	(\$294,224)	\$0	(\$979,097)		(\$1,259,602)	\$0	(\$877,519)	(\$246,148)	(\$647,626)
Net Residual Land Value /c/	(\$4.752.768)	\$2,157,639	(\$8,845,350)	\$6,014,454	(\$1,054,371)	\$8,429,641	(\$9,519,973)	\$5,390,475	\$1,805,085	\$4,749,261

NOTE: The economic analysis found that higher-intensity development is not feasible under current real estate market and development cost conditions. The analysis then proceeded to identify and evaluate future scenarios when real estate economics improve and developments become feasible. For ease of analysis, the pro forma models tested percentage increases in rents/revenues until feasibility was reached. This is a proxy for the more complex set of changes in various development revenue and cost factors more likely to occur to support feasibility over time. For the office development prototypes, feasibility was achieved in most cases at rent levels approximately 10% higher than current rents *at the time of this economic analysis in 2021*. Since then, office rents have declined due to ongoing uncertainties following the pandemic. Thus, rents/revenues that support feasibility as shown in this analysis are possibly closer to 15% or 20% higher than *current rents in 2023*, for many of the development cases.

/a/ Detailed real estate pro forma analysis was prepared for these current revenue factor assumptions and the conclusions are summarized here. All of the other assumptions in the pro forma analysis for each development case are the same as those detailed in Appendix Tables C.1 - C.10.

/b/ See Appendix Tables C.1 - C.10 for the detailed pro forma real estate analysis under these revenue assumptions.

/c/ Under Base Zoning, one of the development cases supports a small positive residual land value, below that sought for project feasibility.

APPENDIX TABLE B-2.2: Summary Pro Forma Analysis - Current Market Conditions Compared to Feasible Market Conditions - Office Development Under UPZONING

Development Case	ŀ	1	I	-2	ŀ	5	II	-1	II.	-6
HEG Prototype	1	Α	1	LB	1	0	1	.1	1	8
Intensity Area	CE	3D	C	BD	CE	3D	JLE,	/VC	JL/	'VC
Subarea(s)	Lake Merritt Of City C	, ,,		ty Center, 14th t West	14th Str	eet East	Victor	y Court	Jack Lond	don West
Benefit Area	C	-A	C	-A	C	-A	C	-C	C	-В
Development Characteristics										
Office Density (Floor Area Ratio, FAR)	30		22		12		20		15	
Building Type	High-rise		High-rise		High-rise		High-rise		High-rise	
Lot Size	54,700		54,700		28,000		69,000		35,000	
Total Building Area	1,641,000		1,203,400		336,000		1,393,000		490,000	
Office (net floor area)	1,454,850		1,061,010		288,900		1,238,850		429,750	
Retail (net floor area)	22,050		22,050		13,500		14,850		11,250	
Parking Spaces (office only)	728		531		161		1,102		382	
		Current Rents +		Current Rents +		Current Rents		Current Rents +		Current Rents
	Current Rents	10% for	Current Rents	10% for	Current Rents	+ 10% for	Current Rents	20% for	Current Rents	+ 10% for
	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/
Revenue Factors										
Office Rent per net sq. ft. per year	\$78.00	\$85.80	\$75.75	\$83.33	\$70.00	\$77.00	\$69.00	\$82.80	\$68.00	\$75.00
Retail Rent per net sq. ft. per year	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$38.40	\$32.00	\$35.20
Parking Revenue per space per month (without retail pkg.)	\$200	\$200	\$200	\$200	\$185	\$185	\$185	\$185	\$185	\$185
Net Project Value	\$1,330,175,533	\$1,461,414,028	\$945,785,802	\$1,039,132,676	\$242,513,580	\$266,401,223	\$1,021,312,718	\$1,217,296,527	\$351,942,278	\$387,015,045
Total Development Cost	\$1,353,437,775	\$1,353,437,775	\$965,168,046	\$965,168,046	\$241,120,357	\$241,120,357	\$1,149,331,528	\$1,149,331,528	\$365,174,547	\$365,174,547
Residual Land Value (Net Project Value - Total Cost)	(\$23,262,242)	\$107,976,253	(\$19,382,244)	\$73,964,630	\$1,393,223	\$25,280,866	(\$128,018,810)	\$67,964,999	(\$13,232,269)	\$21,840,498
(less) Return on Residual Land Value	\$0	(\$23,754,776)	\$0	(\$16,272,219)	(\$250,780)	(\$4,550,556)	\$0	(\$14,952,300)	\$0	(\$3,931,290)
Net Residual Land Value /c/	(\$23,262,242)	\$84,221,477	(\$19,382,244)	\$57,692,411	\$1,142,443	\$20,730,310	(\$128,018,810)	\$53,012,699	(\$13,232,269)	\$17,909,208

NOTE: The economic analysis found that higher-intensity development is not feasible under current real estate market and development cost conditions. The analysis then proceeded to identify and evaluate future scenarios when real estate economics improve and developments become feasible. For ease of analysis, the pro forma models tested percentage increases in rents/revenues until feasibility was reached. This is a proxy for the more complex set of changes in various development revenue and cost factors more likely to occur to support feasibility over time. For the office development prototypes, feasibility was achieved in most cases at rent levels approximately 10% higher than current rents *at the time of this economic analysis in 2021*. Since then, office rents have declined due to ongoing uncertainties following the pandemic. Thus, rents/revenues that support feasibility as shown in this analysis are possibly closer to 15% or 20% higher than *current rents in 2023*, for many of the development cases.

/a/ Detailed real estate pro forma analysis was prepared for these current revenue factor assumptions and the conclusions are summarized here. All of the other assumptions in the pro forma analysis for each development case are the same as those detailed in Appendix Tables C.1 - C.10.

/b/ See Appendix Tables C.1 - C.10 for the detailed pro forma real estate analysis under these revenue assumptions. Note that current rents increase by 20% in order to achieve feasibility under Upzoning for Development Case II-1.

/c/ Under Upzoning, two of the development cases support a small positive residual land value, below that sought for project feasibility.

APPENDIX TABLE B-2.2: Summary Pro Forma Analysis - Current Market Conditions Compared to Feasible Market Conditions - Office Development Under UPZONING

Development Case	-	7	II-1	10	-	14	II-1	12	III	-4
HEG Prototype	1	7	1	4	13	BA	13	BB	1	2
Intensity Area	JL/	VC	JL/	VC	JL/	'VC	JL/	VC	КО	NO
Subarea(s)	Jack Lond	lon West	Jack London Eas	t / Victory Court		st / Jack London ast	Jack Lon	don East	KONO / Art + 0	Garage District
Benefit Area	C-	В	C	·C	C	-В	C	-C	C-	·B
Development Characteristics										
Office Density (Floor Area Ratio, FAR)	15		15		9		9		5	
Building Type	High-rise		High-rise		Mid-rise		Mid-rise		Mid-rise	
Lot Size	60,000		50,000		50,000		50,000		20,000	
Total Building Area	720,000		600,000		375,000		375,000		100,000	
Office (net floor area)	625,500		529,200		323,100		323,100		77,400	
Retail (net floor area)	22,500		10,800		14,400		14,400		12,600	
Parking Spaces (office only)	556		471		288		288		69	
		Current Rents		Current Rents		Current Rents		Current Rents		Current Rents
	Current Rents	+ 10% for	Current Rents	+ 10% for	Current Rents	+ 10% for	Current Rents	+ 10% for	Current Rents	+ 10% for
	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/	/a/	Feasibility /b/
Revenue Factors										
Office Rent per net sq. ft. per year	\$68.00	\$75.00	\$67.00	\$73.70	\$66.00	\$73.15	\$64.00	\$70.40	\$70.00	\$77.00
Retail Rent per net sq. ft. per year	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$35.20	\$32.00	\$35.20
Parking Revenue per space per month (without retail pkg.)	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185
Net Project Value	\$515,394,862	\$566,762,958	\$425,776,385	\$466,986,113	\$260,274,633	\$287,509,270	\$252,866,831	\$277,323,529	\$70,595,542	\$77,464,306
Total Development Cost	\$531,642,224	\$531,642,224	\$442,668,021	\$442,668,021	\$265,382,282	\$265,382,282	\$265,382,282	\$265,382,282	\$68,730,711	\$68,730,711
Residual Land Value (Net Project Value - Total Cost)	(\$16,247,362)	\$35,120,734	(\$16,891,636)	\$24,318,092	(\$5,107,649)	\$22,126,988	(\$12,515,451)	\$11,941,247	\$1,864,831	\$8,733,595
(less) Return on Residual Land Value	\$0	(\$6,321,732)	\$0	(\$4,377,257)	\$0	(\$3,540,318)	\$0	(\$1,910,600)	(\$261,076)	(\$1,222,703)
Net Residual Land Value /c/	(\$16,247,362)	\$28,799,002	(\$16,891,636)	\$19,940,835	(\$5,107,649)	\$18,586,670	(\$12,515,451)	\$10,030,647	\$1,603,755	\$7,510,892

NOTE: The economic analysis found that higher-intensity development is not feasible under current real estate market and development cost conditions. The analysis then proceeded to identify and evaluate future scenarios when real estate economics improve and developments become feasible. For ease of analysis, the pro forma models tested percentage increases in rents/revenues until feasibility was reached. This is a proxy for the more complex set of changes in various development revenue and cost factors more likely to occur to support feasibility over time. For the office development prototypes, feasibility was achieved in most cases at rent levels approximately 10% higher than current rents *at the time of this economic analysis in 2021*. Since then, office rents have declined due to ongoing uncertainties following the pandemic. Thus, rents/revenues that support feasibility as shown in this analysis are possibly closer to 15% or 20% higher than *current rents in 2023*, for many of the development cases.

/a/ Detailed real estate pro forma analysis was prepared for these current revenue factor assumptions and the conclusions are summarized here. All of the other assumptions in the pro forma analysis for each development case are the same as those detailed in Appendix Tables C.1 - C.10.

/b/ See Appendix Tables C.1 - C.10 for the detailed pro forma real estate analysis under these revenue assumptions. Note that current rents increase by 20% in order to achieve feasibility under Upzoning for Development Case II-1.

/c/ Under Upzoning, two of the development cases support a small positive residual land value, below that sought for project feasibility.

Development Case	I-1	I-2	I-5	II-1	II-6	II-7	II-10	II-14	II-12	III-4
HEG Protoype	1A	1B	10	11	18	17	14	13A	13B	12
Intensity Area	CBD	CBD	CBD	JLE/VC	JL/VC	JL/VC	JL/VC	JL/VC	JL/VC	KONO
Subarea(s)	Lake Merritt Office, Broadway, City Center	Broadway, City Center, 14th St. West	14th Street East	Victory Court	Jack London West	Jack London West	Jack London East / Victory Court	Jack London West / Jack London East	Jack London East	Art+Garage District / KONO
Intensity Type	Greater intensity high-rise	Greater intensity high- rise	Higher mid-rise to lower high- rise	Mid-rise to high-rise	Mid-rise to high-rise	Low-rise to lower high- rise	Mid-rise to lower high-rise	Greater intensity mid- rise	Greater intensity mid- rise	Greater intensity mid-rise
								Waterfront and nearby locations	Inland locations	East of Telegraph
Benefit Area	C-A	C-A	C-A	C-C	C-B	C-B	C-C	C-B	C-C	C-B
Lot Area (sq. ft., rounded)	54,700	54,700	28,000	69,000	35,000	60,000	50,000	50,000	50,000	20,000
Acres	1.26	1.26	0.64	1.58	0.80	1.38	1.15	1.15	1.15	0.46
BASE ZONING		1		1		1 .			1	
Construction Type	Type I	Type I	Type I	Type III	Type III	Type V/III	Type III	Type III	Type III	Type III
Building Height Maximum	no limit	no limit	175'	135'	65'	45'	65'	55'	65'	45'
Floor Area Ratio (FAR)	20.0	20.0	8.0	5.0	7.0	2.0	5.0	3.5	5.0	2.5
Total Gross Floor Area (w/o parking) sq.	1,094,000	1,094,000	224,000	345,000	245,000	120,000	250,000	175,000	250,000	50,000
Office	1,069,500	1,069,500	212,000	335,000	235,000	105,000	241,000	169,000	238,000	43,000
Retail	24,500	24,500	12,000	10,000	10,000	15,000	9,000	6,000	12,000	7,000
Office Efficiency Ratio	90%	90%	90%	90%	90%		90%	90%		90%
Retail Efficiency Ratio	90%	90%	90%	90%	90%		90%	90%		
Total Net Floor Area (w/o parking) sq. ft.		984,600	201,600	310,500	220,500	108,000	225,000	157,500	225,000	45,000
Office Retail	962,550 22,050	962,550 22,050	190,800 10,800	301,500 9,000	211,500 9,000	94,500 13,500	216,900 8,100	152,100 5,400	214,200 10,800	38,700 6,300
Parking Spaces	559	559	10,800	345	245	120	250	<u> </u>	250	50
UPZONING	333	555	118	545	245	120	230	1/5	230	50
Construction Type	Type I	Type I	Type I	Type I	Type I	Type I	Type I	Type I	Type I	Type III
Building Height Maximum	no limit	no limit	175'	450'	275'	175'	175'	90'	90'	65'
Floor Area Ratio (FAR)	30.0	22.0	12.0	20.0	14.0	12.0	12.0	7.5	7.5	5.0
Total Gross Floor Area (w/o parking) sq.	1,641,000	1,203,400	336,000	1,380,000	490,000	720,000	600,000	375,000	375,000	100,000
Office	1,616,500	1,178,900	321,000	1,363,500	477,500	695,000	588,000	359,000	359,000	86,000
Retail	24,500	24,500	15,000	16,500	12,500	25,000	12,000	16,000	16,000	14,000
Office Efficiency Ratio	90%	90%	90%	90%	90%		90%	90%		
Retail Efficiency Ratio	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Total Net Floor Area (w/o parking) sq. ft.	1,476,900	1,083,060	302,400	1,242,000	441,000	648,000	540,000	337,500	337,500	90,000
Office	1,454,850	1,061,010	288,900	1,227,150	429,750	625,500	529,200	323,100	323,100	77,400
Retail	22,050	22,050	13,500	14,850	11,250	22,500	10,800	14,400	14,400	12,600
Parking Spaces	752	555	176	1,107	395	581	482	303	303	83
Percent Increase in Density	50%	10%	50%	300%	100%	500%	140%	114%	50%	100%

APPENDIX TABLE B-3: Development Program Assumptions for Representative OFFICE Development Prototypes / Cases

APPENDIX TABLE C.1 Development Case I-1 (HEG Prototype 1A) BASE ZONING

Intensity Area: CBD - Lake Merritt Office, Broadway, City Center subareas

CBD - Franklin Street, Broadway	Assumption	Total
DEVELOPMENT PROGRAM	1.26	E 4 700
Lot Size	1.26 acres	54,700 sq. ft.
Construction Type	Type I (not used in calculations)	
Building Height	no limit (not used in calculations)	
Building Height Estimated Actual (# of stories)	25.00 (not used in calculations)	
FAR	20.00	1 00 1 000
Gross Building Area (excl. parking)	000/ 55: 1	1,094,000 sq. ft.
Net Area	90% efficiency ratio	984,600 sq. ft.
Office		962,550 sq. ft.
Retail		22,050 sq. ft.
Parking Spaces		559 spaces
Spaces Excluding Retail		535 spaces
REVENUE		·
Office (Full-Service)	\$82.50 per net sq. ft. per year	\$79,410,375
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$776,160</u>
Gross Annual Revenue		\$80,186,535
(less) Operating Expenses	27.5% of office full-service revenue	(\$21,837,853)
(less) Vacancy Rate	5.0% of gross annual revenue	(\$4,009,327)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$492,300)
(less) Commissions	2.5% of gross annual revenue	(\$2,004,663)
Not Operating Income		
Net Operating Income	4105	\$51,842,392
Net Parking Revenue (without retail parking)	\$185 per space per month	\$1,187,700
Total NOI		\$53,030,092
Capitalized Value	5.50% cap rate	\$964,183,491
(less) Cost of Sale/Marketing	3.0%	<u>(\$28,925,505)</u>
Net Project Value		\$935,257,986
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$405 per gross sq. ft.	\$443,070,000
Parking Construction Cost	\$60,000 per space	\$33,540,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$547,000</u>
Total Direct Costs		\$477,157,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$72,191,250
Tenant Improvements (retail)	\$100 per sq. ft.	\$2,205,000
Architecture and Engineering	6.0% of direct costs	\$28,629,400
Other Expenses	3.0% of direct costs	\$14,314,700
General and Administrative	3.0% of direct costs	\$14,314,700
Property Tax During Construction	2.5% of direct costs	\$11,928,900
Financing	6.0% of direct costs	<u>\$28,629,400</u>
Subtotal Indirect Costs excluding Fees	0.070 01 01/01/03/5	\$172,213,350
Fees		<i>_,_,_,</i>
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$2,139,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$6,162,550
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$2,139,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$18,375
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$612,640
Other Fees	\$25.00 avg. per gross sq. ft.	<u>\$27,350,000</u>
Subtotal Fees		\$38,421,565
Total Indirect Costs		\$210,634,915
Subtotal, Direct and Indirect Costs		\$687,791,915
Contingency	5.0% of direct and indirect costs	\$34,389,600
Required Return on Investment	22.0% of direct and indirect costs	\$151,314,200
Total Costs	`	\$873,495,715
Residual Land Value (Net Project Value - Total		\$61,762,271
(less) Return on Residual Land Value	22.0%	(\$13,587,700)
Net Residual Land Value		\$48,174,571

APPENDIX TABLE C.1 Development Case I-1 (HEG Prototype 1A) UPZONING

Intensity Area: CBD - Lake Merritt Office, Broadway, City Center subareas

CBD - Franklin Street, Broadway	Assumption	Total	
DEVELOPMENT PROGRAM	1.26	F4 700	£+
ot Size	1.26 acres	54,700 sq.	ft.
onstruction Type	Type I (not used in calculations)		
uilding Height	no limit (not used in calculations)		
uilding Height Estimated Actual (#ofstories)	38.00 (not used in calculations)		
AR	30.00		
iross Building Area (excl. parking)		1,641,000 sq.	ft.
let Area	90% efficiency ratio	1,476,900 sq.	ft.
Office		1,454,850 sq.	ft.
Retail		22,050 sq.	ft.
arking Spaces		752 spa	
paces Excluding Retail		728 spa	ces
EVENUE			
Office (Full-Service)	\$85.80 per net sq. ft. per year	\$124,826,130	
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$776,160</u>	
Gross Annual Revenue		\$125,602,290	
(less) Operating Expenses	27.5% of office full-service revenue	(\$34,327,186)	
(less) Vacancy Rate	5.0% of gross annual revenue	(\$6,280,115)	
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$738,450)	
(less) Commissions	2.5% of gross annual revenue	<u>(\$3,140,057)</u>	
et Operating Income		\$81,116,482	
Net Parking Revenue (without retail parking)	\$200 per space per month	\$1,747,200	
Total NOI		\$82,863,682	
	5.50%		
apitalized Value	5.50% cap rate	\$1,506,612,400	
(less) Cost of Sale/Marketing	3.0%	<u>(\$45,198,372)</u>	
Net Project Value		\$1,461,414,028	
EVELOPMENT COST			
virect Costs			
uilding Construction Cost	\$420 per gross sq. ft.	\$689,220,000	
arking Construction Cost	\$60,000 per space	\$45,120,000	
emo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$547,000</u>	
otal Direct Costs		\$734,887,000	
ndirect Costs			
enant Improvements (office)	\$75 per sq. ft.	\$109,113,750	
enant Improvements (retail)	\$100 per sq. ft.	\$2,205,000	
rchitecture and Engineering	6.0% of direct costs	\$44,093,200	
ther Expenses	3.0% of direct costs	\$22,046,600	
eneral and Administrative	3.0% of direct costs	\$22,046,600	
roperty Tax During Construction	3.0% of direct costs	\$22,046,600	
nancing	7.0% of direct costs	<u>\$51,442,100</u>	
Subtotal Indirect Costs excluding Fees		\$272,993,850	
ees			
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$3,233,000	
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$9,389,850	
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$3,233,000	
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$18,375	
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$918,960	
Other Fees	\$25.00 avg. per gross sq. ft.		
	325.00 avg. per gross sq. rt.	<u>\$41,025,000</u>	
Subtotal Fees		\$57,818,185	
otal Indirect Costs		\$330,812,035	
ubtotal, Direct and Indirect Costs		\$1,065,699,035	
ontingency	5.0% of direct and indirect costs	\$53,284,952	
equired Return on Investment	22.0% of direct and indirect costs	\$234,453,788	
Total Costs		\$1,353,437,775	
esidual Land Value (Net Project Value - Total C	osts)	\$107,976,253	
ess) Return on Residual Land Value let Residual Land Value	22.0%	(\$23,754,776) \$84,221,477	
cremental Development	Net Residual Land Value	~~,~~,*//	
		CAO 174 F71	¢001 non of loss i
•			
•	547,000 Base Case	\$48,174,571	\$881 per sf land
•	Upzoning	\$84,221,477	\$1,540 per sf land
Gross Building Area (excl. parking)	-		

APPENDIX TABLE C.2 Development Case I-2 (HEG Prototype 1B) BASE ZONING

Intensity Area: CBD - Broadway, City Center, 14th Street West subareas

CBD - Between Telegraph and Broadway; peripheral City Center	Assumption	Total
DEVELOPMENT PROGRAM		
Lot Size	1.26 acres	54,700 sq. ft.
Construction Type	Type I (not used in calculations)	
Building Height	no limit (not used in calculations)	
Building Height Estimated Actual (#ofstories) FAR	25.00 (not used in calculations)	
		1,094,000 sq. ft.
Gross Building Area (excl. parking) Net Area	00% officional ratio	1,094,000 sq. ft. 984,600 sq. ft.
Office	90% efficiency ratio	962,550 sq. ft.
Retail		22,050 sq. ft.
Retail		22,030 Sq. It.
Parking Spaces		559 spaces
Spaces Excluding Retail		535 space
REVENUE		
Office (Full-Service)	\$82.50 per net sq. ft. per year	\$79,410,375
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$776,160</u>
Gross Annual Revenue		\$80,186,535
(less) Operating Expenses	27.5% of office full-service revenue	(\$21,837,853)
(less) Vacancy Rate	5.0% of gross annual revenue	(\$4,009,327)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$492,300)
(less) Commissions	2.5% of gross annual revenue	<u>(\$2,004,663)</u>
Net Operating Income		\$51,842,392
Net Parking Revenue (without retail parking)	\$185 per space per month	\$1,187,700
Total NOI		\$53,030,092
Capitalized Value	5.50% cap rate	COCA 192 401
Capitalized Value (less) Cost of Sale/Marketing	5.50% cap rate 3.0%	\$964,183,491 <u>(\$28,925,505)</u>
Net Project Value		\$935,257,986
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$405 per gross sq. ft.	\$443,070,000
Parking Construction Cost	\$60,000 per space	\$33,540,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	\$547,000
Total Direct Costs		\$477,157,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$72,191,250
Tenant Improvements (retail)	\$100 per sq. ft.	\$2,205,000
Architecture and Engineering	6.0% of direct costs	\$28,629,400
Other Expenses	3.0% of direct costs	\$14,314,700
General and Administrative	3.0% of direct costs	\$14,314,700
Property Tax During Construction	2.5% of direct costs	\$11,928,900
Financing	6.0% of direct costs	\$28,629,400
Subtotal Indirect Costs excluding Fees		\$172,213,350
Fees		, , ,,
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$2,139,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$6,162,550
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$2,139,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$18,375
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$612,640
Other Fees	\$25.00 avg. per gross sq. ft.	<u>\$27,350,000</u>
Subtotal Fees		\$38,421,565
Total Indirect Costs		\$210,634,915
Subtotal, Direct and Indirect Costs		\$687,791,915
Contingency	5.0% of direct and indirect costs	\$34,389,600
Required Return on Investment	22.0% of direct and indirect costs	\$151,314,200
Total Costs	`	\$873,495,715
Residual Land Value (Net Project Value - Total		\$61,762,271
(less) Return on Residual Land Value	22.0%	(\$13,587,700)
Net Residual Land Value		\$48,174,571

APPENDIX TABLE C.2 Development Case I-2 (HEG Prototype 1B) UPZONING

Intensity Area: CBD - Broadway, City Center, 14th Street West subareas

CBD - Between Telegraph and Broadway; peripheral City Center	Assumption	Total	
EVELOPMENT PROGRAM			
ot Size	1.26 acres	54,700 sq.	ft.
onstruction Type	Type I (not used in calculations)	· · · ·	
uilding Height	no limit (not used in calculations)		
uilding Height Estimated Actual (# of stories)	38.00 (not used in calculations)		
AR	22.00		
ross Building Area (excl. parking)		1,203,400 sq.	ft.
et Area	90% efficiency ratio	1,083,060 sq.	ft.
Office	,	1,061,010 sq.	
Retail		22,050 sq.	
Retail		22,030 34.	1.
arking Spaces		555 spa	res
		531 spa	
baces Excluding Retail		531 Spa	les
EVENUE			
Office (Full-Service)	\$83.33 per net sq. ft. per year	\$88,413,963	
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$776,160</u>	
Gross Annual Revenue		\$89,190,123	
(less) Operating Expenses	27.5% of office full-service revenue		
(less) Vacancy Rate	5.0% of gross annual revenue	(\$4,459,506)	
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$541,530)	
(less) Commissions	2.5% of gross annual revenue	<u>(\$2,229,753)</u>	
et Operating Income		\$57,645,494	
Net Parking Revenue (without retail parking)	\$200 per space per month	\$1,274,400	
Total NOI		\$58,919,894	
apitalized Value	5.50% cap rate	\$1,071,270,800	
(less) Cost of Sale/Marketing	3.0%	<u>(\$32,138,124)</u>	
Net Project Value		\$1,039,132,676	
EVELOPMENT COST			
irect Costs			
uilding Construction Cost	\$405 per gross sq. ft.	\$487,377,000	
arking Construction Cost	\$60,000 per space	\$33,300,000	
emo/Site Improvement Cost	\$10 per land sq. ft.	\$547,000	
otal Direct Costs		\$521,224,000	
direct Costs			
	675		
enant Improvements (office)	\$75 per sq. ft.	\$79,575,750	
enant Improvements (retail)	\$100 per sq. ft.	\$2,205,000	
chitecture and Engineering	6.0% of direct costs	\$31,273,400	
ther Expenses	3.0% of direct costs	\$15,636,700	
eneral and Administrative	3.0% of direct costs	\$15,636,700	
operty Tax During Construction	3.0% of direct costs	\$15,636,700	
nancing	7.0% of direct costs	\$36,485,700	
Subtotal Indirect Costs excluding Fees		\$196,449,950	
ees			
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$2,357,800	
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$6,808,010	
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$2,357,800	
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$18,375	
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$673,904	
Other Fees	\$25.00 avg. per gross sq. ft.	\$30,085,000	
Subtotal Fees		\$42,300,889	
otal Indirect Costs		\$238,750,839	
ubtotal, Direct and Indirect Costs		\$759,974,839	
ontingency equired Return on Investment	5.0% of direct and indirect costs 22.0% of direct and indirect costs	\$37,998,742 \$167,194,465	
Total Costs		\$965,168,046	
	Costs)	\$73,964,630	
esidual Land Value (Net Project Value - Total ((610 373 340)	
ess) Return on Residual Land Value	22.0%	(\$16,272,219) \$57,692,411	
ess) Return on Residual Land Value et Residual Land Value			
ess) Return on Residual Land Value et Residual Land Value cremental Development	22.0% Net Residual Land Value	\$57,692,411	\$881 per of land
ess) Return on Residual Land Value et Residual Land Value cremental Development	22.0% Net Residual Land Value 109,400 Base Case	\$57,692,411 \$48,174,571	\$881 per sf land
ess) Return on Residual Land Value et Residual Land Value cremental Development	22.0% Net Residual Land Value 109,400 Base Case Upzoning	\$ 57,692,411 \$48,174,571 \$57,692,411	\$1,055 per sf land
esidual Land Value (Net Project Value - Total G ess) Return on Residual Land Value et Residual Land Value cremental Development Gross Building Area (excl. parking)	22.0% Net Residual Land Value 109,400 Base Case	\$57,692,411 \$48,174,571	

APPENDIX TABLE C.3 Development Case I-5 (HEG Prototype 10) BASE ZONING

Intensity Area: CBD - 14th Street East subarea

14th Street, east of Franklin Street	Assumption	Total
	0.64	20,000
Lot Size	0.64 acres	28,000 sq. ft.
Construction Type	Type I (not used in calculations) 175' (not used in calculations)	
Building Height	(
Building Height Estimated Actual (# of stories)	11.00 (not used in calculations)	
FAR	8.00	224.000 cm ft
Gross Building Area (excl. parking)	00% officiency ratio	224,000 sq. ft.
Net Area Office	90% efficiency ratio	201,600 sq. ft. 190,800 sq. ft.
Retail		10,800 sq. ft.
Parking Spaces Spaces Excluding Retail		118 space 106 space
REVENUE		100 space
Office (Full-Service)	\$74.00 per net sq. ft. per year	\$14,119,200
Retail (NNN)	\$35.20 per net sq. ft. per year	\$380,160
Gross Annual Revenue	per net sq. rt. per year	\$14,499,360
(less) Operating Expenses	27.5% of office full-service revenue	(\$3,882,780)
(less) Vacancy Rate	5.0% of gross annual revenue	(\$724,968)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$100,800)
(less) Commissions	2.5% of gross annual revenue	<u>(\$362,484)</u>
Net Operating Income		\$9,428,328
Net Parking Revenue (without retail parking)	\$185 per space per month	\$235,320
Total NOI		\$9,663,648
Capitalized Value	5.50% cap rate	\$175,702,691
(less) Cost of Sale/Marketing	3.0%	<u>(\$5,271,081)</u>
Net Project Value		\$170,431,610
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$360 per gross sq. ft.	\$80,640,000
Parking Construction Cost	\$60,000 per space	\$7,080,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$280,000</u>
Total Direct Costs		\$88,000,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$14,310,000
Tenant Improvements (retail)	\$100 per sq. ft.	\$1,080,000
Architecture and Engineering	6.0% of direct costs	\$5,280,000
Other Expenses	3.0% of direct costs	\$2,640,000
General and Administrative	3.0% of direct costs	\$2,640,000
Property Tax During Construction	2.0% of direct costs	\$1,760,000
Financing	5.0% of direct costs	<u>\$4,400,000</u>
Subtotal Indirect Costs excluding Fees		\$32,110,000
Fees	(to 00)	<i></i>
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$424,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$1,103,300
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$424,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$9,000
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$125,440
Other Fees Subtotal Fees	\$25.00 avg. per gross sq. ft.	<u>\$5,600,000</u> \$7,685,740
Subtotal Fees Total Indirect Costs		\$7,685,740 \$39,795,740
Subtotal, Direct and Indirect Costs		\$127,795,740
Contingency Required Return on Investment	5.0% of direct and indirect costs 16.0% of direct and indirect costs	\$6,389,800 \$20,447,300
Total Costs	`	\$154,632,840
Residual Land Value (Net Project Value - Total	Costs)	\$15,798,770
(less) Return on Residual Land Value	16.0%	(\$2,527,803)
Net Residual Land Value		\$13,270,967

APPENDIX TABLE C.3 Development Case I-5 (HEG Prototype 10) UPZONING

Intensity Area: CBD - 14th Street East subarea

DEVELOPMENT PROGRAM	Assumption		
Lot Size	0.64 acres	28,000 s	a ft
Construction Type	Type I (not used in calculations)	20,000	4
Building Height	175' (not used in calculations)		
Building Height Estimated Actual (#ofstories)	15.00 (not used in calculations)		
= ====================================	12.00		
Gross Building Area (excl. parking)		336,000 s	a. ft.
Net Area	90% efficiency ratio	302,400 s	
Office		288,900 s	
Retail		13,500 s	
			4
Parking Spaces		176 s	
Spaces Excluding Retail		161 s	paces
REVENUE			
Office (Full-Service)	\$77.00 per net sq. ft. per year	\$22,245,300	
Retail (NNN)	\$35.20 per net sq. ft. per year	\$475,200	
Gross Annual Revenue		\$22,720,500	
(less) Operating Expenses	27.5% of office full-service revenue	(\$6,117,458)	
(less) Vacancy Rate	5.0% of gross annual revenue	(\$1,136,025)	
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$151,200)	
(less) Commissions	2.5% of gross annual revenue	<u>(\$568,013)</u>	
Net Operating Income		\$14,747,804	
	¢195 por space por month		
Net Parking Revenue (without retail parking)	\$185 per space per month	\$357,420	
Total NOI	5.50%	\$15,105,224	
Capitalized Value (less) Cost of Sale/Marketing	5.50% cap rate 3.0%	\$274,640,436 <u>(\$8,239,213)</u>	
Net Project Value		\$266,401,223	
DEVELOPMENT COST			
Direct Costs			
Building Construction Cost	\$368 per gross sq. ft.	\$123,648,000	
Parking Construction Cost	\$60,000 per space	\$10,560,000	
Demo/Site Improvement Cost	\$10 per land sq. ft.	\$280,000	
Total Direct Costs		\$134,488,000	
		Ş134,400,000	
Indirect Costs			
Tenant Improvements (office)	\$75 per sq. ft.	\$21,667,500	
Tenant Improvements (retail)	\$100 per sq. ft.	\$1,350,000	
Architecture and Engineering	6.0% of direct costs	\$8,069,300	
Other Expenses	3.0% of direct costs	\$4,034,600	
General and Administrative	3.0% of direct costs	\$4,034,600	
Property Tax During Construction	2.5% of direct costs	\$3,362,200	
Financing	5.5% of direct costs	<u>\$7,396,800</u>	
Subtotal Indirect Costs excluding Fees		\$49,915,000	
ees			
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$642,000	
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$1,746,400	
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$642,000	
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$11,250	
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$188,160	
Other Fees	\$25.00 avg. per gross sq. ft.	<u>\$8,400,000</u>	
Subtotal Fees		\$11,629,810	
Fotal Indirect Costs		\$61,544,810	
Subtotal, Direct and Indirect Costs		\$196,032,810	
Contingency	5.0% of direct and indirect costs	\$9,801,641	
Required Return on Investment	18.0% of direct and indirect costs	\$35,285,906	
Total Costs		\$241,120,357	
Residual Land Value (Net Project Value - Total C		\$25,280,866	
(less) Return on Residual Land Value Net Residual Land Value	18.0%	(\$4,550,556) \$20,730,310	
ncremental Development	Net Residual Land Value		
Gross Building Area (excl. parking)	112,000 Base Case	\$13,270,967	\$474 per sf land
	Upzoning	\$20,730,310	\$740 per sf land
	Increase	\$7,459,343	\$66.60 per add'l bldg S

APPENDIX TABLE C.4 Development Case II-1 (HEG Prototype 11) BASE ZONING

Intensity Area: JL / VC - Victory Court subarea

Vicinity of Fallon Street, south of freeway	Assumption	Total
DEVELOPMENT PROGRAM	1.59 2000	60.000 em ft
Lot Size	1.58 acres	69,000 sq. ft.
Construction Type	Type III (not used in calculations) 65' (not used in calculations)	
Building Height		
Building Height Estimated Actual (#ofstories)	7.00 (not used in calculations)	
FAR	5.00	245 000
Gross Building Area (excl. parking)	000/ 551 1	345,000 sq. ft.
Net Area	90% efficiency ratio	310,500 sq. ft
Office		301,500 sq. ft.
Retail		<u>9,000</u> sq. ft.
Parking Spaces		345 space
Spaces Excluding Retail		335 space
REVENUE		400 500 000
Office (Full-Service)	\$68.20 per net sq. ft. per year	\$20,562,300
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$316,800</u>
Gross Annual Revenue		\$20,879,100
(less) Operating Expenses	27.5% of office full-service revenue	(\$5,654,633)
(less) Vacancy Rate	5.0% of gross annual revenue	(\$1,043,955)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$155,250)
(less) Commissions	2.5% of gross annual revenue	<u>(\$521,978)</u>
Net Operating Income		\$13,503,284
Net Parking Revenue (without retail parking)	\$185 per space per month	\$743,700
Total NOI		\$14,246,984
Capitalized Value	5.50% cap rate	\$259,036,073
(less) Cost of Sale/Marketing	3.0%	<u>(\$7,771,082)</u>
Net Project Value		\$251,264,991
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$345 per gross sq. ft.	\$119,025,000
Parking Construction Cost	\$60,000 per space	\$20,700,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$690,000</u>
Total Direct Costs		\$140,415,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$22,612,500
Tenant Improvements (retail)	\$100 per sq. ft.	\$900,000
Architecture and Engineering	6.0% of direct costs	\$8,424,900
Other Expenses	3.0% of direct costs	\$4,212,500
General and Administrative	3.0% of direct costs	
		\$4,212,500
Property Tax During Construction	2.0% of direct costs	\$2,808,300
Financing	5.0% of direct costs	<u>\$7,020,800</u>
Subtotal Indirect Costs excluding Fees		\$50,191,500
Fees	¢2.00 aug par grace og ft	¢670.000
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$670,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$1,829,000
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$670,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$7,500
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$193,200
Other Fees	\$25.00 avg. per gross sq. ft.	\$8,625,000
Subtotal Fees		\$11,994,700
Total Indirect Costs		\$62,186,200
Subtotal, Direct and Indirect Costs		\$202,601,200
Contingency	5.0% of direct and indirect costs	\$10,130,100 \$28,364,200
Required Return on Investment	14.0% of direct and indirect costs	\$28,364,200
Total Costs	Control	\$241,095,500
Residual Land Value (Net Project Value - Total (less) Return on Residual Land Value	Losts)	\$10,169,491 (\$1,423,729)
		\/· _ /

APPENDIX TABLE C.4 Development Case II-1 (HEG Prototype 11) UPZONING

Intensity Area: JL / VC - Victory Court subarea

Vicinity of Fallon Street, south of freeway	Assumption	Total
DEVELOPMENT PROGRAM	·	
Lot Size	1.58 acres	69,000 sq. ft.
Construction Type	Type I (not used in calculations)	
Building Height	450' (not used in calculations)	
Building Height Estimated Actual (# of stories)	25.00 (not used in calculations)	
FAR Gross Building Aroa (ovel, parking)	20.00	1 280 000 cg ft
Gross Building Area (excl. parking) Net Area	90% efficiency ratio	1,380,000 sq. ft. 1,242,000 sq. ft.
Office	50% efficiency facto	1,227,150 sq. ft.
Retail		14,850 sq. ft.
		1,000 04110
Parking Spaces		1,107 spaces
Spaces Excluding Retail		1,091 spaces
REVENUE	¢02.00	¢101 C00 030
Office (Full-Service)	\$82.80 per net sq. ft. per year	\$101,608,020
Retail (NNN) Gross Annual Revenue	\$38.40 per net sq. ft. per year	<u>\$570,240</u> \$102,178,260
(less) Operating Expenses	27.5% of office full-service reve	\$102,178,260 enue (\$27,942,206)
(less) Vacancy Rate	5.0% of gross annual revenue	
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$621,000)
(less) Commissions	2.5% of gross annual revenue	
Net Operating Income		\$65,951,684
Net Parking Revenue (without retail parking)	\$185 per space per month	\$2,422,020
Total NOI		\$68,373,704
Capitalized Value (less) Cost of Sale/Marketing	5.50% cap rate 3.0%	\$1,243,158,255 (\$37,294,748)
Net Project Value		\$1,205,863,507
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$405 per gross sq. ft.	\$558,900,000
Parking Construction Cost	\$60,000 per space	\$66,420,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$690,000</u>
Total Direct Costs		\$626,010,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$92,036,250
Tenant Improvements (retail)	\$100 per sq. ft.	\$1,485,000
Architecture and Engineering	6.0% of direct costs	\$37,560,600
Other Expenses	3.0% of direct costs	\$18,780,300
General and Administrative	3.0% of direct costs	\$18,780,300
Property Tax During Construction	2.5% of direct costs	\$15,650,300
Financing	6.0% of direct costs	\$37,560,600
Subtotal Indirect Costs excluding Fees		\$221,853,350
Fees		
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$2,727,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$7,897,150
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$2,727,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$12,375
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$772,800
Other Fees	\$25.00 avg. per gross sq. ft.	<u>\$34,500,000</u>
Subtotal Fees		\$48,636,325
Total Indirect Costs		\$270,489,675
Subtotal, Direct and Indirect Costs		\$896,499,675
Contingency Required Return on Investment	5.0% of direct and indirect cos 22.0% of direct and indirect cos	
Total Costs		\$1,138,554,588
Residual Land Value (Net Project Value - Total Co	octs)	\$67,308,919
(less) Return on Residual Land Value Net Residual Land Value	22.0%	\$67,506,919 (\$14,807,962) \$52,500,957
Incremental Development	Net Residual Land Value	
Gross Building Area (excl. parking)	1,035,000 Base Case	\$8,745,762 \$127 per sf land
	Upzoning	\$52,500,957
	Increase	\$43,755,195 \$42.28 per add'l bldg S \$14,585,065 \$14.09 per add'l bldg S

APPENDIX TABLE C.5 Development Case II-6 (HEG Prototype 18) BASE ZONING

Broadway	Assumption	Total
DEVELOPMENT PROGRAM		
Lot Size	0.80 acres	35,000 sq. ft
Construction Type	Type III (not used in calculations)	
Building Height	65' (not used in calculations)	
Building Height Estimated Actual (# of stories) FAR	7.00 (not used in calculations) 7.00	
Gross Building Area (excl. parking)	7.00	245,000 sq. ft.
Net Area	90% efficiency ratio	243,000 sq. ft.
Office	Sola enticitey ratio	211,500 sq. ft.
Retail		9,000 sq. ft.
Parking Spaces		245 space
Spaces Excluding Retail		235 space
REVENUE		445 400 050
Office (Full-Service)	\$71.50 per net sq. ft. per year	\$15,122,250
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$316,800</u>
Gross Annual Revenue		\$15,439,050
(less) Operating Expenses	27.5% of office full-service revenue	(\$4,158,619)
(less) Vacancy Rate	5.0% of gross annual revenue	(\$771,953) (\$110,250)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$110,250) (\$285,076)
(less) Commissions	2.5% of gross annual revenue	<u>(\$385,976)</u>
Net Operating Income		\$10,012,252
Net Parking Revenue (without retail parking)	\$185 per space per month	\$521,700
Total NOI		\$10,533,952
Capitalized Value	5.50% cap rate	\$191,526,400
(less) Cost of Sale/Marketing	3.0%	<u>(\$5,745,792)</u>
Net Project Value		\$185,780,608
DEVELOPMENT COST		
Direct Costs	4255	400.075.000
Building Construction Cost	\$355 per gross sq. ft.	\$86,975,000
Parking Construction Cost	\$60,000 per space \$10 per land sq. ft.	\$14,700,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$350,000</u>
Total Direct Costs		\$102,025,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$15,862,500
Tenant Improvements (retail)	\$100 per sq. ft.	\$900,000
Architecture and Engineering	6.0% of direct costs	\$6,121,500
Other Expenses	3.0% of direct costs	\$3,060,800
General and Administrative	3.0% of direct costs	\$3,060,800
Property Tax During Construction	2.0% of direct costs	\$2,040,500
Financing	5.0% of direct costs	<u>\$5,101,300</u>
Subtotal Indirect Costs excluding Fees		\$36,147,400
Fees	¢2.00	ć 470.000
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$470,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$1,239,000
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$470,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$7,500 \$127,200
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$137,200
Other Fees Subtotal Fees	\$25.00 avg. per gross sq. ft.	<u>\$6,125,000</u> \$8,448,700
Total Indirect Costs		\$44,596,100
Subtotal, Direct and Indirect Costs		\$146,621,100
Contingency	5.0% of direct and indirect costs	\$7,331,100
Required Return on Investment	16.0% of direct and indirect costs	\$23,459,400
Total Costs	x	\$177,411,600
Residual Land Value (Net Project Value - Total		\$8,369,008
(less) Return on Residual Land Value	16.0%	(\$1,339,041)
Net Residual Land Value		\$7,029,967

APPENDIX TABLE C.5 Development Case II-6 (HEG Prototype 18) UPZONING

5th to 4th Street Blocks, east and west of Broadway		Assumption	Total		
DEVELOPMENT PROGRAM					
Lot Size	0.80	acres	35,000	sq. ft.	
Construction Type	Type I	not used in calculations)			
Building Height	275'	not used in calculations)			
Building Height Estimated Actual (# of stories)		not used in calculations)			
AR	14.00				
	14.00		400.000		
Gross Building Area (excl. parking)		60	490,000	•	
Net Area	90%	efficiency ratio	441,000	sq. ft.	
Office			429,750	sq. ft.	
Retail			11,250	sq. ft.	
				•	
Parking Spaces			395	spaces	
Spaces Excluding Retail			382	spaces	
REVENUE				•	
Office (Full-Service)	\$75.00	per net sq. ft. per year	\$32,231,250		
Retail (NNN)	\$35.20	per net sq. ft. per year	<u>\$396,000</u>		
Gross Annual Revenue			\$32,627,250		
(less) Operating Expenses	27.5%	of office full-service revenue	(\$8,863,594)		
(less) Vacancy Rate	5.0%	of gross annual revenue	(\$1,631,363)		
(less) Capital Reserves		per net sq. ft.	(\$220,500)		
(less) Commissions	2.3%	of gross annual revenue	<u>(\$815,681)</u>		
Net Operating Income			\$21,096,112		
Net Parking Revenue (without retail parking)	\$185	per space per month	\$848,040		
Total NOI			\$21,944,152		
	F F 00/		6200 004 502		
Capitalized Value		cap rate	\$398,984,582		
(less) Cost of Sale/Marketing	3.0%		<u>(\$11,969,537)</u>		
Net Project Value			\$387,015,045		
DEVELOPMENT COST					
Direct Costs					
Building Construction Cost	\$370	per gross sq. ft.	\$181,300,000		
Parking Construction Cost	\$60,000	per space	\$23,700,000		
Demo/Site Improvement Cost	\$10	per land sg. ft.	<u>\$350,000</u>		
Fotal Direct Costs		·	\$205,350,000		
			\$203,330,000		
Indirect Costs					
Tenant Improvements (office)	\$75	per sq. ft.	\$32,231,250		
Tenant Improvements (retail)		per sq. ft.	\$1,125,000		
Architecture and Engineering		of direct costs	\$12,321,000		
Other Expenses		of direct costs	\$6,160,500		
General and Administrative	3.0%	of direct costs	\$6,160,500		
Property Tax During Construction	2.5%	of direct costs	\$5,133,800		
inancing	5.5%	of direct costs	\$11,294,300		
Subtotal Indirect Costs excluding Fees	5.570		\$74,426,350		
-			\$74,420,330		
ees	1	-	4		
Capital Improvements		avg. per gross sq. ft.	\$955,000		
Jobs Housing Impact Fee	\$5.90	avg. per gross sq. ft.	\$2,669,750		
Transportation - Office	\$2.00	avg. per gross sq. ft.	\$955,000		
Transportation - Retail		avg. per gross sq. ft.	\$9,375		
School Impact Fee		avg. per gross sq. ft.	\$274,400		
•		- · · ·			
Other Fees	\$25.00	avg. per gross sq. ft.	\$12,250,000		
Subtotal Fees			\$17,113,525		
Fotal Indirect Costs			\$91,539,875		
Subtotal, Direct and Indirect Costs			\$296,889,875		
Contingency	5.0%	of direct and indirect costs	\$14,844,494		
Required Return on Investment	18.0%	of direct and indirect costs	\$53,440,178		
Total Costs			\$365,174,547		
Residual Land Value (Net Project Value - Total ((osts)		\$21,840,498		
(less) Return on Residual Land Value Net Residual Land Value	18.0%		\$21,840,498 (\$3,931,290) \$17,909,208		
Incremental Development		Net Residual Land Value			
Gross Building Area (excl. parking)	245,000	Base Case	\$7,029,967	\$201	per sf land
		Untoning	\$17,909,208		per sf land
		UDZUHITIR			
		Upzoning			
		Increase 1/3 of Increase	\$10,879,241	\$44.41	per add'l bldg S per add'l bldg S

APPENDIX TABLE C.6 Development Case II-7 (HEG Prototype 17) BASE ZONING

and Jefferson Streets	Assumption	Total
DEVELOPMENT PROGRAM		
Lot Size	1.38 acres	60,000 sq. ft.
Construction Type	Type V/III (not used in calculations)	
Building Height	45' (not used in calculations)	
Building Height Estimated Actual (# of stories) FAR	3.00 (not used in calculations) 2.00	
Gross Building Area (excl. parking)	2.00	120,000 sq. ft.
Net Area	90% efficiency ratio	108,000 sq. ft.
Office		94,500 sq. ft.
Retail		13,500 sq. ft.
Decline Crease		120
Parking Spaces		120 space
Spaces Excluding Retail REVENUE		105 space
Office (Full-Service)	\$66.00 per net sq. ft. per year	\$6,237,000
Retail (NNN)	\$35.20 per net sq. ft. per year	\$475,200
Gross Annual Revenue		\$6,712,200
(less) Operating Expenses	27.5% of office full-service revenue	(\$1,715,175)
(less) Vacancy Rate	5.0% of gross annual revenue	(\$335,610)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$54,000)
(less) Commissions	2.5% of gross annual revenue	<u>(\$167,805)</u>
Net Operating Income		\$4,439,610
Net Parking Revenue (without retail parking)	\$185 per space per month	\$233,100
Total NOI		\$4,672,710
Capitalized Value	5.50% cap rate	\$84,958,364
(less) Cost of Sale/Marketing	3.0%	<u>(\$2,548,751)</u>
Net Project Value		\$82,409,613
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$330 per gross sq. ft.	\$39,600,000
Parking Construction Cost	\$60,000 per space	\$7,200,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$600,000</u>
Total Direct Costs		\$47,400,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$7,087,500
Tenant Improvements (retail)	\$100 per sq. ft.	\$1,350,000
Architecture and Engineering	6.0% of direct costs	\$2,844,000
Other Expenses	3.0% of direct costs	\$1,422,000
General and Administrative	3.0% of direct costs	\$1,422,000
Property Tax During Construction	2.0% of direct costs 4.0% of direct costs	\$948,000 <u>\$1,896,000</u>
Financing Subtotal Indirect Costs excluding Fees	4.0% of unect costs	\$16,969,500
Fees		\$10,505,500
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$210,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$472,000
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$210,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$11,250
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$67,200
Other Fees	\$25.00 avg. per gross sq. ft.	\$3,000,000
Subtotal Fees		\$3,970,450
Total Indirect Costs		\$20,939,950
Subtotal, Direct and Indirect Costs		\$68,339,950
Contingency	5.0% of direct and indirect costs	\$3,417,000
Required Return on Investment	12.0% of direct and indirect costs	\$8,200,800
Total Costs		\$79,957,750
Residual Land Value (Net Project Value - Total (less) Return on Residual Land Value		\$2,451,863 (\$204,224)
UESSI RETURN ON RESIDUAL LANG VAILLE	12.0%	(\$294,224)

APPENDIX TABLE C.6 Development Case II-7 (HEG Prototype 17) UPZONING

DEVELOPMENT PROGRAM Lot Size Construction Type Building Height Building Height Estimated Actual (# of stories) FAR Gross Building Area (excl. parking) Net Area Office Retail Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Operating Reserves (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI Capitalized Value	1.38acresType I (not used in calcula (not used in calcula 15.00) 90% efficiency ratio90% efficiency ratio </th <th>tions) tions) 720,000 648,000 625,500 22,500 22,500 581 556 year \$46,912,500 year \$792,000 \$47,704,500 ce revenue (\$12,900,938) venue (\$2,385,225) (\$324,000) tvenue (\$1,192,613)</br></br></br></br></th> <th>sq. ft. sq. ft. sq. ft.</th>	tions) tions) 720,000 648,000 625,500 22,500 22,500 581 556 	sq. ft. sq. ft. sq. ft.
Construction Type Building Height Building Height Estimated Actual (# of stories) FAR Gross Building Area (excl. parking) Net Area Office Retail Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	Type I (not used in calcula (not used in calcula 15:00 12:0090% efficiency ratio90% efficiency ratio\$75.00 per net sq. ft. per per net sq. ft. per per net sq. ft. per27.5% 5.0% of office full-servi of gross annual re per net sq. ft.27.5% of gross annual re	tions) tions) tions) tions) \$720,000 648,000 625,500 22,500 22,500 \$81 556 \$81 556 \$46,912,500 year \$46,912,500 year \$792,000 \$47,704,500 ce revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) evenue (\$1,192,613)	sq. ft. sq. ft. sq. ft. sq. ft. spaces
Building Height Building Height Estimated Actual (# of stories) FAR Gross Building Area (excl. parking) Net Area Office Retail Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	175' (not used in calcula (not used in calcula 90% efficiency ratio90% efficiency ratio90% efficiency ratio90% per net sq. ft. per per net sq. ft. per per net sq. ft. per27.5% 0 of office full-servi of gross annual re per net sq. ft. per net sq. ft.	tions) tions) 720,000 648,000 625,500 22,500 22,500 581 556 year \$46,912,500 year \$792,000 \$47,704,500 ce revenue (\$12,900,938) venue (\$2,385,225) (\$324,000) tvenue (\$1,192,613)	sq. ft. sq. ft. sq. ft. spaces
Building Height Estimated Actual (# of stories) FAR Gross Building Area (excl. parking) Net Area Office Retail Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	15.00 (not used in calcula90% efficiency ratio90% efficiency ratio\$75.00 per net sq. ft. per per net sq. ft. per\$35.20 per net sq. ft. per27.5% of office full-servi of gross annual re per net sq. ft. per net sq. ft.\$0.50 per net sq. ft. per net sq. ft.\$0.50 of gross annual re	tions) 720,000 648,000 625,500 22,500 581 556 year \$46,912,500 year \$47,704,500 ce revenue (\$12,900,938) venue (\$2,385,225) (\$324,000) venue \$45,1192,613)	sq. ft. sq. ft. sq. ft. spaces
FAR Gross Building Area (excl. parking) Net Area Office Retail Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	12.00 90% efficiency ratio 90% per net sq. ft. per \$35.20 per net sq. ft. per 27.5% of office full-servi \$.0% \$0.50 per net sq. ft. \$0.50 of gross annual re \$0.5% of gross annual re	720,000 648,000 625,500 22,500 22,500 \$81 556 year \$46,912,500 year \$792,000 \$47,704,500 cc revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) wenue (\$1,192,613)	sq. ft. sq. ft. sq. ft. spaces
FAR Gross Building Area (excl. parking) Net Area Office Retail Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	12.00 90% efficiency ratio 90% per net sq. ft. per \$35.20 per net sq. ft. per 27.5% of office full-servi \$.0% \$0.50 per net sq. ft. \$0.50 of gross annual re \$0.5% of gross annual re	720,000 648,000 625,500 22,500 22,500 \$81 556 year \$46,912,500 year \$792,000 \$47,704,500 cc revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) wenue (\$1,192,613)	sq. ft. sq. ft. sq. ft. spaces
Gross Building Area (excl. parking) Net Area Office Retail Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	90% efficiency ratio \$75.00 per net sq. ft. per \$35.20 per net sq. ft. per 27.5% of office full-servi 5.0% of gross annual re \$0.50 per net sq. ft. 2.5% of gross annual re	648,000 625,500 22,500 \$81 556 year \$46,912,500 year \$792,000 \$47,704,500 cc revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) evenue \$1,192,613)	sq. ft. sq. ft. sq. ft. spaces
Net Area Office Retail Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Vacancy Rate (less) Capital Reserves (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	\$75.00per net sq. ft. per\$35.20per net sq. ft. per27.5%of office full-servi5.0%of gross annual re\$0.50per net sq. ft.2.5%of gross annual re	648,000 625,500 22,500 \$81 556 year \$46,912,500 year \$792,000 \$47,704,500 cc revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) evenue \$1,192,613)	sq. ft. sq. ft. sq. ft. spaces
Office Retail Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	\$75.00per net sq. ft. per\$35.20per net sq. ft. per27.5%of office full-servi5.0%of gross annual re\$0.50per net sq. ft.2.5%of gross annual re	625,500 22,500 581 556 year \$46,912,500 year \$792,000 \$47,704,500 cc revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) evenue (\$1,192,613)	sq. ft. sq. ft. spaces
Retail Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	\$35.20per net sq. ft. per27.5%of office full-servi5.0%of gross annual re\$0.50per net sq. ft.2.5%of gross annual re	22,500 581 556 year \$46,912,500 year \$792,000 \$47,704,500 ce revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) evenue (\$1,192,613)	sq. ft. spaces
Parking Spaces Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	\$35.20per net sq. ft. per27.5%of office full-servi5.0%of gross annual re\$0.50per net sq. ft.2.5%of gross annual re	581 556 year \$46,912,500 year \$792,000 \$47,704,500 ce revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) evenue (\$1,192,613)	spaces
Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	\$35.20per net sq. ft. per27.5%of office full-servi5.0%of gross annual re\$0.50per net sq. ft.2.5%of gross annual re	year \$46,912,500 year \$792,000 \$47,704,500 \$47,704,500 ce revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) \$324,000) evenue \$1,192,613)	
Spaces Excluding Retail REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	\$35.20per net sq. ft. per27.5%of office full-servi5.0%of gross annual re\$0.50per net sq. ft.2.5%of gross annual re	year \$46,912,500 year \$792,000 \$47,704,500 \$47,704,500 ce revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) \$324,000) evenue \$1,192,613)	
REVENUE Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	\$35.20per net sq. ft. per27.5%of office full-servi5.0%of gross annual re\$0.50per net sq. ft.2.5%of gross annual re	year \$46,912,500 year <u>\$792,000</u> \$47,704,500 ce revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) wenue <u>(\$1,192,613)</u>	
Office (Full-Service) Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	\$35.20per net sq. ft. per27.5%of office full-servi5.0%of gross annual re\$0.50per net sq. ft.2.5%of gross annual re	year <u>\$792,000</u> \$47,704,500 ce revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) evenue <u>(\$1,192,613)</u>	
Retail (NNN) Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	\$35.20per net sq. ft. per27.5%of office full-servi5.0%of gross annual re\$0.50per net sq. ft.2.5%of gross annual re	year <u>\$792,000</u> \$47,704,500 ce revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) evenue <u>(\$1,192,613)</u>	
Gross Annual Revenue (less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	27.5%of office full-servi5.0%of gross annual re\$0.50per net sq. ft.2.5%of gross annual re	\$47,704,500 ce revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) evenue <u>(\$1,192,613)</u>	
(less) Operating Expenses (less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	5.0% of gross annual re \$0.50 per net sq. ft. 2.5% of gross annual re	ce revenue (\$12,900,938) evenue (\$2,385,225) (\$324,000) evenue (<u>\$1,192,613</u>)	
(less) Vacancy Rate (less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	5.0% of gross annual re \$0.50 per net sq. ft. 2.5% of gross annual re	evenue (\$2,385,225) (\$324,000) evenue (\$1,192,613)	
(less) Capital Reserves (less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	\$0.50 per net sq. ft. 2.5% of gross annual re	(\$324,000) evenue (\$1,192,613)	
(less) Commissions Net Operating Income Net Parking Revenue (without retail parking) Total NOI	2.5% of gross annual re	evenue <u>(\$1,192,613)</u>	
Net Operating Income Net Parking Revenue (without retail parking) Total NOI			
Net Parking Revenue (without retail parking) Total NOI	\$185 per space per mo		
Total NOI	\$185 per space per mo	\$30,901,724	
		nth \$1,234,320	
Capitalized Value		\$32,136,044	
	5.50% cap rate	\$584,291,709	
(less) Cost of Sale/Marketing	3.0%	(\$17,528,751)	
Net Project Value	3.070	\$566,762,958	
-		\$500,702,558	
DEVELOPMENT COST			
Direct Costs	6265	¢262,000,000	
Building Construction Cost	\$365 per gross sq. ft.	\$262,800,000	
Parking Construction Cost	\$60,000 per space	\$34,860,000	
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$600,000</u>	
Total Direct Costs		\$298,260,000	
Indirect Costs			
Tenant Improvements (office)	\$75 per sq. ft.	\$46,912,500	
Tenant Improvements (retail)	\$100 per sq. ft.	\$2,250,000	
Architecture and Engineering	6.0% of direct costs	\$17,895,600	
Other Expenses	3.0% of direct costs	\$8,947,800	
General and Administrative	3.0% of direct costs	\$8,947,800	
	2.5% of direct costs		
Property Tax During Construction		\$7,456,500	
Financing	5.5% of direct costs	<u>\$16,404,300</u>	
Subtotal Indirect Costs excluding Fees		\$108,814,500	
Fees			
Capital Improvements	\$2.00 avg. per gross sq.	ft. \$1,390,000	
Jobs Housing Impact Fee	\$5.90 avg. per gross sq.	ft. \$3,953,000	
Transportation - Office	\$2.00 avg. per gross sq.	ft. \$1,390,000	
Transportation - Retail	\$0.75 avg. per gross sq.	ft. \$18,750	
School Impact Fee	\$0.56 avg. per gross sq.		
Other Fees	\$25.00 avg. per gross sq.		
Subtotal Fees	\$25.00 avg. per gross sq.	\$25,154,950	
Total Indirect Costs		\$23,134,950	
Subtotal, Direct and Indirect Costs		\$432,229,450	
Contingency	5.0% of direct and indir		
Required Return on Investment	18.0% of direct and indir		
Total Costs		\$531,642,224	
Residual Land Value (Net Project Value - Total C (less) Return on Residual Land Value Net Residual Land Value	osts)	\$35,120,734 (\$6,321,732) \$28,799,002	
Incremental Development	Net Residual Land	d Value	
Gross Building Area (excl. parking)	600,000 Base Case	\$2,157,639	\$36 per sf land
	Upzoning	\$28,799,002	\$480 per sf land
	Increase	\$26,641,363	\$44.40 per add'l bldg SI
	1/3 of Increase	\$8,880,454	\$14.80 per add'l bldg SI

APPENDIX TABLE C.7 Development Case II-10 (HEG Prototype 14) BASE ZONING

Intensity Area: JL / VC - Jack London East and Victory Court subareas

Intensity Area: JL / VC - J	ack London East and Victory Court subare	as
5th Street to Embarcadero; Madison and Oak Streets	Assumption	Total
DEVELOPMENT PROGRAM	·	
Lot Size	1.15 acres	50,000 sq. ft.
Construction Type	Type III (not used in calculations)	
Building Height	65' (not used in calculations)	
Building Height Estimated Actual (# of stories)	7.00 (not used in calculations)	
FAR	5.00	
Gross Building Area (excl. parking)		250,000 sq. ft.
Net Area	90% efficiency ratio	225,000 sq. ft.
Office		216,900 sq. ft.
Retail		8,100 sq. ft.
		250
Parking Spaces		250 space
Spaces Excluding Retail		241 space
REVENUE		444 700 500
Office (Full-Service)	\$68.20 per net sq. ft. per year	\$14,792,580
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$285,120</u>
Gross Annual Revenue		\$15,077,700
(less) Operating Expenses	27.5% of office full-service revenue	(\$4,067,960)
(less) Vacancy Rate	5.0% of gross annual revenue	(\$753,885)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$112,500)
(less) Commissions	2.5% of gross annual revenue	<u>(\$376,943)</u>
Net Operating Income		\$9,766,412
Net Parking Revenue (without retail parking)	\$185 per space per month	\$535,020
Total NOI		\$10,301,432
Capitalized Value	5.50% cap rate	\$187,298,764
(less) Cost of Sale/Marketing	3.0%	<u>(\$5,618,963)</u>
Net Project Value		\$181,679,801
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$345 per gross sq. ft.	\$86,250,000
Parking Construction Cost	\$60,000 per space	\$15,000,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$500,000</u>
Total Direct Costs		\$101,750,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$16,267,500
Tenant Improvements (retail)	\$100 per sq. ft.	\$810,000
Architecture and Engineering	6.0% of direct costs	\$6,105,000
Other Expenses	3.0% of direct costs	\$3,052,500
General and Administrative	3.0% of direct costs	\$3,052,500
Property Tax During Construction	2.0% of direct costs	\$2,035,000
Financing	5.0% of direct costs	<u>\$5,087,500</u>
Subtotal Indirect Costs excluding Fees		\$36,410,000
Fees		
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$482,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$1,274,400
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$482,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$6,750
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$140,000
Other Fees	\$25.00 avg. per gross sq. ft.	<u>\$6,250,000</u>
Subtotal Fees		\$8,635,150
Total Indirect Costs		\$45,045,150
Subtotal, Direct and Indirect Costs		\$146,795,150
Contingency	5.0% of direct and indirect costs	\$7,339,800
Required Return on Investment	14.0% of direct and indirect costs	\$20,551,300
Total Costs	``````````````````````````````````````	\$174,686,250
		CC 003 FF4
Residual Land Value (Net Project Value - Total (less) Return on Residual Land Value	Costs)	\$6,993,551 (\$979,097)

APPENDIX TABLE C.7 Development Case II-10 (HEG Prototype 14) UPZONING

Intensity Area: JL / VC - Jack London East and Victory Court subareas

5th Street to Embarcadero; Madison and Oak Streets	Assum	otion	Total		
DEVELOPMENT PROGRAM					
Lot Size	1.15 acres		50,000	sq. ft.	
Construction Type		calculations)			
Building Height	· · · · · · · · · · · · · · · · · · ·	calculations)			
Building Height Estimated Actual (# of stories)	· · ·	calculations)			
FAR	12.00		600.000	ca ft	
Gross Building Area (excl. parking) Net Area	90% efficiency	atio	600,000 540,000	•	
Office	50% efficiency	atio	529,200		
Retail			10,800		
Parking Spaces				spaces	
Spaces Excluding Retail			4/1	spaces	
REVENUE Office (Full Service)	¢72.70	00 E	¢20.002.040		
Office (Full-Service) Retail (NNN)	\$73.70 \$35.20 per net sq.	82.5	\$39,002,040 <u>\$380,160</u>		
Gross Annual Revenue	555.20 per net sq.	rt. per year	\$39,382,200		
(less) Operating Expenses	27.5% of office fu	III-service revenue	(\$10,725,561)		
(less) Vacancy Rate	5.0% of gross ar		(\$1,969,110)		
(less) Capital Reserves	\$0.50 per net sq.		(\$270,000)		
(less) Commissions	2.5% of gross ar		(\$984,555)		
	2.576 01 51055 01		10001,0001		
Net Operating Income			\$25,432,974		
Net Parking Revenue (without retail parking)	\$185 per space	per month	\$1,045,620		
Total NOI			\$26,478,594		
Capitalized Value	5.50% cap rate		\$481,428,982		
(less) Cost of Sale/Marketing	3.0%		<u>(\$14,442,869)</u>		
Net Project Value			\$466,986,113		
DEVELOPMENT COST					
Direct Costs	6265	<i>c</i> .	¢240.000.000		
Building Construction Cost	\$365 per gross s	q. ft.	\$219,000,000		
Parking Construction Cost	\$60,000 per space	. 61	\$28,920,000		
Demo/Site Improvement Cost	\$10 per land so	j. ft.	<u>\$500,000</u>		
Total Direct Costs			\$248,420,000		
Indirect Costs	1				
Tenant Improvements (office)	\$75 per sq. ft.		\$39,690,000		
Tenant Improvements (retail)	\$100 per sq. ft.		\$1,080,000		
Architecture and Engineering	6.0% of direct co		\$14,905,200		
Other Expenses	3.0% of direct co		\$7,452,600		
General and Administrative	3.0% of direct co		\$7,452,600		
Property Tax During Construction	2.5% of direct co		\$6,210,500		
Financing Subtotal Indirect Costs excluding Fees	5.5% of direct co	osts	<u>\$13,663,100</u> \$90,454,000		
Fees			390,434,000		
Capital Improvements	\$2.00 avg. per gr	oss sa ft	\$1,176,000		
Jobs Housing Impact Fee	\$5.90 avg. per gr		\$3,321,700		
Transportation - Office	\$2.00 avg. per gr		\$1,176,000		
Transportation - Retail	\$0.75 avg. per gr		\$9,000		
School Impact Fee	\$0.56 avg. per gr		\$336,000		
Other Fees	\$25.00 avg. per gr		<u>\$15,000,000</u>		
Subtotal Fees			\$21,018,700		
Total Indirect Costs			\$111,472,700		
Subtotal, Direct and Indirect Costs			\$359,892,700		
Contingency Required Return on Investment	5.0% of direct at 18.0% of direct at		\$17,994,635 \$64,780,686		
Total Costs			\$442,668,021		
Residual Land Value (Net Project Value - Total C	osts)		\$24,318,092		
(less) Return on Residual Land Value Net Residual Land Value	18.0%		(\$4,377,257) \$19,940,835		
Incremental Development	Net Residu	al Land Value			
Gross Building Area (excl. parking)	350,000 Base Cas	e	\$6,014,454	\$120	per sf land
	Upzoning	5	\$19,940,835	\$399	per sf land
	Increase		\$13,926,381	\$39.79	per add'l bldg SF
	1/3 of In				per add'l bldg SF

APPENDIX TABLE C.8 Development Case II-14 (HEG Prototype 13A) BASE ZONING

Along Embarcadero, between Washington and Harrison Streets	Assumption	Total
DEVELOPMENT PROGRAM	·	
Lot Size	1.15 acres	50,000 sq. ft.
Construction Type	Type III (not used in calculations)	
Building Height	65' (not used in calculations)	
Building Height Estimated Actual (#ofstories)	7.00 (not used in calculations)	
FAR	3.50	175 000 cc ft
Gross Building Area (excl. parking) Net Area	00% officiency ratio	175,000 sq. ft. 157,500 sq. ft.
Office	90% efficiency ratio	152,100 sq. ft.
Retail		5,400 sq. ft.
i cui		· · · · · · · · · · · · · · · · · · ·
Parking Spaces		175 spaces
Spaces Excluding Retail		169 spaces
REVENUE		
Office (Full-Service)	\$69.00 per net sq. ft. per year	\$10,494,900
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$190,080</u>
Gross Annual Revenue (less) Operating Expenses	27.5% of office full-service revenue	\$10,684,980 (\$2,886,098)
(less) Vacancy Rate	5.0% of gross annual revenue	(\$534,249)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$78,750)
(less) Commissions	2.5% of gross annual revenue	(\$267,125)
Net Operating Income		\$6,918,758
Net Parking Revenue (without retail parking)	\$185 per space per month	\$375,180
Total NOI		\$7,293,938
Capitalized Value	5.50% cap rate	\$132,617,055
(less) Cost of Sale/Marketing	3.0%	<u>(\$3,978,512)</u>
Net Project Value		\$128,638,543
DEVELOPMENT COST		
Direct Costs	1	
Building Construction Cost	\$335 per gross sq. ft.	\$58,625,000
Parking Construction Cost	\$60,000 per space	\$10,500,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$500,000</u>
Total Direct Costs		\$69,625,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$11,407,500
Tenant Improvements (retail)	\$100 per sq. ft.	\$540,000
Architecture and Engineering	6.0% of direct costs	\$4,177,500
Other Expenses	3.0% of direct costs	\$2,088,800
General and Administrative	3.0% of direct costs	\$2,088,800
Property Tax During Construction	2.0% of direct costs	\$1,392,500
Financing	5.0% of direct costs	<u>\$3,481,300</u>
Subtotal Indirect Costs excluding Fees		\$25,176,400
Fees	40.00	4000.000
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$338,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$849,600
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$338,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$4,500 \$98,000
School Impact Fee Other Fees	\$0.56 avg. per gross sq. ft. \$25.00 avg. per gross sq. ft.	\$98,000 <u>\$4,375,000</u>
Subtotal Fees	223.00 avg. per gross sq. It.	\$6,003,100
Total Indirect Costs		\$31,179,500
Subtotal, Direct and Indirect Costs		\$100,804,500
Contingency	5.0% of direct and indirect costs	\$5,040,200
Required Return on Investment	13.0% of direct and indirect costs	\$13,104,600
Total Costs	x	\$118,949,300
Residual Land Value (Net Project Value - Total	Costs)	\$9,689,243
(less) Return on Residual Land Value	13.0%	(\$1,259,602)
Net Residual Land Value		\$8,429,641

APPENDIX TABLE C.8 Development Case II-14 (HEG Prototype 13A) UPZONING

Along Embarcadero, between Washington and Harrison Streets	Assumption	Total
DEVELOPMENT PROGRAM		
Lot Size	<u>1.15</u> acres	50,000 sq. ft.
Construction Type	Type I (not used in calculations)	
Building Height	85' (not used in calculations)	
Building Height Estimated Actual (#ofstories)	9.00 (not used in calculations)	
FAR	7.50	
Gross Building Area (excl. parking)		375,000 sq. ft.
Net Area	90% efficiency ratio	337,500 sq. ft.
Office		<u>323,100</u> sq. ft.
Retail		14,400 sq. ft.
Parking Spaces		303 spaces
Spaces Excluding Retail		288 spaces
REVENUE		200 00000
Office (Full-Service)	\$73.15 per net sq. ft. per year	\$23,634,765
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$506,880</u>
Gross Annual Revenue	\$55.20 per her sq. tt. per year	\$24,141,645
(less) Operating Expenses	27.5% of office full-service rev	
(less) Vacancy Rate	5.0% of gross annual revenue	
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$168,750)
(less) Commissions		
	2.5% of gross annual revenue	e <u>(\$603,541)</u>
Net Operating Income		\$15,662,712
Net Parking Revenue (without retail parking)	\$185 per space per month	\$639,360
Total NOI		\$16,302,072
Capitalized Value	5.50% cap rate	\$296,401,309
(less) Cost of Sale/Marketing	3.0%	<u>(\$8,892,039)</u>
	5.070	
Net Project Value		\$287,509,270
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$355 per gross sq. ft.	\$133,125,000
Parking Construction Cost	\$60,000 per space	\$18,180,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$500,000</u>
Total Direct Costs		\$151,805,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$24,232,500
Tenant Improvements (retail)	\$100 per sq. ft.	\$1,440,000
Architecture and Engineering	6.0% of direct costs	\$9,108,300
Other Expenses	3.0% of direct costs	\$4,554,200
General and Administrative	3.0% of direct costs	\$4,554,200
Property Tax During Construction	2.0% of direct costs	\$3,036,100
Financing	5.0% of direct costs	<u>\$7,590,300</u>
Subtotal Indirect Costs excluding Fees		\$54,515,600
Fees		
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$718,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$1,970,600
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$718,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$12,000
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$210,000
Other Fees	\$25.00 avg. per gross sq. ft.	\$9,375,000
Subtotal Fees	<u>+</u> 8. p. 8. c. e. f	\$13,003,600
Total Indirect Costs		\$67,519,200
Subtotal, Direct and Indirect Costs		\$219,324,200
Contingency	5.0% of direct and indirect co	
Required Return on Investment	16.0% of direct and indirect co	
Total Costs		\$265,382,282
Residual Land Value (Net Project Value - Total C	osts)	\$22,126,988
(less) Return on Residual Land Value Net Residual Land Value	16.0%	(\$3,540,318) \$18,586,670
Incremental Development	Net Residual Land Valu	
Gross Building Area (excl. parking)	200,000 Base Case	\$8,429,641 \$169 per sf land
	Upzoning	\$18,586,670 \$372 per sf land
	Increase	\$10,157,029 \$50.79 per add'l bldg
		+

APPENDIX TABLE C.9 Development Case II-12 (HEG Prototype 13B) BASE ZONING

2nd Street between Harrison and Madison	Assumption	Total
DEVELOPMENT PROGRAM		
Lot Size	1.15 acres	50,000 sq. ft.
Construction Type	Type III (not used in calculations)	
Building Height	65' (not used in calculations)	
Building Height Estimated Actual (#ofstories)	7.00 (not used in calculations)	
FAR	5.00	250,000
Gross Building Area (excl. parking)		250,000 sq. ft.
Net Area	90% efficiency ratio	225,000 sq. ft.
Office		214,200 sq. ft.
Retail		10,800 sq. ft.
Parking Spaces		250 spaces
Spaces Excluding Retail		238 spaces
REVENUE		
Office (Full-Service)	\$68.20 per net sq. ft. per year	\$14,608,440
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$380,160</u>
Gross Annual Revenue		\$14,988,600
(less) Operating Expenses	27.5% of office full-service revenue	(\$4,017,321)
(less) Vacancy Rate	5.0% of gross annual revenue	(\$749,430)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$112,500)
(less) Commissions	2.5% of gross annual revenue	<u>(\$374,715)</u>
Net Operating Income		\$9,734,634
Net Parking Revenue (without retail parking)	\$185 per space per month	\$528,360
Total NOI		\$10,262,994
		<i>Q10,202,33</i>
Capitalized Value	5.50% cap rate	\$186,599,891
(less) Cost of Sale/Marketing	3.0%	<u>(\$5,597,997)</u>
Net Project Value		\$181,001,894
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$345 per gross sq. ft.	\$86,250,000
Parking Construction Cost	\$60,000 per space	\$15,000,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$500,000</u>
Total Direct Costs		\$101,750,000
Indirect Costs		
Tenant Improvements (office)	\$75 per sq. ft.	\$16,065,000
Tenant Improvements (retail)	\$100 per sq. ft.	\$1,080,000
Architecture and Engineering	6.0% of direct costs	\$6,105,000
Other Expenses	3.0% of direct costs	\$3,052,500
General and Administrative	3.0% of direct costs	\$3,052,500
Property Tax During Construction	2.0% of direct costs	\$2,035,000
Financing	5.0% of direct costs	<u>\$5,087,500</u>
Subtotal Indirect Costs excluding Fees		\$36,477,500
Fees		
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$476,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$1,256,700
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$476,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$9,000
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$140,000
Other Fees	\$25.00 avg. per gross sq. ft.	\$6,250,000
Subtotal Fees		\$8,607,700
Total Indirect Costs		\$45,085,200
Subtotal, Direct and Indirect Costs		\$146,835,200
Contingency	5.0% of direct and indirect costs	\$7,341,800
Required Return on Investment	14.0% of direct and indirect costs	\$20,556,900
Total Costs	x	\$174,733,900
Residual Land Value (Net Project Value - Total	Costs)	\$6,267,994
(less) Return on Residual Land Value	14.0%	(\$877,519)
Net Residual Land Value		\$5,390,475

APPENDIX TABLE C.9 Development Case II-12 (HEG Prototype 13B) UPZONING

	Assumption	Total	
DEVELOPMENT PROGRAM Lot Size	1.15 acres	50,000	ca ft
Construction Type	Type I (not used in calculations)	50,000	sq. n.
Building Height	85' (not used in calculations)		
Building Height Estimated Actual (# of stories)	9.00 (not used in calculations)		
FAR	7.50		
Gross Building Area (excl. parking)		375,000	sq. ft.
Net Area	90% efficiency ratio	337,500	sq. ft.
Office		323,100	sq. ft.
Retail		14,400	sq. ft.
Parking Spaces		303	spaces
Spaces Excluding Retail			spaces
REVENUE			
Office (Full-Service)	\$70.40 per net sq. ft. per year	\$22,746,240	
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$506,880</u>	
Gross Annual Revenue		\$23,253,120	
(less) Operating Expenses	27.5% of office full-service revenue	(\$6,255,216)	
(less) Vacancy Rate	5.0% of gross annual revenue	(\$1,162,656)	
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$168,750)	
(less) Commissions	2.5% of gross annual revenue	<u>(\$581,328)</u>	
Net Operating Income		\$15,085,170	
Net Parking Revenue (without retail parking)	\$185 per space per month	\$639,360	
Total NOI		\$15,724,530	
Capitalized Value	5.50% cap rate	\$285,900,545	
(less) Cost of Sale/Marketing	3.0%	<u>(\$8,577,016)</u>	
Net Project Value		\$277,323,529	
DEVELOPMENT COST			
Direct Costs			
Building Construction Cost	\$355 per gross sq. ft.	\$133,125,000	
Parking Construction Cost	\$60,000 per space	\$18,180,000	
Demo/Site Improvement Cost	\$10 per land sq. ft.	<u>\$500,000</u>	
Total Direct Costs		\$151,805,000	
Indirect Costs			
Tenant Improvements (office)	\$75 per sq. ft.	\$24,232,500	
Tenant Improvements (retail)	\$100 per sq. ft.	\$1,440,000	
Architecture and Engineering	6.0% of direct costs	\$9,108,300	
Other Expenses	3.0% of direct costs	\$4,554,200	
General and Administrative	3.0% of direct costs	\$4,554,200	
Property Tax During Construction	2.0% of direct costs	\$3,036,100	
Financing	5.0% of direct costs	<u>\$7,590,300</u>	
Subtotal Indirect Costs excluding Fees		\$54,515,600	
Fees Capital Improvements	\$2.00 avg. per gross sq. ft.	\$718,000	
Jobs Housing Impact Fee Transportation - Office	\$5.90 avg. per gross sq. ft. \$2.00 avg. per gross sq. ft.	\$1,970,600 \$718,000	
Transportation - Office	\$0.75 avg. per gross sq. ft.	\$12,000	
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$12,000	
Other Fees	\$25.00 avg. per gross sq. ft.	<u>\$9,375,000</u>	
Subtotal Fees	323.00 avg. per gross sq. rt.	\$13,003,600	
Total Indirect Costs		\$67,519,200	
Subtotal, Direct and Indirect Costs		\$219,324,200	
Contingency	5.0% of direct and indirect costs	\$10,966,210	
Required Return on Investment	16.0% of direct and indirect costs	\$35,091,872	
Total Costs		\$265,382,282	
Residual Land Value (Net Project Value - Total C (less) Return on Residual Land Value Net Residual Land Value	losts)	\$11,941,247 (\$1,910,600) \$10,030,647	
ncremental Development	Net Residual Land Value		
Gross Building Area (excl. parking)	125,000 Base Case	\$5,390,475	\$108 per sf land
	Upzoning	\$10,030,647	\$201 per sf land
	Increase	\$4,640,172	\$37.12 per add'l bldg S

APPENDIX TABLE C.10 Development Case III-4 (HEG Prototype 12) BASE ZONING

Intensity Area: KONO / Art + Garage District - Art + Garage District subarea

Intensity Area: KONO / Art +	+ Garage District - Art + Garage District su	barea
24th, 26th Streets, between Broadway and		
Telegraph	Assumption	Total
DEVELOPMENT PROGRAM		
Lot Size	0.46 acres	20,000 sq. ft.
Construction Type	Type III (not used in calculations)	
Building Height	45' (not used in calculations)	
Building Height Estimated Actual (# of stories)	3.00 (not used in calculations)	
FAR	2.50	
Gross Building Area (excl. parking)		50,000 sq. ft.
Net Area	90% efficiency ratio	45,000 sq. ft.
Office		38,700 sq. ft.
Retail		6,300 sq. ft.
Parking Spaces		50 spaces
Spaces Excluding Retail		43 spaces
REVENUE		
Office (Full-Service)	\$74.80 per net sq. ft. per year	\$2,894,760
Retail (NNN)	\$35.20 per net sq. ft. per year	<u>\$221,760</u>
Gross Annual Revenue		\$3,116,520
(less) Operating Expenses	27.5% of office full-service revenue	(\$796,059)
(less) Vacancy Rate	5.0% of gross annual revenue	(\$155,826)
(less) Capital Reserves	\$0.50 per net sq. ft.	(\$22,500)
(less) Commissions	2.5% of gross annual revenue	<u>(\$77,913)</u>
Net Operating Income		\$2,064,222
Net Parking Revenue (without retail parking)	\$185 per space per month	\$95,460
Total NOI	<u>+</u> por operation por constraints	\$2,159,682
	5 50% een mete	
Capitalized Value (less) Cost of Sale/Marketing	5.50% cap rate 3.0%	\$39,266,945 <u>(\$1,178,008)</u>
Net Project Value		\$38,088,937
DEVELOPMENT COST		
Direct Costs		
Building Construction Cost	\$330 per gross sq. ft.	\$16,500,000
Parking Construction Cost	\$50,000 per space	\$2,500,000
Demo/Site Improvement Cost	\$10 per land sq. ft.	\$200,000
Total Direct Costs	<u> </u>	\$19,200,000
Indirect Costs		<i>\(_\)_\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>
Tenant Improvements (office)	\$75 per sq. ft.	\$2,902,500
	\$100 per sq. ft.	
Tenant Improvements (retail)		\$630,000
Architecture and Engineering	6.0% of direct costs	\$1,152,000
Other Expenses	3.0% of direct costs	\$576,000
General and Administrative	3.0% of direct costs	\$576,000
Property Tax During Construction	2.0% of direct costs	\$384,000
Financing	5.0% of direct costs	<u>\$960,000</u>
Subtotal Indirect Costs excluding Fees		\$7,180,500
Fees Conital Improvements	¢2.00 pure rest error ()	¢00 000
Capital Improvements	\$2.00 avg. per gross sq. ft.	\$86,000
Jobs Housing Impact Fee	\$5.90 avg. per gross sq. ft.	\$106,200
Transportation - Office	\$2.00 avg. per gross sq. ft.	\$86,000
Transportation - Retail	\$0.75 avg. per gross sq. ft.	\$5,250
School Impact Fee	\$0.56 avg. per gross sq. ft.	\$28,000
Other Fees	\$25.00 avg. per gross sq. ft.	<u>\$1,250,000</u>
Subtotal Fees		\$1,561,450
Total Indirect Costs		\$8,741,950
Subtotal, Direct and Indirect Costs		\$27,941,950
Contingency	5.0% of direct and indirect costs	\$1,397,100
Required Return on Investment	12.0% of direct and indirect costs	\$3,353,000
Total Costs	`	\$32,692,050
Residual Land Value (Net Project Value - Total		\$5,396,887
(less) Return on Residual Land Value	12.0%	(\$647,626)
Net Residual Land Value		\$4,749,261

APPENDIX TABLE C.10 Development Case III-4 (HEG Prototype 12) UPZONING

Intensity Area: KONO / Art + Garage District - Art + Garage District subarea

24th, 26th Streets, between Broadway and Telegraph		Assumption	Total		
DEVELOPMENT PROGRAM					
Lot Size	0.46	acres	20,000	sq. ft.	
Construction Type	Type III	(not used in calculations)		-	
Building Height	65'	(not used in calculations)			
Building Height Estimated Actual (#ofstories)	6.00	(not used in calculations)			
AR	5.00	(not used in calculations)			
	5.00]		<i>c</i> .	
Gross Building Area (excl. parking)			100,000	•	
Net Area	90%	efficiency ratio	90,000	sq. ft.	
Office			77,400	sq. ft.	
Retail			12,600	sq. ft.	
Parking Spaces			83	spaces	
paces Excluding Retail			69	spaces	
REVENUE				•	
Office (Full-Service)	\$77.00	per net sq. ft. per year	\$5,959,800		
Retail (NNN)		per net sq. ft. per year	\$443,520		
		per net sq. rt. per year			
Gross Annual Revenue	27.5%	1	\$6,403,320		
(less) Operating Expenses		of office full-service revenue	(\$1,638,945)		
(less) Vacancy Rate	5.0%	of gross annual revenue	(\$320,166)		
(less) Capital Reserves	\$0.50	per net sq. ft.	(\$45,000)		
(less) Commissions	2.5%	of gross annual revenue	<u>(\$160,083)</u>		
Net Operating Income		-	\$4,239,126		
Net Parking Revenue (without retail parking)	¢185	per space per month	\$4,239,120		
Total NOI	- 710 5	lee, space per month	\$133,180		
		1 .			
Capitalized Value		cap rate	\$79,860,109		
(less) Cost of Sale/Marketing	3.0%	J	<u>(\$2,395,803)</u>		
Net Project Value			\$77,464,306		
DEVELOPMENT COST					
Direct Costs					
Building Construction Cost	\$355	per gross sq. ft.	\$35,500,000		
Parking Construction Cost		per space	\$4,150,000		
Demo/Site Improvement Cost		per land sq. ft.	\$200,000		
Fotal Direct Costs	φ10		\$39,850,000		
ndirect Costs					
	¢7E	per sg. ft.	¢5 905 000		
Tenant Improvements (office)			\$5,805,000		
Tenant Improvements (retail)		per sq. ft.	\$1,260,000		
Architecture and Engineering	6.0%	of direct costs	\$2,391,000		
Other Expenses	3.0%	of direct costs	\$1,195,500		
General and Administrative	3.0%	of direct costs	\$1,195,500		
Property Tax During Construction		of direct costs	\$797,000		
		of direct costs	<u>\$1,992,500</u>		
Financing	5.0%	of direct costs			
Subtotal Indirect Costs excluding Fees			\$14,636,500		
ees					
Capital Improvements		avg. per gross sq. ft.	\$172,000		
Jobs Housing Impact Fee	\$5.90	avg. per gross sq. ft.	\$359,900		
Transportation - Office	\$2.00	avg. per gross sq. ft.	\$172,000		
Transportation - Retail		avg. per gross sq. ft.	\$10,500		
School Impact Fee		avg. per gross sq. ft.	\$56,000		
Other Fees		avg. per gross sq. ft.	<u>\$2,500,000</u>		
Subtotal Fees	ş25.00	avg. per gross sq. it.			
			\$3,270,400		
			\$17,906,900		
Subtotal, Direct and Indirect Costs			\$57,756,900		
Subtotal, Direct and Indirect Costs		of direct and indirect costs of direct and indirect costs	\$57,756,900 \$2,887,845 \$8,085,966		
Subtotal, Direct and Indirect Costs			\$2,887,845		
	14.0%		\$2,887,845 \$8,085,966 \$68,730,711		
Subtotal, Direct and Indirect Costs Contingency Required Return on Investment	14.0%	of direct and indirect costs	\$2,887,845 \$8,085,966		
Subtotal, Direct and Indirect Costs Contingency Required Return on Investment Total Costs Residual Land Value (Net Project Value - Total C less) Return on Residual Land Value Net Residual Land Value	14.0% Costs)	of direct and indirect costs	\$2,887,845 \$8,085,966 \$68,730,711 \$8,733,595 (\$1,222,703)		
Subtotal, Direct and Indirect Costs Contingency Required Return on Investment Total Costs Residual Land Value (Net Project Value - Total C less) Return on Residual Land Value Net Residual Land Value	14.0% Costs)	of direct and indirect costs	\$2,887,845 \$8,085,966 \$68,730,711 \$8,733,595 (\$1,222,703)	\$237	per sf land
Subtotal, Direct and Indirect Costs Contingency Required Return on Investment Total Costs Residual Land Value (Net Project Value - Total C Iess) Return on Residual Land Value Net Residual Land Value ncremental Development	14.0%	of direct and indirect costs Net Residual Land Value Base Case	\$2,887,845 \$8,085,966 \$68,730,711 \$8,733,595 (\$1,222,703) \$7,510,892 \$4,749,261		•
Subtotal, Direct and Indirect Costs Contingency Required Return on Investment Total Costs Residual Land Value (Net Project Value - Total C (less) Return on Residual Land Value Net Residual Land Value ncremental Development	14.0%	of direct and indirect costs	\$2,887,845 \$8,085,966 \$68,730,711 \$8,733,595 (\$1,222,703) \$7,510,892		per sf land

				Building	Required Return
Office Density	Intensity Area / Subarea		Office Rent	Construction Cost	on Investment
Floor Area Ratio		Current rent per net sq.	Current rent + 10% as proxy for achieving	Cost per gross sq. ft.	
(FAR)		ft. per year	feasibility	6667 per 8.656 eq	
<u>High Rise Devel</u>	<u>opment</u>				
30	CBD	\$78	\$85.80	\$420	22%
22	CBD	\$75.75	\$83.33	\$405	22%
20	CBD	\$75	\$82.50	\$405	22%
20	VC	\$69	\$75.90 (+10%), \$82.80 (+20%) /a/	\$405	22%
14	JLW	\$68	\$75.00	\$370	18%
12	CBD / 14th St. E	\$70	\$77.00	\$368	18%
12	JLW	\$68	\$75.00	\$365	18%
12	JLE / VC	\$67	\$73.70	\$365	18%
Mid-Rise Devel	<u>opment</u>				
8	CBD / 14th St. E	\$67	\$74.00	\$360	16%
7.5	JLW / JLE waterfront & nearby	\$65.50 - \$66.50	\$72.00 - \$73.15	\$355	16%
7.5	JLE Inland	\$64	\$70.40	\$355	16%
7	JLW	\$65	\$71.50	\$355	16%
5	Garage District / KONO	\$70	\$77.00	\$355	14%
5	VC	\$62	\$68.20	\$345	14%
5	JLE / VC	\$62	\$68.20	\$345	14%
5	JLE	\$62	\$68.20	\$345	14%
Lower-Rise Dev	elopment				
3.5	JLW / JLE waterfront & nearby	\$63	\$69.00	\$335	13%
2.5	Garage District / KONO	\$68	\$74.80	\$330	12%
2	JLW	\$60	\$66.00	\$330	12%
2	JLE waterfront & nearby	\$61	\$67.00	\$330	12%

APPENDIX TABLE B-4: Key Revenue and Cost Inputs for Representative OFFICE Development Prototypes / Cases

NOTE: The economic analysis found that higher-intensity development is not feasible under current real estate market and development cost conditions. The analysis then proceeded to identify and evaluate future scenarios when real estate economics improve and developments become feasible. For ease of analysis, the pro forma models tested percentage increases in rents/revenues until feasibility was reached. This is a proxy for the more complex set of changes in various development revenue and cost factors more likely to occur to support feasibility over time. For the office development prototypes, feasibility was achieved in most cases at rent levels approximately 10% higher than current rents *at the time of this economic analysis in 2021*. Since then, office rents have declined due to ongoing uncertainties following the pandemic. Thus, rents/revenues that support feasibility as shown in this analysis are possibly closer to 15% or 20% higher than *current rents in 2023*, for many of the development cases.

/a/ High-rise office development, in an area without such development, will require larger percentage increases in rents/revenue to achieve feasibility.

APPENDIX TABLE B-5: Parking Assumptions for OFFICE Development Cases

Intensity Area/Subarea	CBD: Lake Merritt, Broadway, City Center	14th Street	KONO /Art + Garage District	Jack London / Victory Court
Development Cases	I-1, I-2	I-5	111-4	II-1, II-6, II-7, II-10, II-12, II-14
Parking Ratios - BASE ZONING				
Office - per 1,000 gross sq. ft.	0.50	0.50	1.00	1.00
Retail - per 1,000 gross sq. ft.	1.00	1.00	1.00	1.00
Parking Ratios - UPZONING				
Office - per 1,000 gros sq. ft.	0.45	0.50	0.80	0.80
Retail - per 1,000 gross sq. ft.	1.00	1.00	1.00	1.00

Source: City of Oakland and Hausrath Economics Group, May/June 2021