

Alternate Proformas

	Inceased FAR Scenarios			
	Light Industrial*		Office/R&D**	
	Assumption	Amount	Assumption	Amount
Development Program				
Gross Land Area (acres)		1.0		1.0
Gross Land Area (sq. ft.)		43,560		43,560
Floor Area Ratio (Excluding Parking)	0.60 FAR		0.60 FAR	
Gross Building Area (sq. ft.)		26,136		26,136
Number of Stories	2 (Ground + Mezz.)		2 Floors - Footprint:	13,068
Lot Coverage (sq. ft.)	0.50	21,780	0.50 Allowable	21,780
Leaseable Area (sq. ft.)	90% Efficiency Ratio	23,522	85% Efficiency Ratio	22,216
Parking Spaces (Surface)	2.2 spaces/1,000 GSF	57	3.3 spaces/1,000 GSF	86
Parking spaces (sq. ft.)	350 sq. ft. / space	20,125	350 sq. ft. / space	30,187
Footprint plus Parking		41,905		43,255
	Adjust FAR for coverage and parki No			Yes, from .70
Revenue Assumptions				
Avg. Lease Rate (Full Service)	\$30 /net sq. ft./yr.	\$705,672	\$60 /net sq. ft./yr.	\$1,332,936
Vacancy Rate	5%	<u>(\$35,284)</u>	5%	<u>(\$66,647)</u>
Gross Revenue		\$670,388		\$1,266,289
(less) Operating Expenses	20%	(\$134,078)	20%	(\$253,258)
(less) Commissions	3%	<u>(\$20,112)</u>	3%	<u>(\$37,989)</u>
Subtotal		(\$154,189)		(\$291,247)
Annual Net Operating Income		\$516,199		\$975,043
Capitalized Value	6.5%	\$7,941,524	6.5%	\$15,000,657
Development Costs				
Permits and Fees	2.5% of direct costs	\$143,530	2.5% of direct costs	\$211,157
Hard Costs				
Building	\$140 /Building sq. ft.	\$3,659,040	\$180 /Building sq. ft.	\$4,704,480
Tenant Improvements	\$30 /net sq. ft.	\$705,672	\$100 /net sq. ft.	\$2,221,560
Parking (Surface)	\$5,000 /Space	\$287,496	\$5,000 /Space	\$431,244
Site Work	\$25 /Land sq. ft.	<u>\$1,089,000</u>	\$25 /Land sq. ft.	<u>\$1,089,000</u>
Total Direct Costs		\$5,741,208		\$8,446,284
Soft Costs				
	24.5% of direct costs (Indirect)	\$1,406,596		\$2,069,340
Subtotal of fees, direct and indirect costs		\$7,291,334		\$10,726,781
Contingency (% of subtotal)	5%	<u>\$364,567</u>	5%	<u>\$536,339</u>
Subtotal		\$7,655,901		\$11,263,120
Developer Profit (% of all costs)	12%	<u>\$918,708</u>	12%	<u>\$1,351,574</u>
Total Costs		\$8,574,609		\$12,614,694
Residual Land Value (per acre)		(\$633,085)		\$2,385,963
Per Land Square Foot		(\$15)		\$55

* **Light Industrial:** Increased FAR to 0.60 (incorporating some mezzanine space.) Increased efficiency to 90%. Reduced rent from \$45 to \$30 - still too high if office buildout is limited to 10-15% for occupancty permit. Should be in the \$20 range.

** **Office/R&D:** FAR increased to the constrained limit of 0.60 (parking). This is the historic (1978) FAR. Other assumptions unchanged. This is a test for max. revenue, given the other analysis assumptions. (Information only, not an endorsement.) The \$975K NOI compares with the \$504K and \$700K NOIs in the other examples, suggesting a greater potentially available contribution to SLR mitigation.