

Rents, Sales prices, NOI and cap rates

Market Rate Housing Rents and Sales Prices			Office	Rent per SF(NNN)	Exit Assumptions
<u>Studio</u>	Rents/Month	Sale Prices/SF	Class A Office	\$39	Cap Rate
Average Size in SF	525	525	Ground Floor office & retail	\$33	Affordable Rental 4.75%
Rent or Price PSF	\$3.05	\$819	Nonprofit Office	\$25	Market Rate Rental 4.75%
<u>1BR</u>			Artists Studios	\$25	Office 6.50%
Average Size in SF	700	700	Retail	Rent per SF(NNN)	Retail 6.25%
Rent or Price PSF	\$3.14	\$614	Ground floor retail	\$33	Parking 5.50%
<u>2BR</u>			Traditional retail	\$37	Sale Costs 2.00%
Average Size in SF	900	900	NOI Calculation		
Rent or Price PSF	\$3.78	\$478	Additional Mixed use revenues after parking	7.0% of gross revenue	Leverage Assumptions
<u>3BR</u>			Suburban retail office	3.5% of gross revenue	Debt percentage
Average Size in SF	1,100	1,100	Mixed Use Expense Estimate	35.0% of gross revenue	Residential mixed use 60%
Rent or Price PSF	\$5.73	\$391			High Rise Residential 60%

Parking Mix	
Parking Ratio Requirements	
Residential	1 space per unit
Retail/Office	1 space per 1,000 sf
<u>Underground, Structure and Surface</u>	
SF per space(including circulation)	400
<u>\$/space</u>	
Structured Parking	\$40,000.00
Surface Parking	\$10,000.00
<u>Lifts</u>	
SF per space(including circulation)	150
<u>\$/space</u>	\$12,500.00
Monthly Rent / Space	
Unbundled rent/space	\$250
Public garage	\$350
Affordable	\$0.00
Suburban Surface	\$0.00

Project Cost Estimating parameters	
Type	Basis
Type V Hard Costs for Construction	\$500 per SF net lease or sale
Type III Hard Costs for Construction	\$375 per SF net lease or sale
Type I Hard Costs for Construction	\$300 per SF net leasable
Parking Costs	See Parking Mix table
Hard Cost Contingency	10% of GMP costs
Municipal Fees and Allowances	10K per unit or 5-6 PSF
Share of Infrastructure	Estimated allocation from FPC
Legal	Estimate
Land Closing Costs/commission	Estimate
Design	4% of total hard costs
Developer Fee	3% of Project Budget
Construction Management Fee	3% of total hard costs
Taxes during construction	Estimate
Insurance	\$6,000 per unit
Marketing, FFE and Preleasing	Estimate
Operating Deficit	6 Months of OPEX
Commercial Tenant Improvement	\$50 per SF of retail
Retail and office brokerage	6% on a five year term
Construction Loan Origination	1.50% of loan amount
Construction Interest	7% of loan amount

Street Widening (5th Street Widening project brief)		\$10,120,000
Project brief	5th Street Before	15,960
	After	16,303
Park Space (Twin Cities Metro Council)		
Trail/Park build cost	Trail \$256K per \$	5.88
Median Home Sales	550 to 750 PSF	

Affordable Rents--by income and family size				
Household size	1	2	3	4
2023 Median Income	\$88,444	\$101,078	\$113,711	\$126,344
Low Income: 30% of median	\$44,222	\$50,539	\$56,856	\$63,172
30% spent on Housing	\$13,267	\$15,162	\$17,057	\$18,952
less Utility Allowance	\$1,728	\$2,112	\$2,496	\$2,892
Remainder for Rent	\$11,539	\$13,050	\$14,561	\$16,060
Monthly	\$962	\$1,087	\$1,213	\$1,338
Low Income: 50% of median	\$44,222	\$50,539	\$56,856	\$63,172
30% spent on Housing	\$13,267	\$15,162	\$17,057	\$18,952
less Utility Allowance	\$1,728	\$2,112	\$2,496	\$2,892
Remainder for Rent	\$11,539	\$13,050	\$14,561	\$16,060
Monthly	\$962	\$1,087	\$1,213	\$1,338
				\$ 1.22
Moderate Income: 80% of median	\$70,756	\$80,862	\$90,969	\$101,076
35% spent on Housing	\$24,764	\$28,302	\$31,839	\$35,376
less Utility Allowance	\$1,728	\$2,112	\$2,496	\$2,892
Remainder for Mortgage	\$23,036	\$26,190	\$29,343	\$32,484
Monthly	\$1,920	\$2,182	\$2,445	\$2,707

Project brief

Metro council twin cities

INCOME LIMITS

Family Size	Percent of Area Median Income									
	30%	40%	50%	60%	65%	70%	75%	80%	85%	90%
1	\$26,530	\$35,380	\$44,220	\$53,070	\$57,490	\$61,910	\$66,330	\$70,750	\$75,180	\$79,600
2	\$30,320	\$40,430	\$50,540	\$60,650	\$65,700	\$70,750	\$75,810	\$80,860	\$85,920	\$90,970
3	\$34,110	\$45,490	\$56,860	\$68,230	\$73,910	\$79,600	\$85,280	\$90,970	\$96,660	\$102,340
4	\$37,900	\$50,540	\$63,170	\$75,810	\$82,130	\$88,440	\$94,760	\$101,080	\$107,400	\$113,710
5	\$40,940	\$54,580	\$68,230	\$81,870	\$88,700	\$95,520	\$102,340	\$109,160	\$115,990	\$122,810
6	\$43,970	\$58,630	\$73,280	\$87,940	\$95,270	\$102,590	\$109,920	\$117,250	\$124,580	\$131,910

INVESTOR SHEET

Development Program

Development Component	Location of Development Component	Area in SF	Land Use	Residential Units	Commercial SF	Building Height	Value	Total Project Costs	Equity	Debt	GAP	Leveraged IRR
Component A	1 Courthouse Renovation	57,120	Community Facility (Museum) Retail	None	Commercial 506,720 SF	10 stories	\$155,203,385	\$94,123,789	\$37,649,516	\$56,474,273	\$0	95%
Component B	2 Former Administration Building	59,280	RES-AFF-MU	903 Units	Retail 196,200 SF	40 stories	\$424,479,102	\$447,779,160	\$179,112,000	\$268,667,000	\$117,830,105	0%
Component C	3 Central Block (Purchased)	19,980	RES-Market-Sale RETAIL	500 Units	Retail 10,800 SF	25 stories	\$483,067,680	\$401,681,638	\$160,673,000	\$241,009,000	\$0	10%
	3 Central Block (Leased)	28,320	RES-Market-Rental HOTEL	220 Units	Retail 154,650 SF	25 stories	\$436,372,224	\$348,994,662	\$139,598,000	\$209,397,000	\$0	14%
Component D	4 Yesler Renovation	22,000	Office	None	Commercial 150,000 SF	10 stories	\$49,403,200	\$38,771,085	\$15,508,000	\$23,263,000	\$0	44%
Component E	5 Former Jail	59,280	RES-Market-MU-Rental	570 Units	Commercial 188,600 SF	50 stories	\$701,273,778	\$531,481,193	\$212,592,000	\$318,889,000	\$0	18%
Component F	8 Prefontaine Renovation	22,000	Retail	None	Retail 84,400 SF	7 stories	\$85,806,667	\$34,474,830	\$13,790,000	\$20,685,000	\$0	138%
Component G	9 Fire Station Retail	15,289	Retail	None	Retail 79,000 SF	6 stories	\$87,618,182	\$71,417,588	\$28,567,000	\$42,851,000	\$0	10%
Component H	10 Morrison Hotel	19,980	RES-AFF-MU	230 Units	Retail 50,100 SF	8 stories	\$64,007,051	\$47,856,801	\$19,143,000	\$28,714,000	\$0	0%
Component I	11 Drexel Hotel	6,660	RES-Market-Sale	105 Units	Office 17,100 SF	25 stories	\$97,986,120	\$84,637,992	\$33,855,000	\$50,783,000	(\$2,983,000)	0%
Component J	12 Goat Hill Site	53,600	RES-AFF-MU	290 Units	Commercial 201,600 SF	35 stories	\$216,549,803	\$274,522,443	\$109,809,000	\$164,713,000	\$0	0%
Component K	13 Fifth & Yessler	25,000	RES-Market-Sale RETAIL	210 Units	Retail 120,600 SF	17 stories	\$311,195,760	\$226,997,559	\$90,799,000	\$136,199,000	\$0	0%
TOTALS		388,509		3,028 Units	1,759,770 SF		\$3,112,962,951	\$2,602,738,740	\$1,041,095,516	\$1,561,644,273	\$114,847,105	12.04%

Infrastructure Allocation

Item	Total Cost	To Component A	To Component B	To Component C	To Component D	To Component E	To Component F	To Component G	To Component H	To Component I	To Component J	To Component K
Yesler Bridge Widening	\$15,000,000	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636
Underpass Renovation	\$450,000					\$450,000						
Public Parks	\$250,000		\$225,000			\$225,000						
TOTAL	\$15,700,000	\$1,363,636	\$1,588,636	\$1,363,636	\$1,363,636	\$2,038,636	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636	\$1,363,636

INVESTOR SHEET

Schedule				
Development Component	Pre-Development	Demolition	Construction	Close-out
Component A	01/1/25 to 12/31/25	None	1/1/26 to 12/31/26	1/1/27 to 6/30/27
Component B	01/1/25 to 12/31/25	1/1/26 to 6/30/26	7/1/26 to 6/30/30	7/1/30 to 12/31/30
Component C	01/1/25 to 12/31/25	1/1/26 to 6/30/26	7/1/26 to 6/30/30	7/1/30 to 12/31/30
Component D	01/1/25 to 12/31/25	None	1/1/26 to 12/31/26	1/1/27 to 6/30/27
Component E	01/1/26 to 12/31/26	1/1/27 to 6/30/27	7/1/27 to 6/30/31	7/1/31 to 12/31/31
Component F	01/1/26 to 12/31/26	None	1/1/27 to 12/31/27	1/1/28 to 6/30/28
Component G	01/1/26 to 12/31/26	1/1/27 to 6/30/27	7/1/27 to 6/30/31	7/1/31 to 12/31/31
Component H	01/1/26 to 12/31/26	None	1/1/27 to 12/31/27	1/1/28 to 6/30/28
Component I	01/1/26 to 12/31/26	None	1/1/27 to 12/31/27	1/1/28 to 6/30/28
Component J	01/1/27 to 12/31/27	1/1/28 to 6/30/28	7/1/28 to 6/30/32	7/1/32 to 12/31/32
Component K	01/1/27 to 12/31/27	None	1/1/28 to 12/31/28	1/1/29 to 6/30/29