

**SITE 1: 17TH AVENUE GATEWAY
CITY OF LONGMONT
MAIN STREET REDEVELOPMENT PLAN
CATALYST PROJECT ECONOMIC ANALYSIS**

Development Program			Assumption Factors	
	<i>Units/Spaces</i>	<i>Square Feet</i>		
Office		20,000		
Retail		10,000		
Residential (Rental)	0	0	1,000	SF/Unit
Residential (For-Sale)	0	0	1,800	SF/Unit
Gross Floor Area		30,000		
Project Land Area		65,340	1.5	Acres
Floor Area Ratio		0.5		
Surface Parking	120	39,000	325	SF/Space
Structured Parking	0	0	325	SF/Space
Estimated Project Value (Stabilized Yr)				
Total Office Rentable SF		18,000	90%	Bldg. Efficiency Ratio
Rent/SF*		\$16.00		
Total Retail Rentable SF		9,000	90%	Bldg. Efficiency Ratio
Rent/SF*		\$18.00		
Total Residential Rentable SF		0	80%	Bldg. Efficiency Ratio
Rent/SF		\$15.00	\$1.25	Monthly Rent/SF
Total Parking Spaces (Structured)		0		
Rent/Space		\$0	\$50	Monthly Income/Space
Gross Income		\$450,000		
Occupancy		95%		
Effective Gross Income		\$427,500		
Operating Costs		\$15,000	\$0.50	\$/SF (Wtd. Avg. All Uses)
Net Operating Income		\$412,500		
Capitalization Rate		10%		
Project Value -- Office/Retail/Rental Hsg		\$4,125,000		
Total Housing Units		0		
Sales Price/Unit		\$200,000		
Gross Revenue		\$0		
Less Marketing Costs		\$0	7%	% of Sales
Net Sale Proceeds		\$0		
Project Value -- For-Sale Housing		\$0		
Total Project Value		\$4,125,000		
* Office and retail lease rates based on triple net lease; tenant pays portion of taxes, insurance and utilities.				
Development Cost Estimate				
Property Purchase (Acquisition/Demolition)		\$980,100	\$15.00	\$/SF
On-Site Improvements (Surface Parking)		\$300,000	\$2,500	\$/Space
On-Site Improvements (Structured Parking)		\$0	\$10,000	\$/Space
Site Development/Public Improvements		\$326,700	\$5.00	\$/SF
Building Construction (Hard Costs)		\$1,785,000	\$60	\$/SF (Wtd. Avg. All Uses)
Construction Contingency		\$241,170	10%	% of Construction Costs
Soft Costs (% of Hard Costs)		\$482,340	20%	% of Hard Costs
Developer Profit		\$411,531	10%	% of Total Costs
Total Project Cost		\$4,526,841	\$150.89	\$/SF
Total Project Value		\$4,125,000		
Project Margin/"Gap"		(\$401,841)		
% Project Margin/"Gap"		-9%		

Source: Leland Consulting Group.