

**SITE 6: 8TH STREET PLAZA
CITY OF LONGMONT
MAIN STREET REDEVELOPMENT PLAN
CATALYST PROJECT ECONOMIC ANALYSIS**

| Development Program | | | Assumption Factors | |
|---|---------------------|----------------------|---------------------------|----------------------------|
| | <i>Units/Spaces</i> | <i>Square Feet</i> | | |
| Office | | 0 | | |
| Retail | | 0 | | |
| Residential (Rental) | 30 | 30,000 | 1,000 | SF/Unit |
| Residential (Live/Work) | 24 | 43,200 | 1,800 | SF/Unit |
| Gross Floor Area | | 73,200 | | |
| Project Land Area | | 87,120 | 2.0 | Acres |
| Floor Area Ratio | | 0.8 | | |
| Surface Parking | 81 | 26,325 | 325 | SF/Space |
| Structured Parking | 0 | 0 | 325 | SF/Space |
| Estimated Project Value (Stabilized Yr) | | | | |
| Total Office Rentable SF | | 0 | 90% | Bldg. Efficiency Ratio |
| Rent/SF* | | \$16.00 | | |
| Total Retail Rentable SF | | 0 | 90% | Bldg. Efficiency Ratio |
| Rent/SF* | | \$18.00 | | |
| Total Residential Rentable SF | | 24,000 | 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 | | \$360,000 | | |
| Occupancy | | 95% | | |
| Effective Gross Income | | \$342,000 | | |
| Operating Costs | | \$126,000 | \$4.20 | \$/SF (Wtd. Avg. All Uses) |
| Net Operating Income | | \$216,000 | | |
| Capitalization Rate | | 10% | | |
| Project Value -- Office/Retail/Rental Hsg | | \$2,160,000 | | |
| Total Housing Units | | 24 | | |
| Sales Price/Unit | | \$250,000 | | |
| Gross Revenue | | \$6,000,000 | | |
| Less Marketing Costs | | (\$420,000) | 7% | % of Sales |
| Net Sale Proceeds | | \$5,580,000 | | |
| Project Value -- For-Sale Housing | | \$5,580,000 | | |
| Total Project Value | | | | \$7,740,000 |
| * 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) | | \$1,045,440 | \$12.00 | \$/SF |
| On-Site Improvements (Surface Parking) | | \$202,500 | \$2,500 | \$/Space |
| On-Site Improvements (Structured Parking) | | \$0 | \$10,000 | \$/Space |
| Site Development/Public Improvements | | \$261,360 | \$3.00 | \$/SF |
| Building Construction (Hard Costs) | | \$5,329,472 | \$73 | \$/SF (Wtd. Avg. All Uses) |
| Construction Contingency | | \$579,333 | 10% | % of Construction Costs |
| Soft Costs (% of Hard Costs) | | \$1,158,666 | 20% | % of Hard Costs |
| Developer Profit | | \$857,677 | 10% | % of Total Costs |
| Total Project Cost | | \$9,434,449 | \$128.89 | \$/SF |
| Total Project Value | | \$7,740,000 | | |
| Project Margin/"Gap" | | (\$1,694,449) | | |
| % Project Margin/"Gap" | | -18% | | |
| Source: Leland Consulting Group. | | | | |