

ATTACHMENT 3: FINANCIAL ANALYSIS SUPPORTING TABLES

Table A - 3.1

Stabilized Year Proformas - Rent levels needed to support 10% Return on Costs - WITHOUT NMTCs
Adaptive Reuse Physical and Financial Analysis
Alameda Point Economic Development Strategy

Assumptions

	<u>Bldg. 2</u>	<u>Bldg. 3</u>	<u>Bldg 16</u>	<u>Bldg. 41</u> ¹	<u>Bldg. 77</u> ²
Rentable Building Area (SF) ³	177,408	97,215	38,648	147,050	20,642
Use	Office	Office	Office	Industrial	Office
Stabilized Vacancy ⁴	15%	15%	15%	0%	15%
Annual Operating Costs per Square Foot of Leased Space ⁵	\$6.00	\$6.00	\$6.00	\$0.17	\$6.00

Rent required to achieve 10% Return on Costs

Monthly Rent per SF	\$2.60	\$2.45	\$2.70	\$1.00	\$2.55
Annual Rent per SF	\$31.20	\$29.40	\$32.40	\$12.00	\$30.60
Rent type	Full Service	Full Service	Full Service	NNN	Full Service

Proforma (rounded to nearest \$10,000)

Stabilized Year Income					
Gross Annual Rents	\$5,540,000	\$2,860,000	\$1,250,000	\$1,760,000	\$630,000
<Less>					
Vacancy	(\$831,000)	(\$429,000)	(\$187,500)	\$0	(\$94,500)
Operating Costs	(\$904,781)	(\$495,797)	(\$197,105)	(\$25,000)	(\$105,274)
Net Operating Income	\$3,800,000	\$1,940,000	\$870,000	\$1,740,000	\$430,000
Development Costs ⁶					
Hard Costs	\$29,210,000	\$14,810,000	\$6,650,000	\$13,640,000	\$3,310,000
Soft Costs	\$8,760,000	\$4,440,000	\$2,000,000	\$4,090,000	\$993,000
Total Development Costs	\$37,970,000	\$19,250,000	\$8,650,000	\$17,730,000	\$4,303,000
TDC Per square foot	\$214	\$198	\$224	\$121	\$208
Return on Costs	10.0%	10.1%	10.1%	9.8%	10.0%

¹ Development costs based on estimates for Building 39.

² Development costs based on average per square foot costs for Buildings 2, 3, and 16.

³ Square footage is based on Architectural Dimension estimates, except for Building 77 which is based on Field Paoli's estimates.

⁴ Based on historical vacancy in the City of Alameda.

⁵ Based on estimates by the Building Owners and Managers Association. Average for Oakland Metro Area.

⁶ See Tables A - 3.2 through A - 3.5.

Table A - 3.2
Cost Estimates, Building 2
Adaptive Reuse Physical and Financial Analysis
Alameda Point Economic Development Strategy

Cost estimates by Architectural Dimensions (unless otherwise noted)

Hard (Construction Costs)	PSF	Total	Notes
General Conditions	\$4.51	\$800,000	
Hazmat Cleanup	\$1.41	\$250,000	
Demolition	\$2.40	\$425,000	
Site Construction	\$3.66	\$650,000	20' around bldg. Utilities assumed prov. to bldg under separate scope of work
Utility Upgrades	\$0.94	\$166,500	Based on 2012 Cost Est from CBG
Exterior Walls	\$3.80	\$675,000	
Structural Solution	\$17.25	\$3,059,650	Based on 2007 Cost Est from Vanir Const Mgmt
Metals	\$1.13	\$200,000	
Roof System	\$12.40	\$2,200,000	
Doors and Windows	\$2.25	\$400,000	
Interior Finishes	\$9.58	\$1,700,000	
Tenant Improvements	\$20.00	\$3,548,160	Estimated by KMA
Specialties	\$0.00	\$0	
Special Construction	\$0.00	\$0	
Conveying Systems	\$5.07	\$900,000	
Mechanical	\$16.35	\$2,900,000	
Plumbing	\$16.91	\$3,000,000	
Fire Sprinklers (Including Fire Alarm)	\$15.78	\$2,800,000	
Electrical	\$18.04	\$3,200,000	
Subtotal	\$151.46	\$26,870,000	
Contractor Costs	\$7.55	\$1,340,000	5% of hard costs
Project Contingency	\$5.64	\$1,000,000	Approx. 4.1% of hard costs
Total Hard (Construction Costs)	\$164.65	\$29,210,000	
Soft Costs	\$49.38	\$8,760,000	30% of Total Hard Costs
Total Costs	\$214.03	\$37,970,000	

Assumptions based on Architectural Dimensions Analysis

Building Area (SF) (Typical Interior Segment)	46,280
Building Area (SF) (Total Area of Bldg) *	177,408
Perimeter Landscape Area (20' width) (SF)	91,159
Roof Area (SF)	88,704
Building Perimeter (LF)	4,512
Exterior Wall Area (Conditioned) (SF)	106,272
Exterior Wall Area (Exposed) (SF)	121,806

Assumptions based on 2007 Assesment from Vanir

Construction Management

Original Use: Bachelor Enlisted Quarters
Year Built: 1939 Year(s) Remodeled: Unknown
Lenth: 247 Ft (Typical Interior Segment)
Width: 179 Ft (Typical Interior Segment)
Number Of Stories: 2
Story Height: 12 Ft
Total Height: approx 27 Ft above grade

Table A - 3.3
Cost Estimates, Building 3
Adaptive Reuse Physical and Financial Analysis
Alameda Point Economic Development Strategy

Cost estimates by Architectural Dimensions (unless otherwise noted)

Hard (Construction Costs)	PSF	Total	
General Conditions	\$4.11	\$400,000	
Hazmat Cleanup	\$2.06	\$200,000	
Demolition	\$2.57	\$250,000	
Site Construction	\$3.09	\$300,000	20' around bldg. Utilities assumed prov. to bldg under separate scope of work
Utility Upgrades	\$3.46	\$336,500	Based on 2012 Cost Est from CBG
Exterior Walls	\$9.26	\$900,000	
Structural Solution	\$0.00	\$0	
Metals	\$1.03	\$100,000	
Roof System	\$10.29	\$1,000,000	
Doors and Windows	\$2.06	\$200,000	
Interior Finishes	\$22.82	\$2,218,000	
Tenant Improvements	\$20.00	\$1,944,300	Estimated by KMA
Specialties	\$0.00	\$0	
Special Construction	\$0.00	\$0	
Conveying Systems	\$4.11	\$400,000	
Mechanical	\$13.37	\$1,300,000	
Plumbing	\$12.34	\$1,200,000	
Fire Sprinklers (Including Fire Alarm)	\$8.23	\$800,000	
Electrical	\$16.46	\$1,600,000	
Subtotal	\$135.27	\$13,150,000	
Contractor Costs	\$6.79	\$660,000	Approximately 5% of Hard costs
Project Contingency	\$10.29	\$1,000,000	Approximately 8.8% of hard costs
Total Hard (Construction Costs)	\$152.34	\$14,810,000	
Soft Costs	\$45.67	\$4,440,000	30% of Total Hard Costs
Total Costs	\$198.01	\$19,250,000	

Assumptions based on Architectural Dimensions Analysis

Building Area (SF)	97,215
Perimeter Landscape Area (20' width) (SF)	37,167
Roof Area (SF)	54,766
Building Perimeter (LF)	1,418
Exterior Wall Area (Conditioned) (SF)	40,451
Exterior Wall Area (Exposed) (SF)	44,568

Assumptions based on 2007 Assesment from Vanir Construction Management

Original Use: Mess Hall
Year Built: 1939 Year(s) Remodeled: Unknown
Lenth: 237.7 Ft
Width: 198.2 Ft
Number Of Stories: 2
Story Height: 16 Ft
Total Height: 31 Ft

Table A - 3.4
Cost Estimates, Building 16
Adaptive Reuse Physical and Financial Analysis
Alameda Point Economic Development Strategy

Cost estimates by Architectural Dimensions (unless otherwise noted)

Hard (Construction Costs)	PSF	Total	Notes
General Conditions	\$3.88	\$150,000	
Hazmat Cleanup	\$5.17	\$200,000	
Demolition	\$5.17	\$200,000	
Site Construction	\$7.76	\$300,000	20' around bldg. Utilities assumed prov. to bldg under separate scope of work
Utility Upgrades	\$0.58	\$22,500	Based on 2012 Cost Est from CBG
Exterior Walls	\$15.52	\$600,000	
Structural Solution	\$24.39	\$942,700	Based on 2007 Cost Est from Vanir Const Mgmt
Metals	\$2.59	\$100,000	
Roof System	\$7.76	\$300,000	
Doors and Windows	\$0.00	\$0	
Interior Finishes	\$19.64	\$759,204	
Tenant Improvements	\$20.00	\$772,960	Estimated by KMA
Specialties	\$0.00	\$0	
Special Construction	\$0.00	\$0	
Conveying Systems	\$18.11	\$700,000	
Mechanical	\$4.66	\$180,000	
Plumbing	\$3.10	\$120,000	
Fire Sprinklers (Including Fire Alarm)	\$4.14	\$160,000	
Electrical	\$9.06	\$350,000	
Subtotal	\$151.62	\$5,860,000	
Contractor Costs	\$7.50	\$290,000	5% of hard costs
Project Contingency	\$12.94	\$500,000	Approximately 9.4% of hard costs
Total Hard (Construction Costs)	\$172.07	\$6,650,000	
Soft Costs	\$51.75	\$2,000,000	30% of Total Hard Costs
GRAND TOTAL PROJECT COSTS	\$223.81	\$8,650,000	

Assumptions based on Architectural Dimensions Analysis

Building Area (SF)	38,648
Perimeter Landscape Area (20' width) (18,433
Roof Area (SF)	16,128
Building Perimeter (LF)	858
Exterior Wall Area (Conditioned) (SF)	23,249
Exterior Wall Area (Exposed) (SF)	25,448

Assumptions based on 2007 Assesment from Vanir Construction Management

Original Use: Dispensing/Medical Clinic
Year Built: 1941 Year(s) Remodeled:
Lenth: 151 Ft
Width: 148 Ft
Number Of Stories: 2 & 3
Story Height: 11 Ft
Total Height: 36.5 Ft

Table A - 3.5
Cost Estimates, Building 39 (Proxy for Building 41)
Adaptive Reuse Physical and Financial Analysis
Alameda Point Economic Development Strategy

Cost estimates by Architectural Dimensions (unless otherwise noted)

Hard (Construction Costs)	PSF	Total	Notes
General Conditions	\$2.38	\$350,000	
Hazmat Cleanup	\$3.40	\$500,000	
Demolition	\$2.72	\$400,000	
Site Construction	\$1.02	\$150,000	20' around bldg. Utilities assumed prov. to bldg under separate scope of work
Utility Upgrades	\$0.69	\$101,500	Based on 2012 Cost Est from CBG
Exterior Walls	\$10.88	\$1,600,000	
Structural Solution	\$19.45	\$2,860,000	Based on 2007 Cost Est from Vanir Const Mgmt
Metals	\$0.00	\$0	
Roof System	\$13.60	\$2,000,000	
Doors and Windows	\$0.00	\$0	
Interior Finishes	\$4.83	\$710,000	
Tenant Improvements	\$10.00	\$1,470,500	Estimated by KMA
Specialties	\$0.00	\$0	
Special Construction	\$0.00	\$0	
Conveying Systems	\$0.00	\$0	
Mechanical	\$2.04	\$300,000	
Plumbing	\$2.04	\$300,000	
Fire Sprinklers (Including Fire Alarm)	\$5.44	\$800,000	
Electrical	\$3.40	\$500,000	
Subtotal	\$81.88	\$12,040,000	
Contractor Costs	\$4.08	\$600,000	5% of hard cost
Project Contingency	\$6.80	\$1,000,000	Approximately 9% of hard costs
Total Hard (Construction Costs)	\$92.76	\$13,640,000	
Soft Costs	\$27.81	\$4,090,000	30% of Total Hard Costs
Total Costs	\$120.57	\$17,730,000	

Assumptions based on Architectural Dimensions Analysis

Building Area (SF)	147,050
Perimeter Landscape Area (20' width) (SF)	32,766
Roof Area (SF)	128,264
Building Perimeter (LF)	1,558
Exterior Wall Area (Conditioned) (SF)	48,732
Exterior Wall Area (Exposed) (SF)	51,406

Assumptions based on 2007 Assesment from Vanir

Construction Management

Original Use: Seaplane Hangar
Year Built: 1943 Year(s) Remodeled:
Lenth: 242 Ft
Width: 374 Ft
Number Of Stories: 2
Story Height: 15.625 Ft
Total Hight: 30.14 Ft at Leanto, 48 Ft at Truss

Table A - 3.6
Illustrative New Market Tax Credit Equity
Adaptive Reuse Physical and Financial Analysis
Alameda Point Economic Development Strategy

Development Costs	<u>Bldg. 2</u>	<u>Bldg. 3</u>	<u>Bldg. 16</u>	<u>Bldg. 41</u>	<u>Bldg. 77</u>
Hard Costs	\$29,210,000	\$14,810,000	\$6,650,000	\$13,640,000	\$3,310,000
Soft Costs	\$8,760,000	\$4,440,000	\$2,000,000	\$4,090,000	\$993,000
Total Development Costs	\$37,970,000	\$19,250,000	\$8,650,000	\$17,730,000	\$4,303,000
New Market Tax Credit Calculation ¹					
Qualified Equity Investment (Total Development Costs)	\$37,970,000	\$19,250,000	\$8,650,000	\$17,730,000	\$4,303,000
New Market Tax Credits Rate	39%	39%	39%	39%	39%
Total New Market Tax Credit	\$14,808,300	\$7,507,500	\$3,373,500	\$6,914,700	\$1,678,170
New Market Tax Credit Investor Ownership in CDE	99.99%	99.99%	99.99%	99.99%	99.99%
Total New Market Tax Credits to Investor	\$14,806,819	\$7,506,749	\$3,373,163	\$6,914,009	\$1,678,002
New Market Tax Credit Equity Rate ²	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Total New Market Tax Credit Equity	\$11,845,455	\$6,005,399	\$2,698,530	\$5,531,207	\$1,342,402
<Less> Commitment and Management Fees ³	(3,194,025)	(1,619,304)	(727,635)	(1,491,442)	(361,967)
Net NMTC Equity	\$8,651,431	\$4,386,095	\$1,970,895	\$4,039,765	\$980,435

¹ The census track for Alameda Point does not currently qualify for NMTC.

² KMA assumption.

³ Assumes fixed and variable costs associated of approximately 8.4 percent of Qualified Equity Investment.

Table A - 3.7
Illustrative New Market Tax Credit Equity - Alternative Scenario
Adaptive Reuse Physical and Financial Analysis
Alameda Point Economic Development Strategy

Development Costs	<u>Bldg. 2</u>	<u>Bldg. 3</u>	<u>Bldg 16</u>	<u>Bldg. 41</u>	<u>Bldg. 77</u>
Total Development Costs	\$30,160,000	\$16,530,000	\$6,570,000	\$8,820,000	\$3,510,000
New Market Tax Credit Calculation ¹					
Qualified Equity Investment (Total Development Costs)	\$30,160,000	\$16,530,000	\$6,570,000	\$8,820,000	\$3,510,000
New Market Tax Credits Rate	39%	39%	39%	39%	39%
Total New Market Tax Credit	\$11,762,400	\$6,446,700	\$2,562,300	\$3,439,800	\$1,368,900
New Market Tax Credit Investor Ownership in CDE	99.99%	99.99%	99.99%	99.99%	99.99%
Total New Market Tax Credits to Investor	\$11,761,224	\$6,446,055	\$2,562,044	\$3,439,456	\$1,368,763
New Market Tax Credit Equity Rate ²	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Total New Market Tax Credit Equity	\$9,408,979	\$5,156,844	\$2,049,635	\$2,751,565	\$1,095,010
<Less> Commitment and Management Fees ³	(2,537,050)	(1,390,498)	(552,666)	(741,936)	(295,260)
Net NMTC Equity	\$6,871,929	\$3,766,346	\$1,496,969	\$2,009,629	\$799,750

¹ The census track for Alameda Point does not currently qualify for NMTC.

² KMA assumption.

³ Assumes fixed and variable costs associated of approximately 8.4 percent of Qualified Equity Investment.