## AHFC PROPOSAL ADJUSTED TO MATCH SIZE - 64,048 SF Gross solution <sup>1</sup>

## July 26, 2013

## **Lease Cost Calculation**

All in Cost \$36.7m (AHFC 2012 cost estimate ADJUSTED TO COMPARABLE SIZE)<sup>2</sup>

Published AIDEA Terms \$36.7m @ 5.68% interest rate, 25 year amortization =

Monthly PMT (NNN Rent) \$229,500/mo. (ROUNDED)<sup>3</sup>

<u>Parking</u><sup>4</sup> <u>Dedicated Structured Parking</u>

Spaces 103

Cost per permit per Mo. \$43,000 construction cost per space

Cost per Month \$27,700<sup>5</sup>

**Tenant Improvements Cost** 

\$120<sup>6</sup> per GSF \$5,000,000

**Total Costs** 

Lease cost per Month \$257,000<sup>7</sup>

Annual Payment \$3,084,400

**Proposed Rate** 

Monthly NNN \$230,500

Annual \$2,766,000

% of new construction 89.7%

<sup>1</sup> Amount of Gross area of proposed space after renovation of 716 and 712 west 4<sup>th</sup> avenue

<sup>&</sup>lt;sup>2</sup> AHFC proposal 3/22/2012 –50,000 Gross SF = \$25m = \$500/GSF Thus 64,048 x \$530.45 (\$500 x 3%/yr. x 2yr) = \$33,974,261, **PLUS** a TI allowance of \$2.7m = \$36.7, NNN, No Parking

<sup>&</sup>lt;sup>3</sup> \$36.7m amortized at published AIDEA rates

<sup>&</sup>lt;sup>4</sup> Parking calculated by as "dedicated structured parking facility" to match 716 west 4<sup>th</sup>

<sup>&</sup>lt;sup>5</sup> 103 x \$43,000 = \$4,429,000 amortized 25 years @ 5.68% =\$27,700/Mo.

<sup>&</sup>lt;sup>6</sup> Costs similar to 909 west 9<sup>th</sup> Tl's \$120 x 64048 = \$7.7m - \$2.7m (included in landlord budget) = \$5.0m

<sup>&</sup>lt;sup>7</sup> \$229,500 + 27,700 = \$257,200