

**SITE 5: REDEVELOPMENT SITES
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		10,000		
Residential (Rental)	20	20,000	1,000	SF/Unit
Residential (Live/Work)	10	18,000	1,800	SF/Unit
Gross Floor Area		48,000		
Project Land Area		130,680	3.0	Acres
Floor Area Ratio		0.4		
Surface Parking	85	27,625	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		9,000	90%	Bldg. Efficiency Ratio
Rent/SF*		\$18.00		
Total Residential Rentable SF		16,000	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		\$402,000		
Occupancy		95%		
Effective Gross Income		\$381,900		
Operating Costs		\$90,000	\$3.00	\$/SF (Wtd. Avg. All Uses)
Net Operating Income		\$291,900		
Capitalization Rate		10%		
Project Value -- Office/Retail/Rental Hsg		\$2,919,000		
Total Housing Units		10		
Sales Price/Unit		\$250,000		
Gross Revenue		\$2,500,000		
Less Marketing Costs		(\$175,000)	7%	% of Sales
Net Sale Proceeds		\$2,325,000		
Project Value -- For-Sale Housing		\$2,325,000		
Total Project Value				\$5,244,000
* 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)		\$1,568,160	\$12.00	\$/SF
On-Site Improvements (Surface Parking)		\$212,500	\$2,500	\$/Space
On-Site Improvements (Structured Parking)		\$0	\$10,000	\$/Space
Site Development/Public Improvements		\$392,040	\$3.00	\$/SF
Building Construction (Hard Costs)		\$3,230,016	\$67	\$/SF (Wtd. Avg. All Uses)
Construction Contingency		\$383,456	10%	% of Construction Costs
Soft Costs (% of Hard Costs)		\$766,911	20%	% of Hard Costs
Developer Profit		\$655,308	10%	% of Total Costs
Total Project Cost				\$150.17 \$/SF
Total Project Value		\$7,208,391		\$5,244,000
Project Margin/"Gap"		(\$1,964,391)		
% Project Margin/"Gap"		-27%		

Source: Leland Consulting Group.