

C1-BARMAN

The Barman property is the gateway to the waterfront. It is zoned C2 and has excellent views of the entire waterfront. The site is small and the resultant building is also small due to access and parking needs. This lot is not part of the refinement plan and therefore does not have the stringent use requirements.

Infrastructure needs: Utilities are to the site or very close. Access would need to be configured.

<u>Opportunity:</u> There is a high amount of interest in commercial space on the waterfront. Building out the Barman property would provide excellent cash flow, a great return over time, diversity as high end commercial space and likely high employee numbers.

Site size	Zoning	Shovel ready date	Max build size
35,283	C2	20?	20,000



			Land	Lease VS Sale			
Market intrest	Proposed use	Proposed action	Land sale price PSF	Total land sale	Land Lease price/sf	Annual land lease payment	20 yr total lease income (2% increase)
med- high	Office/retail	Develop/Sell	\$ 15.00	\$ 529,245.00	.80/sf/yr	\$ 28,226.40	\$ 685,617.00

			Develo	pm	ent Pro)-F	orma				
Total	construction cost	In	itial investment (20% down)	Lea	se rate		NOI	tota	l 20 yr cash flow	0 year ave cash flow	20 Year IRR
\$	6,524,000.00	\$	1,304,800.00	\$	1.85	\$	405,936.77	\$ 2,	,359,111.00	\$ 117,955.58	13%

\$396,225.60			Net Operating Income
-\$34,454.40			Operating expenses
-\$8,613.60	2%		Reserves
-\$25,840.80	6%		Non-reimb salary expense
\$430,080.00		ing NNN lease	All reimbursibles passed through, assuming NNN lease
-513,520.00	80	8	Potential Gross income
\$444,000.00	12	\$ 1.85	Vacancy/Cradit loss
		rate/sf	Income analysis

Permanent Financing -4.25%, 20 year fixed

Financed

Port investment Annual payment 20 year ROI

387,828.00

13%

20 yr Ave cash flow \$117,955.58

80/20 \$

5,219,200.00 \$ 1,304,800.00 \$

Development Costs	Costs	7	PSf	1	total
		S	200.00	\$ 4,000,000.00	4,0
landscaping		S	10.00	S	200,000.00
Site prep	10%	S	10.00	S	400,000.00
parking	20	S	20 \$ 3,000.00	S	
Hard costs total	al			S	4,660,000.00
Soft costs	30% ha \$	S	69.90 \$ 1,398,000.00	S	1,0
				S	\$ 6,058,000.00
Contingency	10% \$	S	15.53	S	466,000.00
Total Costs	sts	s	217.47 \$ 6,524,000.00	s	6,5

				Cash	Cash Flow Model					
Operating Income	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Potential Gross Rent	\$455,100.000	\$466,477.50	\$466,477.50 \$478,139.44	\$490,092.92	\$502,345.25	\$514.9	\$527,776.47	\$527.776.47 \$540.970.89 \$554.495.16	\$554 495 16	\$568 357 54
Vacancy/credit loss	-\$13,719.60	-\$14,131.19	-\$14,555.12	-514.991.78	-515 441 53		516 381 03	616 973 38	617 370 50	22200
Carrie Financia						0111000000		95.670,016.	00.6/6/176-	15:005/176-
Operating Expenses	\$441,380.400	\$441,380.400 \$ 452,346.31 \$ 463,584.31 \$ 475,101.15 \$ 486,903.72 \$ 498,999.10	\$ 463,584.31	\$ 475,101.15	\$ 486,903.72	\$ 498,999.10	\$511,394.55	\$511,394.55 \$524,097.51 \$537,115.58	\$537,115.58	\$550,456,57
assumes NNN lease										1
Salary expenses	-\$26,616.02 \$	\$ (27,414.50)	\$ (28,236.94)	\$ (29,084.05)	(27,414.50) \$ (28,236.94) \$ (29,084.05) \$ (29,956.57) \$ (30,855.27) \$	\$ (30,855.27)	\$ (31,780.92)	\$ (32,734.35)	(31,780.92) \$ (32,734.35) \$ (33,716.38) \$ (34,727.87)	\$ (34.727.8
Reserves	-58,827.61	-59,046.93	-59,271.69	-59,502.02	-59,738.07	-59,979.98	-\$10,227.89	-510,481.95	-510,742.31	-511 009 13
	-\$35,443.63	-\$36,506.94	-\$37,602.15	-\$38,730.21	-\$39,892.12	-\$41,088.88 \$		\$ (43.216.30)	(42.008.82) \$ (43.216.30) \$ (44.458.69) \$ (45.737.01)	\$ 145 737 0
NOI	\$405,936.768	\$405,936.768 \$415,839.371 \$425,982.165 \$436,370.932 \$447,011.596 \$457,910.217 \$469,385,739 \$480,881.207 \$492,656,885 \$504,719.566	\$425,982.165	\$436,370.932	\$447,011.596	\$457,910.217	\$469,385.739	\$480,881,207	\$492,656,885	\$504.719.5
Less Debt Service	\$ (387,828.00) \$ (387,	\$ (387,828.00)	\$ (387,828.00)	\$ (387,828.00)	\$ (387,828.00)	\$ (387,828.00)	\$ (387,828.00)	\$ (387.828.00)	\$ (387.828.00)	\$ (387.828.0
CIP budget	\$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10.000.00)	\$ (10,000,00)	\$ (10,000,00)	\$ (10,000.0
Cash Flow	\$8,108.768	\$8,108.768 \$18,011.371 \$28,154.165 \$38,542.932	\$28,154.165	\$38,542.932	\$49,183.596	\$49,183.596 \$60,082.217	\$71,557.739	\$83,053.207	\$71,557.739 \$83,053.207 \$94,828.885 \$106,891,566	\$106,891.5

tory 2018



C2-Lot B2

Lot B2 is on the Nichols Basin side of lot one and cannot be sold per Port policy. A commercial business may be located here that will draw traffic to this portion of the basin.

<u>Infrastructure needs:</u> <u>Infrastructure will need to be brought to the site and 1st will need to be moved. The lot is large, but the buildable allowance is quite small. The design and construction will likely be high end to reflect the location value.</u>

Opportunity: It may be a highly marketable deal for land lease or build to suit and will be an anchor location for the waterfront recreation and pedestrian interfaces.

Site size	Zoning	Shovel ready date	Max build size
66,900	C2	20-?	9,925



			Land Lease VS	Sale			
Market intrest	Proposed use	Land sale price PSF	Total land sale	Land Lease price/sf	(Salas)	al land lease payment	yr total lease ne (2% increase)
?	Office/Retail	Port policy-no wa	ater adjacent sales	.70/sf yr	\$	5,600.00	\$ 136,065.00

		Developmen	t Pro	o-Form	a				
Total o	construction cost	 al investment 20% down)	Lea	se rate		NOI	20 y	ear ave cash flow	20 Year IRR
\$	3,512,827.50	\$ 702,565.50	\$	1.85	\$	201,446.12	\$	31,133.60	10%

Net Operating Income	Operating expenses	Reserves	Non-reimbursible salary expense	All reimbursibles passed through, assuming NNN lease	Potential Gross income	Vacancy/Credit loss	9,925 \$ 1.85	Income Analysis st rate/sf/mo
		2%	6%	ase		3%	12	0
\$196,626.95	-\$17,098.00	-\$4,274.50	-\$12,823.50		\$213,724.95	-\$6,610.05	\$220,335.00	

Permanent financing loan at 4.25%, 20 year fixed

80/20 \$2,810,262.00

Ratio

Financed

Port investment | Annual payment | 20 year ROI

702,565.50 \$

208,824.00

10%

Total Development cost \$ 117.09 \$ 3,512,827.50

⊩	+	-	R ?	8	+	5	R	3	
05.020,0514	\$10.8636.0E	-\$17,098,00	-\$4 274 50	-\$12 823 50		\$313 734 95	-\$6 610 05	\$220 225 00	
Contingency	soft and hard total	Soft costs	Hard costs total	parking	Site prep	landscaping	Office/retail		Development Costs
5% hard+s		30% hard \$ 25.74		30 stalls \$ 3,000.00	10%		200		sts
\$ 5.		\$ 25.		\$ 3,000.	\$ 6.62	\$ 10.00	\$ 200.00	per sf cost	
58 \$	S	74 \$	45	00 \$	62 \$	8	8	st	
5% hard+s \$ 5.58 \$ 167,277.50	3,345,550.00	772,050.00	2,573,500.00	90,000.00	198,500.00	300,000.00	1,985,000.00		

				Cash I	Cash Flow Model					
Operating Income	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Potential Gross Rent	\$225,843.375	\$231,489.46	\$237,276.70	\$243,208.61	\$249,288.83	\$255,5	\$261,909.08	\$268.4	\$275.168.22	\$282 047 43
Vacancy/credit loss	-56,808.35	-57,012.60	-57,222.98	-57,439.67	-57,662.86	-\$7,892.75	-58,129,53		-58.624.62	-58 883 35
Effective Gross income	\$219,035.024	\$219,035.024 \$ 224,476.86 \$ 230,053.72 \$ 235,768.94 \$ 241,625.97 \$ 247,628.30	\$ 230,053.72	\$ 235,768.94	\$ 241,625.97	\$ 247,628.30		\$253.779.55 \$260.083.39 \$266.543.61	\$266.543.61	\$273 164 07
assumes NNN lease										41.0/20.00
Salary expenses	-\$13,208.20	\$ (13,604.45)	\$ (14,012.58)	\$ (14,432.96)	\$ (14,865.95)	\$ (15,311.93)	\$ (15,771.28)	\$ (16,244.42)	-\$13,208.20 \$ (13,604.45) \$ (14,012.58) \$ (14,432.96) \$ (14,865.95) \$ (15,311.93) \$ (15,771.28) \$ (16,244.42) \$ (16,731.76) \$ (17,233.71)	\$ (17.233.71)
Reserves	-54,380.70	-54,489.54	-54,601.07	-54,715.38	-54,832.52	-54,952.57	-55.075.59	-\$5,201.67	-55.330.87	-55 463 28
Operating Expenses	-\$17,588.90	-\$18,116.57	-\$18,660.07	-\$18,660.07 -\$19,219.87	-\$19,796.46		\$ (20.846.87)	\$ (21,446.09)	-\$20,390,36 \$ (20.846,87) \$ (21.446,09) \$ (22.062,63) \$ (22.696,99)	\$ (22,696,99)
NOI	\$201,446.121	\$206,360.288	\$211,393.649	\$216,549.075	\$221,829.504	\$227,237.945	\$232,932.673	\$238,637.299	\$201,446.121 \$206,360.288 \$211,393.649 \$216,549.075 \$221,829.504 \$227,237.945 \$232,932.673 \$238,637.299 \$244,480.979 \$250,467.084	\$250,467.084
Less Debt Service	\$ (208,824.00)	\$ (208,824.00)	\$ (208,824.00)	\$ (208,824.00)	\$ (208,824.00)	\$ (208,824.00)	\$ (208,824.00)	\$ (208,824.00)	(208,824.00) \$ (208,824.00) \$ (208,824.00) \$ (208,824.00) \$ (208,824.00) \$ (208,824.00) \$ (208,824.00) \$ (208,824.00) \$ (208,824.00) \$ (208,824.00)	\$ (208,824.00)
CIP budget	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (25,000.00)	\$ (10,000.00)	\$ (10,000.00)	(10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (25,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$	\$ (10,000,00)
Cash Flow	-\$17,377.879	-\$17,377.879 -\$12,463.712 -\$7,430.351 -\$2,274.925	-\$7,430.351	-\$2,274.925	\$3,005.504	\$3,005.504 -\$6,586.055 \$14,108.673 \$19,813.299 \$25,656.979	\$14,108.673	\$19,813.299	\$25,656.979	\$31,643.084
										THE RESERVE THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED I

2018

Appendix A: F



LI2-Lot D2

Lot D2 is on a highly desirable corner. Developing the site to something comparable to the new development on 2nd street would create synergy and connection between the two developments. This corner is located excellently for a business who wants high visibility and seasonal traffic. Although LI, this site will likely built-out maximizing high end flexible use space

<u>Infrastructure needs:</u> The utilities are very close and may be able to brought to the site now. Access will be off Portway. Per Port policy, this parcel could be sold, leased or developed.

Opportunity: There has been steady interest in the site over the past number of years.

Site size	Zoning	Shovel ready date	Max build size
27,700	IL	20-?	20,100



				La	nd Lease VS	Sale			
Market intrest	Proposed use	Land	sale price PSF	То	tal land sale	Land Lease price/sf	1000	ual land lease payment	 yr total lease ne (2% increase)
med-high	Flex office	\$	15.00	\$	415,500.00	.70/sf yr	\$	19,600.00	\$ 476,228.00

V I			Development	Pro-	-Forma	3				
Total c	construction cost	100000	ial investment (20% down)	Leas	se rate		NOI	1000	year ave ash flow	20 Year IRR
\$	6,225,628.50	\$	1,245,125.70	\$	1.75	\$	385,914.21	\$	97,710.90	12%

cancy/Credit los 3% - me \$ rough, assuming NNN lease ary expense 6% - serves 2%	3%		2%			Potential Gross i	20,100 Vacance Nacome dthrough, salary e Reserve	o,100 \$ 1.75 scancy/Credit los me rough, assuming NNN lary expense sserves	12 5 3% Niease 6% 2%	\$422,10 -\$12,66 \$409,43 -\$24,56 -\$8,18
		All reimbursibles passed through, assuming NNN lease	NNN lease	NNN lease 6% -	ary expense 6% -	tential Gross i	ncome			\$409,437.0
eimbursibles passed through, assuming NNN lease	Potential Gross income \$409,437.00			6%	6%	reimbursibles passe	d through,	NN buimnsse	N lease	

Development Costs	sts	D	per sf cost		
Flex		S	190.00	S	3,819,000.00
landscaping		S	10.00	S	300,000.00
Site prep	10%	S	12.73	s	381,900.00
parking	20 stalls	S	20 stall: \$ 3,000.00	S	60,000.00
Hard costs total				S	4,560,900.00
Soft costs	30% har \$	S	45.61	S	45.61 \$ 1,368,270.00
Soft and hard total	total			S	5,929,170.00
Contingency	5% hard \$	S	9.88 \$	S	296,458.50
Total Development cost \$	ent cost	S	207.52	s	207.52 \$ 6,225,628.50

2

				20/20
t 20 year RC	Annual payment	Port investment Annual payment 20 year ROI	Financed	Ratio

				Cash F	Cash Flow Model					
Operating Income	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Potential Gross Rent	\$432,652.500	\$443,468.81	\$443,468.81 \$454,555.53 \$465,919.42	\$465,919.42	\$477 567 41	\$ 68P\$	\$501 744 76	\$514 797 96	\$5371	בככי חושה
Vacantinadition						Ī	Annual Colored	don town from		00,000,00
vacancy/credit loss	-513,042.89	-513,434.18	-\$13,837.20	-\$14,252.32	-\$14,679.89	-515,120.28	-\$15,573.89	-516,041.11	-516,522.34	-517,018.01
Effective Gross income	\$419,609.610	\$419,609.610 \$ 430,034.64 \$ 440,718.33 \$ 451,667.10 \$ 462,887.52 \$ 474,386.31	\$ 440,718.33	\$ 451,667.10	\$ 462,887.52	\$ 474,386,31	\$486.170.36	\$498 246 75		\$523 205 67
assumes NNN lease										- Constant
Salary expenses	-\$25,303.21	-\$25,303.21 \$ (26,062.30) \$ (26,844.17) \$ (27,649.50) \$ (28,478.98) \$ (29,333.35) \$	\$ (26,844.17)	\$ (27,649,50)	\$ (28.478.98)	\$ (29.333.35)	\$ (30.013.35)	\$ (21 119 75)	\$ (27 052 25)	(30.213.35) \$ (31.119.75) \$ (32.052.35) \$ (22.014.95)
Reserves	-58,392.19	-58,600.69	-58,814.37	-59,033.34	-59.257.75	-59.487.73	-59 723 41	10 10 10 10 10 10 10 10 10 10 10 10 10 1	\$10 212 45	-510 466 11
Operating Expenses	-\$33,695.40	-\$34,706.26	-\$35,747.45	-\$36,819.87	-\$37,924.47		\$ (39.936.76)	\$ (41.084.69)	\$ (40 065 80)	-\$39,062.20 \$ (39,936.76) \$ (41,084.69) \$ (42,765.80) \$ (43,481.06)
NOI	\$385,914.211	\$395,328.375	\$404,970.882	\$414,847.231	\$424,963.051	\$435,324.105	\$446,233.605	\$457,162,066	\$395,328.375 \$404,970.882 \$414,847.231 \$424,963.051 \$435,324.105 \$446,233.605 \$457,162.066 \$468,356.917 \$479,824.614	\$479.824.614
Less Debt Service	\$ (374,632.00) \$ (374,632.00) \$ (374,632.00) \$ (374,632.00) \$ (374,632.00) \$ (374,632.00) \$ (374,632.00) \$ (374,632.00) \$ (374,632.00) \$	\$ (374,632.00)	\$ (374,632.00)	\$ (374,632.00)	\$ (374,632.00)	\$ (374,632.00)	\$ (374,632.00)	\$ (374,632.00)	\$ (374,632.00)	\$ (374,632,00)
CIP budget	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (25,000.00)	\$ (10,000,00)	\$ (10.000.00)	(10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (25,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00)	\$ (10,000,00)
Cash Flow	\$1,282.211	\$10,696.375	\$20,338.882	\$30,215.231	\$10,696.375 \$20,338.882 \$30,215.231 \$40,331.051 \$35,692.105	\$35,692.105	\$61,601.605	\$61,601.605 \$72,530.066 \$83,724.917	\$83,724.917	\$95,192.614

entory 2018

Appendi



LI 1- Jensen South

Jensen South is a small section of ground just south of the Jensen building. There is currently an old structure here that is used as storage. Redeveloping This site into a marketplace with small producers and artisans may fit well in the neighborhood and provide a way to develop this underutilized area with a modest investment.

Infrastructure needs: Infrastructure is to the site but will need to be stubbed out. Parking is on site as well.

<u>Opportunity:</u> Building out the Jensen South property would provide excellent cash flow, a great return over time, diversity as high-end flex space and likely high employee numbers. There is known market interest in this site particularly as it is ready to develop with utilities and access to the site.

Site size	Zoning	Shovel ready date	Max build size
15,350	IL	2019	8,000



			Land	Lease VS Sale			
Maximum buildable sf	Market interest	Proposed use	Land sale price PSF	Total land sale	Land Lease price/sf	Annual land lease payment	20 yr total lease income (2% increase)
8,000	High	Flex office	\$ 15.00	\$ 230,250.00	.70/sf/yr	\$ 5,600.00	\$ 136,065.00

		Deve	lopm	ent Pro	-Forma				
Total	construction cost	 al investment 20% equity)	Lea	se rate	NOI yr 1	Ca	sh flow Y1	0 year ave nnual cash flow	20 Year IRR w sale assumption
\$	2,352,000.00	\$ 470,400.00	\$	1.75	\$153,597.70	\$	3,773.70	\$ 39,337.35	12%

Net Operating Income	Operating expenses	Reserves	Non-reimbursible salary expense	All reimbursibles passed through, assuming NNN lease	Potential Gross income	Vacar		Income Analysis
		ves	expense	assuming NNN lease		Vacancy/Credit loss	8,000	sf
							8,000 \$1.75	rate/sf
		2%	6%			3%	12	
\$149,923.20	-\$13,036.80	-\$3,259.20	-\$9,777.60		\$162,960.00	-\$5,040.00	\$168,000.00	

hard total	\$149,923.20			ome	Income
Soft costs 30% hard cost	-\$13,036.80			25	penses
costs total	-\$3,259.20	2%		Reserves	
parking	-\$9,777.60	6%		sible salary expense	sible
Site prep				assed through, assuming NNN lease	assed t
landscaping	\$162,960.00			ss income	ss inc
office 125-175	-\$5,040.00	3%		Vacancy/Credit loss	
Flex	\$168,000.00	12	\$1.75	8,000 \$1.75	
Development Costs		14	rate/sf	sf	YSIS

Development costs	IEII COSIS			A CHILLIANS SHOW		
Flex office	125-175		S	190.00	S	1,520,000.00
landscaping	96		S	10.00	s	80,000.00
Site prep		10%	S	10.00	S	152,000.00
parking		20	S	3,000.00	s	60,000.00
costs total					\$	1,812,000.00
Soft costs	Soft costs 30% hard cost		S	67.95	S	543,600.00
hard total					\$	\$ 2,355,600.00
Contingen		10% \$	S	6.04	S	181,200.00
otal Build	Fotal Building Development cost \$	nt cost	S	84.56	S	84.56 \$ 2,536,800.00

	Cash Flow	CIP pudget	CID Products	NO.	NO	Noodives	Deserves	Salary expenses	assumes NNN lease	Operating Expenses	vacalicycleditioss	Vocana Gross Rent	Operating Income	
	#												2019	
	\$3,773.696	\$ (10,000.00)	\$ (139,824.00) \$ (139,824.00) \$ (139,824.00) \$ (139,824.00) \$ (139,824.00) \$ (139,824.00) \$ (139,824.00) \$ (139,824.00) \$ (139,824.00) \$	\$153,597.696	-\$13,411.10	-53,340.18		-\$10,070.93		\$167,008.800	-55,191.20	\$172,200.000	2020	
	\$7,520.627	(10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$	\$ (139,824.00)	\$157,344.627	-\$13,813.44	-53,423.16		-\$10,070.93 \$ (10,373.06) \$ (10,684.25) \$ (11,004.77) \$ (11,324.97) \$ (11,674.97) \$		\$167,008.800 \$ 171,158.06 \$ 175,410.28 \$ 179,768.00 \$ 184,233.84 \$ 188,810.47	-55,346.94	\$176,505.00	2021	
	\$11,358.441	\$ (10,000.00)	\$ (139,824.00)	\$161,182.441	-\$14,227.84	-53,508.21		\$ (10.684.25)		\$ 175,410.28	-55,507.34	\$176,505.00 \$180,917.63 \$185,440.57	2022	
	\$15,289.326	\$ (10,000.00)	\$ (139,824.00)	\$165,113.326	-\$14,654.68	-53,595.36	Transmitted to	\$ (11.004.77)		\$ 179,768.00	-55,672.56	\$185,440.57	2023	Cash Flo
	\$7,520.627 \$11,358.441 \$15,289.326 \$19,315.523 \$23,439.326	\$ (10,000.00)	\$ (139,824.00)	\$169,139.523	-\$15,094.32	-53,684.68	(action tract	\$ (11 334 97)		\$ 184,233.84	-55,842.74	\$190,076.58 \$194,828.49	2024	Cash Flow Model
	\$23,439.326	\$ (10,000.00)	\$ (139,824.00)	\$173,263.326	-\$15,547.15	-53,776.21	A (44,000,00)	\$ (11 674 97)		\$ 188,810.47	-56,018.02	\$194,828.49	2025	
	\$27,781.415	\$ (10,000.00)	\$ (139,824.00)	\$177,605.415	\$ (15,895.23)	-53,870.01	(T7.C7.CT)	\$ (12 025 21)		\$193,500.64	-56,198.56	\$199,699.21	2026	
	\$17,131.051	\$ (25,000.00)	\$ (139,824.00)	\$181,955.051	\$ (16,352.11)	-53,966.14	(15.coc,21) ¢	¢ (12 205 07)			-56,384.52	\$204,691.69	2027	
	\$27,781.415 \$17,131.051 \$36,586.713	\$ (10,000.00)	\$ (139,824.00)	\$186,410.713	\$ (16,822.21)	-54,064.66	(CC./C/,21) ¢	6 (10 757 55)		\$198,307.17 \$203,232.92	-56,576.06	\$209,808.98	2028	
The state of the s	\$41,150.971	(10,000.00) \$ (25,000.00) \$ (10,000.00) \$ (10,000.00)	\$ (139,824.00)	\$153,597,695 \$157,344.627 \$161,182.441 \$165,113.326 \$169,139.523 \$173,263.326 \$177,605.415 \$181,955.051 \$186,410.713 \$190,974.971	-\$15,094.32 -\$15,547.15 \$ (15,895.23) \$ (16,352.11) \$ (16,822.21) \$ (17,305.89)	-\$4,165.62	(87.0hT'sT) & (15.00c'7T) & (17.070'7T)	6 (10 10 00)		\$208,280.86	-56,773.34	\$215,054.20	2029	

Append

entory 2018

Permanent financing loan at 4.25%, 20 year fixed

Ratio 80/20 \$

Financed

Port investment Annual payment 20 year IRR

1,881,600.00 \$

470,400.00

139,824.00

12%



M1-JWBP

This site is 3 acres in the John Webber Business Park. It is currently vacant land. The parcel itself is oddly configured with an existing wetland on the corner and 2 separate developable areas, one east and one west of the central jog. The Port is currently undertaking a wetland mitigation permit for the eastern section of the parcel as it is wet in the spring and difficult to access. The western most 20,000 sf could be developed into one small industrial building.

<u>Infrastructure needs:</u> Utilities will need to be brought across the creek with the bridge and are stubbed out at the end of the existing access drive. There is a road to the creek with no access over to the developable parcel.

Opportunity: Developing this parcel would provide little cash flow and will be a small building.

Site size	Zoning	Shovel ready date	Max build size
28314	M2	20-?	10,000



			Land Lease VS	Sale		
Market intrest	Proposed use	Land sale price PSF	Total land sale	Land Lease price/sf	Annual land lease payment	20 yr total lease income (2% increase)
High	Flex warehouse	\$ 4.00	\$ 113,256.00	0.20/sf/yr	\$ 5,662.80	\$ 137,571.00

			Dev	elopm	en	t Pro-Fori	ma						
Total	construction cost	investment % down)	Leas	e rate		NOI	c	ash flow Y1	tot	al 20 yr cash flow	- 129	year ave ash flow	20 Year IRR
\$	1,405,530.00	\$ 281,106.00	\$	0.70	\$	76,798.85	\$	(16,757.15)	\$	427,533.00	\$	4,024.68	8%

\$74,961.60			ne	Net Operating Income
-\$6,518.40				Operating expenses
-\$1,629.60	2%		Reserves	
-\$4,888.80	6%	ense	salary expense	Non-reimbursible
		NNN lease	rough, assuming	All reimbursibles passed through, assuming NNN lease
\$81,480.00			me	Potential Gross income
-\$2,520.00	3%	redit loss	Vacancy/Credit loss	
\$84,000.00	12	10,000 \$ 0.70	10,000	
		rate/sf/mo	sf	Income Analysis

Net Operating Income	Operating expenses	Reserves	Non-reimbursible salary expense	All reimbursibles passed through, assuming NNN lease	Potential Gross income	Vacancy/Credit loss	10,000	IIICOILIE AIIGIYSIS
			ense	g NNN lease		redit loss	10,000 \$ 0.70	ומוב/צו/וווט
		2%	6%			3%	12	
\$74,961.60	-\$6,518.40	-\$1,629.60	-\$4,888.80		\$81,480.00	-\$2,520.00	\$84,000.00	

Development Costs				
		per sf cost		
Traditional	100-150	\$ 90.00	s	900,000.00
landscaping		\$ 5.00	s	150,000.00
Site prep	10%	\$ 3.00	s	90,000.00
parking	8 stalls	\$3,000.00	s	24,000.00
Hard costs total			S	1,164,000.00
Soft costs	15% hard c	15% hard c \$ 5.82 \$	s	174,600.00
Soft and hard total			S	1,338,600.00
Contingency	5% hard+soft	Ŧ	S	66,930.00
Total development costs		\$ 46.85	s	46.85 \$ 1,405,530.00

				Cash F	Cash Flow Model					
Operating Income	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Potential Gross Rent	\$86,100.000	\$88,252.50	\$90,458.81	\$92,720.28	\$95,038.29	\$97,414.25	\$99,849.60		\$104,904,49	\$107.527.10
Vacancy/credit loss	-52,595.60	-\$2,673.47	-52,753.67	-52,836.28	-52,921.37	10.600′25-	-53,099.28		-53,288.03	-53.386.67
Operating Expenses	\$83,504.400 \$	85,579.03	\$ 87,705.14	\$ 89,884.00	\$83,504.400 \$ 85,579.03 \$ 87,705.14 \$ 89,884.00 \$ 92,116.92 \$ 94,405.24	\$ 94,405.24	\$96,750.32	\$99,153,58	\$99,153,58 \$101,616,46	\$104 140 43
assumes NNN lease										400 //200
Salary expenses	-\$5,035.46 \$		(5,186.53) \$ (5,342.12) \$ (5,502.39) \$	\$ (5,502.39)		(5,667.46) \$ (5,837.48) \$		\$ (6,192.99)	(6,012.61) \$ (6,192.99) \$ (6,378.78) \$	\$ (6.570.14)
Reserves	-\$1,670.09	-\$1,711.58	-\$1,754.10	-51,797.68	-51,842.34	-51,888.10		-51,983.07	-52,032.33	-52,082.81
	-\$6,705.55	-\$6,906.72	-\$7,113.92	-\$7,327.34	-\$7,547.16	-\$7,773.57 \$		\$ (8,176.06)	(7,947.61) \$ (8,176.06) \$ (8,411.10) \$ (8,652.95)	(8.652.9
NOI	\$76,798.848	\$78,672.313	\$76,798.848 \$78,672.313 \$80,591.220 \$82,556.663	\$82,556.663	\$84,569.761	\$84,569.761 \$86,631.663	X5 I	\$90,977.526	\$88,802.707 \$90,977.526 \$93,205.357	\$95,487,485
Less Debt Service	\$ (66,204.00) \$	(66,204.00)	\$ (66,204.00)	\$ (66,204.00)	(66,204.00) \$ (66,204.00) \$ (66,204.00) \$ (66,204.00) \$ (66,204.00) \$	\$ (66,204.00)	\$ (66,204.00)	\$ (66,204.00)	(66,204.00) \$ (66,204.00) \$ (66,204.00) \$ (66,204.00)	(66.204.0
CIP budget	\$ (10,000.00) \$	(10,000.00)	\$ (10,000.00)	\$ (10,000.00)	(10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	(10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00)	(10.000.0
Cash Flow	\$594.848	\$2,468.313	\$2,468.313 \$4,387.220 \$6,352.663	\$6,352.663	\$8,365.761	\$8,365.761 \$10,427.663	\$12,598.707	\$14,773:526	\$12,598.707 \$14,773.526 \$17,001.357 \$19,283.485	\$19,283.48

Appendix A: Port of

2

Ratio

80/20 \$1,124,424.00 \$ 281,106.00 \$

Permanent financing loan at 4.25%, 20 year fixed

Financed Port investmen Annual payment 20 year ROI

83,556.00



M3 Lower Mill 902

This site is the largest site in the Lower Mill development. It is currently going through a wetland permit process so that the entire site can be utilized. There is access off Hwy 35 and excellent visibility. The site is zoned for most industrial uses that occur in Hood River County and is an attractive parcel.

<u>Industrial needs:</u> Utilities are to the site. There is 20,000 cubic yards of dirt that is budgeted to be moved and rough graded in 2018 along with the wetland mitigation. A fairly large building could be placed on the site with significant yard space left over.

Opportunity: A number of businesses have expressed interest in a site this size. Interest in this property has been high.

Site size	Zoning	Shovel ready date	Max build size
212,137	M2	2019	70,000



		L	and	Lease VS Sale			
Market intrest	Proposed use	Proposed action		Total land sale	Land Lease price/sf	Annual land lease payment	20 yr total lease income (no increase)
High	Flex warehouse	Sell	\$	1,134,934.02	.25/sf/yr	\$ 53,034.30	\$ 1,060,686.00

			Developmen	t Pro	o-Form	na				
Total c	construction cost	In	itial investment (20% down)	Lea	se rate		NOI	20 y	ear ave cash flow	20 Year IRR
\$	2,910,075.00	\$	582,015.00	\$	0.65	\$	142,626.43	\$	(1,770.74)	9%

\$487,250.40			me	Net Operating Income
-\$42,369.60			S	Operating expenses
-\$10,592.40	2%	S	Reserves	
-\$31,777.20	6%	xpense	salary e	Non-reimbursible salary expense
	86	uming NNN lea	hrough, ass	All reimbursibles passed through, assuming NNN lease
\$529,620.00			ome	Potential Gross income
-\$16,380.00	3%	Vacancy/Credit lo 3%	Vacancy	
\$546,000.00	12	70,000 \$ 0.65	70,000	
		rate/sf/yr	Sf	Income analysis

\$487,250,40			me	t Operating Income
-\$42,369.60			S	erating expenses
-\$10,592.40	2%		Reserves	
-\$31,777.20	6%	pense	salary ex	on-reimbursible salary expense
	8	ming NNN lea	hrough, assu	reimbursibles passed through, assuming NNN lease
\$529,620.00			ome	tential Gross income
-\$16,380.00	3%	Vacancy/Credit lo 3%	Vacancy/	
\$546,000.00	12	70,000 \$ 0.65	70,000	
		rate/sf/yr	Sf	ncome analysis

Construction Cost			psf	total
		S	100.00	\$7,000,000.00
landscaping		S	5.00	\$ 150,000.00
Site prep	10%	S	23.33	\$ 700,000.00
parking	30 stalls \$	S	3,000.00	\$ 90,000.00
Hard costs total	tal			\$7,940,000.00
Soft costs	15% harı \$	S	39.70	39.70 \$1,191,000.00
Soft and hard total	otal			\$9,131,000.00
Contingency	5% hard: \$	S	15.22	15.22 \$ 456,550.00
Total Development cost	nt cost	S	319.59	319.59 \$9,587,550.00

				rasi	Cash Flow Model					
Operating Income	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Potential Gross Rent	\$559,650.000	\$573,641.25	\$587,982.28	\$602,681.84	\$617,748.88	\$633,1	\$649.022.42	\$649,022,42 \$665,247.98 \$681,879.18	\$681.879.18	\$698.926.16
Vacancy/credit loss	516 271 40	217 277 54	647 000 07	200	200000					
vacalicycleditioss	-515,871.40	-517,377.54	-517,898.87	-\$18,435.83	-\$18,988.91	-519,558.58	-520,145.33	-520,749.69	-521,372.18	-522,013.35
Operating Expenses	\$542,778.600	\$ 556,263.71	\$ 570,083.41	\$ 584,246.00	\$542,778.600 \$ 556,263.71 \$ 570,083.41 \$ 584,246.00 \$ 598,759.97 \$ 613,634.03	\$ 613,634.03	\$628,877.09	\$644,498.29 \$660,507.00	\$660,507.00	\$676.912.81
assumes NNN lease					*					
Salary expenses	-\$32,730.52	\$ (33,712.43)	\$ (34,723.80)	\$ (35,765.52)	-\$32,730.52 \$ (33,712.43) \$ (34,723.80) \$ (35,765.52) \$ (36,838.48) \$ (37,943.64) \$	\$ (37,943.64)		\$ (40.254.41)	(39,081.95) \$ (40.254.41) \$ (41.462.04) \$ (42.705.90)	\$ (42,705.9
Reserves	-\$10,855.57	-\$11,125.27	-511,401.67	-511,684.92	-511,975.20	-512,272.68		-\$12,889.97	-513,210.14	-513,538.26
	-\$43,586.09	-\$44,893.67	-\$46,240.48	-\$47,627.70	-\$49,056.53	-\$49,056.53 -\$50,528.22 \$		\$ (53.144.37)	(51,659.49) \$ (53,144.37) \$ (54,672.18) \$ (56,244.16)	\$ (56.244.1
NOI	\$499,192.512	\$511,370.037	\$523,842.932	\$536,618.309	\$499,192.512 \$511,370.037 \$523,842.932 \$536,618.309 \$549,703.449 \$563,105.808	\$563,105.808	20	\$591,353.916	\$577,217.598 \$591,353.916 \$605,834.818 \$620,668.655	\$620,668.6
Less Debt Service	\$ (576,939.00) \$ (576,939.00) \$ (576,939.00) \$ (576,939.00) \$ (576,939.00) \$	\$ (576,939.00)	\$ (576,939.00)	\$ (576,939.00)	\$ (576,939.00)	\$ (576,939.00)	\$ (576,939.00)	\$ (576,939.00)	(576,939.00) \$ (576,939.00) \$ (576,939.00)	\$ (576,939.0
CIP budget	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	(10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	(10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00)	\$ (10,000.0
Cash Flow	-\$87,746.488	-\$75,568.963	-\$63,096.068	-\$50,320.691	-\$87,746.488 -\$75,568.963 -\$63,096.068 -\$50,320.691 -\$37,235.551 -\$23,833.192	-\$23,833.192	-\$9,721.402	\$4,414.916	-\$9,721.402 \$4,414.916 \$18,895.818	\$33,729.655

ntory 2018

2

Permanent financing loan at 4.25%, 20 year fixed

Financed

7,670,040.00 \$1,917,510.00 \$ 576,939.00 9%

80/20 \$



M2 Lower Mill 1015

Lot 1015 is a small lot in the Lower mill industrial development. It spans across Neal Mill Creek Road with two small sections bordering the rail siding. There is potential to access rail shipping from these two areas. The site has access off Neal Mill Creek road. Due to its small buildable size a smaller building could be constructed here.

<u>Infrastructure needs:</u> All utilities are to the site. There is no additional work that needs to be completed for the site to be ready, barring the negotiations with Crystal Springs. This is a highly functional industrial site appropriate for most industrial uses.

Opportunity: interest has been high for these lots.

Site size	Zoning	Shovel ready date	Max build size
60984	M2	2018	20,000



			Land Lease VS	Sale		
Market intrest	Proposed use	Land sale price PSF	Total land sale	Land Lease price/sf	Annual land lease payment	20 yr total lease income (2% increase)
High	Flex warehouse	\$ 5.00	\$ 304,920.00	.25/sf/yr	\$ 15,246.00	\$ 370,437.00

		Development	Pro	Form	a			
Total	construction cost	ial investment (20% down)	Leas	se rate		NOI	0 year ave cash flow	20 Year IRR
\$	2,910,075.00	\$ 582,015.00	\$	0.65	\$	142,626.43	\$ (1,770.74)	7%

\$139,214.40			е	Net Operating Income
-\$12,105.60				Operating expenses
-\$3,026.40	2%	S	Reserves	
-\$9,079.20	6%	xpense	salary expense	Non-reimbursible
		ing NNN lease	ngh, assum	All reimbursibles passed through, assuming NNN lease
\$151,320.00			ne	Potential Gross income
-\$4,680.00	3%	Vacancy/Credit loss 3%	Vacancy	
\$156,000.00	12	20,000 \$ 0.65	20,000	
		rate/sf/mo	Sf	Income Analysis

let Operating Income	perating expenses		lon-reimbursible	ll reimbursibles passed through, assuming NNN lease	otential Gross income			Income Analysis
ome	es	Reserves	salary expense	through, assur	come	Vacanc	20,000	Sf
		S	xpense	ming NNN lease		Vacancy/Credit loss 3%	20,000 \$ 0.65	rate/sf/mo
		2%	6%			3%	12	
\$139,214.40	-\$12,105.60	-\$3,026.40	-\$9,079.20		\$151,320.00	-\$4,680.00	\$156,000.00	

Construction costs					
		pe	per sf cost		
traditional Industrial	100-150 \$ 100.00	S	100.00	s	2,000,000.00
landscaping		S	5.00	s	150,000.00
Site prep	10% \$	S	6.67	S	200,000.00
parking	20 stalls \$3,000.00	\$3	,000.00	s	60,000.00
Hard costs total				s	2,410,000.00
Soft costs	15% harc \$ 12.05 \$	S	12.05	S	361,500.00
Soft and hard total				S	2,771,500.00
Contingency	5% hard+ \$	S	4.62 \$	S	138,575.00
Total Building Development cost \$ 97.00 \$ 2,910,075.00	ent cost	S	97.00	s	2,910,075.00

				-						
Operating Income	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Potential Gross Rent	\$159,900.000	\$163,897.50	\$167,994.94	\$172,194.81	\$176,499.68	\$180.912.17	\$185,434,98	\$185,434.98 \$190,070.85 \$194,877,67	\$194 822 62	\$199 6
Vacancy/credit loss	-54,820.40	-\$4,965.01	-55,113.96	-55,267.38			-55 755 81	25 928 48	56 106 24	
Operating Expenses	\$155,079.600	\$ 158,932.49	\$ 162,880.98	\$ 166.927.43	\$155,079.600 \$ 158,932.49 \$ 162,880.98 \$ 166,927.43 \$ 171,074.28 \$ 175,324.01	\$ 175 324 01	\$179 679 17	\$179 679 17 \$184 147 37 \$188 716 28	\$100 716 70	¢100 A00 66
assumes NNN lease							400000000000000000000000000000000000000	Contract of the Contract of th	02001,10020	0.000,000
Salary expenses	-\$9,351.58 \$		\$ (9,921.09)	\$ (10,218.72)	(9,632.12) \$ (9,921.09) \$ (10,218.72) \$ (10,525.28) \$ (10,841.04) \$ (11,166.27) \$ (11.501.26) \$ (11.846.30) \$ (12.201.69)	\$ (10,841.04)	\$ (11,166.27)	\$ (11.501.26)	\$ (11.846.30)	\$ 112 201 60
Reserves	-53,101.59	-53,178.65	-53,257.62	-53,338.55	-53,421.49	-53,506.48	-53,593.58	-53,682.85	-53.774.33	-53.868.07
	-\$12,453.17	-\$12,826.76	-\$13,211.57	-\$13,607.91	-\$14,016.15	-\$14,436.63 \$		(14,759.85) \$ (15,184.11) \$ (15,620.62) \$ (16,069.76)	\$ (15,620.62)	\$ (16,069.76
NOI	\$142,626.432	\$146,105.725	\$149,669.409	\$153,319.517	\$142,626.432 \$146,105.725 \$149,669.409 \$153,319.517 \$157,058.128 \$160,887.374 \$164,919.314 \$168,958.262 \$173,095.662 \$177,333.901	\$160,887.374	\$164,919.314	\$168,958.262	\$173,095.662	\$177,333.90
Less Debt Service	\$ (172,992.00)	\$ (172,992.00)	\$ (172,992.00)	\$ (172,992.00)	(172,992.00) \$ $(172,992.00)$ \$ $(172,992.00)$ \$ $(172,992.00)$ \$ $(172,992.00)$ \$ $(172,992.00)$ \$ $(172,992.00)$ \$ $(172,992.00)$ \$ $(172,992.00)$ \$ $(172,992.00)$ \$	\$ (172,992.00)	\$ (172,992.00)	\$ (172,992.00)	\$ (172,992.00)	\$ (172,992.00
CIP budget	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	(10,000.00) \$ (10	\$ (10,000.00)	\$ (10,000.00)	\$ (10.000.00)	\$ (50.000.00)	\$ (10,000.00
Cash Flow	-\$40,365.568	-\$36,886.275	-\$40,365.568 -\$36,886.275 -\$33,322.591 -\$29,672.483 -\$25,933.872 -\$22,104.626	-\$29,672.483	-\$25,933.872	-\$22,104.626	-\$18,072.686	-\$18,072.686 -\$14,033.738 -\$49,896.338	-\$49,896.338	-\$5,658.099

ory 2018

Appendix A:

Permanent financing loan at 4.25%, 20 year fixed

Ratio 80/20 \$

Financed

Port investment | Annual payment | 20 year ROI

2,328,060.00 \$

582,015.00 \$

172,992.00

7%



C4 Marina Park

Marina park currently hosts both the Chamber and DMV buildings, the Marina green and access to the South Basin dock. This is a commercially zoned piece of a large waterfront parcel that is currently underutilized for commercial development.

<u>Infrastructure needs:</u> All utilities are to the site. It is uncertain where the new bridge will land and the site may be impacted by that final location. Access to I-84 and the bridge make this location excellent for public bodies and services.

<u>Opportunity:</u> Interest continues to be high for waterfront commercial space. It's high visibility and potentially an excellent project in the future.

Site size	Zoning	Shovel ready date	Max build size
106722	C2	20-?	40,000



· ·			Land Lease VS	Sale			
Market intrest	Proposed use	Land sale price PSF	Total land sale	Land Lease price/sf	 ial land lease payment	70.00	yr total lease ne (2% increase)
?	Office/retail	Port policy-no wa	ter adjacent sales	.60/sf/yr	\$ 61,462.20	\$	1,493,365.00

			Development	t Pro	-Form	na				
Total	construction cost	1000	tial investment (20% down)	Leas	se rate		NOI	20 y	year ave cash flow	20 Year IRR
\$	12,585,300.00	\$	2,517,060.00	\$	1.70	\$	811,873.54	\$	183,774.58	12%

\$792,451.20	-		come	Net Operating Income
-\$68,908.80			ses	Operating expenses
2% -\$17,227.20	2%		Reserves	
6% -\$51,681.60	6%	т	salary expense	Non-reimbursib salary expense
		ng NNN lease	d through, assumin	All reimbursibles passed through, assuming NNN lease
\$861,360.00			ncome	Potential Gross income
3% -\$26,640.00	3%	it loss	Vacancy/Credit loss	
12 \$888,000.00	12	\$ 1.85	40,000 \$	
		rate/sf/mo	sf	Income analysis

Permanent financing loan at 4.25%, 20 year fixed

Ratio

Financed 10,068,240.00

Port investment Annual payment 20 year ROI

\$ 2,517,060.00 \$

757,331.00

12%

Construction Costs		per sf cost		
	S	200.00	S	\$ 8,000,000.00
landscaping	S	10.00	S	300,000.00
Site pre 10%	S	26.67	S	800,000.00
parking 40 stalls	\$	3,000.00	s	120,000.00
Hard costs total			\$	9,220,000.00
Soft cos 30% hard cost \$	\$	92.20 \$ 2,766,000.00	s	2,766
Soft and hard total			S	\$ 11,986,000.00
Conting 5% hard+soft	S	19.98 \$ 599,300.00	\$	599
otal Development cos \$	S	419.51 \$ 12,585,300.00	S	12,585

				Cash	Cash Flow Model				
Operating Income	2021	2022	2023	2024	2025	2026	2027	2028	
Potential Gross Rent	\$910,200.000	\$932,955.00	\$956,278.88		\$980,185.85 \$1,004,690.49 \$1,029,807.76 \$1,055,552.95 \$1,081,941.77	\$1,029,807.76	\$1,055,552.95	\$1,081,941.77	- 1
Vacancy/credit loss	-527,439.20	-528,262.38	-529,110.25		-530,883.06	-531,809.55	-532,763.84	-533,746.75	
Effective Gross Income	\$882,760.800	\$ 904,692.62	\$ 927,168.63	\$882,760.800 \$ 904,692.62 \$ 927,168.63 \$ 950,202.29 \$ 973,807.43 \$ 997,998.20 \$1,022,789.11	\$ 973,807.43	\$ 997,998.20	\$1,022,789.11	\$1,048,195.02	
assumes NNN lease									- 1
Salary expenses	-\$53,232.05	\$ (54,829.01)	\$ (56,473.88)	-\$53,232.05 \$ (54,829.01) \$ (56,473.88) \$ (58,168.10) \$ (59,913.14) \$ (61,710.53) \$	\$ (59,913.14)	\$ (61,710.53)	\$ (63,561.85)	(63,561.85) \$ (65,468.70)	200
Reserves	-\$17,655.22	-518,093.85	-\$18,543.37	-519,004.05	-\$19,476.15	-519,959.96	-520,455.78	-\$20,963.90	
Operating Expenses	-\$70,887.26	-\$73,013.88	-\$75,204.30	-\$77,460.43	-\$79,784.24	-\$82,177.77	-\$82,177.77 \$ (84,017.63) \$ (86,432.60)	\$ (86,432.60)	44
NOI	\$811,873.536	\$831,678.742	\$851,964.329	\$831,678.742 \$851,964.329 \$872,741.865 \$894,023.192 \$915,820.435 \$938,771.478 \$961,762.413	\$894,023.192	\$915,820.435	\$938,771.478	\$961,762.413	
Service	\$ (757,331.00)	\$ (757,331.00)	\$ (757,331.00)	\$ (757,331.00) \$ (757,331.00) \$ (757,331.00) \$ (757,331.00) \$ (757,331.00) \$ (757,331.00) \$ (757,331.00)	\$ (757,331.00)	\$ (757,331.00)	\$ (757,331.00)	\$ (757,331.00)	10
*	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	(10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	4.4
Cash Flow	\$44,542.536	\$64,347.742	\$84,633.329	\$44,542.536 \$64,347.742 \$84,633.329 \$105,410.865 \$126,692.192 \$148,489.435 \$171,440.478 \$194,431.413	\$126,692.192	\$148,489.435	\$171,440,478	\$194,431,413	

\$1,108,990.32 -\$34,759.16 \$1,074,231.16

\$1,100,913.14

-535,801.93

2029

2030

\$1,136,715.08

entory 2018

Appendix

\$ (757,331.00) \$ (757,331.00)

(50,000.00) \$ \$177,982.771

(10,000.00)

\$985,313.771 \$1,009,439.131

(88,917.39) \$ (91,474.01)

(67,432.77) \$ (69,455.75)

-522,018.26



LI4 Maritime East

The Maritime East has great views, proximity to the park amenities and truck access. It's a visible site which currently hosts a functional industrial building. That building has reached the end of its life and will be demolished in the next 5 years. Planning for redevelopment is challenging with a site that is industrially zoned with no cross street synergy. Staff is currently working with Livermore architects on conceptual design options This cut sheet analyzes a more flex warehouse use.

<u>Infrastructure needs</u>: Infrastructure is to the site. It will need to be stubbed out to individual buildings. A main stormwater line runs through the western half and will have to be navigated.

Opportunities: There is high interest in this site.

Site size	Zoning	Shovel ready date	Max build size
2 acres	LI	2019	30,000



			Land Lease VS	Sale		
Market intrest	Proposed use	Land sale price PSF	Total land sale	Land Lease price/sf	al land lease payment	yr total lease ne (2% increase)
High	Flex warehouse	Port policy-no wa	ater adjacent sales	.50/sf/yr	\$ 43,560.00	\$ 1,058,399.00

			Developmen	t Pro	-Form	na				
Total c	construction cost	Ini	tial investment (20% down)	Lea	se rate		NOI	20 y	rear ave cash flow	20 Year IRR
\$	8,640,450.00	\$	1,728,090.00	\$	1.25	\$	411,422.40	\$	(15,192.37)	7%

\$401,580.00			ome	Net Operating Income
-\$34,920.00			ses	Operating expenses
-\$8,730.00	2%		Reserves	
-\$26,190.00	6%		salary exp	Non-reimbursibl salary expense
	ease	Suming NNN I	through, as	All reimbursibles passed through, assuming NNN lease
\$436,500.00			come	Potential Gross income
-\$13,500.00	3%	Vacancy/Credit los 3%	Vacancy/	
\$450,000.00	12	30,000 \$ 1.25	30,000	
		rate/sf/mo	Sf 18	Income Analysis

\$401,580.00			ome	Net Operating Income
-\$34,920.00			SS	Operating expenses
-\$8,730.00	2%		Reserves	70
-\$26,190.00	6%		alary expe	Non-reimbursibl salary expense
	ease	NNN gnim	through, assu	All reimbursibles passed through, assuming NNN lease
\$436,500.00			come	Potential Gross income
-\$13,500.00	3%	redit los	Vacancy/Credit los 3%	
\$450,000.00	12		30,000 \$ 1.25	
		rate/sf/mo	st rate	Income Analysis

Permanent financing loan at 4.25%, 20 year fixed

Financed

80/20 \$ Ratio

6,912,360.00 \$ 1,728,090.00 \$

Port investment Annual payment 20 year ROI

519,946.00

7%

Construction Costs	ts	pe	per sf cost		total
		S	180.00	S	5,400,000.00
landscaping		S	10.00	s	300,000.00
Site prep	10%	S	18.00	S	540,000.00
parking	30 stalls \$ 3,000.00	\$ 3	3,000.00	S	90,000.00
Hard costs total			7	s	6,330,000.00
Soft costs	30% hard	S	63.30	\$	30% harc \$ 63.30 \$ 1,899,000.00
Soft and hard total	total			S	8,229,000.00
Contingency	5% hard- \$	S	13.72	S	411,450.00
Total Development cost \$ 288.02 \$ 8,640,450.00	ent cost	S	288.02	s	8,640,450.00

				Cash F	Cash Flow Model	,				
Operating Income	2020	2021	2022	2023	2024	2025	2026	2027	2028	202
Potential Gross Rent	\$461,250.000	\$472,781.25	\$484,600.78	\$496,715.80	\$509,133.70	\$509,133.70 \$521,862.04 \$534,908.59 \$548,281.30 \$561,988.34	\$534,908.59	\$548,281.30	\$561,988,34	\$576.038.0
Vacancy/credit loss	-\$13,905.00	-514,322.15	-\$14,751.81	-515,194.37	-\$15,650.20	-\$16,119.71	-516,603.30	-\$17,101.40	-\$17,614.44	-518,142.8
Effective Gross income	\$447,345.000	\$447,345.000 \$ 458,459.10 \$ 469,848.97 \$ 481,521.43 \$ 493,483.50 \$ 505,742.33	\$ 469,848.97	\$ 481,521.43	\$ 493,483.50	\$ 505,742.33	\$518,305.29	\$531,179.91	\$531,179.91 \$544,373.90	\$557,895.1
assumes NNN lease										
Salary expenses	-\$26,975.70	-\$26,975.70 \$ (27,784.97) \$ (28,618.52) \$ (29,477.08) \$ (30,361.39) \$ (31,272.23) \$ (32,210.40) \$ (33,176.71) \$ (34,172.01) \$ (35,197.17)	\$ (28,618.52)	\$ (29,477.08)	\$ (30,361.39)	\$ (31,272.23)	\$ (32,210.40)	\$ (33,176.71)	\$ (34,172.01)	\$ (35,197,17
Reserves	-58,946.90	-59,169.18	-59,396.98	-59,630.43	-59,869.67	-\$10,114.85	-\$10,366.11	-510,623.60	-510,887.48	-511,157.9
Operating Expenses	-\$35,922.60	-\$37,000.28	-\$38,110.29	-\$39,253.59	-\$40,431.20		\$ (42,576.50)	\$ (43,800.31)	-\$41,644.14 \$ (42,576.50) \$ (43,800.31) \$ (45,059.49) \$ (46,355.07)	\$ (46,355.07
NOI	\$411,422.400	\$411,422.400 \$421,458.822 \$431,738.680 \$442,267.837 \$453,052.293 \$464,098.193 \$475,728.790 \$487,379.601 \$499,314.411	\$431,738.680	\$442,267.837	\$453,052.293	\$464,098.193	\$475,728.790	\$487,379.601	\$499,314.411	\$511,540.100
Less Debt Service	\$ (519,946.00) \$ (519,946.00) \$ (519,946.00) \$ (519,946.00) \$ (519,946.00) \$ (519,946.00) \$ (519,946.00) \$ (519,946.00) \$	\$ (519,946.00)	\$ (519,946.00)	\$ (519,946.00)	\$ (519,946.00)	\$ (519,946.00)	\$ (519,946.00)	\$ (519,946.00)	\$ (519,946.00)	\$ (519,946.00
CIP budget	\$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (25,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (25,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00
Cash Flow	-\$118,523.600	-\$118,523.600 -\$108,487.178 -\$98,207.320 -\$87,678.163 -\$76,893.707 -\$80,847.807 -\$54,217.210 -\$42,566.399 -\$30,631.589	-\$98,207.320	-\$87,678.163	-\$76,893.707	-\$80,847.807	-\$54,217.210	-\$42,566.399	-\$30,631.589	-\$18,405.90

ory 2018

Appendix A: 90 00 00 75 5 17 17 287 28 29



LI4 Maritime West

The Maritime West has great views, proximity to the park amenities and truck access. It's a visible site which currently hosts a functional industrial building. That building has reached the end of its life and will be demolished in the next 5 years. Planning for redevelopment is challenging with a site that is industrially zoned with no cross street synergy. Staff is currently working with Livermore architects on conceptual design options This cut sheet analyzes a flex production use.

<u>Infrastructure needs</u>: Infrastructure is to the site. It will need to be stubbed out to individual buildings. A main stormwater line runs through the western half and will have to be navigated.

Opportunities: There is high interest in this site.

Site size	Zoning	Shovel ready date	Max build size
2 acres	IL.	. 2019	40,000



		ng (Al)	Land Lease VS	Sale			
Market intrest	Proposed use	Land sale price PSF	Total land sale	Land Lease price/sf	A STATE OF THE PARTY OF THE PAR	ual land lease payment	yr total lease ne (2% increase)
High	Flex production	Port policy-no w	ater adjacent sales	.50/sf/yr	\$	43,560.00	\$ 1,058,399.00

			Development	Pro	-Forma	а			
Total	construction cost	Ini	tial investment (20% down)	Lea	se rate		NOI	0 year ave cash flow	20 Year IRR
\$	11,793,600.00	\$	2,358,720.00	\$	1.54	\$	675,829.86	\$ 165,969.96	11%

Income analysis	Sf	rate/sf/mo		
	40,000 \$	\$ 1.54	12	\$739,200.00
	Vacancy/Credit loss	edit loss	3%	-\$22,176.00
Potential Gross income	come			\$717,024.00
All reimbursibles passed through, assuming NNN lease	through, assum	ing NNN lease		
Non-reimbursible salary expense	salary expe	nse	6%	-\$43,021.44
	Reserves		2%	-\$14,340.48
Operating expenses	es			-\$57,361.92
Net Operating Income	ome		•	\$659,662.08

Permanent financing loan at 4.25%, 20 year fixed

Financed

80/20 \$ Ratio

9,434,880.00 \$ 2,358,720.00 \$

Port investment Annual payment 20 year ROI

676,740.00

11%

Income analysis	Sf	rate/sf/mo		
	40,000 \$	1.54	12	\$739,200.00
	Vacancy/Credit loss	edit loss	3%	-\$22,176.00
otential Gross income	come			\$717,024.00
ll reimbursibles passed through, assuming NNN lease	through, assum	ning NNN lease		
Non-reimbursible salary expense	salary expe	nse	6%	-\$43,021.44
	Reserves		2%	-\$14,340.48
perating expenses	es			-\$57,361.92
Vet Operating Income	ome		•	\$659,662.08

Construction Costs	on Costs	О	per sf cost		
		S	187.50	S	7,500,000.00
landscaping	Ø	S	10.00	S	300,000.00
Site prep	10%	S	25.00	S	750,000.00
parking	40 stalls	S	3,000.00	s	90,000.00
Hard	Hard costs total			S	8,640,000.00
Soft costs	Soft costs 30% hard cost	\$	86.40	s	86.40 \$ 2,592,000.00
Soft a	Soft and hard total			S	\$ 11,232,000.00
Contingen	Contingenc 5% hard+soft	\$	18.72	S	18.72 \$ 561,600.00
Total De	Total Development cost	S	393.12	s	393.12 \$ 11,793,600.00

					Cash Flow Model	w Model					
Operating Income	2018	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020
Potential Gross Rent	ıt	\$757,680.000	\$776,622.00	\$796,037.55	\$815,9	\$836,336.95	\$857.2	\$878.6	5900 6	\$923 159 51	\$946 738 50
Vacancy/credit loss	S	-522,841.28	-523,526.52	-524,232.31	-524,959.28	-525,708.06				-528 934 65	69 608 665
Effective Gross Income		\$734,838.720	\$ 753,095.48	\$ 771,805.24	\$734,838.720 \$ 753,095.48 \$ 771,805.24 \$ 790,979.21 \$ 810,628.89 \$ 830,766.07	\$ 810.628.89	\$ 830.766.07	\$851 402 83	\$851 407 83 \$877 551 53 \$894 774 86	5894 224 86	\$916 425 81
assumes NNN lease		5						The section of the se	- Contraction	- Contraction	0.00,000,00
Salary expenses		-\$44,312.08	\$ (45,641.45)	\$ (47,010.69)	\$ (48,421.01)	\$ (49,873.64)	-\$44,312.08 \$ (45,641.45) \$ (47,010.69) \$ (48,421.01) \$ (49,873.64) \$ (51,369.85) \$	\$ (52.910.94)	(52.910.94) \$ (54.498.27) \$ (56.133.22) \$ (57.817.22)	\$ (56.133.22)	\$ (57.817.22
Reserves		-514,696.77	-515,061.91	-515,436.10	-515,819.58	-\$16,212.58	-516.615.32	-517 028 06	-517.451.03	.517.451.03 .517.884.50	C18 278 77
Operating Expenses		-\$59,008.86	-\$60,779.12	-\$62,602.50		-\$66.414.99		\$ (69 939 00)	(69 939 00) \$ (71 949 30) \$ (74 017 72) \$ (76 145 92)	\$ (74 017 72)	\$ 176 145 92
NOI		\$675,829.862	\$692,316.358	\$709,202.739	\$726,498.633	\$744,213.900	(4)	\$781,463.825	\$800,602,225	\$820.207.139	\$840.289.87
Less Debt Service	40	\$ (676,740.00) \$ (676,	(676,740.00)	\$ (676,740.00)	\$ (676,740.00)	\$ (676,740.00)	\$ (676,740.00)	\$ (676.740.00)	\$ (676,740,00)	\$ (676.740.00)	\$ 1676 740 00
CIP budget	S	(10,000.00) \$	(10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	(10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$ (10,000.00) \$	\$ (10.000.00)	(10.000.00) \$ (10.000.00) \$ (50.000.00) \$ (10.000.00)	\$ (50,000,00)	\$ (10,000,00
Cash Flow		-\$10,910.138	\$5,576.358	\$22,462.739	\$39,758.633	\$57,473.900	\$5,576.358 \$22,462.739 \$39,758.633 \$57,473.900 \$75,618.632	\$94,723.825	\$113,862.225	\$94,723.825 \$113,862.225 \$93,467.139 \$153,549.871	\$153,549.87

2018

Development Analysis 2018- FDO Analysis Summary



APPENDIX A- Existing building summary

current capital expenditures as reflected in the 30-year model. The building portfolio, excluding the airport, consists of 8 multi-tenanted buildings, Staff created a 10-year cash flow analysis for each building which includes: current leases and terms, expirations, current expenses and income, with a total square footage of 186,885. The average building age is 38.4 years. The portfolio vacancy rate is currently 1%.

			Industrial		105		Commercial	rcial	
	Big 7	Wasco	Maritime	Jensen	Halyard	Timber Inc.	DMV	Chamber	Average/Total
Age	29	13	52	50	7	30	44	44	38.4 Avg Years Old
SF	41,671	15,309	38,400	53,582	19,846	10,000	2,320	5,757	186,885 Total SF
Blended Rate	\$0.58	\$0.87	\$0.55	\$0.67	\$0.93	\$0.82	\$1.86	\$1.27	\$0.94 Avg Rent (/SF/Mo)
NOI	\$132,778	\$48,718	\$109,440	\$193,135	\$114,338	\$23,229	(\$21,487)	\$9,117	\$609,267 Total NOI
OER	78%	75%	29%	25%	72%	74%	146%	%06	81% Avg OER
Projected Cash Flow (10 yr average)	\$112,250	\$48,907	\$112,870	(\$18,432)	\$107,253	\$10,018	(\$199)	\$7,066	\$388,733

outstripped our income and continue to rise. To keep up with operating expenses, we recommend a reevaluation of our lease structures. By Over the past three years, Staff has determined that our lease rates are mostly in line with the private market. However, our costs have

implementing a lease structure improvement strategy as leases expire, the Port can gain significant cash flows. For example,

increasing the number of reimbursable expenses will shift the expense burden away from the Port. A thorough lease improvement strategy will keep lease rates in line and recover more operating expenses to ultimately improve

	5013	7707	707
Income	\$1,915,699	\$1,756,319	\$1,653,940
Expenses	\$1,294,722	\$1,152,314	\$881,659
ION	\$620,977	\$604,005	\$772,280
Cash Flow	\$224,977	\$344,005	\$372,280

building performance and provide cash flows that are reasonable. The table below shows how performance (could?) improve over time.

	Current NOI	Cap rate	Sales price
Big 7	\$130,100.00	6	\$1,445,555.56
Wasco	\$ 47,982.00	8	\$ 599,775.00
Halyard	\$112,066.00	8	\$1,400,825.00

Additionally, staff performed a Discounted Cash Flow analysis on each building with a probable cap rate. This resulted in a potential sales price. The three buildings that the Board has looked at selling in the past are shown here. The idea was that if we sell a building, we could potentially capitalize another project. However, the buildings that would sell all contribute significant cash flow to the Port and, for that reason, are not recommended for a sale at this time.

Development Analysis 2018-Existing Buildings



Big 7

Big 7 is a flex building that houses mostly established businesses with varying space needs and some start-ups. It is a 4-story building with little parking, an awkward roll up door, varying column spacing and roof height. For these reasons, the tenant spaces are functionally challenging. However, due to the below average rents that we charge and

the building's great location, businesses tend to stay long term.

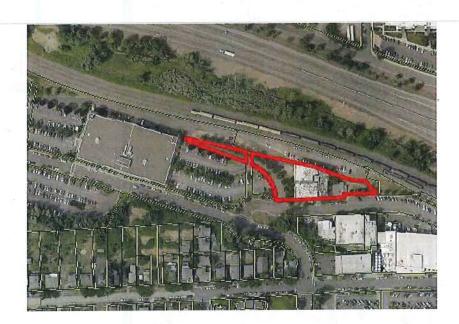


Performance: This building provides significant cash flow (\$112,000 10-year average) when fully occupied, even though the rental rates are slightly below market. There is currently a 1,300 sf vacancy.

Improvements needed: The largest upcoming capital intensive improvement needed is the roof. A non-structural replacement is needed and will be budgeted in the upcoming year for around \$300,000. Otherwise, the building also needs minor upgrading, i.e. carpet, bathrooms, keying, power refiguring and landscaping. It

could be redeveloped with significant investment into a more useable and resilient structure.

0.89 acres
70 years old Built in the 1940's
42,000 sf
LI
Concrete tilt up
Flex



(8)	<u>T</u>	enant List		
Name	SF	blended rate	Term	Renewals
Electronics Assemblers	20031	0.59	10/31/2019	10/31/2024
Gorge Net	4948	0.62	none	10/31/2023
BigY	4074	0.48	1/31/2018	1/31/2018
Real Carbon	3800	0.71	1/31/2019	1/31/2019
Soniq	2495	0.6	9/31/22	9/31/2023
Peterson	500	0.5	month to month	

Appendix A: P

Development Analysis 2018-Existing Buildings



Income Analysis

35848 \$

rate/sf/mo \$ 0.57

\$250,000.000

NOI & CASH FLOW

																			UOL CALL	Non-re	not curr	חסנ כעוד		not curr	Reimb	Effecti				
Cash flow	CIP budget	Less Debt Service	NOI	Operating Expenses	Re	Salary expenses	Professional services	Ins		Mainte		Effective Gross Income		Reimbursible Taxes	Reimbursible utilities	Vacancy/credit loss NA	Potential Gross Rent	Operating Incom	entry passed through	Non-reimbursible	not currently passed through	not currently passed through		not currently passed through	Reimbursible	Effective Gross income				
		m		ses	Reserves	sesned	ervices	Insurance	Taxes	Maintenance	Utilities	come		le Taxes	e utilities	edit loss	oss Rent	•	Plolessi	Salary Expense	Professi	Insurance	Taxes	Mainten	Utilities		TO THE PERSON NAMED IN	Boimb	Reimbu	Vacancy
-\$67,222.000	\$ (200,000.00) \$		\$132,778,000	\$197,451.00	NA	\$50,985.00	\$3,090.00	\$9,476.00	\$18,540.00	\$46,350.00	\$69,010.00	\$330,229.000 \$		\$20,497.00 \$	\$58,607.00 \$	NA	\$251 125 000	200	onal Services	pense	Professional Services	ň		Maintenance (fixed &misc)			Sention Saves	reable Tayor	Reimbursable-utilties	Vacancy/Credit loss
\$49			\$135	\$20	NA	S	S	S	S	\$ 4						NA AN	S			Ì		l		isc)				İ	3	AA
,505.715	5,000.00)		\$135 505 715	\$203,374.53		52,514.55	3,182.70	9,760.28	19,096.20	47,740.50	71,080.30	338,880.25		21,111.91	60,365.21	77.000.10	\$357 402 13	3												
\$49,505.715 \$113,283.871 \$116,113.196	\$ (25,000.00)		2	\$209.475.77	NA	\$ 54,089.99	\$ 3,278.18	\$ 10,053.09	\$ 19,669.09	\$ 49,172.72	\$ 73,212.71	\$347,759.64		\$ 21.745.27	\$ 62,176,17	2	0202		53,000	\$49,500.00	\$3,000.00	\$9,200.00	\$18,000.00	\$45,000.00	\$67,000.00	\$321,800.00	00.006,616	\$10,000.00	לבה פחו	
\$116,113.196	(86,000.00) \$ (25,000.00) \$ (25,000.00) \$	yarajaab.ab	^	\$215,760.04	NA	\$ 55,712.69	\$ 3,376.53	\$ 10,354.68	\$ 20,259.16	\$ 50,647.90	\$ 75,409.09	\$356,873.23		\$ 22.397.63	\$ 64.041.45	01.00,mom.10		Cash Fl				250 000 000		\$100,000.000		5150,000.000		\$200,000,000	3	020,000.000
\$118,994.421	\$ (25,000.00)	TTAMECHATA	\$1/12 000 021	\$222 222 84	NA	\$ 57,384.07	\$ 3,477.82	\$ 10,665.32	\$ 20,866.93	\$ 52,167.33	\$ 77,671.36	\$ 366,227.26			\$ 65.962.69	10.001,170	2022	Cash Flow Model			0.000	500		0.000		0.000		0.000		70.000
\$96,928.279	(25,000.00) \$ (50,000.00)	617'076'0hT¢ T74'4CE'cuT¢	\$106 020 270		NA	59,105.59	\$ 3,582.16	\$ 10,985.28	\$ 21,492.94	\$ 53,732.35	\$ 80,001.50	\$375,828.10	A moleculary of	\$ 23 761 64	\$ 67 941 58 NA															
\$165,962.590	-50000	6C.706'CT7¢	4	0	- 1	\$ 60,878.76 \$	Fully reimbursible	Fully reimbursible	Fully reimbursible	Fully reimbursible	Fully reimbursible	\$282,491.17	" 3	N S	NA	v											·		Big 7 NOI	
\$171,057.261	-50000	07.750,1776		\$ 69 496 19		\$ 62,705.12	ble	ble	ble	ble	ble	\$289,553.45			07.000,000	v									1911			6 , 6651 161	Big 7 Cash flow	
\$171,057.261 \$176,270.167 \$181,603.9	-50000	71.0/1/0116	4	0		\$ 64,586.27						\$296,792.28			+T.C/T'CC-	v														
\$181,603.9	-500	\$231,003.		0	-	\$ 66,523.8	**					8 \$304,212			+ -55,400	v											9)1111			

2027

Appendix