

NANA Comparable DRAFT LIST 8-15-13

UPDATED 8-21-13

Acronyms

LAA = Legislative Affairs Agency

LIO = Legislative Information Office

909 West 9th = NANA Building

Numbers are from various sources. Numbers regarding construction cost increases due to differences in project scope are from Criterion.

Costs

909 West 9 th Acquisition cost	\$ 6.9
Nana Construction Cost	\$13.85
Plus ACM abatement change order	\$0.75
Plus Tenant provided change orders	<u>\$0.75</u>
Total	\$22.2m
	\$425 / GSF

Escalate for **total area**. NANA = 52,339 Gross, LAA = 64,048 Gross (Both including basement)

Escalate **construction cost for time** since completion 3.5% per year for 3 years

Escalate for **land costs** NANA at \$55/sf LAA at \$175 (roughly equivalent to what we paid for the ½ block at 6th and G)

Escalate for **CBD core Location** ___%? (very tough to come by this much land/building area in this part of town). In fact the only other place that available to complete a repeat of the proposed existing solution would be on my 6th and G lot which is on the block 1 block to the south of the existing location

Escalate Construction costs for **constrained urban site** vs. generous surface site \$1,000,000

Tower crane + second crane vs. 1 boom truck

1 year street closure/ROW permits 3 sides

Maintain access and services to adjacent businesses and property

Worker parking costs

Escalate construction for true up between projected margins and actual margins (not

Escalate for Structured Dedicated parking vs. surface

Surface parking at NANA was patch, seal and stripe. \$80,000

it occurs to me that another comp we have is the relatively new Linny Pacillo parking facility at 7th and F Street. Completed by our convention center team in 2008 design build for AHFC ownership and use by the Atwood State Office Building (hunt building). All in cost (without land) was \$43.5m for 830 spaces + 12,000 sf of retail. $\$43.5 \div 270,000 \text{ sf} = \$161/\text{sf}$. Deduct retail at $\$266/\text{sf} = \3.2m : $\$43.5\text{m} - \$3.2\text{m} = \$40.3\text{m} \div 830 \text{ spaces} = \$48,500/\text{space}$ escalate at 3.5% / YR for 5 years = $\$57,600 \text{ per space} \times 100 \text{ spaces at LAA} = \$5,760,000$ (see income capped discussion below)

Diamond Parking made a parking operating proposal to manage the parking facility at the subject property (assuming the legislature was not there) at the greater of 70% of revenue or \$21,000 per month. Our experience on our lots nearby operated by Diamond is that revenues have always exceeded the minimums. Most comparable exceeds minimum by 8%. Diamond would price monthly permits at this lot at \$185/mo. but that would be a "license to hunt" for a space vs. a dedicated space. if no spaces available then the permittee could park at an alternate Diamond lot. I can probably figure out what diamond would charge per space for a dedicated space but probably something like $\$21,000 \div 70\% = \$30,000 \div 100 \text{ spaces} = \300or $\$30,000 \times 12 = \$360,000/\text{yr}$ capped at 7% = $\$5,100,000$. Capped at 6% = $\$6.0$. By comparison Easy Park (Parking Authority) manages the lot at NANA and makes it available nights and weekends and would probably charge less than \$50 for a permit (I am verifying this number) if it were available during the day.

So \$5,750,000 vs. \$80,000

Escalate for level of "new" vs. "remodeled"

All new Skin/curtain wall vs. replacing glass only Add \$2,600,000

All new construction Stair/Bath/Elevator Core vs. renovate existing

- 9,000 SF (adjust for all new anchor pub bullet below) at \$238 premium (\$350 vs \$112) over renovate - \$2,142,000

Service Elevator/loading facilities off alley to basement vs. none at NANA - \$300,000

909 construction did not include demo (which was done prior to acquisition) - \$2,700,000

All new construction at Anchor Pub location 10,400 at \$238 Premium - \$2,475,200

Add for Structural Upgrades \$600,000

Add for Design costs \$700,000

Escalate for **speed of delivery**. NANA was fast too so not much on this front. Maybe 5% since we are delivering new construction (Anchor Pub component) vs. NANA was 100% existing.

Escalate for **Relocation and temporary offices and interim rent** \$475,000

Tenant Improvements.

- Legislative offices will be approximately (8%?) more complex/specialized/dense than NANA
- 1st floor as a full “Public access / public building” space vs. private offices 11,700 SF at \$100/SF Premium over the NANA first floor TI.

Escalate for **“out of time and options**, with no place to go” factor (same as speed/timing?)

Their Lease is up May 31, 2014. No one can deliver by that date (including us - unless it's as-is where-is). Obviously we can provide an extension to ourselves that we would not provide if they were relocating. 10%?

What Else?