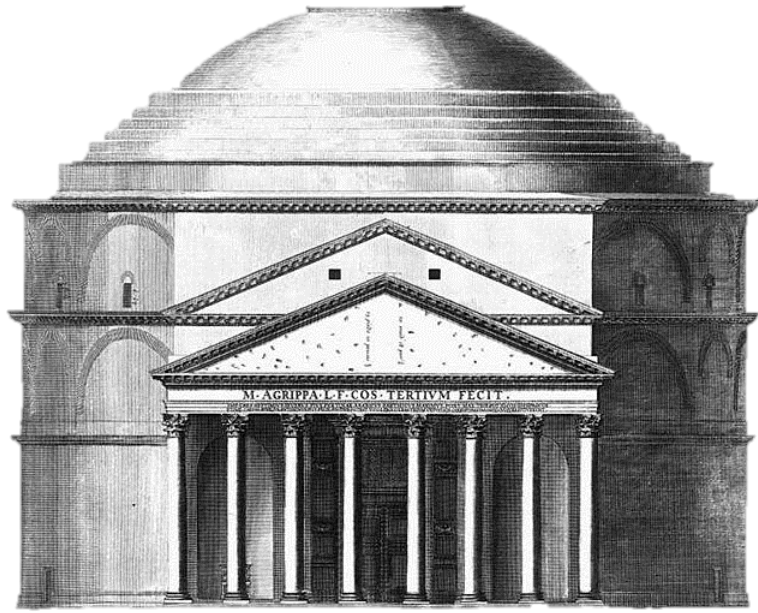




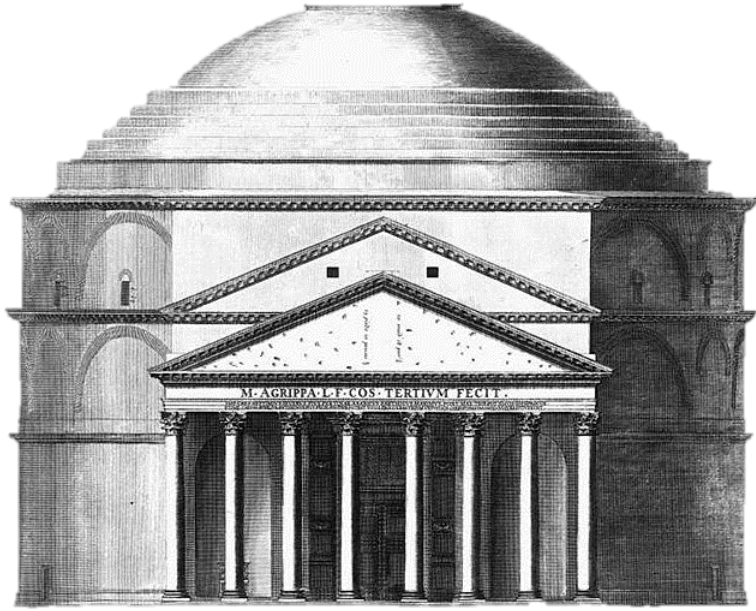
The West Park District

THE CITY OF PASADENA

ID #3392

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Finance

The West Park District

THE CITY OF PASADENA

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The West Park District - Executive Summary

All three scenarios are not financially viable without the ability to pursue alternate sources of funding and/or decreases in costs. While the Expanded vision loses the least amount over the development period, no plan under the base cases will produce positive unlevered returns. The dialogue below discusses which plan has the most upside **if** I am able to pursue revenues and/or decrease costs beyond the baseline (see Strategy Section). I do not recommend moving forward with any plan unless this is possible.

Dialogue: “Pursue a Full Vision, or Do What Makes Sense?”

When leaning towards a final recommendation on what parcels to acquire, I had to ask myself this question. With acquiring just the State property and Parcel B (Minimal Vision) out of the question for obvious reasons (losing too much money), I am now faced with buying all the sites totaling 12.6 acres or to buy just Parcels B and C. If I could buy all the parcels, I could implement exactly what the city was looking for: a walkable, cultural cluster that could tie Old Town Pasadena to the Central Park via the West Park District. Without all the parcels this connection is impossible.

However, the dollars and cents are very difficult to justify. I would only be able to make about a \$1.5M more in sales, but costs would go up nearly \$5.4M! In a proposition that loses money under all three scenarios, I felt as if I needed to keep the losses to a minimum under the base case when I consider alternate sources of revenue later to make 12% returns (see Strategy Section).

All things considered, I recommend moving forward only developing Parcels B and C for the following reasons:

- Purchases of additional land does not produce the additional sales needed to justify buying it. Buying Parcels B and C only is a happy medium.
- This project “loses” the least amount of money of the three cases. This means it will require the least amount of subsidy, optimism, or creative partnerships (see Strategy Section).
- The Full Vision requires the sale of a high-density condo pad, which brings in no positive cash flow.
- Parcels B and C allow the most flexibility with land uses; as there is not a required program to build out as in the Big Vision.
- Less land means more condensed development plans, and as a result, revenues are received sooner. The shorter time period means less interest paid and quicker revenues realized.

From a financial perspective, I recommend moving forward with the Expanded Vision and buying Parcels B and C if we can pursue further sources of revenue. From a design and place-making perspective, however, less of a vision can be accomplished with limited land. As a result, I have gone ahead and provided what the Big Vision could look like if chosen (see Design Section). On the next page, I have provided a summary of each vision’s land use plan, in addition to the expected costs, revenues, and returns under each scenario.

The West Park District - Land Uses and Returns

Land Use Summary			
	Scenario ABCD	Scenario BC	Scenario BCState
Use	Acres	Acres	Acres
Tuck-Under Townhomes	4.5	3.8	2.6
Medium Density Condos	0.9		
High Density Condos/Retail	1.1		
Retail Component			
Apartments/Apts w/retail	1.6	1.6	
Retail Component			
Hotel	0.8	0.8	0.8
Office	0.7	0.7	
Standalone Restaurant(s)		0.2	0.6
Community Theatre	0.7	0.7	0.7
Parking Deck	1.3	1.4	1.1
Cultural Plaza	0.2	0.2	
Promenade	0.7	0.7	
Total Uses	12.6	10.2	5.9
Total Required	12.6	10.2	5.9

Costs of Development (in Millions)			
	Scenario ABCD	Scenario BC	Scenario BCState
Land Costs	26.2	21.7	13.8
Development Costs	3.7	3.1	1.2
Other Costs	23.6	23.5	18.2
Total Development Costs	53.7	48.3	33.1
Revenues	43.7	42.2	15.7
ULCF	-10.5	-6.2	-17.3
IRR	-25%	-21%	-69%
NPV @ 10%	-10.5	-7.9	-17.3
EM	0.75	0.82	0.40

General Underwriting/ Assumptions

General Underwriting of Land Development Plans/Assumptions:

I am a huge fan of dynamic modeling. It may be my downfall, but pulling those little levers to run different scenarios is too much fun. That being said, I wanted to discuss some general modeling practices used, how the model works, and different aspects of the Land Development model.

Land Use Summary: This is the main control panel of the Land Development Model. It feeds inputs in the Residual Land models which in turn populate the Land Development Model. Some crucial inputs it controls are the Unit Multiplier, Rent Multiplier, and the Muni Fee Multiplier. These multipliers essentially change the unit mix, rent optimism or pessimism, and the possible decrease in Municipal fees for the Strategic section. This panel allowed me to tinker directly with RLV models on one sheet without flipping between them.

Binary Logic: I heavily used binary logic to turn on/off many different aspects of the model, including the parcel acquisitions, parcel costs, other development costs, parcel sales, and elements of the loan and equity agreements. Although not printed, the models themselves have little 1's and 0's turning off different aspects of the model. This in turn enabled me to make essentially one model and tweak it here and there to reflect the changes in parcel purchases, costs and sales. This is also why you will see three different scenarios costs on the model, even if the line items themselves are not used.

Negative RLV for Parcel Sales: When a negative RLV was reached, I did not sell the parcel for negative price (ie subsidy to next developer), but kept it as a zero value. In the real world, a negative RLV means you wouldn't buy the land, or if you have the land, it is worth zero for that use. Since we had a required use that didn't make positive returns it is worth zero.

Timing Costs: Although not seen on the Land Development models, there are a significant amount of rows dealing with the timing of costs, whether or not costs happen, and why costs are timed as they are. Feel free to collapse/expand those rows to see the logic.

Development Loan: The main question that came up for me was "Does the bank have a claim on positive levered cash flow from previous periods if its present cash flows are negative?" or more simply put "Does the bank have a clawback?" I modeled it either way, with greatly varying results. If the bank does not have a clawback, the bank generally did not receive all its capital back (under a loss scenario). If the bank did have a clawback, the bank ended up taking excellent returns at the expense of the developer. In fact, the developers returns reduced significantly under a clawback scenario. As this was the most likely way the bank would handle it in the real world, I kept it this way for the spreadsheets. In addition, I included graphs that generally explain how this difference affects Levered Cash Flow.

Other Development : I added the cost of moving the camphor tree onsite. It was not in a good place for my plans.

Equity Partnerships: These two partnerships are completely different with regards to risk and partnership alignment. EP1 has both the sponsor and the EP aligned in a pari passu relationship. As a result, the returns stay closer grouped; in good times, both parties do well, and in bad times, both parties do bad. Inversely, however, EP2 has both parties completely unaligned. In bad times, the EP gets 10% and the Sponsor's losses magnify exponentially, while in good times, the EP only gets his 10% with no upside. While EP2 is "more expensive" I would still take it because any returns above 10% all go to the sponsor.

Full Vision - Executive Summary

Executive Summary: The Full Vision

The acquisition of all of the parcels A-D will result in the Full Vision being realized, with all cultural amenities built with other uses surrounding and filling in the site. In this plan, we purchase all sites A-D, entitle and install infrastructure for each, and sell them for less than we put into them. The development period is 2 ½ years, ending in January 2015. We plan on building the following plan to the following returns (see below).

Why are we losing so much? The following culprits:

Parking Structure: This structure accounts for approximately 30% of the cost of development and land or 60% of development costs. With no subsidy, parking revenue, or alternate parking requirement, the costs of building the structure outweigh the revenues the structure brings.

The lack of positive cash flow for the High Density Condo land: With no positive CF from the condo land, we have 1.1 acres that we have purchased for which no revenues will be realized.

Inability to develop higher RLV uses: Instead of placing more highest and best uses on the site like office, apartments or hotels, we are forced to place townhomes, medium density condos, and high density condos. These uses do not provide the revenues necessary to offset the costs of developing their land.

Lack of reimbursement for cultural facilities: The costs of the facilities including the park, the theatre, and the plaza amount to about 4M in costs, or 15% of the total costs. A decrease or help with these costs will help produce positive returns.

Costs in Millions	Scenario ABCD
Land Costs	26.2
Development Costs	3.7
Other Costs	23.6
Total Development Costs	53.7
Revenues	43.7
ULCF	-10.5
IRR	-25%
NPV @ 10%	-10.5
EM	0.75

	Scenario ABCD
Use	Acres
Tuck-Under Townhomes	4.5
Medium Density Condos	0.9
High Density Condos/Retail	1.1
Retail Component	
Apartments/Apts w/retail	1.6
Retail Component	
Hotel	0.8
Office	0.7
Standalone Restaurant(s)	
Community Theatre	0.7
Parking Deck	1.3
Cultural Plaza	0.2
Promenade	0.7
Total Uses	12.6
Total Required	12.6

Land Use Summary – Scenario ABCD

Land Use Optimizer											
Use	DU/AC	Min	Max	Units Provided	Acres	Residual Land Value	RLV/PSF	Unit Multiplier	Rent Multiplier	Muni Fee Multiplier	Parking Tabulation
Tuck-Under Townhomes	23	70	120	104	4.5	\$ 10,520,725	\$ 53.41	150%	100%	100%	n/a
Medium Density Condos	35	30	60	30	0.9	\$ 419,368	\$ 11.23	100%	100%	100%	n/a
High Density Condos/Retail	58	65	120	65	1.1	\$ -	\$ -	100%	100%	100%	n/a
Retail Component				9,963							50
Apartments/Apts w/retail	111	85	180	180	1.6	\$ 16,698,150	\$ 236.39	200%	100%	100%	n/a
Retail Component				21,000							105
Hotel				200	0.8	\$ 8,579,203	\$ 246.19	n/a	100%	100%	300
Office				81,540	0.7	\$ 7,461,224	\$ 248.71	100%	100%	100%	196
Standalone Restaurant(s)	5000 sf	0	0	0	0.0	\$ 575,000					0
Community Theatre	30,000 SF			450	0.7			n/a	n/a	100%	180
Parking Deck	350 sf/sp	5 st.		290,850	1.3			n/a	n/a	n/a	831
Cultural Plaza	8100 SF				0.2			100%	n/a	n/a	
Promenade	0.7 acres				0.7			100%	n/a	n/a	
Streets	0%				0.0			100%	n/a	n/a	
Total Uses					12.6						
Total Required					12.6						

Start Date			7/1/2012	Quarter Ending Period	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	
Acquisitions Costs																
Parcel	Amount			Proforma												
A	\$1,850,000	Price per Acre		\$ (2,553,000)	\$ -	\$ -	\$ -	\$ -	\$ (2,527,470)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
B	\$2,450,000	Price per Acre		\$ (11,000,500)	\$ -	\$ (10,890,495)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
State Property	\$1,850,000	Price per Acre		\$ (2,664,000)	\$ -	\$ (2,637,360)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Remainder of C	\$1,850,000	Price per Acre		\$ (7,899,500)	\$ -	\$ -	\$ (7,820,505)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
D	\$1,850,000	Price per Acre		\$ (1,979,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,959,705)	\$ -	\$ -	\$ -	\$ -	-
Deposit	1%	deposit on any land purchased		\$ (260,965)	\$ (260,965)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Closing Costs	0.75%	purchase price, due at sale		\$ (195,724)	\$ -	\$ (102,484)	\$ (59,246)	\$ -	\$ (19,148)	\$ (14,846)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Acquisitions Costs			Total Purchased	\$ (26,292,224)	\$ (260,965)	\$ (13,630,339)	\$ (7,879,751)	\$ -	\$ (2,546,618)	\$ (1,974,551)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Development Costs			Amount \$ Units													
Parcel A Costs																
Legal/Entitlements	\$50,000	\$ per acre		\$ (69,000)	\$ -	\$ -	\$ -	\$ -	\$ (34,500)	\$ (34,500)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Architecture & Engineering	\$35,000	\$ per acre		\$ (48,300)	\$ -	\$ -	\$ -	\$ -	\$ (16,100)	\$ (16,100)	\$ (16,100)	\$ -	\$ -	\$ -	\$ -	-
Infrastructure	\$34,000	\$ per acre		\$ (46,920)	\$ -	\$ -	\$ -	\$ -	\$ (15,640)	\$ (15,640)	\$ (15,640)	\$ -	\$ -	\$ -	\$ -	-
Parcel B Costs																
Legal/Entitlements	\$50,000	\$ per acre		\$ (224,500)	\$ -	\$ (112,250)	\$ (112,250)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Architecture & Engineering	\$35,000	\$ per acre		\$ (157,150)	\$ -	\$ (52,383)	\$ (52,383)	\$ (52,383)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Infrastructure	\$34,000	\$ per acre		\$ (152,660)	\$ -	\$ (50,887)	\$ (50,887)	\$ (50,887)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Parcel C-State Costs																
Legal/Entitlements	\$100,000	\$ per acre		\$ (144,000)	\$ -	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ -	\$ -	\$ -	\$ -	-
Architecture & Engineering	\$50,000	\$ per acre		\$ (72,000)	\$ -	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Demolition/Remediation	\$125,000	\$ per acre		\$ (180,000)	\$ -	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ -	\$ -	\$ -	\$ -	-
Infrastructure	\$175,000	\$ per acre		\$ (252,000)	\$ -	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ -	\$ -	\$ -	\$ -	-
Parcel C-Remainder Costs																
Legal/Entitlements	\$100,000	\$ per acre		\$ (427,000)	\$ -	\$ -	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ -	\$ -	\$ -	-
Architecture & Engineering	\$50,000	\$ per acre		\$ (213,500)	\$ -	\$ -	\$ (53,375)	\$ (53,375)	\$ (53,375)	\$ (53,375)	\$ (53,375)	\$ -	\$ -	\$ -	\$ -	-
Demolition/Remediation	\$125,000	\$ per acre		\$ (533,750)	\$ -	\$ -	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ -	\$ -	\$ -	-
Infrastructure	\$175,000	\$ per acre		\$ (747,250)	\$ -	\$ -	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ -	\$ -	\$ -	-
Parcel D Costs																
Legal/Entitlements	\$100,000	\$ per acre		\$ (107,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,400)	\$ (21,400)	\$ (21,400)	\$ (21,400)	\$ (21,400)	\$ (21,400)	-
Architecture & Engineering	\$50,000	\$ per acre		\$ (53,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,375)	\$ (13,375)	\$ (13,375)	\$ (13,375)	\$ (13,375)	\$ -	-
Demolition/Remediation	\$125,000	\$ per acre		\$ (133,750)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,750)	\$ (26,750)	\$ (26,750)	\$ (26,750)	\$ (26,750)	\$ (26,750)	-
Infrastructure	\$175,000	\$ per acre		\$ (187,250)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (37,450)	\$ (37,450)	\$ (37,450)	\$ (37,450)	\$ (37,450)	\$ (37,450)	-
Other Development (not specific to Parcel)																
Cultural Plaza/Park	\$ 500,000	Total cost		\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (250,000)	\$ (250,000)	\$ -	-
Community Theater	\$ 2,000,000	Total cost		\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,000,000)	\$ -	-
Structured Parking	\$58	psf of structured parking														
Scenario ABCD	290,850	sf		\$ (16,869,300)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,217,325)	\$ (4,217,325)	\$ (4,217,325)	\$ (4,217,325)	\$ -	-
Scenario BC	301,550	sf		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Scenario BCState	245,000	sf		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Landscaping	\$3.00	per sf of site area		\$ (1,653,102)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (413,276)	\$ (413,276)	\$ (413,276)	\$ (413,276)	\$ -	-
Tree Moving - Camphor	\$50,000.00			\$ (50,000)	\$ -	\$ (25,000)	\$ (25,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Property Taxes	2.50%	of total land prices														
Scenario ABCD				\$ (6,524)	\$ (344,721)	\$ (540,233)	\$ (540,233)	\$ (331,157.50)	\$ (380,150.13)	\$ (314,216.13)	\$ (48,992.63)	\$ (48,992.63)	\$ (48,992.63)	\$ (48,992.63)	\$ (0.00)	
Scenario BC				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Scenario BCState				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Development Costs + Land				\$ (53,718,368)	\$ (267,489)	\$ (14,348,779)	\$ (9,188,679)	\$ (1,171,678)	\$ (3,472,190)	\$ (3,030,091)	\$ (5,417,132)	\$ (4,778,568)	\$ (5,028,568)	\$ (7,015,193)	\$ (0)	

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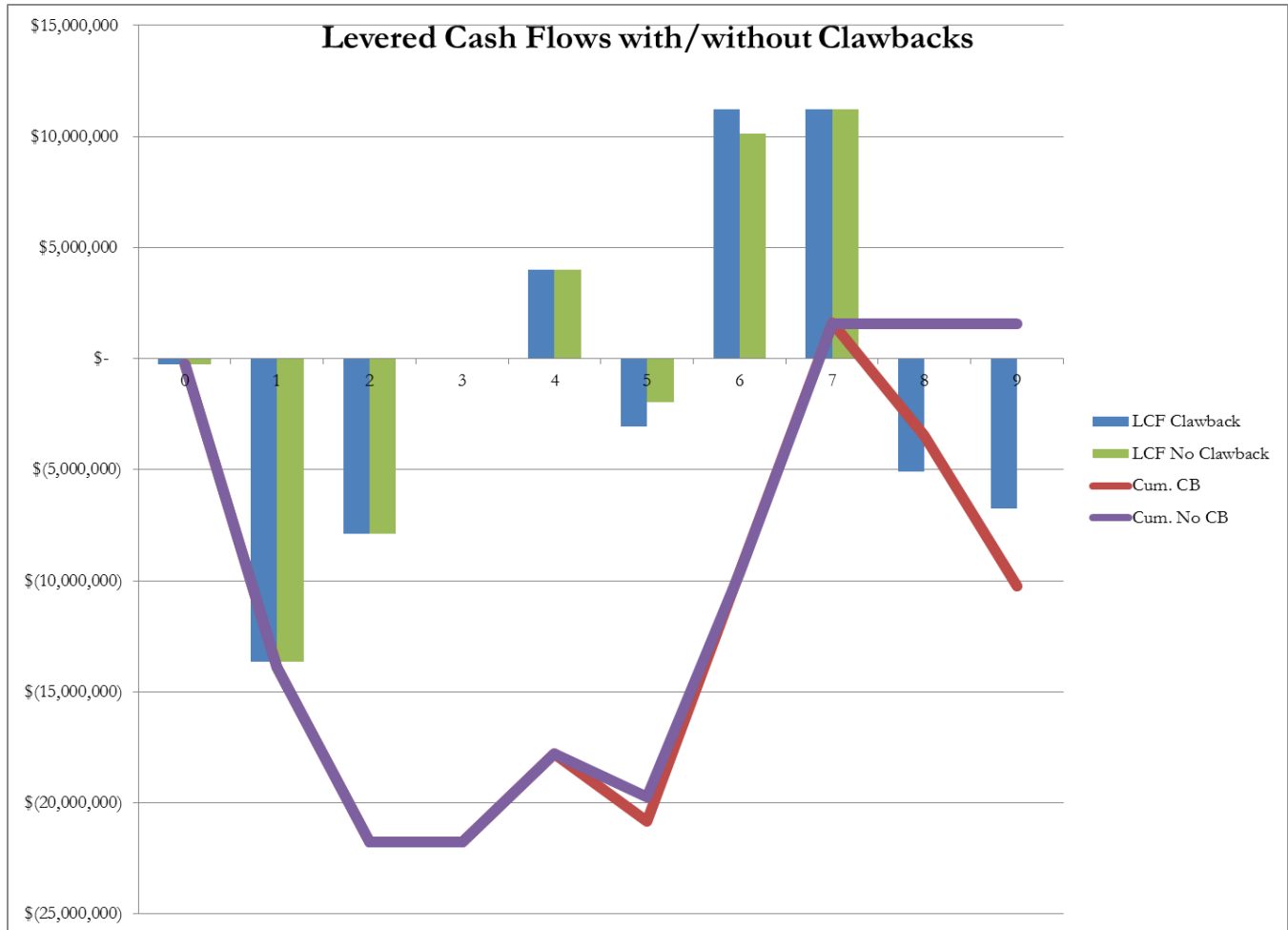
Parcel Sales			0	1	2	3	4	5	6	7	8	9	10													
Tuck-Under Townhomes	\$	10,520,725	\$	10,520,725	\$	-	\$	-	\$	-	\$	-	\$	-												
Medium Density Condos	\$	419,368	\$	419,368	\$	-	\$	-	\$	-	\$	-	\$	-												
High Density Condos/ Retail	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Apartments/ Apts w/ retail	\$	16,698,150	\$	16,698,150	\$	-	\$	-	\$	-	\$	-	\$	-												
Hotel	\$	8,579,203	\$	8,579,203	\$	-	\$	-	\$	-	\$	-	\$	-												
Office	\$	7,461,224	\$	7,461,224	\$	-	\$	-	\$	-	\$	-	\$	-												
Standalone Restaurant(s)	\$	575,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
City Subsidy, er Partnership	\$	12,379,100	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Parking Revenue (Sale)	\$	5,459,670	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Total Sales of Parcels			\$	43,678,670	\$	-	\$	-	\$	-	\$	-	\$	-												
Unlevered Cash Flow			\$	(10,039,699)	\$	(267,489)	\$	(14,348,779)	\$	(9,188,679)	\$	(1,171,678)	\$	7,467,903	\$	(3,030,091)	\$	11,281,018	\$	11,261,859	\$	(5,028,568)	\$	(7,015,193)	\$	(0)
IRR		#NUM!																								
NPV @ 10%		(\$10,538,135)																								
EM		0.75																								
Capital Flows																										
Loan Draws	100% Development costs (no land)	\$	(27,426,145)	\$	(6,524)	\$	(718,441)	\$	(1,308,928)	\$	(1,171,678)	\$	(925,573)	\$	(1,055,540)	\$	(5,417,132)	\$	(4,778,568)	\$	(5,028,568)	\$	(7,015,193)	\$		(0)
Loan Balance				\$	(6,524)	\$	(725,038)	\$	(2,042,220)	\$	(3,253,133)	\$	(4,261,630)	\$	(1,055,540)	\$	(5,417,132)	\$	(4,778,568)	\$	(5,028,568)	\$	(7,015,193)	\$		(329,452)
Interest Earned (9.25%)	2.24% Beginning balance & 50% of quarterly draws			\$	(73)	\$	(8,255)	\$	(39,235)	\$	(82,925)	\$	(122,259)	\$	(11,803)	\$	(60,573)	\$	(53,433)	\$	(56,228)	\$	(78,442)	\$		(11,052)
Interest Paid				\$	-	\$	-	\$	-	\$	-	\$	122,259	\$	-	\$	60,573	\$	53,433	\$	-	\$	-	\$		-
Interest Unpaid				\$	(73)	\$	(8,255)	\$	(39,235)	\$	(82,925)	\$	-	\$	(11,803)	\$	-	\$	-	\$	(56,228)	\$	(78,442)	\$		(11,052)
Repayment	92% of positive ULCF			\$	-	\$	-	\$	-	\$	-	\$	4,261,630	\$	-	\$	5,417,132	\$	4,778,568	\$	-	\$	-	\$		-
Use Clawback?																										
Clawback Start Balance				\$	-	\$	-	\$	-	\$	-	\$	2,486,582	\$	2,486,582	\$	6,320,071	\$	11,848,980	\$	11,848,980	\$	6,764,183	\$		-
Clawback				\$	-	\$	-	\$	-	\$	-	\$	-	\$	(1,067,343)	\$	-	\$	-	\$	(5,084,796)	\$	(6,764,183)	\$		-
Clawback End Balance				\$	-	\$	-	\$	-	\$	-	\$	2,486,582	\$	1,419,239	\$	6,320,071	\$	11,848,980	\$	6,764,183	\$	-	\$		-
Ending Balance				\$	(6,597)	\$	(733,292)	\$	(2,081,455)	\$	(3,336,058)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(329,452)	\$		(340,504)
Total Flows to Debt	14% Returns to Bank	\$	183,773	\$	(6,524)	\$	(718,441)	\$	(1,308,928)	\$	(1,171,678)	\$	3,458,317	\$	11,803	\$	60,573	\$	53,433	\$	56,228	\$	(251,010)	\$		(0)
				*Bank is not paid back for all Dev Costs.																						
Levered Cash Flow				\$	(260,965)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	4,009,586	\$	(3,041,894)	\$	11,220,445	\$	11,208,426	\$	(5,084,796)	\$	(6,764,183)	\$		-
IRR		#NUM!																								
NPV @ 10%		(\$10,587,263)																								
EM		0.72																								

Levered Cash Flow				\$	(260,965)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	4,009,586	\$	(3,041,894)	\$	11,220,445	\$	11,208,426	\$	(5,084,796)	\$	(6,764,183)	\$	-		
IRR				#NUM!																							
NPV @ 10%				(\$10,587,263)																							
EM				0.72																							
Equity Partnership 1				EP	Sponsor	0	1	2	3	4	5	6	7	8	9	10											
				95%																							
Tier 1 - 95/5 to 8%				1.94%																							
Beginning Partnership Balance						\$	-	\$	(260,965)	\$	(13,896,373)	\$	(22,046,083)	\$	(22,474,362)	\$	(18,901,375)	\$	(22,310,458)	\$	(11,523,428)	\$	(538,863)	\$	(5,634,127)	\$	(12,507,762)
Partnership Equity Draw						\$	(260,965)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	-	\$	(3,041,894)	\$	-	\$	-	\$	(5,084,796)	\$	(6,764,183)	\$	-
Preferred Return Earned						\$	-	\$	(5,070)	\$	(269,959)	\$	(428,279)	\$	(436,599)	\$	(367,188)	\$	(433,415)	\$	(223,860)	\$	(10,468)	\$	(109,452)	\$	(242,983)
Preferred Return Paid						\$	-	\$	-	\$	-	\$	-	\$	4,009,586	\$	-	\$	11,220,445	\$	11,208,426	\$	-	\$	-	\$	-
Ending Balance						\$	(260,965)	\$	(13,896,373)	\$	(22,046,083)	\$	(22,474,362)	\$	(18,901,375)	\$	(22,310,458)	\$	(11,523,428)	\$	(538,863)	\$	(5,634,127)	\$	(12,507,762)	\$	(12,750,745)
Net Flow						\$	(260,965)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	4,009,586	\$	(3,041,894)	\$	11,220,445	\$	11,208,426	\$	(5,084,796)	\$	(6,764,183)	\$	-
EP's Tier 1 CFs						\$	(247,917)	\$	(12,948,822)	\$	(7,485,764)	\$	-	\$	3,809,107	\$	(2,889,799)	\$	10,659,423	\$	10,648,005	\$	(4,830,557)	\$	(6,425,974)	\$	-
Sponsors Tier 1 CFs						\$	(13,048)	\$	(681,517)	\$	(393,988)	\$	-	\$	200,479	\$	(152,095)	\$	561,022	\$	560,421	\$	(254,240)	\$	(338,209)	\$	-
Remaining Flows						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Tier 2 - 85/15 to 14%				3.33%																							
Funds Available for Partnership						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Payment Required to Hit Tier 2 Hurdle								\$	(13,899,994)	\$	(22,242,608)	\$	(22,983,275)	\$	(19,739,020)	\$	(23,438,213)	\$	(12,998,249)	\$	(2,222,658)	\$	(7,381,468)	\$	(14,391,450)	\$	(14,870,678)
Tier 2 Distributions						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Net Flow						\$	(260,965)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	4,009,586	\$	(3,041,894)	\$	11,220,445	\$	11,208,426	\$	(5,084,796)	\$	(6,764,183)	\$	-
EP's Tier 1/2 CFs						\$	(247,917)	\$	(12,948,822)	\$	(7,485,764)	\$	-	\$	3,809,107	\$	(2,889,799)	\$	10,659,423	\$	10,648,005	\$	(4,830,557)	\$	(6,425,974)	\$	-
Sponsors Tier 1/2 CFs						\$	(13,048)	\$	(681,517)	\$	(393,988)	\$	-	\$	200,479	\$	(152,095)	\$	561,022	\$	560,421	\$	(254,240)	\$	(338,209)	\$	-
Remaining Flows						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Tier 3 - 70/30 Split																											
					70%																						
EP Share of Remaining Funds						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Sponsor's Share of Remaining Funds						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total EP Cash flow						\$	(247,917)	\$	(12,948,822)	\$	(7,485,764)	\$	-	\$	3,809,107	\$	(2,889,799)	\$	10,659,423	\$	10,648,005	\$	(4,830,557)	\$	(6,425,974)	\$	-
Total Cash Flow to Sponsor						\$	(13,048)	\$	(681,517)	\$	(393,988)	\$	-	\$	200,479	\$	(152,095)	\$	561,022	\$	560,421	\$	(254,240)	\$	(338,209)	\$	-
Audit																											
Total Flows to/from EP/Sponsor						\$	(260,965)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	4,009,586	\$	(3,041,894)	\$	11,220,445	\$	11,208,426	\$	(5,084,796)	\$	(6,764,183)	\$	-
Equity Partnership 2				EP	Sponsor	0	1	2	3	4	5	6	7	8	9	10											
				95%																							
Tier 1 - 100 to 10%				2.41%																							
Beginning EP Balance						\$	-	\$	(247,917)	\$	(13,202,717)	\$	(21,006,847)	\$	(21,513,399)	\$	(18,022,580)	\$	(21,346,971)	\$	(10,641,280)	\$	-	\$	(4,830,557)	\$	(11,373,013)
EP Equity Draw						\$	(247,917)	\$	(12,948,822)	\$	(7,485,764)	\$	-	\$	-	\$	(2,889,799)	\$	-	\$	-	\$	(4,830,557)	\$	(6,425,974)	\$	-
Preferred Return Earned						\$	-	\$	(5,978)	\$	(318,366)	\$	(506,553)	\$	(518,767)	\$	(434,591)	\$	(514,754)	\$	(256,601)	\$	-	\$	(116,483)	\$	(274,245)
Preferred Return Paid						\$	-	\$	-	\$	-	\$	-	\$	4,009,586	\$	-	\$	11,220,445	\$	10,897,880	\$	-	\$	-	\$	-
Ending Balance						\$	(247,917)	\$	(13,202,717)	\$	(21,006,847)	\$	(21,513,399)	\$	(18,022,580)	\$	(21,346,971)	\$	(10,641,280)	\$	-	\$	(4,830,557)	\$	(11,373,013)	\$	(11,647,259)
EP's Tier 1 CFs						\$	(247,917)	\$	(12,948,822)	\$	(7,485,764)	\$	-	\$	4,009,586	\$	(2,889,799)	\$	11,220,445	\$	10,897,880	\$	(4,830,557)	\$	(6,425,974)	\$	-
Sponsors Tier 1 CFs						\$	(13,048)	\$	(681,517)	\$	(393,988)	\$	-	\$	-	\$	(152,095)	\$	-	\$	310,546	\$	(254,240)	\$	(338,209)	\$	-

LCF Clawback— Scenario ABCD

The West Park District
THE CITY OF PASADENA

ID #3392



Pad Valuations - Briefs

The Pad Valuations below do not differ greatly between Visions, therefore they are recited once and are meant to describe all valuations under any land development vision.

Pad Valuations: Tuckunder Townhomes

This is a straight forward Static Residual Land Valuation, taking Revenues from townhome sales and subtracting the costs to build them. Some key features of the model that make it dynamic with the rest of the Land Development model are: Unit Multiplier as previously discussed, a rent/sales multiplier built into every unit type sales price, and a municipal fee multiplier, which can decrease the overall amount of muni fees. This pad has the second lowest residual land value.

Assumptions:

- for bridge loan, I used dev costs+dev finance costs, no LTV, LTC calcs
- for equity amount, I totalled all dev costs thus far, subtracted the bridge loan, and arrived at required equity
- parking costs are baked into the hard costs

Pad Valuations: Mid-Density Condominiums

This is a straight forward Static Residual Land Valuation, taking Revenues from condo sales and subtracting the costs to build them. Some key features of the model that make it dynamic with the rest of the Land Development model are: Unit Multiplier as previously discussed, a rent/sales multiplier built into every unit type sales price, and a municipal fee multiplier, which can decrease the overall amount of muni fees. This pad has the lowest residual land value.

Pad Valuations: Higher-Density Condominiums

This static residual land valuation is a bit more complex. I looked at the four possible scenarios for condominium sales, those being Quick Sales with/without Retail and Delayed Sales with/without retail. To accomplish this, I first looked at the two scenarios without retail involved. Then, I subtracted the required amount of units (approximately 10000 SF) from the residential, and added back in retail. This was done so the total amount of space remained the same, while gaining additional retail. Creatively, I removed the lowest sale prices (smaller units) in favor of higher paying retail. In the end, the prices were so close that I opted to use the retail, as it meshed better with the design. Unfortunately, the highest revenues of 53M were not enough to offset the costs and equity needs of 60M for the project, resulting in a negative RLV. This intuitively makes sense: High density condos should not sell in the current environment with their given risk profile. If the investor were willing to take a smaller profit margin (like 6-7%) then the project would break even. Even then though, the land would not be free. This means that this use is not the highest and best use, and should not be built.

Pad Valuations – cont.

Pad Valuations: Apartments with Retail

This use produces the highest RLV per square foot for the residential uses. This static model is similar to the high-density condo valuation, looking at both retail and non-retail options. Including retail in the apartment program proved to be a good decision, producing a 50% increase in value due to higher rents from the retail than the apartments. One difference in this model is a special feature that is used to increase or decrease the base amount of retail to get to a comparable unit mix. It is called the “reduction of unit amount” input. As a result of the high RLV, this was the most programmed use if there was space for it.

Pad Valuations: Hotel

The hotel produces the highest RLV overall. The model is a static, whose only differentiating feature is using lost revenue during lease-up as a cost. This is due to a refinance, high rents, a quick lease-up and high occupancy. I would put many hotels on this site, although it is not part of the required program, and more competition would undoubtedly drive down rents and positive assumptions.

Assumptions:

- used a cost of sale, even though it wasn't specified
- assuming one year of debt service, perm loan takes out const debt at end of 24 month period, interest only

Pad Valuations: Office

This model is the only discounted cash flow used for Pad Sales Valuations. It takes into account different costs and revenues over the course of time and arriving at returns, both at the Unlevered, levered, and partner level returns. In this case we solved to a 15% return. In general, we plotted construction costs first, followed by construction financing. After construction was completed, we began the leaseup with would last 24 months. In addition, after construction was completed, we refinanced in Year 2 with a permanent loan at the stabilized NOI in Year 5 (assumption). This greatly increased our returns (refinancing is the way to go). This brought me to the Leveraged cash flow, whose flows were split between the Equity Partner and the Sponsor. I then solved for the required return by adjusting the price of the land.

Tuckunder Townhomes— Scenario ABCD

The West Park District
THE CITY OF **PASADENA**

ID #3392

Parcel Size	4.52 acres
Density	23 units per acre
Units	104
Gross Leasable Area/Size	187,242
Building Efficiency (NRSF/GBSF)	82%
Gross Building Area	228,344
Unit Multiplier from Base Case	150%

Revenues

Unit Mix

Type	# of Units	GSF	Price
A - 2/1.5	13	1480	\$577,200
B - 2/1.5	30	1582	\$609,070
C - 2/2	30	1846	\$701,480
D - 3/2	31	2102	\$840,800
Averages	104	1800	\$700,816
Cost of Sales	2.50% on gross sales		

Total Revenue

Totals

\$7,503,600
\$18,272,100
\$21,044,400
\$26,064,800
\$72,884,900
(\$1,822,123)
\$71,062,778

Development Details

Development Costs

	\$/GBA	
Direct Costs	\$ 92.00	\$ 21,007,639
On Site Improvements	\$ 16.00	\$ 3,653,502
Off Site Improvements	\$ 4.50	\$ 1,027,548
Municipal Fees & Mitigation	\$ 25.00	\$ 5,708,598
Indirect	\$ 30.00	\$ 6,850,317
Other Costs	\$ 5.00	\$ 1,141,720
Contingency	5.00% on total direct costs	\$ 1,969,466
Total Dev Costs		\$ 41,358,789

Capital Finance

Construction Loan Amount

\$ 31,019,092	
Construction Loan Limit (LTC)	75.00% of development costs
Loan Fee	1.50% on loan amount
Interest Cost	\$ 2,419,489

Interest Rate	10.00% per year
Construction Period	18 months
Average Outstanding Balance	52.00% of loan amount

Bridge Loan Amount

\$ 33,903,868	(dev costs + dev finance)
Bridge Loan Fee	1.00% on loan amount
Interest Cost	\$ 2,881,829

Bridge Rate	8.50% per year
Sales Period	24 months
Average Outstanding Balance during Sales	50.00% on loan amount

Developer Fee	3.50% on development costs less land	\$ 1,661,255
---------------	--------------------------------------	--------------

Equity Required	\$ 15,221,820	\$ 11,416,365
Equity Multiple	1.75 x total return on required equity	

Total Capital Finance	\$ 19,183,263
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Total Development Costs	\$ 60,542,052
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Land Residual

Land Residual	\$	10,520,725
Per Acre	\$	2,326,699
Per SF	\$	53.41

Mid Density Condos— Scenario ABCD

The West Park District
THE CITY OF **PASADENA**

ID #3392

Parcel Size	0.86 acres
Density	35 units per acre
Units	30
Gross Leasable Area/Size	57,756 sf
Building Efficiency (NRSF/GBSF)	85%
Gross Building Area	67,948 sf
Unit Multiplier from Base Case	100%

Revenues

				Totals
Unit Mix				
Type	Number of Units	Gross Size	Avg. Price	
Plan A	7	1,608	\$667,320	\$4,671,240
Plan B	7	1,930	\$791,300	\$5,539,100
Plan B1	7	2,100	\$850,500	\$5,953,500
Plan C	7	2,050	\$836,400	\$5,854,800
Plan D	2	1,970	\$805,730	\$1,611,460
Totals/Avg	30	1,925	\$787,670	\$23,630,100
Cost of Sales	2.50% on gross sales			(\$590,753)
Total Revenue				\$23,039,348

Development Details

Hard Costs

Direct Const. Cost:	\$	110 per sf GBA	7,474,306
On-site Improvements:	\$	25 per sf site area	933,429
Off-site Improvements:	\$	12 per sf site area	448,046
Parking Garage	\$	25,000 per stall	1,800,000
Parking Calculation		2.4 per unit	
Number of Stalls Required		72	
Common Area	\$	7 per GBA	475,638
General Contractor Fee		3.00% of hard costs	333,943
Contingency		5.00% of hard costs	556,571
Total Hard Costs			12,021,931

Soft Costs

Indirect Construction	4.25% of hard costs	510,932
Architect & Consultants	3.50% of hard costs	420,768
Legal & Accounting	375,000 total	375,000
Municipal Fees & Mitigation	45,000 per unit	1,350,000
Insurance	14,000 per unit	420,000
Third Party Inspections	1,000 per unit	30,000
HOA Set Up/Dues	750 per unit	22,500
Taxes	1.30% total land/development	221,141
Sales & Marketing	2.00% of gross sales	472,602
Developer Fee	4.50% of Hard & Soft	746,617
Total Soft Costs		4,569,560

Total Dev Costs

16,591,491

Mid Density Condos— Scenario ABCD

Capital Finance

Construction Loan Amount	\$ 11,945,874	
Maximum LTC	72.00% of hard and soft costs	\$ 11,945,874
Maximum LTV	65.00% of gross sales revenue	\$ 15,359,565
Interest Cost		\$ 1,704,079
Interest Rate	9.00% annual rate, compounded monthly	
Loan Fees	1.00% of max. loan amount	\$ 119,459
Construction Period	18 months	
Average Outstanding Balance	55.00% during construction	
Sales Period	24 months	
Average Outstanding Balance	38.00% during sales	
Equity Required	\$ 6,469,155	\$ 4,204,951
Equity Multiple	1.65 x total return on required equity	
Total Capital Finance		\$ 6,028,488
Total Development Costs		\$ 22,619,980
Land Residual		\$ 419,368
Per Acre		\$ 489,263
Per SF		\$ 11.23

Higher Density Condos/ Retail - Scenario ABCD

The West Park District

THE CITY OF PASADENA

ID #3392

Parcel Size 1.12
Density 58 units per acre
Units 65
Gross Leasable Area 107,670 sf
Building Efficiency 90%
Gross Building Area 119,633 sf
Unit Multiplier from Base Case 100%

Revenues

Product Mix Table

Type	Units/No Retail	Units/Retail	SqFt	Price/Unit	Rent/Month
UNIT A1-1	0	0	0	754	346,840
UNIT A2-1	1	0	0	825	379,500
UNIT A2-2	1	0	0	920	432,400
UNIT A3	3	0	0	1,074	488,670
UNIT A4	1	0	0	1,087	494,585
UNIT A4 ALT	1	0	0	1,171	532,805
UNIT A4-1	2	0	0	1,130	508,500
UNIT A5	3	3	3	1,649	659,600
UNIT B1	1	1	1	1,237	550,465
UNIT B1-1	2	2	2	1,468	638,580
UNIT B1-2	2	2	2	1,353	588,555
UNIT B1-2.1	1	1	1	1,299	571,560
UNIT B1-3	5	5	5	1,621	656,505
UNIT B2	5	5	5	1,391	591,175
UNIT B2-1	3	3	3	1,503	623,745
UNIT B2-1.1	5	5	5	1,680	688,800
UNIT B3	7	7	7	2,176	772,480
UNIT C1	8	8	8	1,805	685,900
UNIT C1-1	7	7	7	1,849	693,375
UNIT C2	7	7	7	2,068	744,480
COMMERCIAL SPACES	0	9	9	1,107	460,010

Total	65	65	2,280.05	569,382	
Less Cost of Sales		2.50% of Sales Revenue		1,656	
Total Revenues from sales					
Income from Leasing Period					
Less Opex		35% of gross rents			
Total Revenues from Leasing					
Total Revenues					

*Lease/Sale Assumptions	Sell Later
Rental Period	3.00 Years
Price Increase	18% increase in sales price
Rent Growth	5% per year

Quick Sales/No Retail		Quick Sales/Retail		Lease/Sale/NoRetail*		Lease/Sale/Retail*	
Sales	Leases	Sales	Leases	Sales	Leases	Sales	Leases
\$ -				\$ -		\$ -	
\$ 379,500				\$ 447,810		\$ 71,782	
\$ 432,400				\$ 510,232		\$ 81,788	
\$ 1,466,010				\$ 1,729,892		\$ 277,296	
\$ 494,585				\$ 583,610		\$ 93,551	
\$ 532,805				\$ 628,710		\$ 100,780	
\$ 1,017,000				\$ 1,200,060		\$ 192,366	
\$ 1,978,800		\$ 1,978,800		\$ 2,334,984		\$ 374,290	\$ 2,334,984
\$ 550,465		\$ 550,465		\$ 649,549		\$ 104,121	\$ 649,549
\$ 1,277,160		\$ 1,277,160		\$ 1,507,049		\$ 241,575	\$ 1,507,049
\$ 1,177,110		\$ 1,177,110		\$ 1,388,990		\$ 222,651	\$ 1,388,990
\$ 571,560		\$ 571,560		\$ 674,441		\$ 108,111	\$ 674,441
\$ 3,282,525		\$ 3,282,525		\$ 3,873,380		\$ 620,891	\$ 3,873,380
\$ 2,955,875		\$ 2,955,875		\$ 3,487,933		\$ 559,105	\$ 3,487,933
\$ 1,871,235		\$ 1,871,235		\$ 2,208,057		\$ 353,945	\$ 2,208,057
\$ 3,444,000		\$ 3,444,000		\$ 4,063,920		\$ 651,433	\$ 4,063,920
\$ 5,407,360		\$ 5,407,360		\$ 6,380,685		\$ 1,022,802	\$ 6,380,685
\$ 5,487,200		\$ 5,487,200		\$ 6,474,896		\$ 1,037,904	\$ 6,474,896
\$ 4,853,625		\$ 4,853,625		\$ 5,727,278		\$ 918,064	\$ 5,727,278
\$ 5,211,360		\$ 5,211,360		\$ 6,149,405		\$ 985,729	\$ 6,149,405
\$ -		\$ 4,140,090		\$ -		\$ -	\$ 4,885,306
\$ 42,390,575		\$ 42,208,365		\$ 50,020,879		\$ 49,805,871	
(\$1,059,764)		(\$1,055,209)		(\$1,250,522)		(\$1,245,147)	
\$ 41,330,811		\$ 41,153,156		\$ 48,770,357		\$ 48,560,724	
0	0	0	0	\$ 8,018,182		\$ 7,976,907	
0	0	0	0	\$ (2,806,364)		\$ (2,791,918)	
0	0	0	0	\$ 5,211,818		\$ 5,184,990	
\$ 41,330,811	\$ 41,153,156	\$ 41,153,156	\$ 53,982,175	\$ 53,982,175	\$ 53,745,714		

Higher Density Condos/ Retail - Scenario ABCD

The West Park District

THE CITY OF PASADENA

ID #3392

Revenue (max from above) \$ 53,745,714

Professional Services/Soft Costs

Total Costs

Pre-DDA A&D	\$ 58,681
Architect of Record	\$ 496,528
Landscape Architect	\$ 32,816
3rd Party Inspecting Architect	\$ 63,194
Blueprints & Reproductions	\$ 72,222
Structural Engineering	\$ 140,833
Geotech Soils Engineering	\$ 21,035
MEP	\$ 45,139
Civil Engineering	\$ 112,757
Material Testing & Engineering	\$ 54,167
Acoustical Consultant	\$ 6,771
Traffic/Parking Consultants	\$ 2,257
Water Intrusion Consultants	\$ 18,056
Project Legal	\$ 148,958
Reimbursable - Professional	\$ 78,090
Market Consultant	\$ 31,597
Other Marketing Costs	\$ 361,111
WRAP Policy	\$ 1,517,114
Warranty & Customer Svc	\$ 63,194
General Liability	\$ 22,569
Property Taxes	\$ 401,607
Soft Cost Contingency	\$ 91,062
Project Management (4% of Hard & Soft)	\$ 971,365
Equity/Debt Advisory Fee(s)	\$ 379,167
Lender Fees	\$ 207,639
Closing Costs	\$ 29,250
Construction Interest Carry	\$ 948,825
Interest Contingency (25%)	\$ 237,206

Total Professional Services/Soft Costs \$ 6,613,210

Construction (Hard) Costs

Total Costs

Offsite Improvements	\$ 293,403
Parking Structure (Public)	\$ 3,114,568
Common Area Site Improvements	\$ 954,364
Parking Structure (Residential)	\$ 2,946,757
Residential & Commercial Buildings	\$ 10,270,162
Preconstruction	\$ 54,167
General Conditions	\$ 1,083,333
Standard Liability Insurance (0.7%)	\$ 129,280
Subguard Default Insurance (1%)	\$ 184,685
Fee (4%)	\$ 751,298
Contractor's Contingency (3%)	\$ 586,013
Total Construction (Hard) Costs	\$ 20,368,029

Total Hard & Soft Costs \$ 40,736,059

Acquisition Costs

Total Costs

Appraisal Fees	\$ 13,542
Municipal Fees & Mitigation	\$ 2,860,000
Predevelopment Legal	\$ 90,278
Title Insurance Escrow	\$ 54,167
Contingency	\$ 45,532

Total Acquisition Costs \$ 3,063,519

Gross Profit Margin (20%) \$ 10,082,558

Total Dev Costs \$ 60,495,346

Land Residual Value

\$ (6,749,632)

Per Acre \$ (6,022,748.55)

Per SF \$ (138.26)

Apartments/Retail – Scenario ABCD

Parcel Size	1.62
Density	111 units per acre
Units	180
Gross Leasable Area	165,048 sf
Building Efficiency	90%
Gross Building Area	183,387 sf
Unit Multiplier from Base Case	200%

Revenues

						Total without Retail	Total With Retail
Unit Mix						186,750	186,048
Type	Units	Units w/ Retail*	GSF	Rent/Month			
Studio	32	28	696	1,685	\$	647,040	\$ 566,160
1 Bed/1 Bath	40	36	933	1,921	\$	922,080	\$ 829,872
1 Bed/1 Bath	20	18	976	1,955	\$	469,200	\$ 422,280
2 Bed/2 Bath	44	39	1,250	2,561	\$	1,352,208	\$ 1,198,548
Studio Loft	6	5	821	1,921	\$	138,312	\$ 115,260
1 Bed/1 Bath Loft	14	12	1,089	2,308	\$	387,744	\$ 332,352
1 Bed/1 Bath Loft	6	5	1,133	2,393	\$	172,296	\$ 143,580
2 Bed/2 Bath Loft	18	16	1,426	2,966	\$	640,656	\$ 569,472
Retail Space	0	2	10,500	36,750	\$	-	\$ 882,000
Total/ Avg.	180	161	1,038	2,190	\$	4,729,536	\$ 5,059,524

*90% reduction of unit count to accommodate retail

Misc. Income

Amenity Income	% of Rental Units	Monthly Rent/Item				
Reserved Stalls	67%	\$ 150.00	\$	217,080	\$	191,754
Storage	30%	\$ 50.00	\$	32,400	\$	28,620
Bicycle Storage	25%	\$ 10.00	\$	5,400	\$	4,770

Fee Income

	\$/unit/month					
Shared Tenant Communications Income	\$ 5.00	\$	10,800	\$	9,540	
Application and Redecoration Fee Income	\$ 44.35	\$	95,796	\$	84,620	

Total Revenue

\$	5,091,012	\$	5,378,828
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Operating Expenses

Item	\$/GSF/Year					
Payroll	\$ 1.48	\$	271,412	\$	271,412	
On-site Administration	\$ 0.48	\$	88,026	\$	88,026	
Landscape/Contract Services	\$ 0.12	\$	22,006	\$	22,006	
Unit Turnover	\$ 0.11	\$	20,173	\$	20,173	
Utilities	\$ 0.75	\$	137,540	\$	137,540	
Leasing and Marketing	\$ 0.25	\$	45,847	\$	45,847	
Repairs and Replacement	\$ 0.41	\$	75,189	\$	75,189	
Management Fee	\$ 0.75	\$	137,540	\$	137,540	
Insurance	\$ 0.24	\$	44,013	\$	44,013	
Less Commercial Triple Nets	\$ (0.50)	\$		\$	(91,693)	
Capital Reserve	\$ 0.23	\$	42,179	\$	42,179	
Property Taxes	1.25% of market value	\$	934,860	\$	1,018,761	

Total Operating Expenses

\$	1,818,783	\$	1,810,991
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Net Operating Income

\$	3,272,229	\$	3,567,837
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Apartments/Retail – Scenario ABCD

Apartment Valuation Assumptions

Stabilization	3 year of operation
Rent Growth	6.00% per year
Vacancy Allowance	3.50%
Expense Growth	3.00% per year
Property Tax Growth	2.00% per year
Concessions	1.00% on Gross Rent

Valuation Cap Rate

4.75% in Year 3

Valuation w/o Retail Valuation w/Retail

PGI	\$	5,720,261	\$	6,043,651
Vacancy	\$	(200,209)	\$	(211,528)
EGI	\$	5,520,052	\$	5,832,123
OpEx	\$	937,755	\$	840,477
Taxes	\$	972,628	\$	1,059,919
NOI	\$	3,609,669	\$	3,931,727
Concessions	\$	57,203	\$	60,437
OPCF	\$	3,552,467	\$	3,871,291
	\$	74,788,772	\$	81,500,858

Development Assumptions

Acquisition & Development	Costs Per GSF					
Municipal Fees & Mitigation	\$	45.00	\$	8,252,400	\$	8,252,400
Architecture and Engineering	\$	12.64	\$	2,318,007	\$	2,318,007
Hard Costs	\$	195.00	\$	35,760,400	\$	35,760,400
Hard Costs Contingency	\$	4.80	\$	880,256	\$	880,256
Construction Management Overhead	\$	4.90	\$	898,595	\$	898,595
Developer Overhead	\$	10.50	\$	1,925,560	\$	1,925,560
Real Estate Taxes	\$	1.73	\$	317,259	\$	317,259
Loan Fees	\$	2.36	\$	432,793	\$	432,793
Construction Interest	\$	6.49	\$	1,190,179	\$	1,190,179
Operating Deficits	\$	1.03	\$	188,888	\$	188,888
Legal, Closing, and Other	\$	5.00	\$	916,933	\$	916,933
Marketing and Pre-Leasing	\$	4.77	\$	874,754	\$	874,754
Non-Residential TI	\$	4.25	\$	779,393	\$	779,393
Contingency	\$	7.28	\$	1,335,055	\$	1,335,055

Profit Requirements

Equity %	30% of total acquisition and development costs
Equity Required	\$ 20,032,707 \$21,830,587
Equity Multiple	1.4 x on required equity

Total Dev. Costs

	\$	8,013,083	\$	8,732,235
	\$	64,083,556	\$	64,802,708

Land Residual

	\$	10,705,216	\$	16,698,150
Per Acre	\$	6,601,550	\$	10,297,192
Per SF	\$	151.55	\$	236.39

Hotel— Scenario ABCD

The West Park District
THE CITY OF PASADENA

ID #3392

Gross Site Area	0.8 acres
Usable Site Ratio	100%
Number of Rooms	200
Ave. Room Size	500 sf/room
Building Efficiency Rate	100%
Number of stories	5
Building SF	100,000

Revenues

		Totals - Stabilized
Daily Room Rate	\$ 195 /day/room	\$ 14,662,050
Food, Beverage and other Revenue	40% of Room Revenue	\$ 5,864,820
Stabilized Occupancy Rate	75%	\$ (3,665,513)
Rent Increases over time	3.00% Income & Expenses	
Expected Gross Income		\$ 16,861,358

Operating Expenses

Fixed Expenses	30% % of Potential Gross Room Revenue	\$ 4,398,615
Variable Expense	30% % of Actual Room Revenue)	\$ 3,298,961
Variable Expense	80% % of Actual Food & Bev	\$ 4,691,856
Total Expenses		\$ 12,389,432

NOI Yr 1

\$ 4,471,925

Valuation

	9.00% on stabilized NOI	\$ 49,688,058
Cost of Sales	2.50%	\$ (1,354,000)
Total Revenue (Sale + YR1 NOI)		\$ 52,805,984

Hotel— Scenario ABCD

Development Costs

Leasup Costs (due to lost rent)

Initial Occupancy	35%	\$	7,587,611
Development Time Period	24 months		
Lease up Period	1 year		

Cost Assumptions

Hard Costs

Offsites	2 \$/Land SF	\$	69,696
Building Improvements	175 \$/Buildable SF	\$	17,500,000
Furniture Fixtures & Equipment	7,500 \$/Room	\$	1,500,000

Soft Costs

Permits & Fees	\$	3.50 \$/Buildable SF	\$	350,000
A&E / Legal	\$	3.00 \$/Buildable SF	\$	300,000
Professional Services/Consultants	\$	1.00 \$/Buildable SF	\$	100,000
Leasing Commissions & Marketing	\$	250.00 \$/Room	\$	50,000
Property Taxes		1.50% on Stabilized Value	\$	745,321
Insurance / Bonds	\$	0.25 \$/Buildable SF	\$	25,000
G&A	\$	2.00 \$/Buildable SF	\$	200,000
Contingency		3% % of Hard & Soft	\$	625,201
Developer Fee		10% % of Hard & Soft	\$	2,146,522

Total Hard, Soft and Leasup

\$ 31,199,350

Loan Assumptions

Construction Loan	\$ 26,519,447		
Interest Rate/Cost	9.00% per year	\$	3,341,450
Loan Fee	1.50% on loan amount	\$	397,792
LTC	85.00% on total hard & soft costs		
Average Outstanding Balance	70.00% during construction		
Development Time Period	24 months		
Permanent Loan	\$ 31,303,477		
Amortization Period	30 years		
Interest Rate/Cost	8.50% per year	\$	2,660,796
Loan Fee	1.00% on loan amount	\$	313,035
Permanent Loan Amount based on lesser of:			
LTV	63.00% on stabilized value	\$ 31,303,477	
Debt Service Coverage Ratio	1.25 on stablized NOI	\$ 38,772,678	
Equity Requirement	\$ 8,419,145	\$	6,314,358
Equity Multiple	1.75 by stabilization		

Total Dev Costs

\$ 44,226,781

Land Residual Value

\$ 8,579,203

Per Acre	\$	10,724,004
Per SF	\$	246.19

[illegible]

[illegible]

Expanded Vision - Executive Summary

Executive Summary: The Expanded Vision

The acquisition of just the parcels B and C will result in the Expanded Vision, where flexibility and answering the needs of the city intersect. In this plan, we purchase sites B and C, entitle and install infrastructure for each, and sell them for less than we put into them, albeit more than the Full Vision. Under this scenario, we eliminated low RLV uses while maintaining the required feature set the city required. The development period is 1 ½ years, ending in January 2014 and a year before the Full Vision. We plan on building the following plan to the following returns (see below).

Why are we (still) losing so much? The following culprits:

Parking Structure: This structure still accounts for approximately 35% of the cost of development and land or 65% of development costs! With no subsidy, parking revenue, or alternate parking requirement, the costs of building the structure outweigh the revenues the structure brings.

Inability to develop higher RLV uses: Instead of placing more high RLV uses on the site like office, apartments or hotels, we are forced to place the minimum amount of townhomes and are capped on the amount of apartments. These uses do not necessarily provide the highest and best use.

Lack of reimbursement for cultural facilities: The costs of the facilities including the park, the theatre, and the plaza amount to about 4M in costs, or 15% of the total costs. A decrease or help with these costs will help produce positive returns.

Costs in Millions	Scenario BC
Land Costs	21.7
Development Costs	3.1
Other Costs	23.5
Total Development Costs	48.3
Revenues	42.2
ULCF	-6.2
IRR	-21%
NPV @ 10%	-7.9
EM	0.82

	Scenario BC
Use	Acres
Tuck-Under Townhomes	3.8
Medium Density Condos	
High Density Condos/Retail	
Retail Component	
Apartments/Apts w/retail	1.6
Retail Component	
Hotel	0.8
Office	0.7
Standalone Restaurant(s)	0.2
Community Theatre	0.7
Parking Deck	1.4
Cultural Plaza	0.2
Promenade	0.7
Total Uses	10.2
Total Required	10.2

Land Use Summary – Scenario BC

Land Use Optimizer											
Use	DU/AC	Min	Max	Units Provided	Acres	Residual Land Value	RLV/PSF	Unit Multiplier	Rent Multiplier	Muni Fee Multiplier	Parking Tabulation
Tuck-Under Townhomes	23	70	120	88	3.8	\$ 8,944,792	\$ 53.67	129%	100%	100%	n/a
Medium Density Condos	35	30	60	0	0.0	\$ -	#DIV/0!	0%	100%	100%	n/a
High Density Condos/Retail Retail Component	58	65	120	0	0.0	\$ -	#DIV/0!	0%	100%	100%	n/a
Apartments/Apts w/retail Retail Component	111	85	180	180 21,000	1.6	\$ 16,613,447	\$ 235.19	200%	100%	100%	n/a
Hotel				200	0.8	\$ 8,579,203	\$ 246.19	n/a	100%	100%	300
Office				81,540	0.7	\$ 7,461,224	\$ 248.71	100%	100%	100%	196
Standalone Restaurant(s)	5000 sf	2	10,000		0.2	\$ 575,000					80
Community Theatre	30,000 SF		450		0.7			n/a	n/a	100%	180
Parking Deck	350 sf/sp	5 st.	301,350		1.4			n/a	n/a	n/a	861
Cultural Plaza	8100 SF				0.2			100%	n/a	n/a	
Promenade	0.7 acres				0.7			100%	n/a	n/a	
Streets	0%				0.0			100%	n/a	n/a	
Total Uses					10.2						
Total Required					10.2						

Start Date			7/1/2012	Quarter Ending Period	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	
Acquisitions Costs					Jul-12 0	Oct-12 1	Jan-13 2	Apr-13 3	Jul-13 4	Oct-13 5	Jan-14 6	Apr-14 7	Jul-14 8	Oct-14 9	Jan-15 10	
Parcel	Amount		Proforma													
A	\$1,850,000	Price per Acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B	\$2,450,000	Price per Acre	\$ (11,000,500)	\$ -	\$ (10,890,495)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Property	\$1,850,000	Price per Acre	\$ (2,664,000)	\$ -	\$ (2,637,360)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Remainder of C	\$1,850,000	Price per Acre	\$ (7,899,500)	\$ -	\$ -	\$ (7,820,505)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D	\$1,850,000	Price per Acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposit	1% deposit on any land purchased		\$ (215,640)	\$ (215,640)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Costs	0.75% purchase price, due at sale		\$ (161,730)	\$ -	\$ (102,484)	\$ (59,246)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Acquisitions Costs	Total Purchased		\$ (21,725,730)	\$ (215,640)	\$ (13,630,339)	\$ (7,879,751)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development Costs			Amount	\$ Units												
Parcel A Costs																
Legal/Entitlements	\$50,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Architecture & Engineering	\$35,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$34,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parcel B Costs																
Legal/Entitlements	\$50,000	\$ per acre	\$ (224,500)	\$ -	\$ (112,250)	\$ (112,250)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Architecture & Engineering	\$35,000	\$ per acre	\$ (157,150)	\$ -	\$ (52,383)	\$ (52,383)	\$ (52,383)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$34,000	\$ per acre	\$ (152,660)	\$ -	\$ (50,887)	\$ (50,887)	\$ (50,887)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parcel C-State Costs																
Legal/Entitlements	\$100,000	\$ per acre	\$ (144,000)	\$ -	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Architecture & Engineering	\$50,000	\$ per acre	\$ (72,000)	\$ -	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demolition/Remediation	\$125,000	\$ per acre	\$ (180,000)	\$ -	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$175,000	\$ per acre	\$ (252,000)	\$ -	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parcel C-Remainder Costs																
Legal/Entitlements	\$100,000	\$ per acre	\$ (427,000)	\$ -	\$ -	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ -	\$ -	\$ -	\$ -	\$ -
Architecture & Engineering	\$50,000	\$ per acre	\$ (213,500)	\$ -	\$ -	\$ (53,375)	\$ (53,375)	\$ (53,375)	\$ (53,375)	\$ (53,375)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demolition/Remediation	\$125,000	\$ per acre	\$ (533,750)	\$ -	\$ -	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$175,000	\$ per acre	\$ (747,250)	\$ -	\$ -	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ -	\$ -	\$ -	\$ -	\$ -
Parcel D Costs																
Legal/Entitlements	\$100,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Architecture & Engineering	\$50,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demolition/Remediation	\$125,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$175,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Development (not specific to Parcel)																
Cultural Plaza/Park	\$ 500,000	Total cost	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (250,000)	\$ (250,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Community Theater	\$ 2,000,000	Total cost	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Structured Parking	\$58	psf of structured parking														
Scenario ABCD	290,850	sf	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Scenario BC	301,550	sf	\$ (17,489,900)	\$ -	\$ -	\$ -	\$ -	\$ (4,372,475)	\$ (4,372,475)	\$ (4,372,475)	\$ (4,372,475)	\$ -	\$ -	\$ -	\$ -	\$ -
Scenario BCState	245,000	sf	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping	\$3.00	per sf of site area	\$ (1,332,936)	\$ -	\$ -	\$ -	\$ -	\$ (333,234)	\$ (333,234)	\$ (333,234)	\$ (333,234)	\$ -	\$ -	\$ -	\$ -	\$ -
Tree Moving - Camphor	\$50,000.00		\$ (50,000)	\$ -	\$ (25,000)	\$ (25,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Taxes	2.50%	of total land prices														
Scenario ABCD				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Scenario BC				\$ (5,391)	\$ (343,587)	\$ (539,100)	\$ (539,100)	\$ (539,100)	\$ (266,838)	\$ (266,838)	\$ (200,904)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Scenario BCState				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Development Costs + Land			\$ (48,364,133)	\$ (221,031)	\$ (14,347,646)	\$ (9,187,546)	\$ (5,876,254)	\$ (5,500,722)	\$ (5,732,722)	\$ (7,498,213)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)

Land Development – Scenario BC

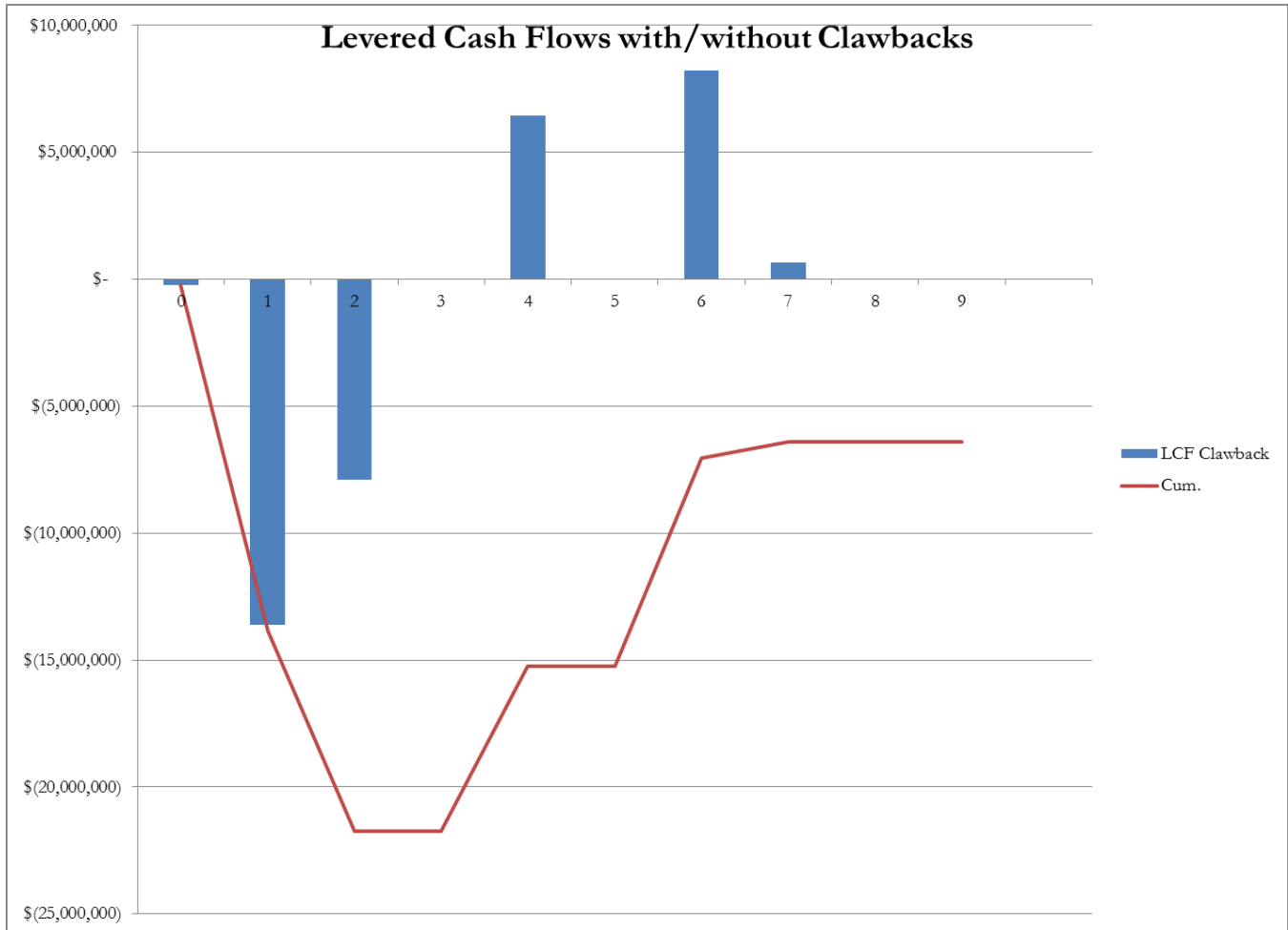
Parcel Sales				0	1	2	3	4	5	6	7	8	9	10														
Tuck-Under Townhomes	\$	8,944,792	\$	8,944,792	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Medium Density Condos	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
High Density Condos/Retail	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Apartments/ Apts w/retail	\$	16,613,447	\$	16,613,447	\$	-	\$	-	\$	-	\$	16,613,447	\$	-	\$	-												
Hotel	\$	8,579,203	\$	8,579,203	\$	-	\$	-	\$	-	\$	8,579,203	\$	-	\$	-												
Office	\$	7,461,224	\$	7,461,224	\$	-	\$	-	\$	-	\$	-	\$	7,461,224	\$	-												
Standalone Restaurant(s)	\$	575,000	\$	575,000	\$	-	\$	-	\$	-	\$	-	\$	575,000	\$	-												
City Subsidy, er Partnership	\$	12,379,100	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Parking Revenue (Sale)	\$	5,656,770	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Total Sales of Parcels			\$	42,173,667	\$	-	\$	-	\$	-	\$	17,523,996	\$	-	\$	16,613,447	\$	8,036,224	\$	-	\$	-	\$	-	\$	-		
Unlevered Cash Flow			\$	(6,190,467)	\$	(221,031)	\$	(14,347,646)	\$	(9,187,546)	\$	(5,876,254)	\$	12,023,274	\$	(5,732,722)	\$	9,115,235	\$	8,036,224	\$	(0)	\$	(0)	\$	(0)		
IRR			-21.36%																									
NPV @ 10%			(\$7,917,701)																									
EM			0.82																									
Capital Flows																												
Loan Draws	100%	Development costs (no land)	\$	(26,638,403)	\$	(5,391)	\$	(717,307)	\$	(1,307,795)	\$	(5,876,254)	\$	(5,500,722)	\$	(5,732,722)	\$	(7,498,213)	\$	(0)	\$	(0)	\$	(0)	\$	(0)	\$	(0)
Loan Balance					\$	(5,391)	\$	(722,759)	\$	(2,038,757)	\$	(7,954,155)	\$	(13,590,288)	\$	(8,594,472)	\$	(16,252,785)	\$	(8,244,288)	\$	(1,127,519)	\$	(1,165,343)	\$	(1,204,434)	\$	(1,244,434)
Interest Earned (9.25%)	2.24%	Beginning balance & 50% of quarterly draws			\$	(60)	\$	(8,204)	\$	(39,144)	\$	(135,411)	\$	(332,875)	\$	(160,100)	\$	(377,518)	\$	(276,557)	\$	(37,823)	\$	(39,092)	\$	(40,403)	\$	(40,403)
Interest Paid					\$	-	\$	-	\$	-	\$	-	\$	332,875	\$	-	\$	377,518	\$	276,557	\$	-	\$	-	\$	-	\$	-
Interest Unpaid					\$	(60)	\$	(8,204)	\$	(39,144)	\$	(135,411)	\$	-	\$	(160,100)	\$	-	\$	-	\$	(37,823)	\$	(39,092)	\$	(40,403)	\$	(40,403)
Repayment	92%	of positive ULCF			\$	-	\$	-	\$	-	\$	-	\$	10,728,537	\$	-	\$	8,008,497	\$	7,116,769	\$	-	\$	-	\$	-	\$	-
Use Clawback?																												
Clawback Start Balance					\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Clawback					\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Clawback End Balance					\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Ending Balance					\$	(5,451)	\$	(730,962)	\$	(2,077,901)	\$	(8,089,566)	\$	(2,861,751)	\$	(8,754,573)	\$	(8,244,288)	\$	(1,127,519)	\$	(1,165,343)	\$	(1,204,434)	\$	(1,244,837)	\$	(1,244,837)
Total Flows to Debt	3%	Returns to Bank	\$	202,351	\$	(5,391)	\$	(717,307)	\$	(1,307,795)	\$	(5,876,254)	\$	5,560,690	\$	(5,732,722)	\$	887,803	\$	7,393,326	\$	(0)	\$	(0)	\$	(0)	\$	(0)
*Bank is not paid back for all Dev Costs.																												
Levered Cash Flow			\$	(215,640)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	6,462,584	\$	-	\$	8,227,431	\$	642,898	\$	-	\$	-	\$	-	\$	-	\$	-
IRR			-30.16%																									
NPV @ 10%			(\$7,487,472)																									
EM			0.71																									

*Bank is not paid back for all Dev Costs.

The West Park District
THE CITY OF PASADENA
ID #3392

[illegible]

LCF Clawback— Scenario BC



Tuckunder Townhomes— Scenario BC

The West Park District
THE CITY OF **PASADENA**

ID #3392

Parcel Size	3.83 acres
Density	23 units per acre
Units	88
Gross Leasable Area/Size	158,734
Building Efficiency (NRSF/GBSF)	82%
Gross Building Area	193,578
Unit Multiplier from Base Case	129%

Revenues

Unit Mix

Type	# of Units	GSF	Price
A - 2/1.5	11	1480	\$577,200
B - 2/1.5	25	1582	\$609,070
C - 2/2	25	1846	\$701,480
D - 3/2	27	2102	\$840,800
Averages	88	1804	\$702,438
Cost of Sales	2.50% on gross sales		

Total Revenue

Totals

\$6,349,200
\$15,226,750
\$17,537,000
\$22,701,600
\$61,814,550
(\$1,545,364)
\$60,269,186

Development Details

Development Costs

	\$/GBA	
Direct Costs	\$ 92.00	\$ 17,809,180
On Site Improvements	\$ 16.00	\$ 3,097,249
Off Site Improvements	\$ 4.50	\$ 871,101
Municipal Fees & Mitigation	\$ 25.00	\$ 4,839,451
Indirect	\$ 30.00	\$ 5,807,341
Other Costs	\$ 5.00	\$ 967,890
Contingency	5.00% on total direct costs	\$ 1,669,611
Total Dev Costs		\$ 35,061,824

Capital Finance

Construction Loan Amount

\$ 26,296,368

Construction Loan Limit (LTC) 75.00% of development costs

Loan Fee 1.50% on loan amount

Interest Cost

Interest Rate 10.00% per year

Construction Period 18 months

Average Outstanding Balance 52.00% of loan amount

Bridge Loan Amount

\$ 28,741,930 (dev costs + dev finance)

Bridge Loan Fee 1.00% on loan amount

Interest Cost

Bridge Rate 8.50% per year

Sales Period 24 months

Average Outstanding Balance during Sales 50.00% on loan amount

Developer Fee

3.50% on development costs less land

Equity Required

\$ 12,904,265

Equity Multiple 1.75 x total return on required equity

Total Capital Finance

\$ 394,446
\$ 2,051,117
\$ 287,419
\$ 2,443,064
\$ 1,408,325
\$ 9,678,199
\$ 16,262,570
\$ 51,324,394
\$ 8,944,792
\$ 2,337,843
\$ 53.67

Total Development Costs

Land Residual

Per Acre

Per SF

Apartments/Retail – Scenario BC

Parcel Size	1.62
Density	111 units per acre
Units	180
Gross Leasable Area	158,834 sf
Building Efficiency	90%
Gross Building Area	176,482 sf
Unit Multiplier from Base Case	200%

Revenues

						Total without Retail	Total With Retail
Unit Mix						186,750	179,834
Type	Units	Units w/ Retail*	GSF	Rent/Month			
Studio	32	27	696	1,685	\$	647,040	\$ 545,940
1 Bed/1 Bath	40	34	933	1,921	\$	922,080	\$ 783,768
1 Bed/1 Bath	20	17	976	1,955	\$	469,200	\$ 398,820
2 Bed/2 Bath	44	38	1,250	2,561	\$	1,352,208	\$ 1,167,816
Studio Loft	6	5	821	1,921	\$	138,312	\$ 115,260
1 Bed/1 Bath Loft	14	12	1,089	2,308	\$	387,744	\$ 332,352
1 Bed/1 Bath Loft	6	5	1,133	2,393	\$	172,296	\$ 143,580
2 Bed/2 Bath Loft	18	15	1,426	2,966	\$	640,656	\$ 533,880
Retail Space	0	2	10,500	36,750	\$	-	\$ 882,000
Total/Avg.	180	155	1,038	2,190	\$	4,729,536	\$ 4,903,416

*87% reduction of unit count to accommodate retail

Misc. Income

Amenity Income	% of Rental Units	Monthly Rent/Item		
Reserved Stalls	67%	\$ 150.00	\$ 217,080	\$ 184,518
Storage	30%	\$ 50.00	\$ 32,400	\$ 27,540
Bicycle Storage	25%	\$ 10.00	\$ 5,400	\$ 4,590
Fee Income		\$/unit/month		
Shared Tenant Communications Income	\$ 5.00	\$ 10,800	\$ 9,180	
Application and Redecoration Fee Income	\$ 44.35	\$ 95,796	\$ 81,427	
Total Revenue		\$ 5,091,012	\$ 5,210,671	

Operating Expenses

Item	\$/GSF/Year		
Payroll	\$ 1.48	\$ 261,194	\$ 261,194
On-site Administration	\$ 0.48	\$ 84,711	\$ 84,711
Landscape/Contract Services	\$ 0.12	\$ 21,178	\$ 21,178
Unit Turnover	\$ 0.11	\$ 19,413	\$ 19,413
Utilities	\$ 0.75	\$ 132,362	\$ 132,362
Leasing and Marketing	\$ 0.25	\$ 44,121	\$ 44,121
Repairs and Replacement	\$ 0.41	\$ 72,358	\$ 72,358
Management Fee	\$ 0.75	\$ 132,362	\$ 132,362
Insurance	\$ 0.24	\$ 42,356	\$ 42,356
Less Commercial Triple Nets	\$ (0.50)	\$	\$ (88,241)
Capital Reserve	\$ 0.23	\$ 40,591	\$ 40,591
Property Taxes	1.25% of market value	\$ 942,154	\$ 988,020
Total Operating Expenses		\$ 1,792,798	\$ 1,750,424

Net Operating Income	\$ 3,298,214	\$ 3,460,247
-----------------------------	--------------	--------------

Apartments/Retail – Scenario BC

Apartment Valuation Assumptions

Stabilization	3 year of operation
Rent Growth	6.00% per year
Vacancy Allowance	3.50%
Expense Growth	3.00% per year
Property Tax Growth	2.00% per year
Concessions	1.00% on Gross Rent

Valuation Cap Rate

4.75% in Year 3

Valuation w/o Retail Valuation w/Retail

PGI	\$	5,720,261	\$	5,854,709
Vacancy	\$	(200,209)	\$	(204,915)
EGI	\$	5,520,052	\$	5,649,795
OpEx	\$	902,449	\$	808,834
Taxes	\$	980,217	\$	1,027,936
NOI	\$	3,637,387	\$	3,813,025
Concessions	\$	57,203	\$	58,547
OPCF	\$	3,580,184	\$	3,754,478
	\$	75,372,296	\$	79,041,633

Development Assumptions

Acquisition & Development	Costs Per GSF					
Municipal Fees & Mitigation	\$	45.00	\$	7,941,700	\$	7,941,700
Architecture and Engineering	\$	12.64	\$	2,230,735	\$	2,230,735
Hard Costs	\$	195.00	\$	34,414,033	\$	34,414,033
Hard Costs Contingency	\$	4.80	\$	847,115	\$	847,115
Construction Management Overhead	\$	4.90	\$	864,763	\$	864,763
Developer Overhead	\$	10.50	\$	1,853,063	\$	1,853,063
Real Estate Taxes	\$	1.73	\$	305,314	\$	305,314
Loan Fees	\$	2.36	\$	416,498	\$	416,498
Construction Interest	\$	6.49	\$	1,145,370	\$	1,145,370
Operating Deficits	\$	1.03	\$	181,777	\$	181,777
Legal, Closing, and Other	\$	5.00	\$	882,411	\$	882,411
Marketing and Pre-Leasing	\$	4.77	\$	841,820	\$	841,820
Non-Residential TI	\$	4.25	\$	750,049	\$	750,049
Contingency	\$	7.28	\$	1,284,791	\$	1,284,791

Profit Requirements

Equity %	30% of total acquisition and development costs
Equity Required	\$ 20,189,008 \$21,171,866
Equity Multiple	1.4 x on required equity

Total Dev. Costs

	\$	8,075,603	\$	8,468,746
	\$	62,035,043	\$	62,428,186

Land Residual

Per Acre	\$	13,337,254	\$	16,613,447
Per SF	\$	8,224,640	\$	10,244,959
	\$	188.81	\$	235.19

Hotel— Scenario BC

Gross Site Area	0.8 acres
Usable Site Ratio	100%
Number of Rooms	200
Ave. Room Size	500 sf/room
Building Efficiency Rate	100%
Number of stories	5
Building SF	100,000

Revenues

		Totals - Stabilized
Daily Room Rate	\$ 195 /day/room	\$ 14,662,050
Food, Beverage and other Revenue	40% of Room Revenue	\$ 5,864,820
Stabilized Occupancy Rate	75%	\$ (3,665,513)
Rent Increases over time	3.00% Income & Expenses	
Expected Gross Income		\$ 16,861,358

Operating Expenses

Fixed Expenses	30% % of Potential Gross Room Revenue	\$ 4,398,615
Variable Expense	30% % of Actual Room Revenue)	\$ 3,298,961
Variable Expense	80% % of Actual Food & Bev	\$ 4,691,856
Total Expenses		\$ 12,389,432

NOI Yr 1

\$ 4,471,925

Valuation

	9.00% on stabilized NOI	\$ 49,688,058
Cost of Sales	2.50%	\$ (1,354,000)
Total Revenue (Sale + YR1 NOI)		\$ 52,805,984

Hotel— Scenario BC

Development Costs

Leasup Costs (due to lost rent)

Initial Occupancy	35%	\$	7,587,611
Development Time Period	24 months		
Lease up Period	1 year		

Cost Assumptions

Hard Costs

Offsites	2 \$/Land SF	\$	69,696
Building Improvements	175 \$/Buildable SF	\$	17,500,000
Furniture Fixtures & Equipment	7,500 \$/Room	\$	1,500,000

Soft Costs

Permits & Fees	\$	3.50 \$/Buildable SF	\$	350,000
A&E / Legal	\$	3.00 \$/Buildable SF	\$	300,000
Professional Services/Consultants	\$	1.00 \$/Buildable SF	\$	100,000
Leasing Commissions & Marketing	\$	250.00 \$/Room	\$	50,000
Property Taxes		1.50% on Stabilized Value	\$	745,321
Insurance / Bonds	\$	0.25 \$/Buildable SF	\$	25,000
G&A	\$	2.00 \$/Buildable SF	\$	200,000
Contingency		3% % of Hard & Soft	\$	625,201
Developer Fee		10% % of Hard & Soft	\$	2,146,522

Total Hard, Soft and Leasup

\$ 31,199,350

Loan Assumptions

Construction Loan	\$ 26,519,447		
Interest Rate/Cost	9.00% per year	\$	3,341,450
Loan Fee	1.50% on loan amount	\$	397,792
LTC	85.00% on total hard & soft costs		
Average Outstanding Balance	70.00% during construction		
Development Time Period	24 months		
Permanent Loan	\$ 31,303,477		
Amortization Period	30 years		
Interest Rate/Cost	8.50% per year	\$	2,660,796
Loan Fee	1.00% on loan amount	\$	313,035
Permanent Loan Amount based on lesser of:			
LTV	63.00% on stabilized value	\$ 31,303,477	
Debt Service Coverage Ratio	1.25 on stablized NOI	\$ 38,772,678	
Equity Requirement	\$ 8,419,145	\$	6,314,358
Equity Multiple	1.75 by stabilization		

Total Dev Costs

\$ 44,226,781

Land Residual Value

\$ 8,579,203

Per Acre	\$ 10,724,004
Per SF	\$ 246.19

ID #3392

[illegible]

ID #3392

9.85%
(\$227,451)
1.61

[illegible]

Minimal Vision - Executive Summary

Executive Summary: The Minimal Vision

The acquisition of just the parcels B and the State Property will result in the Minimal Vision, with a minimal program and lots of costly cultural facilities. Under this scenario, there are only townhomes, office, retail and a hotel for pad sales, while the necessity for the parking structure, community theatre, and landscaping remain. As a result, the weight of the cultural facilities and parking structures completely make the costs out of control, with nearly 17M in negative costs over the course of the development. The development period is 1 ½ years, ending in January 2014. The program and returns are outlined below.

Why are we (still, ugh) losing so much? The following culprits:

Parking Structure: This structure still accounts for approximately 43% of the cost of development and land or 75% of development costs! With no subsidy, parking revenue, or alternate parking requirement, the costs of building the structure outweigh the revenues the structure brings.

Costs in Millions	Scenario BCState
Land Costs	13.8
Development Costs	1.2
Other Costs	18.2
Total Development Costs	33.1
Revenues	15.7
ULCF	-17.3
IRR	-69%
NPV @ 10%	-17.3
EM	0.40

	Scenario BCState
Use	Acres
Tuck-Under Townhomes	2.6
Medium Density Condos	
High Density Condos/Retail	
Retail Component	
Apartments/Apts w/retail	
Retail Component	
Hotel	0.8
Office	
Standalone Restaurant(s)	0.6
Community Theatre	0.7
Parking Deck	1.1
Cultural Plaza	
Promenade	
Total Uses	5.9
Total Required	5.9

Land Use Summary – Scenario BC-State

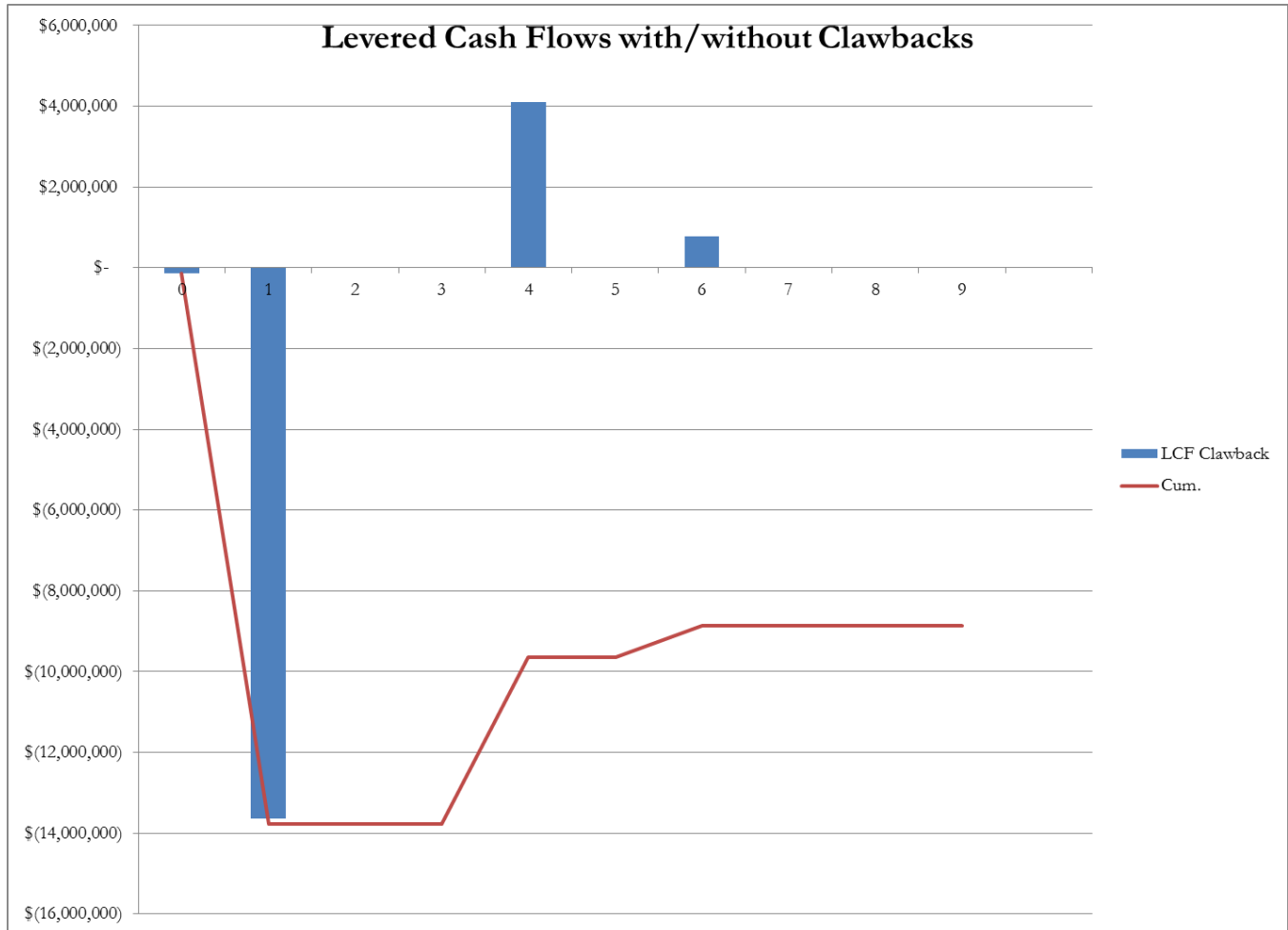
Land Use Optimizer											
Use	DU/AC	Min	Max	Units Provided	Acres	Residual Land Value	RLV/PSF	Unit Multiplier	Rent Multiplier	Muni Fee Multiplier	Parking Tabulation
Tuck-Under Townhomes	23	70	120	59	2.6	\$ 5,991,581	\$ 53.62	87%	100%	100%	n/a
Medium Density Condos	35	30	60	0	0.0	\$ -	#DIV/0!	0%	100%	100%	n/a
High Density Condos/Retail	58	65	120	0	0.0	\$ -	#DIV/0!	0%	100%	100%	n/a
Retail Component				-							0
Apartments/Apts w/retail	111	85	180	0	0.0	\$ -	#DIV/0!	0%	100%	100%	n/a
Retail Component				-							0
Hotel				200	0.8	\$ 8,579,203	\$ 246.19	n/a	100%	100%	300
Office				0	0.0	\$ -	#DIV/0!	0%	100%	100%	0
Standalone Restaurant/Retail	5000 sf		5.5	27,500	0.6	\$ 1,175,000					220
Community Theatre	30,000 SF			450	0.7			n/a	n/a	100%	180
Parking Deck	350 sf/sp	5 st.		245,000	1.1			n/a	n/a	n/a	700
Cultural Plaza	8100 SF				0.0			0%	n/a	n/a	
Promenade	0.7 acres				0.0			0%	n/a	n/a	
Streets	0%				0.0			0%	n/a	n/a	
Total Uses					5.9						
Total Required					5.9						

			Quarter Ending Period	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	
Start Date			7/1/2012	Jul-12 0	Oct-12 1	Jan-13 2	Apr-13 3	Jul-13 4	Oct-13 5	Jan-14 6	Apr-14 7	Jul-14 8	Oct-14 9	Jan-15 10	
Acquisitions Costs															
Parcel	Amount		Proforma												
A	\$1,850,000	Price per Acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
B	\$2,450,000	Price per Acre	\$ (11,000,500)	\$ -	\$ (10,890,495)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
State Property	\$1,850,000	Price per Acre	\$ (2,664,000)	\$ -	\$ (2,637,360)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Remainder of C	\$1,850,000	Price per Acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
D	\$1,850,000	Price per Acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Deposit	1% deposit on any land purchased		\$ (136,645)	\$ (136,645)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Closing Costs	0.75% purchase price, due at sale		\$ (102,484)	\$ -	\$ (102,484)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Acquisitions Costs			\$ (13,766,984)	\$ (136,645)	\$ (13,630,339)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Development Costs			Amount												
Parcel A Costs			\$ Units												
Legal/Entitlements	\$50,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Architecture & Engineering	\$35,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Infrastructure	\$34,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Parcel B Costs															
Legal/Entitlements	\$50,000	\$ per acre	\$ (224,500)	\$ -	\$ (112,250)	\$ (112,250)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Architecture & Engineering	\$35,000	\$ per acre	\$ (157,150)	\$ -	\$ (52,383)	\$ (52,383)	\$ (52,383)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Infrastructure	\$34,000	\$ per acre	\$ (152,660)	\$ -	\$ (50,887)	\$ (50,887)	\$ (50,887)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Parcel C-State Costs															
Legal/Entitlements	\$100,000	\$ per acre	\$ (144,000)	\$ -	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Architecture & Engineering	\$50,000	\$ per acre	\$ (72,000)	\$ -	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Demolition/Remediation	\$125,000	\$ per acre	\$ (180,000)	\$ -	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Infrastructure	\$175,000	\$ per acre	\$ (252,000)	\$ -	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Parcel C-Remainder Costs															
Legal/Entitlements	\$100,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Architecture & Engineering	\$50,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Demolition/Remediation	\$125,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Infrastructure	\$175,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Parcel D Costs															
Legal/Entitlements	\$100,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Architecture & Engineering	\$50,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Demolition/Remediation	\$125,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Infrastructure	\$175,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other Development (not specific to Parcel)															
Cultural Plaza/Park	\$ 500,000	Total cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Community Theater	\$ 2,000,000	Total cost	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Structured Parking	\$58	psf of structured parking													
Scenario ABCD	290,850	sf	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Scenario BC	301,550	sf	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Scenario BCState	245,000	sf	\$ (14,210,000)	\$ -	\$ -	\$ (3,552,500)	\$ (3,552,500)	\$ (3,552,500)	\$ (3,552,500)	\$ (3,552,500)	\$ -	\$ -	\$ -	\$ -	-
Landscaping	\$3.00	per sf of site area	\$ (774,932)	\$ -	\$ -	\$ (193,733)	\$ (193,733)	\$ (193,733)	\$ (193,733)	\$ (193,733)	\$ -	\$ -	\$ -	\$ -	-
Tree Moving - Camphor	\$50,000.00		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Property Taxes	2.50%	of total land prices													
Scenario ABCD			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Scenario BC			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Scenario BCState			\$ (3,416)	\$ (341,613)	\$ (341,613)	\$ (341,613)	\$ (341,613)	\$ (69,350.13)	\$ (69,350.13)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Development Costs + Land			\$ (33,101,180)	\$ (140,061)	\$ (14,320,671)	\$ (4,436,566)	\$ (4,324,316)	\$ (3,948,783)	\$ (5,930,783)	\$ -	\$ -	\$ -	\$ -	\$ -	-

The West Park District
THE CITY OF PASADENA
ID #3392

Parcel Sales			0	1	2	3	4	5	6	7	8	9	10													
Tuck-Under Townhomes	\$	5,991,581	\$	5,991,581	\$	-	\$	-	\$	-	\$	-	\$	-												
Medium Density Condos	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
High Density Condos/ Retail	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Apartments/ Apts w/retail	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Hotel	\$	8,579,203	\$	8,579,203	\$	-	\$	-	\$	8,579,203	\$	-	\$	-												
Office	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Standalone Restaurant(s)	\$	1,175,000	\$	1,175,000	\$	-	\$	-	\$	1,175,000	\$	-	\$	-												
City Subsidy, er Partnership	\$	12,379,100	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Parking Revenue (Sale)	\$	4,599,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-												
Total Sales of Parcels			\$	15,745,784	\$	-	\$	-	\$	5,991,581	\$	-	\$	9,754,203	\$	-	\$	-	\$	-	\$	-				
Unlevered Cash Flow			\$	(17,355,396)	\$	(140,061)	\$	(14,320,671)	\$	(4,436,566)	\$	(4,324,316)	\$	2,042,798	\$	(5,930,783)	\$	9,754,203	\$	-	\$	-	\$	-	\$	-
IRR		-69.18%																								
NPV @ 10%		(\$17,332,423)																								
EM		0.40																								
Capital Flows																										
Loan Draws	100%	Development costs (no land)	\$	(19,334,196)	\$	(3,416)	\$	(690,333)	\$	(4,436,566)	\$	(4,324,316)	\$	(3,948,783)	\$	(5,930,783)	\$	-	\$	-	\$	-	\$	-	\$	-
Loan Balance					\$	(3,416)	\$	(693,787)	\$	(5,138,187)	\$	(9,535,648)	\$	(13,707,601)	\$	(18,130,527)	\$	(18,606,088)	\$	(10,256,369)	\$	(10,600,422)	\$	(10,956,017)	\$	(11,323,540)
Interest Earned (9.25%)	2.24%	Beginning balance & 50% of quarterly draws			\$	(38)	\$	(7,835)	\$	(73,145)	\$	(223,169)	\$	(371,517)	\$	(475,561)	\$	(624,148)	\$	(344,053)	\$	(355,595)	\$	(367,523)	\$	(379,852)
Interest Paid					\$	-	\$	-	\$	-	\$	-	\$	371,517	\$	-	\$	624,148	\$	-	\$	-	\$	-	\$	-
Interest Unpaid					\$	(38)	\$	(7,835)	\$	(73,145)	\$	(223,169)	\$	-	\$	(475,561)	\$	-	\$	(344,053)	\$	(355,595)	\$	(367,523)	\$	(379,852)
Repayment	92%	of positive ULCF			\$	-	\$	-	\$	-	\$	-	\$	1,507,857	\$	-	\$	8,349,719	\$	-	\$	-	\$	-	\$	-
Use Clawback?																										
Clawback Start Balance					\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Clawback					\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Clawback End Balance					\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Ending Balance					\$	(3,454)	\$	(701,622)	\$	(5,211,332)	\$	(9,758,817)	\$	(12,199,744)	\$	(18,606,088)	\$	(10,256,369)	\$	(10,600,422)	\$	(10,956,017)	\$	(11,323,540)	\$	(11,703,392)
Total Flows to Debt	-100%	Returns to Bank	\$	(8,480,955)	\$	(3,416)	\$	(690,333)	\$	(4,436,566)	\$	(4,324,316)	\$	(2,069,409)	\$	(5,930,783)	\$	8,973,867	\$	-	\$	-	\$	-	\$	-
*Bank is not paid back for all Dev Costs.																										
Levered Cash Flow																										
IRR		-70.18%																								
NPV @ 10%		(\$9,031,292)																								
EM		0.36																								

LCF Clawback— Scenario BC-State



Tuckunder Townhomes— Scenario BC-State

The West Park District
THE CITY OF **PASADENA**

ID #3392

Parcel Size	2.57 acres
Density	23 units per acre
Units	59
Gross Leasable Area/Size	106,472
Building Efficiency (NRSF/GBSF)	82%
Gross Building Area	129,844
Unit Multiplier from Base Case	87%

Revenues

Unit Mix

Type	# of Units	GSF	Price
A - 2/1.5	7	1480	\$577,200
B - 2/1.5	17	1582	\$609,070
C - 2/2	17	1846	\$701,480
D - 3/2	18	2102	\$840,800
Averages	59	1805	\$702,613
Cost of Sales	2.50% on gross sales		

Totals

Total Revenue

\$4,040,400
\$10,354,190
\$11,925,160
\$15,134,400
\$41,454,150
(\$1,036,354)
\$40,417,796

Development Details

Development Costs

	\$/GBA	
Direct Costs	\$ 92.00	\$ 11,945,639
On Site Improvements	\$ 16.00	\$ 2,077,502
Off Site Improvements	\$ 4.50	\$ 584,298
Municipal Fees & Mitigation	\$ 25.00	\$ 3,246,098
Indirect	\$ 30.00	\$ 3,895,317
Other Costs	\$ 5.00	\$ 649,220
Contingency	5.00% on total direct costs	\$ 1,119,904
Total Dev Costs		\$ 23,517,977

Capital Finance

Construction Loan Amount

\$ 17,638,483	
Construction Loan Limit (LTC)	75.00% of development costs
Loan Fee	1.50% on loan amount
Interest Cost	\$ 1,375,802

Interest Rate	10.00% per year
Construction Period	18 months
Average Outstanding Balance	52.00% of loan amount

Bridge Loan Amount

\$ 19,278,862	(dev costs + dev finance)
Bridge Loan Fee	1.00% on loan amount
Interest Cost	\$ 1,638,703

Bridge Rate	8.50% per year
Sales Period	24 months
Average Outstanding Balance during Sales	50.00% on loan amount

Developer Fee 3.50% on development costs less land \$ 944,645

Equity Required \$ 8,655,631 \$ 6,491,723

Equity Multiple 1.75 x total return on required equity

Total Capital Finance \$ 10,908,238

Total Development Costs \$ 34,426,215

Land Residual

Land Residual	\$	5,991,581
Per Acre	\$	2,335,701
Per SF	\$	53.62

Hotel— Scenario BC-State

The West Park District
THE CITY OF **PASADENA**

ID #3392

Gross Site Area	0.8 acres
Usable Site Ratio	100%
Number of Rooms	200
Ave. Room Size	500 sf/room
Building Efficiency Rate	100%
Number of stories	5
Building SF	100,000

Revenues

		Totals - Stabilized
Daily Room Rate	\$ 195 /day/room	\$ 14,662,050
Food, Beverage and other Revenue	40% of Room Revenue	\$ 5,864,820
Stabilized Occupancy Rate	75%	\$ (3,665,513)
Rent Increases over time	3.00% Income & Expenses	
Expected Gross Income		\$ 16,861,358

Operating Expenses

Fixed Expenses	30% % of Potential Gross Room Revenue	\$ 4,398,615
Variable Expense	30% % of Actual Room Revenue)	\$ 3,298,961
Variable Expense	80% % of Actual Food & Bev	\$ 4,691,856
Total Expenses		\$ 12,389,432

NOI Yr 1

\$ 4,471,925

Valuation

	9.00% on stabilized NOI	\$ 49,688,058
Cost of Sales	2.50%	\$ (1,354,000)
Total Revenue (Sale + YR1 NOI)		\$ 52,805,984

Hotel— Scenario BC-State

Development Costs

Leasup Costs (due to lost rent)

Initial Occupancy	35%	\$	7,587,611
Development Time Period	24 months		
Lease up Period	1 year		

Cost Assumptions

Hard Costs

Offsites	2 \$/Land SF	\$	69,696
Building Improvements	175 \$/Buildable SF	\$	17,500,000
Furniture Fixtures & Equipment	7,500 \$/Room	\$	1,500,000

Soft Costs

Permits & Fees	\$	3.50 \$/Buildable SF	\$	350,000
A&E / Legal	\$	3.00 \$/Buildable SF	\$	300,000
Professional Services/Consultants	\$	1.00 \$/Buildable SF	\$	100,000
Leasing Commissions & Marketing	\$	250.00 \$/Room	\$	50,000
Property Taxes		1.50% on Stabilized Value	\$	745,321
Insurance / Bonds	\$	0.25 \$/Buildable SF	\$	25,000
G&A	\$	2.00 \$/Buildable SF	\$	200,000
Contingency		3% % of Hard & Soft	\$	625,201
Developer Fee		10% % of Hard & Soft	\$	2,146,522

Total Hard, Soft and Leasup

\$ 31,199,350

Loan Assumptions

Construction Loan	\$ 26,519,447		
Interest Rate/Cost	9.00% per year	\$	3,341,450
Loan Fee	1.50% on loan amount	\$	397,792
LTC	85.00% on total hard & soft costs		
Average Outstanding Balance	70.00% during construction		
Development Time Period	24 months		
Permanent Loan	\$ 31,303,477		
Amortization Period	30 years		
Interest Rate/Cost	8.50% per year	\$	2,660,796
Loan Fee	1.00% on loan amount	\$	313,035
Permanent Loan Amount based on lesser of:			
LTV	63.00% on stabilized value	\$ 31,303,477	
Debt Service Coverage Ratio	1.25 on stabilized NOI	\$ 38,772,678	
Equity Requirement	\$ 8,419,145	\$	6,314,358
Equity Multiple	1.75 by stabilization		

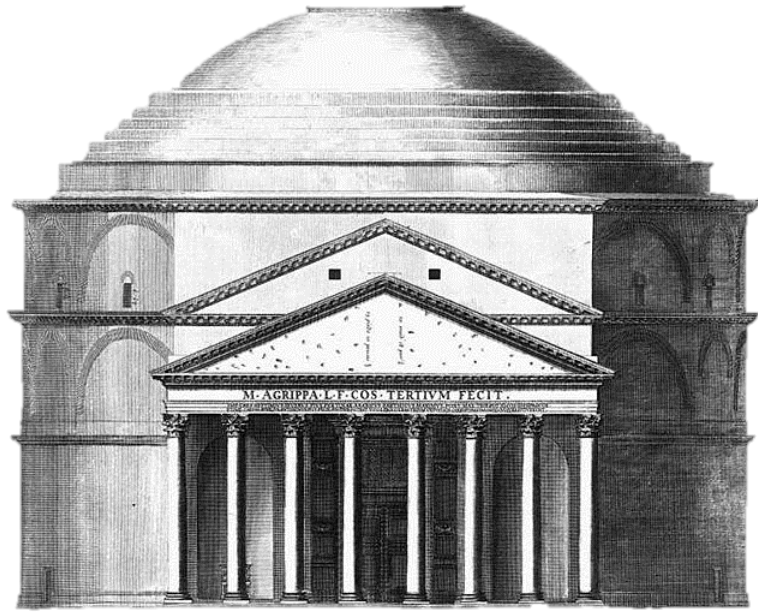
Total Dev Costs

\$ 44,226,781

Land Residual Value

\$ 8,579,203

Per Acre	\$ 10,724,004
Per SF	\$ 246.19



Design

The West Park District

THE CITY OF PASADENA

ID #3392

Executive Summary – Design

Big Idea: To create a dense, urban theatre with community plaza containing retail and restaurants, resulting in a multi-use cultural village.

The key features of this idea are:

- Large, monolithic, iconic, theatre as the centerpiece to the village
- Keeping the roots of the area by relocating an old tree to the center
- Abandoning low FAR retail and restaurants in favor of mixed use.
- Create linkages between the Central Park and Old Town Pasadena
- Ensure to create a sense of place in one central cluster.

Analogue: Pantheon, Rome, Italy

- This monolithic, central monument in the heart of Rome captures the same needs of the City of Pasadena for a theatre adjacent plaza. It provides the size of a theatre, adjacency to a plaza, and retail and restaurants surrounding the plaza. The development is dense and mixed use. In addition, all paths lead to the Pantheon Plaza, creating pedestrian linkages. (See attached)

Design: The West Park District

- You will immediately notice the monolithic theatres presence on Parcel C directly adjacent to the central plaza. Framing the plaza are the Office Building, High Density Condominium mixed-used, Apartment mixed use, and a Boutique Hotel. With critical mass surrounding the plaza, retail and restaurants will thrive. In addition, critical pathways starting at Green Street flowing through Parcel B and C create the pedestrian linkages necessary to satisfy the city's needs.

Iterative Process:

After trying multiple layouts for the targeted program, I realized quickly that I had some extra space to work with. After maxing out the apartments, I added townhouses and gained some space by putting the retail and restaurants inside the higher density uses. I used some of the extra space for better park amenities and pathways.

Assumptions:

- I was not able to increase the amount of office or hotel (as they had the 2nd and 3rd highest RLV.
- Mixed uses took some of the retail and restaurant parking requirements (30 total spaces).
- Central Ct – This appears to not be a full street, more of an alley. I used 0' setbacks and 0' curb.
- Fair Oaks – The site already has curbs taken out of it, no curbs provided onsite.

Land Use Summary – Target

Use	DU/AC	Units Provided	Acres	Parking Tabulation
Tuck-Under Townhomes	23	76	3.3	
Medium Density Condos	35	30	0.9	
High Density Condos/Retail	58	65	1.1	
Retail Component		9,963 SF		50
Apartments w/retail	111	180	1.6	
Retail Component		21,000 SF		105
Hotel		200	0.8	300
Office (3 Story)		81,540	0.7	196
Community Theatre	50,000 SF	450	1.1	180
Parking Deck (5 story)	350 sf/sp	290,850	1.3	831
Cultural Plaza	8100 SF		0.2	
Promenade	0.7 AC		0.7	
Streets	7%		0.9	
Total Uses			12.6	
Total Required			12.6	

Land Use Summary – Actuals

Use	DU/AC	Units Provided	Acres	Parking Tabulation
Tuck-Under Townhomes	23	104	4.5	
Medium Density Condos	35	30	0.9	
High Density Condos/Retail	58	65	1.1	
Retail Component		9,963 SF		50
Apartments w/retail	111	180	1.6	
Retail Component		21,000 SF		105
Hotel		200	0.8	300
Office (3 Story)		81,540	0.7	196
Community Theatre	30,000 SF	450	0.7	180
Parking Deck (5 story)	350 sf/sp	290,850	1.3	831
Cultural Plaza	24000 SF		0.2	
Promenade	0.7 AC		0.7	
Streets			0.0	
Total Uses			12.6	
Total Required			12.6	

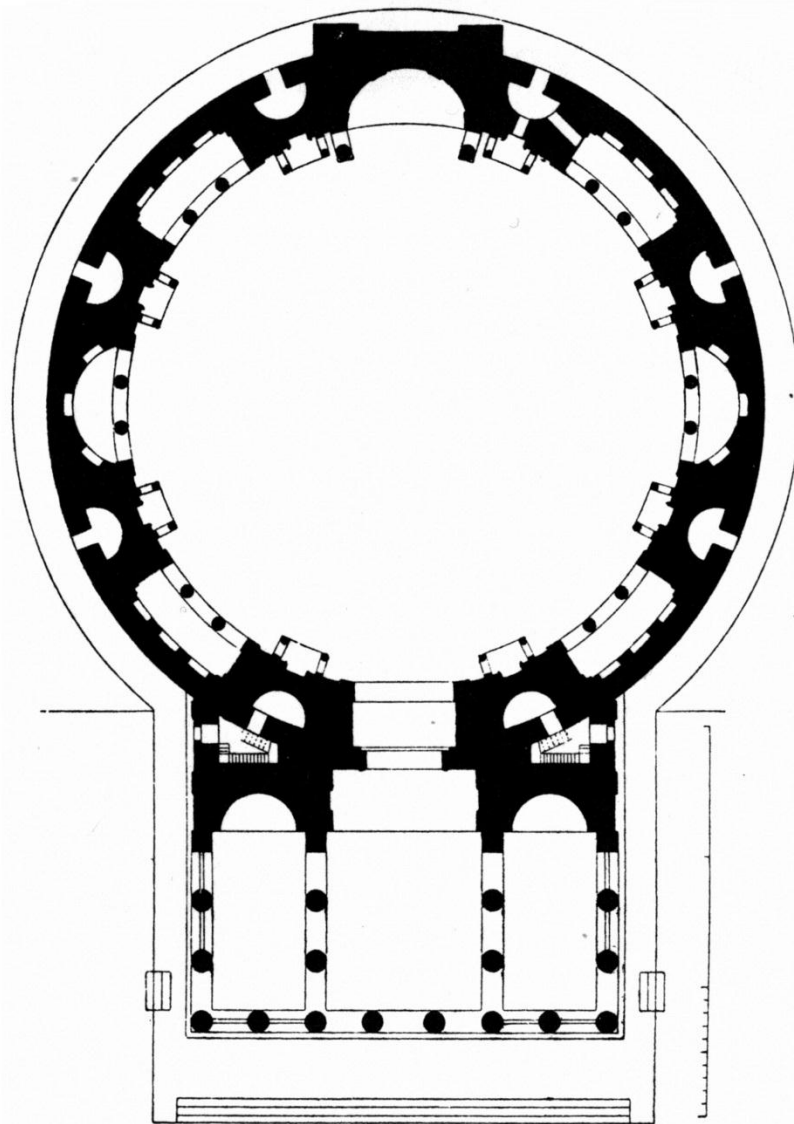
Site Forces Diagram

The West Park District

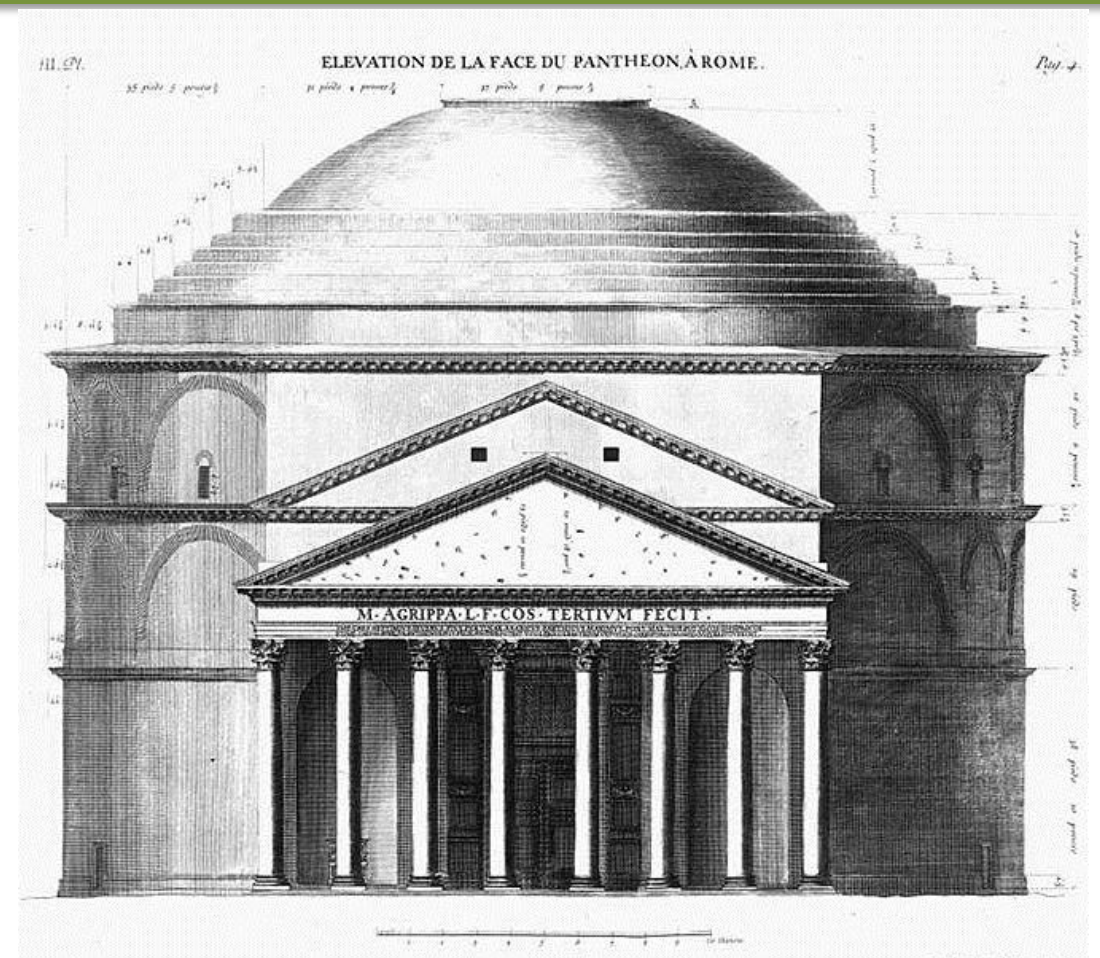
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12. ROM: PANTHEON.

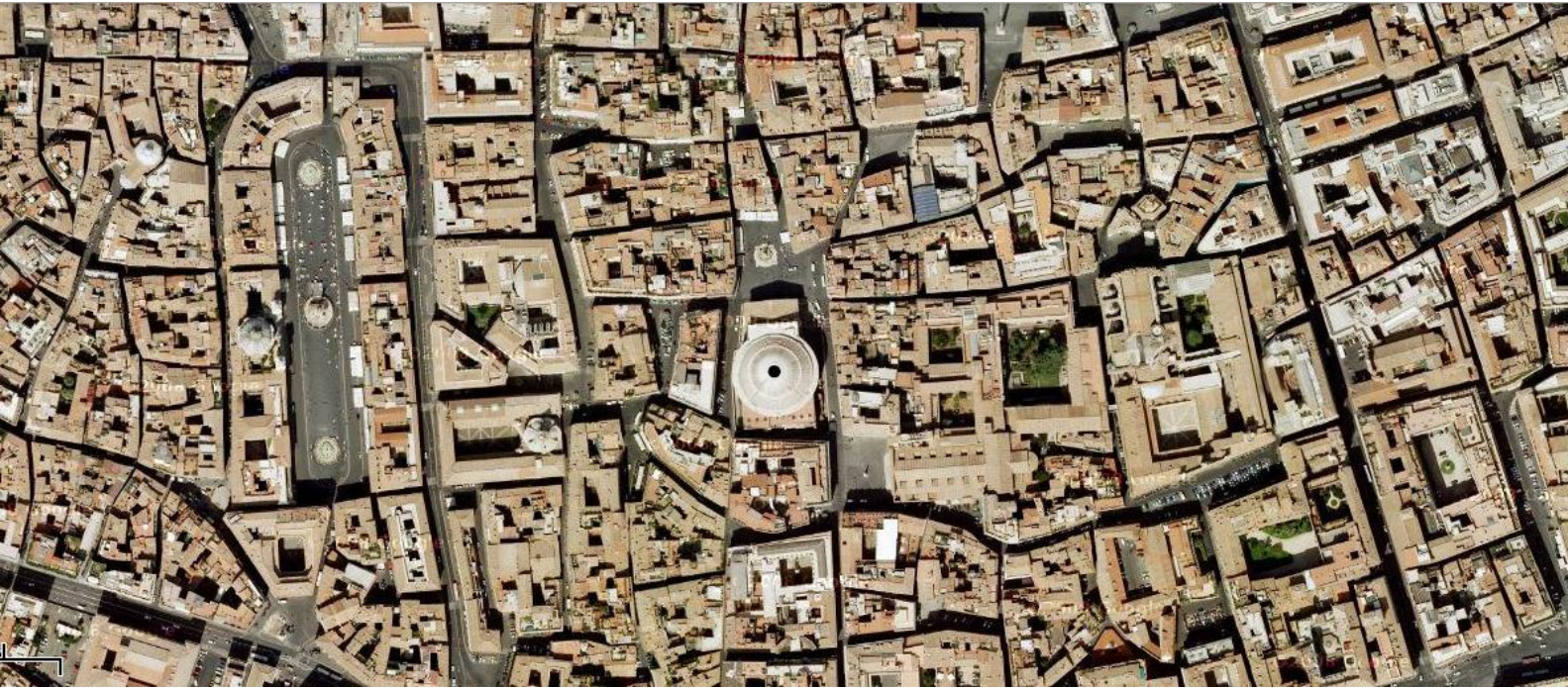


Analogue – Pantheon, Rome

The West Park District

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- All trails lead in/out



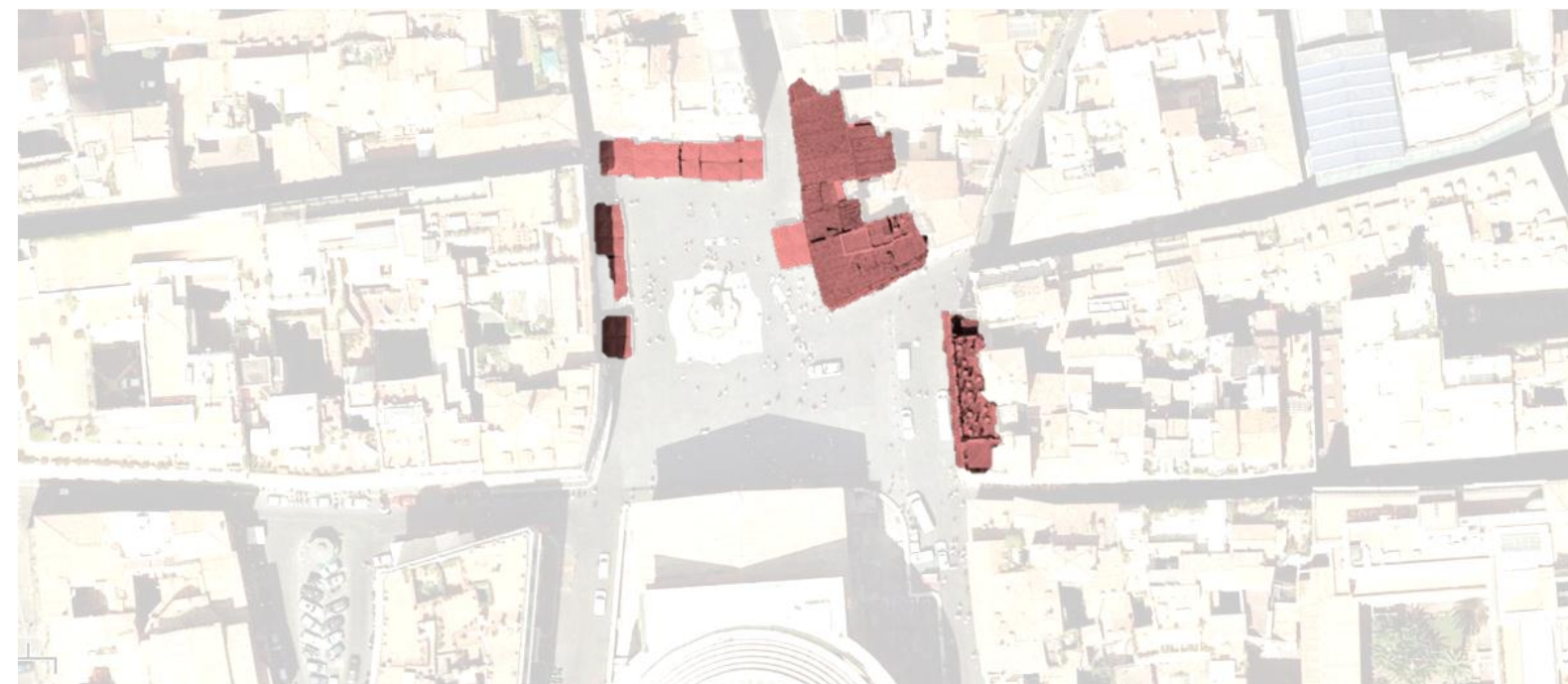
- Theatre Adjacent Plaza



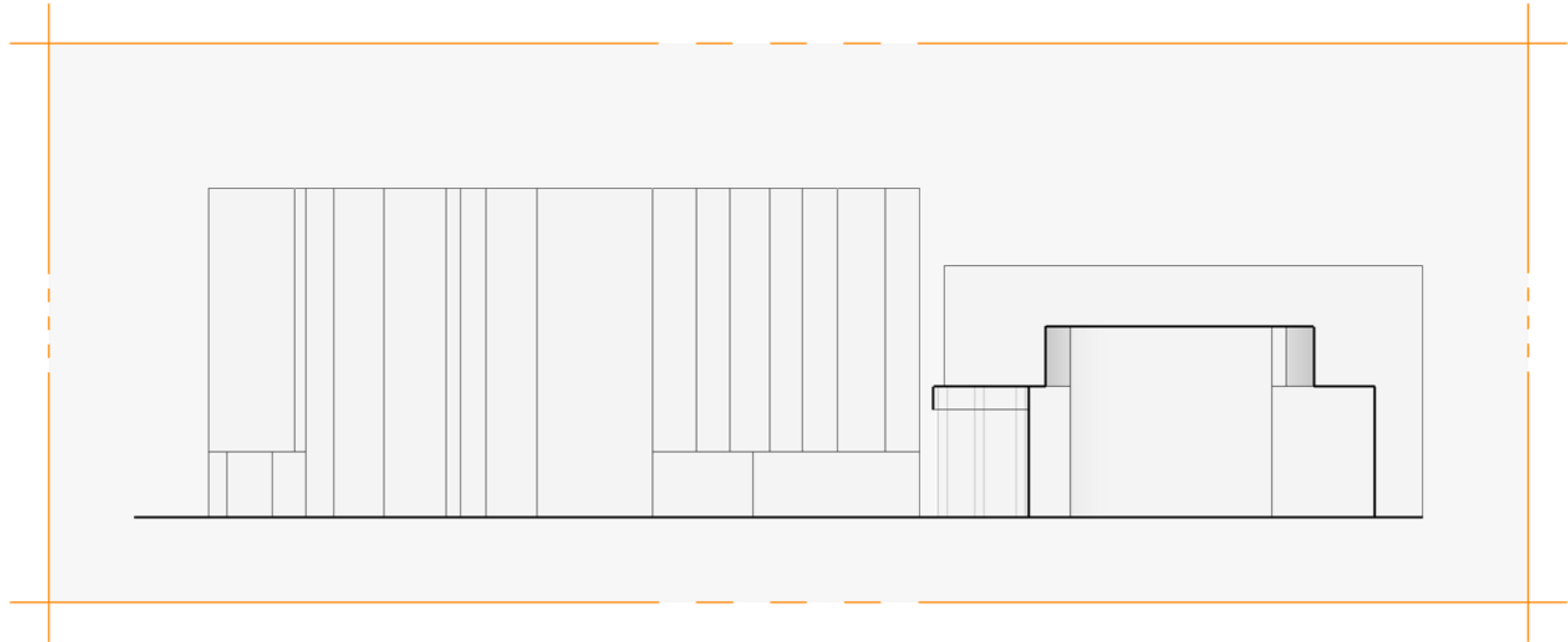
- Dense Development surrounding Plaza



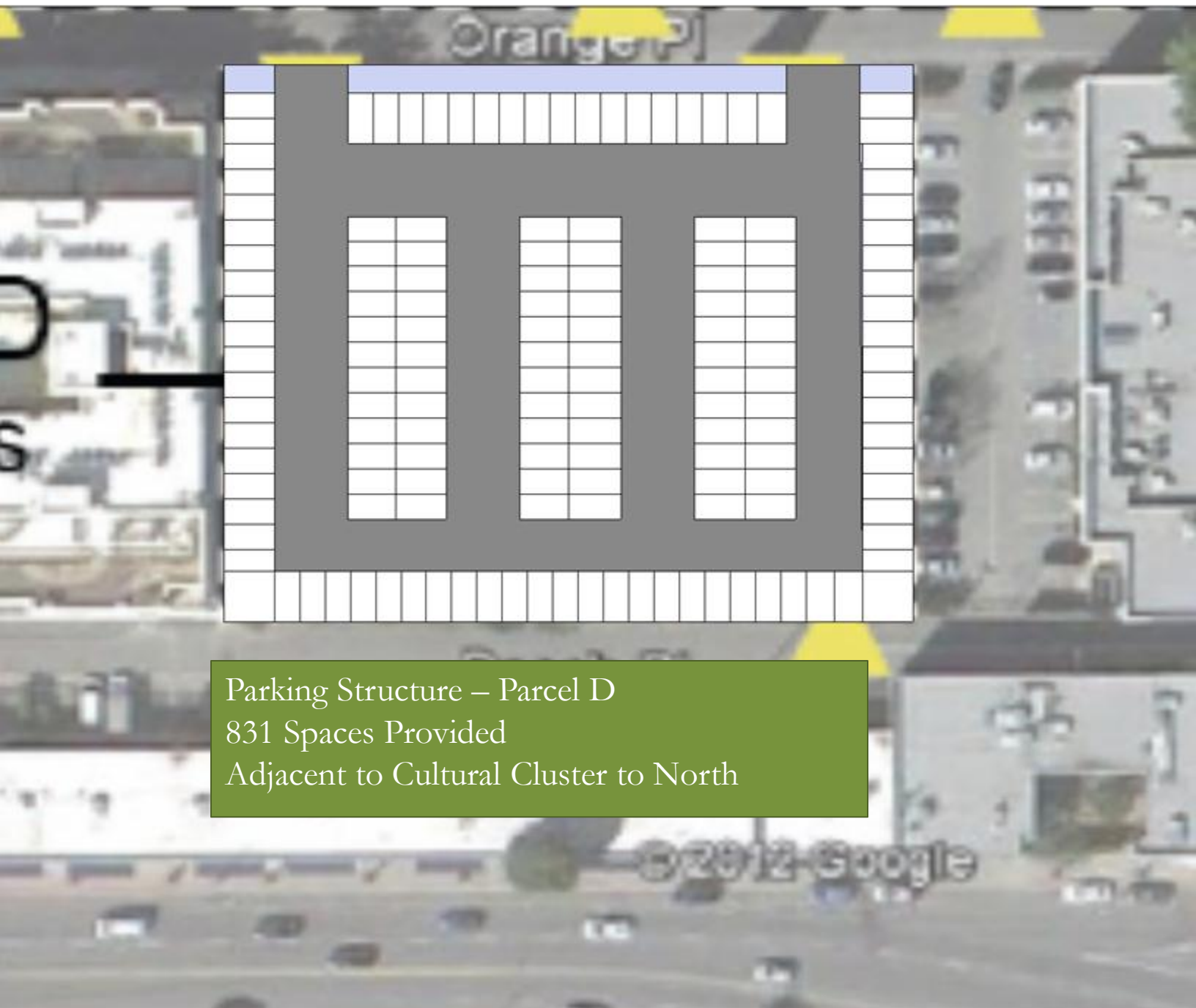
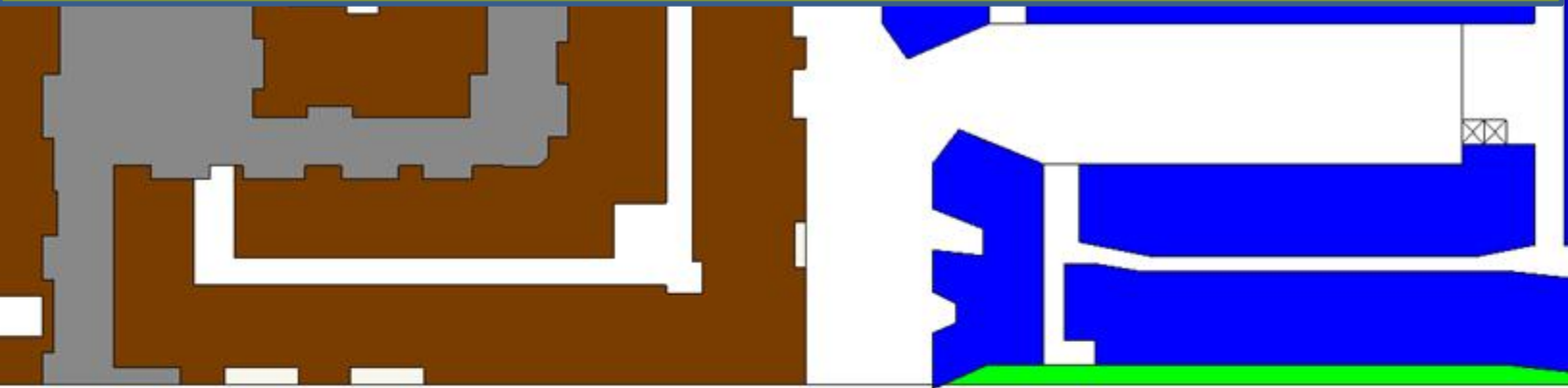
- Retail and Restaurants



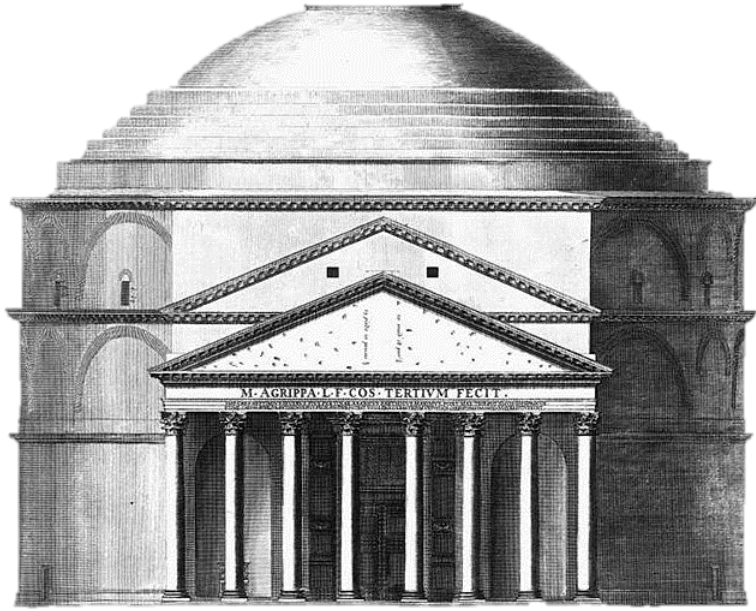
Site Section



Parking



Parking Structure – Parcel D
831 Spaces Provided
Adjacent to Cultural Cluster to North



Strategy

The West Park District

THE CITY OF PASADENA

ID #3392

Executive Summary - Strategy

As discussed previously, neither of the Land Full, Expanded, or Minimal Development Visions produced positive returns. Due to the large fees, restrictions on permitted uses, large costs due to public uses, parking requirements, inclusion of non-viable uses and general lack of health in the market, none of the visions were able to produce a viable plan. That being said, I made a recommendation to move forward with the Expanded Plan if and only if we were able to pursue other sources of revenue or decreased costs through Strategic Options. This is the place where I will explore them. As a basis for comparison, I will only look at the Expanded Plan for the various strategic scenarios because this vision requires the least amount of subsidy/strategy, and therefore, more likelihood for success in obtaining it. In the interest of clarity, I have summarized the results of the Strategic Options on the following pages, and explained how I arrived at them. I have only printed off one entire model in paper form, the shared parking costs case, because it shows the whole model working, including leverage and waterfalls.

Summary of Findings:

Option	Strategic Options (in Millions)						
	Base Case	Mitigation Fee Reduction	Mitigation Fee Reduction/ Theatre Costs	City Subsidy	Parking Cost Reduction	Parking Revenue Sale	Optimism
Agreement		City will reduce the Mitigation and Impact Fees for all projects by 59%	City will reduce Mit. Fees by 47% and pay all the costs of the Theatre.	City will subsidize the Land Development over the course of the project for \$9,175,500.	City will share 53.5% of the costs of building the parking structure.	City will allow the developer to charge for parking and sell the parking structure for revenue. Value - \$5.6M	Developer will anticipate 3% growth of revenues beyond current expectations.
Land Costs	21.7	21.7	21.7	21.7	21.7	21.7	21.7
Development Costs	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Other Costs	23.5	23.5	21.5	23.5	14.2	23.5	23.5
Total Development Costs	48.3	48.4	46.3	48.4	39.0	39.0	39.0
Revenues	42.2	51.6	49.6	51.3	42.1	47.8	51.5
ULCF	-6.2	3.2	3.3	3.0	3.2	-0.5	3.2
IRR	-21.0%	11.8%	11.9%	12.0%	12.2%	-2.1%	12.2%
NPV @ 10%	-7.9	0.4	0.5	0.4	0.5	-2.6	0.4
EM	0.82	1.09	1.09	1.10	1.10	0.98	1.09

Strategy #1 – Negotiation

Under a City Negotiation, we will ask for a reduction in A) the Municipal Mitigation/Impact Fees and B) the financial support for the City Theatre. To accomplish this, I have built two triggers on the Land Use page under the Muni Fee Multiplier: 1) changing costs of mitigation/impact fees and 2) changing the total cost(contribution) of the theatre . Currently at 100%, all fees as provided in the pad valuations are untouched and the theatre cost is still 2M. As such, the total returns remain negative. However, an adjustment to those triggers yielded positive outcomes.

Reduction in the Mitigation Fees – 59% or
Reduction in the Mitigation Fees – 47% **and** \$0 Fees towards Theatre
 12% Unlevered Cash Flow IRR

plier	Muni Fee Multiplier	Parking Tabulat
100%	41%	
100%	41%	
100%	41%	
100%	41%	

Option	Base Case	Mitigation Fee Reduction	Mitigation Fee Reduction/ Theatre Costs
Agreement		City will reduce the Mitigation and Impact Fees for all projects by 59%	City will reduce Mit. Fees by 47% and pay all the costs of the Theatre.
Land Costs	21.7	21.7	21.7
Development Costs	3.1	3.1	3.1
Other Costs	23.5	23.5	21.5
Total Development Costs	48.3	48.4	46.3
Revenues	42.2	51.6	49.6
ULCF	-6.2	3.2	3.3
IRR	-21.0%	11.8%	11.9%
NPV @ 10%	-7.9	0.4	0.5
EM	0.82	1.09	1.09

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1 Standalone Restaurant(s)	\$	3,125,000		1	\$
1 City Subsidy, or Partnership	\$	9,175,500		1	7 \$
0 Parking Revenue (Sale)	\$	5,656,770		3	1 \$
Total Sales of Parcels					\$
Acreage Check					
	Available Acres	Cum.			
Methodology is as follows:	4	4.5	9	9000000	9175500
1) As soon as one parcel has been completed above,	6	1.4	1	100000	
2) Sell off largest RLV first as long as	7	4.3	7	70000	
3) Largest RLV is in desired Parcel			5	5000	
			5	500	

Strategy #3 – Shared Parking Costs

(not a part, but a good idea)

Although not a strategic option provided, I believe this one is another viable ask to the city if neither of the above are fruitful in attaining returns. The major cost in all visions is the parking structure, ranging from 30-60% of the total development costs. If the city were open to sharing the costs of the structure, this could greatly decrease the costs to the land development. The results are below:

Municipal Fees Adjustment	100%		
Rent Adjustment	100%		
Theatre Price Adjustment	100%		
Parking Structure Shared Cost	46.5%	12.16%	
Parking Structure Revenues		on land dev model	

Other Development (not specific to Parcel)			
1 Cultural Plaza/Park	\$	500,000	Total cost
Community Theater	\$	2,000,000	Total cost
Structured Parking		\$58	psf of structured parking
0 Scenario ABCD		290,850	sf
1 Scenario BC		301,550	sf
0 Scenario BCState		245,000	sf
Landscaping		\$3.00	per sf of site area
1 Tree Moving - Camphor		\$50,000.00	
Property Taxes		2.50%	of total land prices
0 Scenario ABCD			
1 Scenario BC			
0 Scenario BCState			

Option	Base Case	Parking Cost Reduction
Agreement		City will share 53.5% of the costs of building the parking structure.
Land Costs	21.7	21.7
Development Costs	3.1	3.1
Other Costs	23.5	14.2
Total Development Costs	48.3	39.0
Revenues	42.2	42.1
ULCF	-6.2	3.2
IRR	-21.0%	12.2%
NPV @ 10%	-7.9	0.5
EM	0.82	1.10

Strategy #4 – Sale of Parking Revenue

(not a part, but a good idea)

If none of the above work, one final option for negotiation with the city regarding the parking structure are the revenues. Indeed, I cannot think of one place in Los Angeles County where I have parked in a parking structure for free. In our case, we have paid for the land, built the parking structure, and then giving it away. Instead, if we were compensated for the cash flow derived from the parking structure, we could include the capitalized value for the parking structure in our parcel sales, similar to selling an asset. See below for the valuations of the different visions, and the returns achieved if the parking structure cash flow were sold. Even though it does not produce a positive return, an extra \$5M would greatly help the project or if combined with any of the strategic options discussed.

Additional Revenue from Parking Garage – 5.6M

		Scenario ABCD	Scenario BC	Scenario BCState
SF Requirement		290,850	361,550	245,000
Number of Spaces		831	861	700
Annual Rent	\$	545,967	565,677	459,900
Average Daily Rate	\$ 3.00			
Average Occupancy	60%			
Annual Expenses	20% \$	109,193	113,155	91,980
NOI	\$	436,774	452,542	367,920
Valuation @	8% \$	5,459,670	5,656,770	4,599,000
0 City Subsidy, or Partnership	\$			9,175,500
1 Parking Revenue (Sale)	\$			5,656,770
Total Sales of Parcels				

Option	Base Case	Parking Revenue Sale
Agreement		City will allow the developer to charge for parking and sell the parking structure for revenue. Value - \$5.6M
Land Costs	21.7	21.7
Development Costs	3.1	3.1
Other Costs	23.5	23.5
Total Development Costs	48.3	39.0
Revenues	42.2	47.8
ULCF	-6.2	-0.5
IRR	-21.0%	-2.1%
NPV @ 10%	-7.9	-2.6
EM	0.82	0.98

Strategy #5 – General Optimism

This deal is unfortunately a disaster on its own. As previously mentioned the large fees, restrictions on permitted uses, large costs due to public uses, parking requirements, inclusion of non-viable uses and general lack of health in the market have contributed to a project whose costs outstrip its revenues. Indeed, for anyone to take on this project without any negotiated concessions or subsidies, they would have to think differently about the market than I do. To measure this “optimism” I built in a rent multiplier. It takes every sale price or rent calculated throughout the pad valuations and multiplies it by the said amount. In this way, I could see what kind of optimism I would need to believe in to take this project. The results are below:

Additional rent/sale prices on units needed to achieve 12% - 3%

Multiplier	Rent Multiplier	Muni Fee Multiplier
129%	103%	10
0%	103%	10
0%	103%	10
200%	103%	10
n/a	103%	10
100%	103%	10

Option	Base Case	Optimism
Agreement		Developer will anticipate 3% growth of revenues beyond current expectations.
Land Costs	21.7	21.7
Development Costs	3.1	3.1
Other Costs	23.5	23.5
Total Development Costs	48.3	39.0
Revenues	42.2	51.5
ULCF	-6.2	3.2
IRR	-21.0%	12.2%
NPV @ 10%	-7.9	0.4
EM	0.82	1.09

Land Development Strategies –
Shared Parking Costs - Scenario BC

The West Park District

THE CITY OF PASADENA

ID #3392

			Quarter Ending Period	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	
Start Date			7/1/2012		Jul-12 0	Oct-12 1	Jan-13 2	Apr-13 3	Jul-13 4	Oct-13 5	Jan-14 6	Apr-14 7	Jul-14 8	Oct-14 9	Jan-15 10
Acquisitions Costs															
Parcel	Amount		Proforma												
A	\$1,850,000	Price per Acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B	\$2,450,000	Price per Acre	\$ (11,000,500)	\$ -	\$ (10,890,495)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Property	\$1,850,000	Price per Acre	\$ (2,664,000)	\$ -	\$ (2,637,360)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Remainder of C	\$1,850,000	Price per Acre	\$ (7,899,500)	\$ -	\$ -	\$ (7,820,505)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D	\$1,850,000	Price per Acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposit	1% deposit on any land purchased		\$ (215,640)	\$ (215,640)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Costs	0.75% purchase price, due at sale		\$ (161,730)	\$ -	\$ (102,484)	\$ (59,246)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Acquisitions Costs			\$ (21,725,730)	\$ (215,640)	\$ (13,630,339)	\$ (7,879,751)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development Costs			Amount	\$ Units											
Parcel A Costs															
Legal/Entitlements	\$50,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Architecture & Engineering	\$35,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$34,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parcel B Costs															
Legal/Entitlements	\$50,000	\$ per acre	\$ (224,500)	\$ -	\$ (112,250)	\$ (112,250)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Architecture & Engineering	\$35,000	\$ per acre	\$ (157,150)	\$ -	\$ (52,383)	\$ (52,383)	\$ (52,383)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$34,000	\$ per acre	\$ (152,660)	\$ -	\$ (50,887)	\$ (50,887)	\$ (50,887)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parcel C-State Costs															
Legal/Entitlements	\$100,000	\$ per acre	\$ (144,000)	\$ -	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ (28,800)	\$ -	\$ -	\$ -	\$ -	\$ -
Architecture & Engineering	\$50,000	\$ per acre	\$ (72,000)	\$ -	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demolition/Remediation	\$125,000	\$ per acre	\$ (180,000)	\$ -	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$175,000	\$ per acre	\$ (252,000)	\$ -	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ (50,400)	\$ -	\$ -	\$ -	\$ -	\$ -
Parcel C-Remainder Costs															
Legal/Entitlements	\$100,000	\$ per acre	\$ (427,000)	\$ -	\$ -	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ (85,400)	\$ -	\$ -	\$ -	\$ -
Architecture & Engineering	\$50,000	\$ per acre	\$ (213,500)	\$ -	\$ -	\$ (53,375)	\$ (53,375)	\$ (53,375)	\$ (53,375)	\$ (53,375)	\$ -	\$ -	\$ -	\$ -	\$ -
Demolition/Remediation	\$125,000	\$ per acre	\$ (533,750)	\$ -	\$ -	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ (106,750)	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$175,000	\$ per acre	\$ (747,250)	\$ -	\$ -	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ (149,450)	\$ -	\$ -	\$ -	\$ -
Parcel D Costs															
Legal/Entitlements	\$100,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Architecture & Engineering	\$50,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demolition/Remediation	\$125,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$175,000	\$ per acre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Development (not specific to Parcel)															
Cultural Plaza/Park	\$ 500,000	Total cost	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (250,000)	\$ (250,000)	\$ -	\$ -	\$ -	\$ -
Community Theater	\$ 2,000,000	Total cost	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -
Structured Parking	\$58	psf of structured parking													
Scenario ABCD	290,850	sf	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Scenario BC	301,550	sf	\$ (8,132,804)	\$ -	\$ -	\$ -	\$ -	\$ (2,033,201)	\$ (2,033,201)	\$ (2,033,201)	\$ (2,033,201)	\$ -	\$ -	\$ -	\$ -
Scenario BCState	245,000	sf	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping	\$3.00	per sf of site area	\$ (1,332,936)	\$ -	\$ -	\$ -	\$ -	\$ (333,234)	\$ (333,234)	\$ (333,234)	\$ (333,234)	\$ -	\$ -	\$ -	\$ -
Tree Moving - Camphor	\$50,000.00		\$ (50,000)	\$ -	\$ (25,000)	\$ (25,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Taxes	2.50%	of total land prices													
Scenario ABCD			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Scenario BC			\$ (5,391)	\$ (343,587)	\$ (539,100)	\$ (539,100)	\$ (266,838)	\$ (266,838)	\$ (266,838)	\$ (200,904)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Scenario BCState			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Development Costs + Land			\$ (39,007,037)	\$ (221,031)	\$ (14,347,646)	\$ (9,187,546)	\$ (3,536,980)	\$ (3,161,448)	\$ (3,393,448)	\$ (5,158,939)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)

The West Park District
THE CITY OF PASADENA
ID #3392

[illegible]

Land Development Strategies – Shared Parking Costs - Scenario BC

Levered Cash Flow				\$	(215,640)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	8,411,045	\$	-	\$	7,850,323	\$	8,036,224	\$	-	\$	-	\$	-		
IRR				11.05%																							
NPV @ 10%				\$214,511																							
EM				1.12																							
Equity Partnership 1				EP	Sponsor	0	1	2	3	4	5	6	7	8	9	10											
					95%																						
Tier 1 - 95/5 to 8%				1.94%	5%																						
Beginning Partnership Balance						\$	-	\$	(215,640)	\$	(13,850,168)	\$	(21,998,980)	\$	(22,426,344)	\$	(14,450,966)	\$	(14,731,698)	\$	(7,167,561)	\$	-	\$	-	\$	-
Partnership Equity Draw						\$	(215,640)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Preferred Return Earned						\$	-	\$	(4,189)	\$	(269,061)	\$	(427,364)	\$	(435,666)	\$	(280,732)	\$	(286,186)	\$	(139,241)	\$	-	\$	-	\$	-
Preferred Return Paid						\$	-	\$	-	\$	-	\$	-	\$	8,411,045	\$	-	\$	7,850,323	\$	7,306,802	\$	-	\$	-	\$	-
Ending Balance						\$	(215,640)	\$	(13,850,168)	\$	(21,998,980)	\$	(22,426,344)	\$	(14,450,966)	\$	(14,731,698)	\$	(7,167,561)	\$	-	\$	-	\$	-	\$	-
Net Flow						\$	(215,640)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	8,411,045	\$	-	\$	7,850,323	\$	7,306,802	\$	-	\$	-	\$	-
EP's Tier 1 CFs							8.00%	\$	(204,858)	\$	(12,948,822)	\$	(7,485,764)	\$	-	\$	7,990,493	\$	-	\$	7,457,807	\$	6,941,462	\$	-	\$	-
Sponsors Tier 1 CFs							8.00%	\$	(10,782)	\$	(681,517)	\$	(393,988)	\$	-	\$	420,552	\$	-	\$	392,516	\$	365,340	\$	-	\$	-
Remaining Flows						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	729,422	\$	-	\$	-	\$	-
Tier 2 - 85/15 to 14%				3.33%	85%																						
Funds Available for Partnership						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	620,008	\$	-	\$	-	\$	-
Payment Required to Hit Tier 2 Hurdle								\$	(13,853,159)	\$	(22,194,214)	\$	(22,933,270)	\$	(15,285,891)	\$	(15,794,903)	\$	(8,470,542)	\$	(865,849)	\$	(913,993)	\$	(963,741)	\$	(1,015,145)
Tier 2 Distributions						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	729,422	\$	-	\$	-	\$	-
Net Flow							11.05%	\$	(215,640)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	8,411,045	\$	-	\$	7,850,323	\$	8,036,224	\$	-	\$	-
EP's Tier 1/2 CFs							10.74%	\$	(204,858)	\$	(12,948,822)	\$	(7,485,764)	\$	-	\$	7,990,493	\$	-	\$	7,457,807	\$	7,561,471	\$	-	\$	-
Sponsors Tier 1/2 CFs							17.00%	\$	(10,782)	\$	(681,517)	\$	(393,988)	\$	-	\$	420,552	\$	-	\$	392,516	\$	474,753	\$	-	\$	-
Remaining Flows						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Tier 3 - 70/30 Split					70%																						
EP Share of Remaining Funds						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Sponsor's Share of Remaining Funds						\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total EP Cash flow							10.74%	\$	(204,858)	\$	(12,948,822)	\$	(7,485,764)	\$	-	\$	7,990,493	\$	-	\$	7,457,807	\$	7,561,471	\$	-	\$	-
Total Cash Flow to Sponsor							17.00%	\$	(10,782)	\$	(681,517)	\$	(393,988)	\$	-	\$	420,552	\$	-	\$	392,516	\$	474,753	\$	-	\$	-
Audit																											
Total Flows to/from EP/Sponsor							11.05%	\$	(215,640)	\$	(13,630,339)	\$	(7,879,751)	\$	-	\$	8,411,045	\$	-	\$	7,850,323	\$	8,036,224	\$	-	\$	-
Equity Partnership 2				EP	Sponsor	0	1	2	3	4	5	6	7	8	9	10											
					95%																						
Tier 1 - 100 to 10%				2.41%	5%																						
Beginning EP Balance						\$	-	\$	(204,858)	\$	(13,158,620)	\$	(20,961,686)	\$	(21,467,150)	\$	(13,573,757)	\$	(13,901,071)	\$	(6,385,954)	\$	-	\$	-	\$	-
EP Equity Draw						\$	(204,858)	\$	(12,948,822)	\$	(7,485,764)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Preferred Return Earned						\$	-	\$	(4,940)	\$	(317,303)	\$	(505,464)	\$	(517,652)	\$	(327,313)	\$	(335,206)	\$	(153,989)	\$	-	\$	-	\$	-
Preferred Return Paid						\$	-	\$	-	\$	-	\$	-	\$	8,411,045	\$	-	\$	7,850,323	\$	6,539,942	\$	-	\$	-	\$	-
Ending Balance						\$	(204,858)	\$	(13,158,620)	\$	(20,961,686)	\$	(21,467,150)	\$	(13,573,757)	\$	(13,901,071)	\$	(6,385,954)	\$	-	\$	-	\$	-	\$	-
EP's Tier 1 CFs							10.00%	\$	(204,858)	\$	(12,948,822)	\$	(7,485,764)	\$	-	\$	8,411,045	\$	-	\$	7,850,323	\$	6,539,942	\$	-	\$	-
Sponsors Tier 1 CFs							25.42%	\$	(10,782)	\$	(681,517)	\$	(393,988)	\$	-	\$	-	\$	-	\$	-	\$	1,496,281	\$	-	\$	-