

**Block 51 – Capitol West Phase I (The Alexander Co.)**

**Gap Analysis Report**

<b>UNIT MIX</b>	
Market Units	142
IZ Units	<u>18</u>
Total Units	159
<b>PARKING STALLS</b>	
Condo Stalls – Underground	119
Excess Stalls- Underground	28
Surface Stalls	22
Purchased Stalls-Meriter Ramp	<u>89</u>
<b>Total Parking Stalls</b>	<b>258</b>
<b>ESTIMATED VALUE</b> (rounded)	
Residential Units (Net Sales)	\$42,026,000
Excess Parking & Storage Sales	1,025,000
Commercial Rental	1,350,000
LESS: Base Value	<u>(\$2,733,000)</u>
<b>INCREMENTAL VALUE</b>	<b>\$41,668,000</b>
<b>TIF AVAILABLE @ 50%</b>	<b>\$4,157,150</b>
<b>COST</b> (rounded)	
Land	\$(4,536,000)
Demolition/Remediation	(2,130,000)
Hard Cost (Residential)	(26,935,000)
Hard Cost (Commercial)	(1,556,000)
Parking Const. Cost	(3,363,000)
Parking Purchased	(1,335,000)
Soft Cost (w/o ineligible fees)	<u>(7,315,000)</u>
<b>Total Cost</b>	<b>\$(47,170,000)</b>
<b>INVESTMENT</b>	
Equity	\$6,625,000
Loans	\$34,467,000
Subordinated Dev. Debt	<u>\$1,804,000</u>
<b>Total</b>	<b>\$42,896,000</b>
<b>GAP</b>	<b>(\$4,274,000)</b>
<b>Total City Assistance</b>	<b>\$4,274,000</b>
<b>% of TIF</b>	<b>51%</b>

<b>COMMENTS</b>			
Requires an IZ waiver of 7 units.			
Parking construction, including underground and surface stalls cost approximately \$22,347 per stall. Existing surface stalls are being purchased for \$15,000 per stall. Both are satisfactory estimates.			
Estimated assessed value of new project \$43.5 MM for the condos and \$1.3 MM for commercial. Tax increment is calculated against the difference between the new growth and the existing base value as of the date of the TID creation, called the "incremental value".			
Per TIF Policy, project is eligible for 50% of the present value of tax increments generated by the project over the remaining life of the TID as direct TIF assistance to the project.			
Land cost, excluding parking acquisition, is satisfactory at approximately \$58/SF.			
IZ Waiver and Parks Dedication Fees not included—ineligible TIF costs per TIF Law.			
Soft cost estimate is approx. 27% of hard cost. Satisfactory.			
\$3.0 MM of the gap is attributable to demolition/remediation, parking acquisition Commercial Construction			
\$1.2 MM of the gap is attributable to Inclusionary Zoning, thus:			
	All Market (No IZ Units)	With 17 IZ Units	Difference
Sources of Funds	44,115,000	42,896,000	(1,219,000)
Project Cost	(47,193,000)	(47,170,000)	23,000
Surplus (Gap)	(3,078,000)	(4,274,000)	(1,196,000)
Note: All Market project would cost slightly more due to increase of IZ waiver fee for 100% waiver scenario.			
TIF assistance would require exception per TIF Policy (not to exceed 50% present value of TIF).			