



ALTERNATIVE SCENARIOS TO REDEVELOPMENT

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Prepared for:



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TABLE OF CONTENTS

- I. Executive Summary
- II. Goals of the Study
- III. Methodology
- IV. Developer Request for Proposal (RFP)
- V. Owned Building Condition Assessment
- VI. Financial Analysis
- VII. Appendix
 - A – Financial Analysis Source Documents
 - B – Market Study
 - C – Facilities Condition Assessment

I. EXECUTIVE SUMMARY

The Centre City Development Corporation (“CCDC”) on behalf of the City of San Diego (“the City”) retained The Staubach Company/Jones Lang LaSalle (“Staubach/JLL”) to provide consulting services to assist CCDC identify and evaluate alternatives to minimize the City’s occupancy costs for its more than 3,000 downtown employees. Staubach/JLL was asked to study the City’s occupancy alternatives, the findings of which are contained in the body of this report. In a subsequent report Staubach/JLL will analyze redevelopment alternatives for the City. It is strongly recommended that the contents of both reports be reviewed and considered collectively in any decision making process by the City concerning the subject of the reports.

The purpose of the study contained in this report is to:

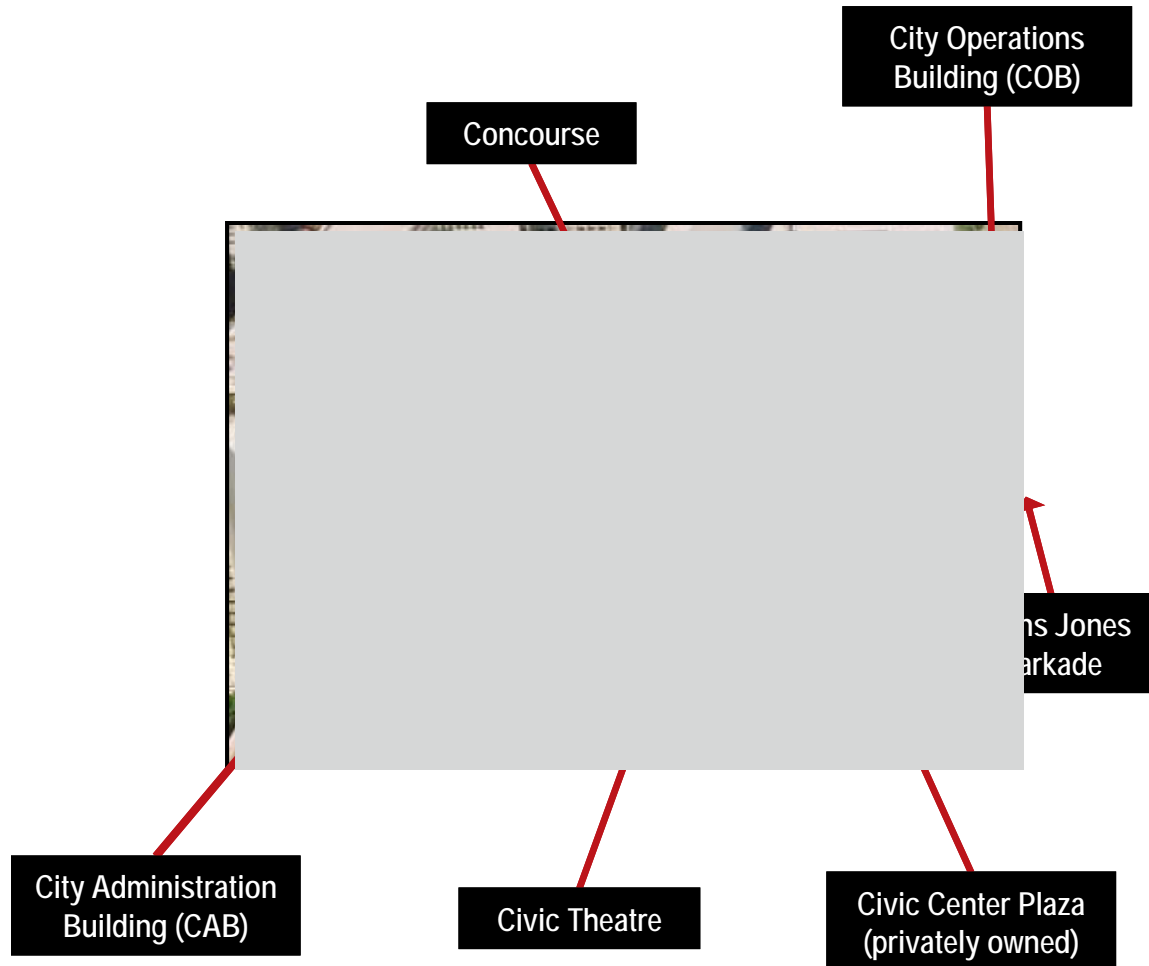
- 1. Identify and evaluate alternative occupancy scenarios for the City’s downtown administrative operations**
 - a. Identify all viable alternatives available to the City, based on the staffing forecasts included in the Facilities Needs Assessment prepared by Gensler Architects (“Gensler”), for accommodating the more than 3,000 downtown City employees.
 - b. Determine the current physical condition of the existing City-owned buildings located within the Civic Center Complex. Estimate the costs to renovate and rehabilitate the buildings to comply with current building and safety codes.
 - c. Forecast the City’s costs, in both the near-term and the long-term, under each of the identified alternatives.
 - d. Provide a written report summarizing findings, analyses and recommendations.
- 2. Assist CCDC in drafting a Request for Proposal (RFP)** for the two finalist development teams of Hines and Gerding Edlen Development. These developers had been selected from a prior Request for Qualifications (RFQ) process to advance to the RFP stage. A key aspect of the RFP is to compare the financial impacts to the City of the finalists’ development proposals with the other identified alternatives.
- 3. Evaluate the finalist developers’ proposals** based on financial viability and costs/benefits to the City. Following proposal submission, each developer’s proposal was evaluated based on criteria outlined in the RFP. Thorough consideration and assessment of development costs, financial assumptions, partnership and financing structure, and market valuations were included in this assessment.

Background

The City of San Diego’s downtown office workforce of roughly 3,000 is currently disbursed in six buildings throughout downtown. Approximately 1,000 employees work in three City-owned buildings located within a four-square block site known as the “Civic Center Complex.” The remaining 2,000 employees work in three privately-owned office buildings in space leased by the City. The City’s leases are scheduled to expire in the years 2013 and 2014. Because the existing leases were negotiated many years ago, it is anticipated that the City’s annual leasing costs will increase significantly when the leases are renewed. CCDC, on behalf of the City, has retained Staubach/JLL to research, identify and assess viable options available to the City with the goal of minimizing the City’s occupancy costs in the near-term (next 15 years) and in the long-term (next 50 years).

San Diego Civic Center Complex

The Civic Center Complex site is a four-square block area located in the heart of the Civic/Core District of San Diego’s downtown. The five structures located on the Civic Center site were constructed in the mid-1960s and consist of the City Administration Building (“CAB”), the City Operations Building (“COB”), the Evans Jones Parkade (“Parkade”), the Concourse, and the Civic Theatre. Downtown’s primary fire station, Station #1, is located in the basement of the COB.



Facilities Studied

For purposes of this study and developing a comparative framework, Staubach/JLL performed an evaluation of the City’s projected costs for the following existing owned and leased facilities:

Building	Square Footage	Owned/Leased	No. of Employees
City Administration Building (CAB)	188,926	Owned	600
City Operations Building (COB)	213,905	Owned	400
Concourse	158,119	Owned	60
Parkade	580,076	Owned	N/A
600 B Street	153,265	Leased	550
Civic Center Plaza (CCP)	243,176	Leased	835
Executive Complex	136,321	Leased	455
TOTALS:	1,673,788		2,900

Source: DMJM Facilities Condition Assessment report for owned assets and leases in effect for the leased facilities.

Major Considerations for Non-Redevelopment Alternatives

Seven alternatives to redevelopment were collaboratively developed with input by the consulting team CCDC, City executive staff and from community outreach meetings. Each alternative could reasonably accommodate the City's future administrative space requirements and includes a combination of leased and owned properties that would avoid a complete redevelopment of the Civic Center Complex.

Several guiding principles were established for the selection of the viable non-redevelopment alternatives. The principles included the following:

1. To the maximum extent possible, leverage the City's owned real estate assets to accommodate as many employees as practical rather than continuing long-term lease payment obligations.
2. The City's legislative and mayoral functions shall remain in the downtown Central Business District of the City. Substantial geographic dispersion of other existing downtown departments should be avoided to minimize inefficiencies and duplicative space requirements.
3. Consideration should be given for both short-term (15 years) and long-term (50 years) functionality, efficiency and cost effectiveness.
4. To the maximum extent possible, City employment locations shall be adjacent to or in close proximity to major transit hubs, lines and/or stations.

Three major factors were used to determine the cost for these non-redevelopment alternatives. The main components of this analysis included:

1. Capital renovation and rehabilitation costs for existing owned buildings estimated in the Facilities Condition Assessment report prepared by DMJM H&N ("DMJM");
2. Forecasting the anticipated occupancy costs of continuing to lease space in the market; and
3. Projecting staff growth and the impact on space demand of staff growth using existing and new workspace standards, as determined in the Facilities Needs Assessment report.

Additional factors considered in establishing the City's costs according to the non-redevelopment alternatives include:

- Cost and terms of City financing (tax-exempt interest rate)
- Operating expenses
- Impact of building efficiency on space requirements
- Costs of purchasing the Civic Center Plaza building, which is currently leased
- Furniture and technology costs
- Costs associated with leasing swing space during renovation
- Move costs
- Costs associated with implementing new workspace standards recommended in the Facilities Needs Assessment

Using these factors, Staubach/JLL prepared a forecast of the City's costs for a 50-year period, beginning in the year 2008, for each of the alternatives. A fifty-year period was deemed appropriate and necessary to fully reflect the benefits of a newly constructed facility, in the redevelopment alternative, as a new facility is expected to provide a minimum 50-year useful life prior to requiring significant renovations. The projected future cash flow of City costs was discounted to the year 2013 (the year in which major City leases begin to expire) applying a discount rate of 5.25%.

City Owned Properties

DMJM was commissioned to conduct a Facilities Condition Assessment to identify rehabilitation, repairs and maintenance items necessary to remediate hazardous materials and unhealthy working conditions and achieve compliance with the current seismic, safety and disabled access codes. The condition assessment also estimated the costs of such work and prioritized each identified repair item. The costs identified in the DMJM study formed the basis for several of Staubach/JLL's analyses. The analyses assume the City will finance the renovation costs, amortized over their useful life. In Staubach/JLL's analysis, the renovation costs were assumed to be financed over thirty (30) years at an interest rate of 5.25%. Operating expenses were estimated at \$9.00 per square foot in year 2008 dollars and escalated at 5.0% annually. Since the City was unable to provide current or historical operating cost data for any of the facilities located on the Civic Center Complex site, Staubach/JLL estimated the operating costs by obtaining historical operating expense budgets for comparable downtown office buildings from the Building Owners and Managers Association ("BOMA") and comparing the estimates to current budgets obtained directly from the building owners averaging \$9.00 per square foot annually in year 2008 dollars, excluding property taxes (a detailed report is attached in the Market Study attached hereto in Appendix B). It is important to note that the consultant team did not believe that repair of the existing buildings would extend the useful life of the buildings beyond 30 years. For this reason, the 50-year financial projections considered that a new City Hall would be financed and constructed at the end of the 30-year estimated useful life of the existing owned buildings. The DMJM condition assessment estimated the total cost to repair deficiencies in the City's owned buildings at \$93.6 million in year 2011 dollars. The DMJM condition assessment did not include seismic retrofit costs. DMJM estimated the seismic retrofit costs to be between \$30-\$60 per square foot. A precise estimate was not possible because structural drawings of the buildings were not available and a subsequent design of the seismic improvements was not part of the scope. The seismic improvements were conservatively estimated at \$35 per square foot and were included in the Staubach/JLL analysis. Accordingly, the DMJM cost estimate has been adjusted by Staubach/JLL to \$125 million for renovation, to include the estimated cost of seismic upgrades to comply with current building codes (estimated at \$35 per square foot), required swing space, furniture, fixtures and equipment ("FF&E") and moving costs.

The Facility Condition Index (FCI), defined as the costs of repair divided by total replacement costs, is a general indicator of a building's health. An FCI above 65% would suggest building replacement is more financially and physically practical than renovation, which is reflected in the FCI of the CAB and Concourse facilities. It is important to highlight that the FCI presented below are exclusive of the seismic retrofit and move costs.

Building	Total Cost with Life Cycle	Facility Condition Index
CAB	\$37,524,000	50.3%
COB	\$22,492,000	26.6%
Concourse	\$27,230,000	51.4%
Parkade	\$6,342,000	12.6%
Subtotals:	\$93,588,000	
Seismic	\$19,633,000	
Swing Space & Move Costs	\$12,398,000	
TOTALS:	\$125,619,000	

Source: DMJM Facilities Condition Assessment report.

In the year 2038, the estimated expiration of the useful life of the buildings, the Staubach/JLL analysis assumes the buildings are demolished and replaced with a new 849,000 GSF City Hall. The building is assumed to be large enough to accommodate the City's projected growth over the 50-year analysis period per Gensler's Facilities Needs Assessment. Cumming Corporation ("Cumming") estimated the total costs to develop the new City Hall at \$411.5 million in 2008 dollars. The cost is escalated by 4.5% per year until construction commencement in the year 2038. FF&E costs of \$7,000 per full time employee ("FTE"), escalated by 3% per year, were added to the facility cost estimate.. Total costs of a new facility in 2038 were forecast at \$1.6 billion.

City Leased Properties

A major cost component of the seven alternatives includes analysis of the City's leased properties and forecasting the anticipated future occupancy costs of continuing to lease space in the San Diego market. Staubach/JLL performed a review of the existing leases and cost data including escalated rents and pass-through of operating expenses. At the end of the existing lease terms, Staubach/JLL forecasts below market rental rates and terms (resulting from the City's favorable negotiating position as an occupier of large amounts of space) to be negotiated on behalf of the City, then escalated over the 50-year analysis period.

Projected Staff Growth and Workspace Standards

Gensler was commissioned to forecast City staff growth, by department, over a 50-year period and to evaluate and recommend new workspace standards for the City. If adopted by the City, Gensler estimated that the new recommended workspace standards will decrease the overall office space required by the City by as much as 30% if used in an efficiently designed building floor plate, which Gensler estimated to be approximately 32,000 square feet of Gross Floor Area with a centrally located elevator core. By shifting to a more open office environment from the current inefficient private office build-out and applying the new standards to the efficient building floor plate, Gensler estimated the average space per employee could be reduced from the existing average of 315 square feet to an average of 225 square feet per person. The costs included in each alternative considered the City's projected growth, as forecast in the Gensler report, and the impact staff growth will have on space demand using both current workspace standards and the new proposed standards. In alternatives which assume that the new standards are applied to existing City-owned or leased buildings, the average square feet per person allocation is adjusted to reflect the efficiency of that specific building's floor plate. For example, at Civic Center Plaza (one of the City's leased facilities) this efficiency factor projects the new workspace standards would be 17% less efficient than if applied to the optimal floorplate. Therefore, should the new workspace standards be adopted for Civic Center Plaza it would result in a square foot utilization of 247 average square feet per person rather than the 225 average square feet per person achieved in the optimal floor plate scenario.

Non-Redevelopment Alternatives

The following provides a description of each of the seven alternatives to redevelopment and their respective present values:

Alternative 1 – Alternative 1 assumes the City rehabilitates its owned facilities according to the recommendations included in the Facilities Condition Assessment and seismically retrofits, to the extent possible, to current building standards. Costs for temporary staff moves and swing space during the rehabilitation process are also included. The improvements are assumed to extend the remaining useful life of the City-owned facilities for 30 years from the date of completion of the improvements. Reflecting the structures' useful life findings in the Condition Assessment Report, new facilities are assumed to be constructed, at the City's expense, at the end of the thirtieth year. Since the City-owned facilities accommodate only a portion of the City employees, the balance of the required space needs are assumed met through new leases on existing or comparable space upon lease expirations at likely negotiated rates and terms. The City's new workspace standards are assumed to be implemented in the owned facilities

but not the leased buildings. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 2 – Alternative 2 assumes the City rehabilitates its owned facilities as described in Alternative 1. In addition, this alternative assumes interior improvements are installed which apply, to the extent possible, new efficient workspace standards to the City-owned and leased facilities. This alternative results in a reduction in the amount of leased space required to accommodate the City's downtown operations. This scenario assumes that the Civic Center Plaza is acquired and occupied 100% by the City at a projected market sales price, rather than continuing to be leased. Assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 3 – Alternative 3 applies the same assumptions as Alternative 2, except Civic Center Plaza remains a leased facility. Assumes the required remaining space to fully accommodate the City's downtown operations is leased in the Executive Complex, or comparable space. Consistent with the other alternatives, assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 4 – Applies the same assumptions as Alternative 3, except improvements are made to the City-owned building commonly known as the Concourse building to convert its existing meeting spaces into office space using the new efficient workspace standards. This alternative allows the majority of the City employees to be housed in the City-owned buildings and results in the most reduction of leased space required by the City. Assumes the required remaining space to fully accommodate the City's downtown operations is leased in the Executive Complex, or comparable space. Assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 5 – This alternative assumes the City does not incur any costs for capital improvements or workspace efficiencies in its owned or leased properties and performs NO rehabilitation, code improvements or other renovations to its owned facilities and continues to occupy those facilities for the next 30 years. Assumes the City accepts latent risks in building occupants' health and safety by not rehabilitating these structures. Assumes minimal costs are incurred to modify interior spaces upon renegotiation of existing leases (paint, carpet and minor renovations) and for swing space during these modifications. Assumes no costs are incurred to migrate to more efficient workspace standards in the owned or leased facilities. Although not estimated in the costs, it should be noted that it is highly likely that, without renovation, some of the major building systems will fail over the next 30 years resulting in costly repairs and disruption for City Staff. Assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

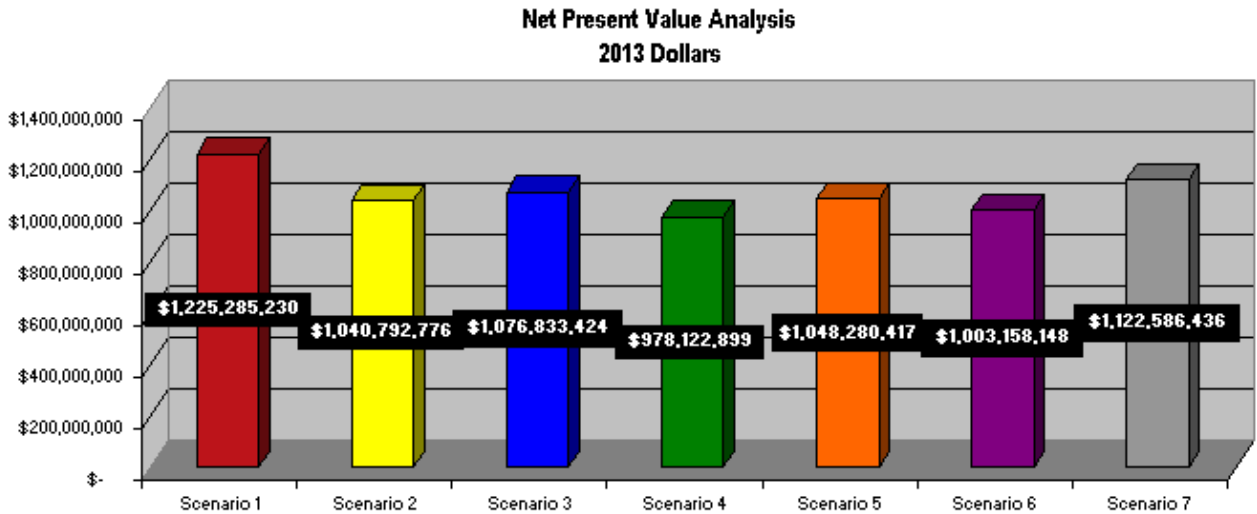
Alternative 6 – Alternative 6 assumes the Concourse building is converted from meeting space to office space and the remaining required space leased in both downtown and in a suburban location, adjacent to convenient and frequent public transit. To maintain a strong negotiating position, this alternative assumes the City continues to lease 50,000 square feet of space in downtown and the balance in the suburban location. Finally, Alternative 6 assumes that renovations will be completed for the owned facilities, including more efficient workspace standards. Consistent with the other alternatives, assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 7 – Alternative 7 is comparable to Alternative 6 except it assumes the Concourse remains as a meeting facility. However, this results in a substantial increase in the amount of space to be leased in the suburban market. Consistent with the other alternatives, this alternative assumes the facilities will require

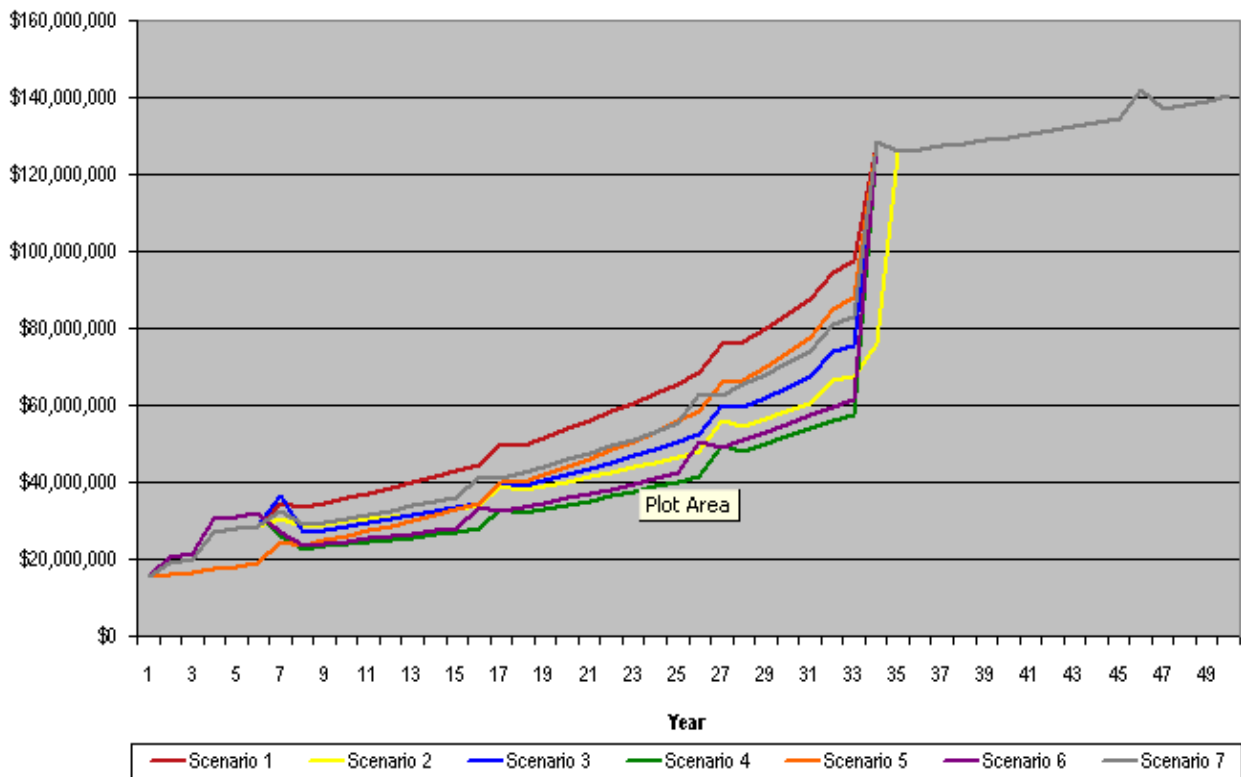
replacement at the end of the thirtieth year. Also assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

The following tables illustrate the Net Present Value of each alternative's annual and total future cost to the City projected over a 50 year horizon and the nominal costs to the City during the first 15 years.

City's Projected Costs (2008-2058) Discounted to Year 2013



Annual City Costs in Future Dollars

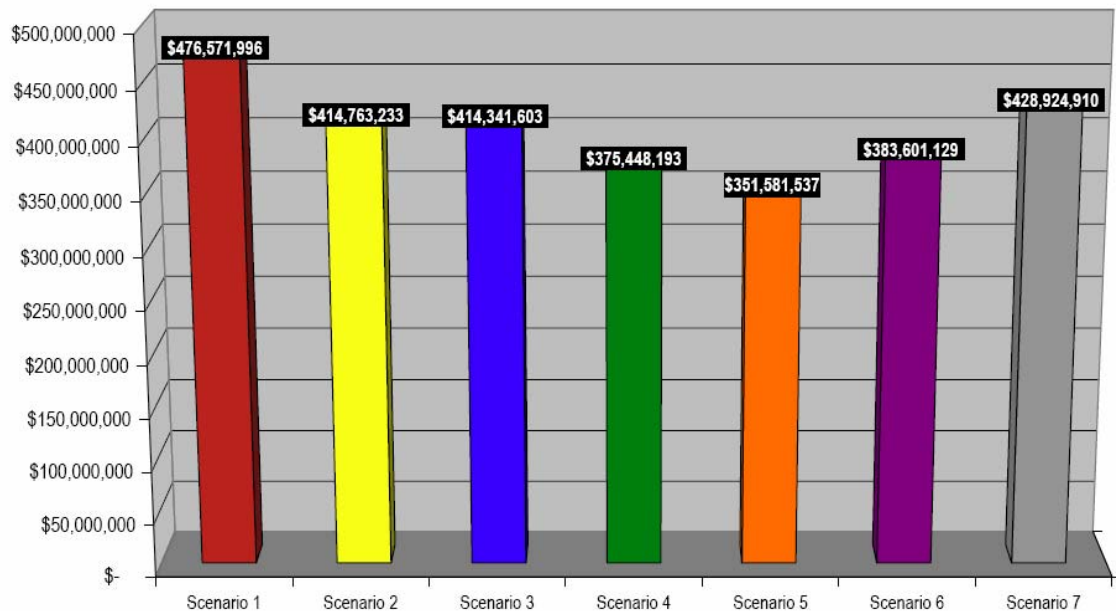


The chart above illustrates the cash flow over a fifty (50) year period for each scenario. Actual annual costs are detailed on the following page.

Annual City Occupancy Cost Comparison

		Scenario 3			50-Year Scenario 4 Lowest Cost Alternative	Scenario 7		
1	2008	\$15,283,648	\$15,283,648	\$15,283,648	\$15,283,648	\$15,283,648	\$15,283,648	\$15,283,648
2	2009	\$18,775,285	\$18,775,285	\$18,775,285	\$20,686,085	\$15,928,002	\$20,686,085	\$18,775,285
3	2010	\$19,912,705	\$19,912,705	\$19,912,705	\$21,471,925	\$16,607,989	\$21,471,925	\$19,912,705
4	2011	\$27,225,022	\$27,225,022	\$27,225,022	\$30,342,036	\$17,321,817	\$30,342,036	\$27,225,022
5	2012	\$27,966,363	\$27,966,363	\$27,966,363	\$31,145,642	\$18,063,158	\$31,145,642	\$27,966,363
6	2013	\$28,692,046	\$28,692,046	\$28,692,046	\$31,935,921	\$18,788,840	\$31,935,921	\$28,692,046
7	2014	\$34,628,535	\$30,274,527	\$36,476,961	\$25,969,977	\$24,725,330	\$27,062,103	\$32,434,305
8	2015	\$33,579,820	\$28,690,037	\$26,859,434	\$22,714,881	\$23,676,615	\$23,427,481	\$28,817,683
9	2016	\$34,744,130	\$29,242,288	\$27,682,683	\$23,264,748	\$24,840,925	\$24,021,952	\$29,738,475
10	2017	\$35,956,513	\$29,822,175	\$28,541,013	\$23,839,771	\$26,053,308	\$24,643,469	\$30,698,236
11	2018	\$37,219,128	\$30,431,121	\$29,436,071	\$24,441,183	\$27,315,923	\$25,293,324	\$31,698,748
12	2019	\$38,534,239	\$31,070,593	\$30,369,549	\$25,070,253	\$28,631,034	\$25,972,876	\$32,741,878
13	2020	\$39,904,215	\$31,742,130	\$31,343,219	\$25,728,312	\$30,001,010	\$26,683,546	\$33,829,583
14	2021	\$41,331,538	\$32,447,348	\$32,358,941	\$26,416,758	\$31,428,333	\$27,426,829	\$34,963,914
15	2022	\$42,818,809	\$33,187,945	\$33,418,664	\$27,137,055	\$32,915,604	\$28,204,292	\$36,147,019
16	2023	\$44,368,752	\$33,965,707	\$34,524,430	\$27,890,742	\$34,465,547	\$33,569,245	\$41,540,083
17	2024	\$49,889,749	\$39,224,001	\$39,759,639	\$33,159,196	\$39,986,544	\$32,459,668	\$40,910,984
18	2025	\$49,708,215	\$38,098,150	\$39,032,408	\$32,004,856	\$39,805,010	\$33,510,639	\$42,460,033
19	2026	\$51,722,319	\$39,135,975	\$40,479,862	\$33,009,446	\$41,819,114	\$34,608,554	\$44,074,346
20	2027	\$53,819,933	\$40,224,131	\$41,988,983	\$34,059,297	\$43,916,728	\$35,755,632	\$45,756,898
21	2028	\$56,004,817	\$41,365,110	\$43,562,601	\$35,156,558	\$46,101,612	\$36,954,198	\$47,510,801
22	2029	\$58,280,908	\$42,561,529	\$45,203,682	\$36,303,485	\$48,377,703	\$38,206,694	\$49,339,321
23	2030	\$60,652,334	\$43,816,134	\$46,915,334	\$37,502,445	\$50,749,129	\$39,515,678	\$51,245,875
24	2031	\$63,123,413	\$45,131,811	\$48,700,815	\$38,755,920	\$53,220,208	\$40,883,835	\$53,234,048
25	2032	\$65,698,675	\$46,511,590	\$50,563,541	\$40,066,512	\$55,795,470	\$42,313,978	\$55,307,596
26	2033	\$68,382,860	\$47,958,650	\$52,507,089	\$41,436,954	\$58,479,655	\$50,338,248	\$63,131,729
27	2034	\$76,111,801	\$55,856,537	\$60,057,447	\$49,375,906	\$66,208,596	\$49,164,539	\$62,716,819
28	2035	\$76,440,021	\$54,674,291	\$59,478,022	\$48,104,729	\$66,536,816	\$51,076,116	\$65,415,305
29	2036	\$79,911,224	\$56,582,909	\$62,006,231	\$49,915,159	\$70,008,018	\$53,072,188	\$68,227,560
30	2037	\$83,527,074	\$58,582,036	\$64,642,223	\$51,806,253	\$73,623,868	\$55,156,721	\$71,158,765
31	2038	\$87,294,102	\$60,676,096	\$67,390,942	\$53,781,816	\$77,390,897	\$57,333,870	\$74,214,346
32	2039	\$94,735,413	\$66,385,995	\$73,773,834	\$55,845,835	\$84,832,208	\$59,607,995	\$80,916,254
33	2040	\$97,526,683	\$67,385,118	\$75,464,839	\$57,578,132	\$88,047,842	\$61,559,302	\$82,938,959
34	2041	\$128,551,728	\$75,762,955	\$128,551,728	\$128,551,728	\$128,551,728	\$128,551,728	\$128,551,728
35	2042	\$125,768,119	\$125,768,119	\$125,768,119	\$125,768,119	\$125,768,119	\$125,768,119	\$125,768,119
36	2043	\$126,500,689	\$126,500,689	\$126,500,689	\$126,500,689	\$126,500,689	\$126,500,689	\$126,500,689
37	2044	\$127,262,919	\$127,262,919	\$127,262,919	\$127,262,919	\$127,262,919	\$127,262,919	\$127,262,919
38	2045	\$128,056,021	\$128,056,021	\$128,056,021	\$128,056,021	\$128,056,021	\$128,056,021	\$128,056,021
39	2046	\$128,881,261	\$128,881,261	\$128,881,261	\$128,881,261	\$128,881,261	\$128,881,261	\$128,881,261
40	2047	\$129,739,957	\$129,739,957	\$129,739,957	\$129,739,957	\$129,739,957	\$129,739,957	\$129,739,957
41	2048	\$130,633,480	\$130,633,480	\$130,633,480	\$130,633,480	\$130,633,480	\$130,633,480	\$130,633,480
42	2049	\$131,563,258	\$131,563,258	\$131,563,258	\$131,563,258	\$131,563,258	\$131,563,258	\$131,563,258
43	2050	\$132,530,780	\$132,530,780	\$132,530,780	\$132,530,780	\$132,530,780	\$132,530,780	\$132,530,780
44	2051	\$133,537,595	\$133,537,595	\$133,537,595	\$133,537,595	\$133,537,595	\$133,537,595	\$133,537,595
45	2052	\$134,585,316	\$134,585,316	\$134,585,316	\$134,585,316	\$134,585,316	\$134,585,316	\$134,585,316
46	2053	\$141,816,937	\$141,816,937	\$141,816,937	\$141,816,937	\$141,816,937	\$141,816,937	\$141,816,937
47	2054	\$136,810,272	\$136,810,272	\$136,810,272	\$136,810,272	\$136,810,272	\$136,810,272	\$136,810,272
48	2055	\$137,991,079	\$137,991,079	\$137,991,079	\$137,991,079	\$137,991,079	\$137,991,079	\$137,991,079
49	2056	\$139,219,947	\$139,219,947	\$139,219,947	\$139,219,947	\$139,219,947	\$139,219,947	\$139,219,947
50	2057	\$140,498,852	\$140,498,852	\$140,498,852	\$140,498,852	\$140,498,852	\$140,498,852	\$140,498,852
Nominal Sum		\$3,947,718,498	\$3,494,058,439	\$3,614,341,734	\$3,385,149,644	\$3,644,894,711	\$3,442,636,438	\$3,722,972,842
NPV (2013)		\$1,225,285,230	\$1,040,792,776	\$1,076,833,424	\$978,122,899	\$1,048,280,417	\$1,003,158,148	\$1,122,586,436
		\$476,571,996	\$414,763,233	\$414,341,603	\$375,448,193	\$351,581,537	\$383,601,129	\$428,924,910

15-Year Initial Occupancy Costs: 2008 – 2022



Conclusions

Each of the seven alternatives analyzed provide viable solutions for accommodating the City staff over the next 50 years. However, despite their viability significant differences exist between each alternative's cost, its efficiency and effectiveness in supporting the staffing needs of the City. The following table highlights the consulting team's opinion of the advantages and disadvantages of each solution.

Alternative	Advantages	Disadvantages
<i>Alternative 1</i>	<ul style="list-style-type: none"> Eliminates the significant latent risks of continuing occupancy of City-owned buildings by installing fire protection systems, removing asbestos, and upgrading buildings to comply with current seismic codes Maintains significant City presence in downtown 	<ul style="list-style-type: none"> Most expensive alternative on 50-year NPV basis and initial 15-year cash flow City remains in inefficient workspaces Significant amount of space needs to be leased in privately-owned buildings Significant disruption and costs incurred during renovation Dispersed City functions among several buildings resulting in redundancy and inefficiency

Alternative	Advantages	Disadvantages
<i>Alternative 2</i>	<ul style="list-style-type: none"> ▪ Eliminates the significant latent risks of continuing occupancy of City-owned buildings by installing fire protection systems, removing asbestos, and upgrading buildings to comply with current seismic codes ▪ Maintains significant City presence in downtown ▪ Reduces amount of required leased space and physically consolidates City operations ▪ Provides the City with an improved work environment that is more efficient as a result of efficient workspace standards ▪ Slightly less expensive than Alt #1 due to leasing less space as a result of efficiencies gained from employing efficient workspace standards and ownership of Civic Center Plaza ▪ Provides City with long-term real estate asset (Civic Center Plaza) 	<ul style="list-style-type: none"> ▪ May not be possible to acquire Civic Center Plaza ▪ Does not completely eliminate the need to lease space ▪ Significant disruption and costs will be incurred during renovation ▪ Continued geographically dispersed and inefficient City operations
<i>Alternative 3</i>	<ul style="list-style-type: none"> ▪ Eliminates the significant latent risks of continuing occupancy of City-owned buildings by installing fire protection systems, removing asbestos, and upgrading buildings to comply with current seismic codes ▪ Maintains significant City presence in downtown ▪ Reduces amount of required leased space and physically consolidates City operations ▪ Provides the City with an improved work environment that is more efficient as a result of efficient workspace standards 	<ul style="list-style-type: none"> ▪ Continued need to lease a significant amount of space ▪ Significant disruption and costs will be incurred during renovation ▪ Continued geographically dispersed and inefficient City operations

Alternative	Advantages	Disadvantages
<i>Alternative 4</i>	<ul style="list-style-type: none"> ▪ Least expensive option for City on a 50-Year NPV basis and second least expensive option on initial 15-year cost basis ▪ Eliminates the significant latent risks of continuing occupancy of City-owned buildings by installing fire protection systems, removing asbestos, and upgrading buildings to comply with current seismic codes ▪ Maintains significant City presence in downtown ▪ Provides the greatest reduction in leased space and consolidates most of staff on the Civic Center Complex site in City-owned buildings ▪ Provides the City with an improved work environment by employing new efficient workspace standards 	<ul style="list-style-type: none"> ▪ The Concourse will not provide an ideal working environment due to its cavernous floor plates and lack of natural light ▪ Significant disruption and costs will be incurred during renovation ▪ Meeting space for onsite training and large meetings (Silver and Copper Rooms) will be eliminated
<i>Alternative 5</i>	<ul style="list-style-type: none"> ▪ Least expensive option for the City over the initial 15 years 	<ul style="list-style-type: none"> ▪ City must accept a high degree of latent risk by continuing to occupy aging buildings containing asbestos, lacking fire protection and non-compliant with current seismic codes ▪ City remains in inefficient workspace ▪ Significant amount of space needs to be leased in privately-owned buildings ▪ Does not reduce or eliminate the need for major building renovations or replacement
<i>Alternative 6</i>	<ul style="list-style-type: none"> ▪ Eliminates the significant latent risks of continuing occupancy of City-owned buildings by installing fire protection systems, removing asbestos, and upgrading buildings to comply with current seismic codes ▪ Maintains significant City presence in downtown ▪ Provides the greatest reduction in leased space and consolidates most of staff on the Civic Center Complex site 	<ul style="list-style-type: none"> ▪ Greater geographic dispersion of City departments and inefficiencies ▪ The Concourse will not provide an ideal working environment due to its cavernous floor plates and lack of natural light ▪ Significant disruption and costs will be incurred during renovation ▪ Meeting space for onsite training and large meetings (Silver and Copper Rooms) will be eliminated
<i>Alternative 7</i>	<ul style="list-style-type: none"> ▪ Eliminates the significant latent risks of continuing occupancy of City-owned buildings by installing fire protection systems, removing asbestos, and upgrading buildings to comply with current seismic codes 	<ul style="list-style-type: none"> ▪ Radically disperses the City staff between downtown and suburban locations, likely resulting in degraded efficiencies and increased transportation costs ▪ Significant space continues to be required to be leased

Recommendations

After considering the advantages and disadvantages of the various alternatives to redevelopment, it is Staubach/JLL's opinion that Alternative 4 is the optimal non-redevelopment alternative for the City to pursue. In addition to being the lowest cost alternative on a 50-year NPV basis and the second least expensive option on the 15 -year cash flow basis, this alternative eliminates the latent risks of the City-owned buildings. Furthermore, the City's self insured status exposes the City to potentially significant costs in the event of a major building system failure or from injuries resulting from the buildings' non-compliance with current safety codes. Alternative 4 also provides the City with modern efficient workspace standards in renovated facilities and consolidates a significant amount of the City's staff onto the Civic Center site, reducing the need to lease space in privately owned buildings off-site resulting in inefficiently dispersed City operations.

II. GOALS OF THE STUDY

Goals of Staubach/JLL Work Commissioned by CCDC

In February 2008, Staubach/JLL was engaged by CCDC to provide real estate analysis and support concerning alternative occupancy scenarios for the City's administrative functions, including the use of existing facilities and the viability of developing new facilities on the Civic Center Complex site in San Diego, California. The work is comprised of multiple phases:

1. Evaluate the City's existing occupancy strategy & costs – develop alternative scenarios for minimizing the City's future downtown occupancy costs

For leased property, Staubach/JLL performed a review of the existing leases and cost data including escalated rents and pass through of operating expenses. A comprehensive market study was conducted for the downtown office market and occupancy costs were forecast over a fifty 50-year horizon (the anticipated useful life of a new facility prior to the need for significant renovations).

For owned property, Staubach/JLL commissioned a Facility Condition Assessment through the architectural and engineering firm, DMJM. The purpose of the study was to determine the magnitude of deferred maintenance, code compliance and environmental problems in each of the buildings. In consideration of the City's constrained financial resources, Staubach/JLL assumed the City could not fund the necessary improvements from cash reserves. Staubach/JLL assumed the City would borrow funds, on a tax-exempt basis, for the required improvements. The debt was assumed to be repaid over a period of thirty (30) years and bear interest at the City's cost of capital. As of the date of this report, the City estimates its tax-exempt borrowing rate to be 5.25%.

In the consultant team's opinion, repair of the existing buildings would extend the useful life of the buildings up to 30 years. For this reason, the financial models consider that a new facility will need to be financed and constructed at the end of the useful life of the existing owned buildings.

In addition to the above capital improvement costs, normal operating expenses were also forecast for each of the owned facilities. The City was unable to provide to Staubach/JLL current or historical operating expenses for the Civic Center Complex buildings. Therefore, Staubach/JLL estimated the operating costs by obtaining historical operating expense budgets for comparable downtown office buildings from the Building Owners and Managers Association ("BOMA") and comparing the estimates to current budgets obtained directly from the building owners which results in an average estimate of \$9.00 per square foot per year (a detailed report is attached in the Market Study attached hereto in Appendix B).

2. Analyze the financial impact of implementing Gensler's recommended new workplace standards in various alternatives

The Space Needs Assessment performed by Gensler resulted in a recommendation for the City to employ new modern efficient workspace standards, which include changing from a predominately private office layout to a more open office environment. Gensler projected that an efficient building floor plate using these workspace standards could reduce the City's overall space utilization by as much as 30% from its current utilization of to 315 average square feet per employee to approximately 225 average square feet per employee.

Because the existing buildings contained in the analysis vary in their efficiency, Gensler provided an efficiency factor to apply which adjusts the space utilization according to floor plate efficiency of each existing City-owned and leased building. The efficiency factors were applied as

appropriate to each alternative that assumed the use of Gensler's proposed new efficient workspace standards.

3. Comprehensive RFP issued to developer finalists

Redevelopment of the Civic Center Complex site is also being considered in order to fully evaluate all the City's potential occupancy scenarios. Following a Request for Qualifications process, CCDC "short-listed" two teams to prepare proposals to partner with the City for the redevelopment of the Civic Center Complex to include new City facilities. Staubach/JLL assisted CCDC in preparing the Request for Proposal ("RFP") that was issued to Developers on May 5, 2008. Responses from the two finalist developers were due by July 18, 2008.

4. Evaluate developer proposals & provide recommendations to CCDC/the City

Upon submission of the finalist developer proposals, Staubach/JLL analyzed each proposal's financial viability and costs to the City based on information provided in the proposals. The analysis of the developers' proposals in this report's companion study titled "San Diego Civic Center Redevelopment Alternatives". The companion report compares the developer proposals with the seven alternatives outlined in this report followed by Staubach/JLL findings and recommendations.

III. METHODOLOGY

Phase I Methodology

The evaluation of the City's downtown occupancy alternatives is a very complex assignment requiring thoughtful planning and analysis, and it is of critical importance since any alternative selected will have a major impact on City operations and downtown San Diego. To ensure the accurate evaluation of the complex issues impacting the assignment requires the coordinated efforts of many specialty consultants and the assemblage of data and information from a variety of sources. In this study, the following parties were involved in the assimilation of data for this report:

City

- ↳ Executive Branch
 - ▶ Governmental policy and overall direction
- ↳ CCDC
 - ▶ Real estate development expertise and project leadership, input on baseline cost scenarios and RFP development
- ↳ Real Estate Assets Department
 - ▶ Data on existing owned and leased properties, market dynamics and input on baseline cost scenarios, workplace standards and RFP evaluation criterion
- ↳ All participating City Agencies/Departments
 - ▶ Projected head counts, current and future space needs definition
- ↳ City Finance
 - ▶ Finance strategies for new facilities

Staubach/Jones Lang LaSalle

- ↳ Real estate / economic consultant

Gensler

- ↳ Facilities Needs assessment and development of "best practice" space standards

DMJM

- ↳ Existing Building Condition Assessments
- ↳ Construction cost modeling

ERA

- ↳ Economic and fiscal impact of new construction required in certain non-redevelopment alternatives

The diagram on the following page provides a high level overview of the process used to establish the seven base line cost scenarios and develop the Request for Proposal for developers short listed from the RFQ stage.

Phase I: Alternatives and RFP Development Process

Project Initiation

- Review existing leases and data, including all past studies, related legislation and policy statements
- ID roles/ responsibilities of team members, engage sub consultants as necessary
- Establish stakeholder committee
- Define Scope of Work and Contract for above

Data Gathering

- Define growth/needs by department
- Establish new "best practices" workplace standards
- Quantify SF requirements using existing and new standards
- Condition assessment on City owned buildings
- Understand City's financial parameters and cost of debt
- Market analysis on lease costs and rent escalations
- Calculate costs for swing space and new furniture, fixtures and equipment

Identify Alternative Cost Scenarios

- Collaborate with City and CCDC on assumptions for Base Line Costs
- Determine time frame and financing rates for economic analysis
- Establish and evaluate seven base line cost scenarios as alternatives to site redevelopment
- Evaluate each scenario on cash flow and NPV basis

Create Developer RFP

- Establish Vision for Civic Center Development
- Identify key issues for Developer to address
- Establish minimum performance criteria for new City Hall
- Establish evaluation criteria and weighting factors
- Establish framework to ensure objective financial evaluation

Stakeholder presentations and release RFP

- Present Base Line cost Scenarios to City Officials
- Present Base Line Cost Scenarios to public
- Present RFPs to developers and respond to related questions
- Receive responses to RFP and evaluate economic viability of proposals

RESULT:
Identified and Evaluated Non-Redevelopment Alternatives and RFP Released to Developers

Ongoing Stakeholder Review/Approval

Process to Establish Alternative Cost Scenarios to Redevelopment

Data collected from the above parties and other sources was compiled into a series of spreadsheets analyzing seven occupancy alternatives. Elements of the financial analysis reflect the following:

1. Establish scenarios that consider and involve the public in the process

- Stakeholder Interviews with the City to receive direction on various scenarios to pursue and understand the City's goals, functional priorities and financial parameters as related to this project
- Public outreach meetings to educate constituents about the project and to receive public comment

2. Establish primary assumptions for the alternative cost analysis, which included the following key factors (supporting data for these assumptions can be found in Section V of this report):

- Lease Analysis
 - ▶ A compilation of existing and projected lease costs for buildings which the City currently occupies and accounts for future expansion over the 50-year period.
- Owned Building Analysis
 - ▶ A compilation of current and projected occupancy costs for owned buildings at the Civic Center Complex. According to a Facilities Condition Assessment, the estimated cost to complete badly needed renovations including environmental remediation, seismic upgrades, mechanical systems repairs, swing space and move costs is \$125 million. Staubach/JLL did not assume that the City could fund the necessary improvements from cash reserves. In consideration of City fiscal constraints, Staubach/JLL assumed the City would borrow funds on a tax exempt basis. The loan was assumed to be repaid over a period of thirty (30) years and bear interest at the City's cost of capital. As of the date of this report, the City estimates its tax exempt borrowing rate to be 5.25%. This is only a portion of the costs to occupy the buildings. To this amount, operating expenses (janitorial, insurance, maintenance, utilities, etc.) are forecast and added to the total. Since the City was unable to provide current or historical operating cost data for any of the facilities located on the Civic Center Complex site, Staubach/JLL estimated the operating costs by obtaining historical operating expense budgets for comparable downtown office buildings from the Building Owners and Managers Association ("BOMA") and comparing the estimates to current budgets obtained directly from the building owners which results in an average estimate of \$9.00 per square foot per annually in year 2008 dollars.
 - ▶ The consultant team did not believe that repair of the existing buildings would extend the useful life of the buildings beyond 30 years. For this reason, the financial models considered that a new City Hall would be financed and constructed at the end of the useful life of the existing owned buildings. The cost to fully replace the existing buildings at the end of their useful life was estimated at \$1.6 billion in the year 2038. These estimated costs are included in the analysis.
- Impact of office standards
 - ▶ The impact on overall space requirements was projected using current City space standards and, alternatively, using new "best practices" standards developed by Gensler.

- Cost of new furniture and technology
- Cost of swing space required under various scenarios
- Cost of moving employees to swing space and to the completed buildings

Using these inputs, alternatives were developed that depict different occupancy strategies. Each scenario is graphically represented for its impact on annual cash flow requirements and overall Net Present Value.

The results of the analysis and observations, conclusions and recommendations are presented in this report. To compare the various scenarios on a “like kind” basis, the annual cost of occupancy was modeled over 50 years. Staubach/JLL then calculated the present value of the cash flows to year 2013 dollars (the first year in which existing major leases begin to expire).

IV. DEVELOPER REQUEST FOR PROPOSAL (RFP)

Staubach/JLL assisted CCDC in the development of an RFP to be released to Developers short listed from the prior RFQ stage. A key component of the RFP was to provide a structure that allows the City to objectively evaluate whether the Developer Proposals represent quantitative savings and qualitative improvement to the City over the non-redevelopment alternatives.

The key factors addressed in the development of the RFP include:

- Outlining the Development Vision and Development Objectives for the Civic Center Complex
- Addressing fundamental requirements for the Development including:
 - ▶ Requirements for the new City Hall, including overall square foot requirements, minimum floor plate sizes and minimum performance specifications
 - ▶ Connectivity with “C” street
 - ▶ Requirements for the Civic Theatre and other public uses on the site
 - ▶ Parking requirements
 - ▶ Sustainability requirements
 - ▶ Public Art
 - ▶ Type, size and sequencing of private development on the site
- Financial requirements with emphasis that the costs to the City of a new City Hall must represent a savings over other viable alternatives
 - ▶ The non-redevelopment alternatives contained in this report were provided as targets for the Developers to improve upon in their submission
 - ▶ Developers are required to provide detailed financial pro-formas of their proposals for the new City Hall to meet the City’s requirements and the amount, if applicable, would be offered to the City for the excess development rights on the site and
- Selection Process and Evaluation Criteria
 - ▶ Staubach/JLL worked closely with the CCDC and the City to develop an objective evaluation criterion that addresses the City’s key goals for the development. The main categories for evaluation include:
 - ✓ Proposal and Development Team Characteristics
 - ✓ Financial Resources and Structure
 - ✓ Conceptual Project/Planning/Design/Architecture
 - ✓ Development Program and Project Implementation

In addition to providing written responses, Developers were asked to provide graphic representations of their design vision so the designs could be clearly understood and accurately interpreted in the evaluation process.

The RFP’s were released to the Developers on May 5, 2008 and Staubach/JLL assisted CCDC in addressing questions and clarifications requested by the Developers as they prepared their submissions. This concluded Phase I of this study. When the Developer submissions are received on July 18, 2008, Phase II of the study will commence to include assisting CCDC and the City in the economic analysis of the Developer responses.

V. OWNED BUILDING CONDITION ASSESSMENT

It is widely accepted that significant deferred maintenance problems exist at the Civic Center. To quantify the extent of these problems, DMJM was retained by Staubach/JLL to perform a comprehensive Facilities Condition Assessment that identifies deferred maintenance, hazardous materials, and code compliance issues for each owned building and estimates the costs to cure these deficiencies. The assessment conducted at the Civic Center Site involved buildings of three major types: mid to high rise office buildings, an exhibition hall, and a parking garage. The specific City owned buildings include the City Administration Building, City Operations Building, the Concourse building, and the Evans Jones Parkade. The study also included an assessment of the Civic Center Plaza office building, wherein the City currently leases approximately 243,000 square feet. The purpose for assessing this building was to determine the deferred maintenance cost the City would likely incur if the City purchased the building and renovated it.

As part of a comprehensive Facilities Condition Assessment, specific site and building related deficiencies were identified, categorized by type, and grouped into one of twelve major building systems. Subsequently, a detailed cost estimate for each deficiency was prepared including construction costs market sensitive to San Diego, California and related “soft costs” that account for design and engineering professional fees, contingencies, escalation, and administrative expense (for a detailed analysis of soft cost factors refer to Appendix A in the Facilities Condition Assessment report.) All deficiencies were prioritized in order to determine an appropriate level of annual funding for capital expenses across all buildings. Cost estimates were derived under the assumption that the buildings would be renovated to a condition to provide a remaining useful life of thirty (30) years.

The condition assessment does not include engineering studies to determine the current condition and cost to upgrade the buildings to meet to current seismic building code. Structural drawings of the buildings were not available and, therefore, a subsequent design of the seismic improvements was not performed. In lieu of performing this time consuming and costly seismic study, the DMJM team provided an estimated range of cost based on their knowledge of current code requirements, the age of the buildings and the type of structural design used for the buildings considered. DMJM estimated costs to be a range of \$30 and \$60 a gross square foot. For the purposes of the analysis an estimated cost of \$35 a gross square foot in year 2008 dollars was assumed for seismic upgrades.

The study concluded that total current deficiencies for all buildings (including Civic Center Plaza), in 2011 construction dollars is estimated to be \$100,704,791. Again, this does not include costs associated with seismic upgrades.

Appendix A provides the detailed findings from the Facilities Condition Assessment prepared by DMJM.

VI. FINANCIAL ANALYSIS OF ALTERNATIVES

The following pages provide a detailed description and analysis of seven alternatives to redevelopment that were collaboratively developed with input by the consulting team, CCDC, City executive staff and from community outreach meetings. Each alternative could reasonably accommodate the City's future administrative space requirements and includes a combination of leased and owned properties.

A description of each of the seven alternatives to redevelopment and their respective present values are as follows:

Alternative 1 – Alternative 1 assumes the City rehabilitates its owned facilities according to the recommendations included in the Facilities Condition Assessment and seismically retrofits, to the extent possible, to current building standards. Costs for temporary staff moves and swing space during the rehabilitation process are also included. The improvements are assumed to extend the remaining useful life of the City-owned facilities for 30 years from the date of completion of the improvements. Reflecting the structures' useful life findings in the Condition Assessment Report, new facilities are assumed to be constructed, at the City's expense, at the end of the thirtieth year. Since the City-owned facilities accommodate only a portion of the City employees, the balance of the required space needs are assumed met through new leases on existing or comparable space upon lease expirations at likely negotiated rates and terms. The City's new workspace standards are assumed to be implemented in the owned buildings but not the leased facilities. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 2 – Alternative 2 assumes the City rehabilitates its owned facilities as described in Alternative 1. In addition, this alternative assumes interior improvements are installed which apply, to the extent possible, new efficient workspace standards to the City-owned and leased facilities. This alternative results in a reduction in the amount of leased space required to accommodate the City's downtown operations. This scenario assumes that the Civic Center Plaza is acquired and occupied 100% by the City at a projected market sales price, rather than continuing to be leased. Assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 3 – Alternative 3 applies the same assumptions as Alternative 2, except Civic Center Plaza remains a leased facility. Assumes the required remaining space to fully accommodate the City's downtown operations is leased in the Executive Complex, or comparable space. Consistent with the other alternatives, assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 4 – Applies the same assumptions as Alternative 3, except improvements are made to the City-owned building commonly known as the Concourse building to convert its existing meeting spaces into office space using the new efficient workspace standards. This alternative allows the majority of the City employees to be housed in the City-owned buildings and results in the most reduction of leased space required by the City. Assumes the required remaining space to fully accommodate the City's downtown operations is leased in the Executive Complex, or comparable space. Assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 5 – This alternative assumes the City does not incur any costs for capital improvements or workspace efficiencies in its owned or leased properties and performs NO rehabilitation, code improvements or other renovations to its owned facilities and continues to occupy those facilities for the next 30 years. Assumes the City accepts latent risks in building occupant's health and safety by not rehabilitating these structures. Assumes minimal costs are incurred to modify interior spaces upon

renegotiation of existing leases (paint, carpet and minor renovations) and for swing space during these modifications. Assumes no costs are incurred to migrate to more efficient workspace standards in the owned or leased facilities. Although not estimated in the costs, it should be noted that it is highly likely that, without renovation, some of the major building systems will fail over the next 30 years resulting in costly repairs and disruption for City Staff. Assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 6 – Alternative 6 assumes the Concourse building is converted from meeting space to office space and the remaining required space leased in both downtown and in a suburban location, adjacent to convenient and frequent public transit. To maintain a strong negotiating position, this alternative assumes the City continues to lease 50,000 square feet of space in downtown and the balance in the suburban location. Finally, Alternative 6 assumes that renovations will be completed for the owned facilities, including more efficient workspace standards. The more efficient workspace standards were not assumed in the lease facilities in order to maintain a lower rental rate. Consistent with the other alternatives, assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Alternative 7 – Alternative 7 is comparable to Alternative 6 except it assumes the Concourse remains as a meeting facility. However, this result in a substantial increased in the amount of space to be leased in the suburban market. Consistent with the other alternatives, this alternative assumes the facilities will require replacement at the end of the thirtieth year. Also assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Primary Assumptions

There are numerous baseline assumptions that are contained in the analysis for each scenario. The following section provides a description of each major assumption used in these alternatives. These assumptions were developed through the collaborative efforts of Staubach/JLL, CCDC, City Executive staff and expert sub-consultants. The roles of the major sub-consultants used in developing the analysis is summarized in the following table

Firm	Role
DMJM H&N	<ul style="list-style-type: none"> ▪ Performed a Facilities Condition Assessment on all existing Civic Center Complex buildings and the Civic Center Plaza office building, including a cost estimate to repair identified deferred maintenance. ▪ Provided an estimated cost range to perform seismic improvements necessary to bring City-owned buildings up to current code.
Gensler Architects	<ul style="list-style-type: none"> ▪ Projected the number of City staff and space requirements over the next 50 years that were used in the alternatives. ▪ Performed a floor plate efficiency analysis on existing owned and leased City buildings, considering both current and new workspace standards. These calculations were used to determining SF/staff space utilization in each alternative.
Cumming Corporation	<ul style="list-style-type: none"> ▪ Estimated construction costs to build a new City Hall in 2008 dollars. This cost, escalated to 2038, is included in the analysis. ▪ Provided an estimated cost to convert the Concourse building from meeting space to office use. ▪ Provided an estimated cost per square foot to provide basic security in City owned and leased buildings.

Major baseline assumptions throughout the analysis include:

Finance

The Mayor's office provided the consulting team with the following financial assumptions, which includes the City's cost of capital and the term by which any debt used for City improvements should be amortized.

City Cost of Capital:	5.25%
Term of Loan:	30 Years
Discount Rate for PV Analysis:	5.25%

Construction/FF&E

Total renovation costs for owned facilities derived from the DMJM Facilities Condition Assessment are as follows:

CAB:	\$44.1Million
COB:	\$30.0 Million
Concourse (meeting facility):	\$32.8 Million
Parkade:	\$ 6.3 Million
Swing Space/Move Costs:	<u>\$12.4Million</u>
Total:	\$125.6Million

Seismic Retrofit – \$35 PSF estimate which is included in the renovation costs noted above (\$30-\$60PSF estimate was provided by DMJM.) DMJM was unable to provide a precise estimate because structural drawings of the buildings were not available and a subsequent design of the seismic improvements was not part of the scope)

Concourse Converted to Office Space – Alternatives 4 and 6 assume converting the Concourse from its current use as a meeting facility to an office use and includes adding approximately 20,000 square feet of mezzanine space in the high bay area. The building, if renovated to office use, could accommodate 178,119 square feet, compared to 158,119 in its current state. Cumming Corporation estimated the additional costs to convert this building to an office use will add an additional \$18.30 million for a total of \$51.1 million in costs.

Security – \$7.50 PSF estimate provided by Cumming Corporation which includes security cameras, card key access systems, and metal detectors at building main entrances.

Furniture – \$5,000 estimate per employee includes all system furniture, private office desks and chairs, conference rooms, and new reception desks.

Voice & Data at Desk – \$2,000 estimate per employee for individual desktop computer equipment and phones.

Technology – \$17.5 million budget in all alternatives except the “No Renovation” alternatives. These estimates were provided by the City's IT staff and includes a new data center, voice and data infrastructure and public safety/service wireless infrastructure, the detailed specifications are outlined lined in Appendix A – Sources Documents.

Escalation of Construction Costs – 4.5% per year.

Escalation on FF&E Costs – 3% per year.

Construction of New Facility in 30 Years (end of useful life of existing owned facilities) – Total costs were estimated at \$1.6 Billion in the year 2038. This estimate provided by Cumming was \$411.5 million in 2008 and assumed building a new City Hall totaling 849,000 GSF (per Gensler’s space projections in the year 2053). These costs are escalated by 4.5% per year to 2038. To these costs furniture was added and escalated at 3% per year and move costs were included to arrive at the \$1.6 billion future dollars.

Purchase of Civic Center Plaza – Alternative 2 considers the costs for the City to *purchase* the building from its owner. Market dynamics in 2008 suggest that Civic Center Plaza would trade for approximately \$250 per square foot. When appreciated at 1% per year, this would suggest that the value of the building in “as is” condition is approximately \$75 million when the lease expires in 2014. To this, Staubach/JLL has added \$48.5 million of additional costs to include renovation of the building to new building codes, including seismic retrofit, security upgrades and conversion of the space to the new workspace standards. In the year 2041 the building is sold when the City staff moves into the new City Hall. *It should be noted that the Landlord has given no indication that the building is for sale and accordingly has not quoted a sale price.*

City Occupancy Demand Projections

Two main factors contribute to the City’s space needs projections contained within the alternatives:

1. Proposed implementation of new City’s workspace standards in some alternatives resulting in more efficient use of space; and
2. Staff growth projections which increase demand for office space based on Gensler’s forecast.

Projected City Staff Growth – Gensler’s study provided figures for current City staffing and projected growth over time that assumes staffing levels of 3,140 in 2013, with projected growth of an average 0.6% per year thereafter.

Projected Space Needs – The alternatives assume that space is added to accommodate staff growth every 10 years commencing in 2023.

Square Foot Utilization – 315 SF per employee is the current average space utilization of owned and leased facilities according data was provided by Gensler.

New Workspace Standards – Gensler developed new workspace standards for the City and projected that in an idealized efficient building floor plate using these workplace standards, the City could reduce the square foot utilization to 225 SF per employee. However, because existing buildings considered in the analysis vary in their efficiency, Gensler provided a factor to adjust for these variances in the alternatives that assume the use of new workspace standards. This impacts all alternatives except Alternative 5, wherein the leased and owned buildings are not converted to the new workspace standards. The factors used to adjust for these varying building efficiencies is contained in the financial analysis spreadsheets and is entitled “Efficiency Analysis”. These address each 10 year increment beginning in 2013.

Revenue for Owned Buildings

2008 parking revenues received from the Parkade include the current 50% subsidy provided by the City for each employee. Four percent (4%) annual increases are projected thereafter.

2008 revenue from the Concourse meeting facilities is based on the City fiscal year 2009 budget projection. Annual increases of 3% are assumed thereafter.

Leasing Assumptions and Analysis

600 B Street Lease Analysis

Today the City occupies 153,265 square feet of space at 600 B Street at close to market rates. This lease is scheduled to expire in 2013. In the various analyses, Staubach/JLL has modeled the lease mandated increases in base rent plus estimated operating expense increases for the remainder of the term (2008-2013).

Civic Center Plaza Lease Analysis

The City occupies a substantial amount of space (243,176 square feet) at the Civic Center Plaza building which is very conveniently located adjacent to the City-owned buildings. This building is currently leased through 2014 at well below prevailing market rates for similar class buildings in the central business district. The building is privately owned and generally in better condition than the adjacent City-owned buildings.

For the purpose of this analysis, Staubach/JLL anticipates a significant increase in occupancy costs (including rent and operating expenses) when the lease expires in 2014 (from \$1.83 to \$2.74 per square foot per month in Alternatives 1 and 5). Alternatives 1 and 5 include a \$30 per square foot tenant improvement allowance provided by the landlord for much needed tenant improvements such as paint, carpeting and partial reconfiguration of walls, ceilings. It is important to note that almost no improvements have been made to these premises over the past 10 years (current lease term). To accommodate this partial reconfiguration, Staubach/JLL models "swing space" to house City employees that are displaced during the renovation period. In Alternatives 1 and 5 these renovations do not constitute a retrofit to the City's new office workspace standard for employees as depicted in Alternatives 2, 3 4 and 6. In these scenarios a more substantial renovation of the building is anticipated to occur and the tenant improvement allowance is increased to \$45 per square foot. In Alternatives 3, 4 and 6 wherein the City leases this building rent is estimated to be \$2.85 per square foot per month, to allow for the landlord's financing of the added tenant improvements.

Executive Complex

Today the City occupies 136,321 square feet of space at Executive Complex. Executive Complex is reasonably well located in close proximity to the Civic Center Complex. The City has negotiated a very favorable rental rate under the existing lease that escalates slightly until the lease expires in 2014. For the purpose of modeling the City's financial exposure at the end of the lease term, Staubach/JLL anticipates that the occupancy costs (including rent and operating expenses) will escalate from \$2.15 to \$2.74 per month per square foot under Alternatives 1 and 5 and to \$2.85 per square foot per month under Alternatives 2 and 3. The difference between the two rental rates is the amount of tenant improvement dollars that will be requested of the landlord under the different alternatives. In Alternatives 1 and 5, it is anticipated the landlord will provide \$30 per square foot for tenant improvements that will accommodate paint, carpet and partial reconfiguration of walls and ceilings to allow for changing departmental operations. In Alternatives 2 and 3, the tenant improvement allowances increase to \$45 per square foot to facilitate a reconstruction of the space to the new workspace standard for all City employees.

Library and Publishing Departments

Today the Library Book Distribution and Publishing Services functions of the City are housed in the Concourse building. There is no operational reason for these functions to be located downtown. The ± 40,000 square feet of space was located in this facility principally because the City had space available at no cost. A more appropriate location for this use would be an industrial/flex facility in the Kearny Mesa submarket. Therefore, in Alternatives 4 and 6 these functions are relocated in 2009 so that construction can commence on the Concourse building in 2010 and be converted to office use. In the remaining alternatives, these departments are relocated in the year 2039 when the new City Hall is constructed.

Suburban Market Lease Analysis

For Alternatives 6 and 7, the goal is to lease a minimum amount of space downtown in order to maintain market leverage and lease the balance of the space in a suburban market where rents are slightly lower. The Mission Valley submarket was used as a representative submarket in developing the rental rates for these scenarios. This submarket was selected because:

- of its cost effectiveness compared to the downtown submarket
- its inventory contains an abundance of Class B office product, and
- it is located along a transit system for employee and constituent use.

Since the goal of these alternatives is to relocate to a suburban market in an effort to achieve lower rental rates, costs to convert existing workspace to more efficient standards was not included in these alternatives.

Downtown Class B Lease Analysis

As part of Alternatives 6 and 7, a 50,000 square foot size was deemed to be the appropriate amount of space that would create leverage in the market (since there are more 50,000 square foot spaces available than 100,000+ square foot opportunities) in order to command more aggressive rental rates. Furthermore, no retrofit to new office workspace standards was planned, thereby reducing the required tenant improvement allowance from \$45/RSF to \$20/RSF, which assists in reducing the lease cost to \$2.60 per square foot full service gross in 2013 and 2014.

New Rental Rates at Lease Expiration

This data was provided by the Staubach/JLL team and is detailed in the Market Study attached in Appendix B. The process for estimating these rates was completed in April/May of 2008 and considered:

600 B Street, Civic Center Plaza and Executive Complex

Staubach/JLL compiled lease terms for comparable downtown and suburban office buildings to determine market rents for 2008. The lease comparables were then normalized to account for the different tenant improvement allowances applied to each alternative scenario (i.e., \$20, \$30 or \$45 per square foot). Year 2008 market rents for were estimated to be \$2.28, \$2.39 and \$2.53 per square foot on a full service gross basis, respectively. Year 2008 downtown market rates were discounted by 5% for the Executive Complex and Civic Center Plaza because they are of lesser quality than 600 B Street.

Rents were then escalated from the 2008 baseline to the 2013 and 2014 lease expiration dates by using the Staubach/Wharton Regression model. The model forecasts 2008 rents will remain flat, drop slightly in 2009 and begin increasing in 2010 and thereafter by 4% per year.

In the year 2014 additional discounts were applied to the starting rental rates due to the size of the leases and resultant purchasing power of the City. The renewal rental rates were estimated to be \$2.60, \$2.74 and \$2.85, respectively. It is important to note that 600 B Street is only leased in Alternatives 1 and 5 and the rental rate starts one year earlier at \$2.74 per square foot per month.

Kearny Mesa Library & Print Shop

The Library book Distribution and Print Shop Departments are assumed to be relocated from the Concourse to industrial/flex product in a suburban market. Year 2008 market rent is estimated to be \$1.80 per square foot on a full service basis which includes \$1.20 triple net rent plus \$0.30 for triple net charges, \$0.25 for utilities, and \$0.05 for janitorial expenses), Rental rate includes only a \$15 tenant improvement allowance for flex/industrial space. No “rental reset” (defined below) is included in this lease because this assumes a triple net lease versus a gross lease which has a base year component. Instead the triple net rent simply increases 2.5% per year.

Suburban Market

Year 2008 market rates are estimated at \$2.15 per square foot per month on a full service basis. This rate was increased based on the Staubach/Wharton regression analysis resulting in lease rates at renewal of \$2.50 per square foot on a full service basis. This includes a \$20 per square foot tenant improvement allowance.

Additional Lease Terms/Assumptions Applied to Each Leased Facility

Lease Term for New Leases – 10 years

Rent Escalations During New Leases – 2.5% per Year

Estimated Rental Resets – Rents are assumed to increase 20% every 10 years to adjust rent to market and account for increased operating expenses during the term (For example, assume rent is \$2.00 PSF and operating pass-throughs are \$0.30 PSF. A 20% increase in rent equals \$2.40 PSF and operating pass-throughs are reset to zero because a new base year is established at renewal. The resulting increase averages about 4%.)

Parking Fees for Leased Buildings – None included in analysis, assumes City employees pay for their own parking

Operating Expenses for Owned Buildings

Existing Buildings – \$9.00 per square foot estimate (City was unable to provide operating cost data requiring Staubach/JLL to estimate costs based on BOMA estimated operating expenses for downtown buildings, deducting property tax estimates). (See Appendix B – Market Study, for detailed analysis).

Estimated Annual Escalations – 5%. Operating expenses typically increase 3-5% per year. The upper end of the range was assumed due to the age, poor condition and inefficiency of the buildings' systems and are likely to require higher than normal costs for operations and maintenance.

New Building (constructed at end of useful life for of existing owned facilities) – \$8.00 per square foot estimate. This estimate considers that new LEED Certified building would be more efficient and the newer facilities would require less maintenance in the early years. For the new building 4% annual increases in operating expenses was estimated.

Move Costs

Estimated Move Costs – \$350 per person for a “box” move was assumed, where applicable, and is the professional opinion of Staubach/JLL.

Estimated Swing Space – \$2.75 per square foot per month. This is a 2008 estimate and is higher than market as it assumes a 1-2 year short term lease which could be in either Class A or B facilities depending on availability at the time the improvements are made in each Alternative.

Net Present Value and Cash Flow Comparison Charts

Two graphic representations of the various scenarios are presented. The Net Present Value graph reflects the relative cost of the options considered in 2013 dollars. The Cash Flow Comparison shows the annual expense expected to be incurred for the different scenarios over a 50 year horizon. The scenarios are summed for both Nominal and Net Present Value (2013) dollars using the City's projected cost of capital (which as of this report is 5.25%).

A summary of each Alternative and the detailed financial models are contained on the following pages V-1 through V-62.

Alternative 1 – Alternative 1 assumes the City rehabilitates its owned facilities according to the recommendations included in the Facilities Condition Assessment and seismically retrofits, to the extent possible, to current building standards. Costs for temporary staff moves and swing space during the rehabilitation process are also included. The improvements are assumed to extend the remaining useful life of the City-owned facilities for 30 years from the date of completion of the improvements. Reflecting the structures' useful life findings in the Condition Assessment Report, new facilities are assumed to be constructed, at the City's expense, at the end of the thirtieth year. Since the City-owned facilities accommodate only a portion of the City employees, the balance of the required space needs are assumed met through new leases on existing or comparable space upon lease expirations at likely negotiated rates and terms. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment report.

Key factors of consideration	Initial Total SF		2033		2043		2053		Renovation costs	Building purchase cost	Lease expiration date	Lease cost at expiration, includes rent & operating expenses	Initial lease costs at renewal, includes rent & operating expenses	KSF Staff	New workspace, including new FF&E	Swing Space & Move Costs	New Security	Technology upgrades
	2023	2033	2043	2053														
Owned Facilities																		
CAB	188,926 SF	188,926 SF												315 SF	Yes	Yes	Yes	No
COB	213,905 SF	213,905 SF												315 SF	Yes	Yes	Yes	Yes
Concourse	158,119 SF	158,119 SF												315 SF	No	No	No	No
Evans Jones Parkade																		
New city owned building in 30 years in 2039 dollars (cost escalated from 2008 by 4.5%)									\$44.1 million									
									\$30.0 million									
									\$32.8 million									
									\$6.3 million									
Leased Buildings										\$1.6 billion								
600 B	153,265 SF																	
Civic Center Plaza	243,176 SF	243,176 SF									5/31/2013	\$2.66 PSF/mo	\$2.74 PSF/mo	315 SF	No	No	No	No
Executive Complex, or generic Class "B" <i>(SF needs over time exceed existing buildings' SF, assumed growth in generic class "B" buildings.)</i>	136,321 SF	350,696 SF	243,176 SF	415,271 SF							7/31/2014	\$1.83 PSF/mo	\$2.74 PSF/mo	315 SF	No	No	No	No
Total City square feet (owned and leased)	1,093,712 SF	1,219,397 SF	849,000 GSF	849,000 GSF	849,000 GSF	849,000 GSF	849,000 GSF	849,000 GSF										
Total City staff (from Gensler Study)	3140	3334	3539	3757	3989													

General Assumptions (for detailed explanations please refer to the Primary Assumptions at the beginning of this Section VI)

Cost of debt	5.25%
Term of loan	30 yrs
Renovation costs include construction, seismic, FF&E, swing space and move cost (in 2011 dollars)	
Tenant improvement allowance for new downtown leases	\$30 / SF
Annual rent escalations for leases	2.5%
Estimated Rental resets on leases every 10 years	20%
Current operating expense for owned buildings	\$9.00 SF/annual
Operating expense escalations	5% annual
Construction cost escalation	4.5% annual
FF&E includes per person \$5,000 furn and \$2,000 desk top voice/data (2008 dollars)	\$7,000/person
FF&E cost escalation	3.0% annual
Cost of new technology (\$18.5 million in New City owned building)	\$17.5 million
Current average SF per employee	3-15 SF
Year City-owned buildings replaced	2041
Move cost	\$350/person
Swing space cost	\$2.75/SF/mo
Security costs	\$7.50/SF
City growth projections based on Gensler Study (assumes that growth occurs incrementally every 10 yrs, commencing in 2013)	.06% annual

Alternative 2 – Alternative 2 assumes the City rehabilitates its owned facilities (as in Alternative 1) according to the recommendations included in the Facilities Condition Assessment and seismically retrofits, to the extent possible, to current building standards. In addition, the A assumes interior improvements are installed which apply, to the extent possible, new efficient workspace standards to the City-owned and leased facilities. This results in a reduction in the amount of leased space required to accommodate the City's downtown operations and does not require any space in 600 B Street. This assumes that the Civic Center Plaza is acquired and occupied 100% by the City at a projected market sales price, rather than continuing to be leased. Assumes required remaining space is leased in the Executive Complex or comparable space. Assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Key factors of consideration	2023		2043		2053		Renovation costs	Building purchase cost	Lease expiration date	Lease cost at expiration	Initial space costs at operating expenses	RSF/Staff	New workspace including new FF&E	Swing space & Move Costs	New Security	Technology upgrades
	Initial Total SF	2023	2043	2053	2023	2043										
Owned Facilities																
CAB	188,926 SF	188,926 SF	188,926 SF				\$44.1 million					227 SF	Yes	Yes	Yes	No
COB	213,905 SF	213,905 SF	213,905 SF				\$30.0 million					210 SF	Yes	Yes	Yes	Yes
Concourse	158,119 SF	158,119 SF	158,119 SF				\$32.8 million						No	No	No	No
Evans Jones Parkade							\$6.3 million									
New city owned building in 30 years (cost escalated from 2008 dollars to 2039)								\$1.6 billion					Yes	Move Cost Only	Yes	No
Leased Buildings																
600 B																
Civic Center Plaza	283,175 SF	283,175 SF	283,175 SF					\$75 million	5/31/2013	\$2.66 PSF/mo		253 SF	Yes	Yes	Yes	No
Executive Complex, or generic Class "B" <i>(SF needs over time exceed existing buildings' SF, assumed growth in generic class "B" buildings.)</i>	42,004 SF	89,933 SF	140,580 SF						7/31/2014	\$1.83 PSF/mo			Yes	No	No	No
									3/31/2014	\$2.15 PSF/mo	\$2.85 PSF/mo	247 SF	Yes	No	No	No
Total City square feet (owned and leased)	886,129 SF	934,058 SF	984,705 SF	849,000 GSF	849,000 GSF	849,000 GSF										
Total City staff (from Gensler Study)	3140	3334	3539	3757	3989											

General Assumptions (for detailed explanations please refer to the Primary Assumptions at the beginning of this Section VI)	
Cost of debt	5.25%
Term of loan	30yrs
Renovation costs include construction, seismic, FF&E, swing space and move cost (in 2011 dollars)	
Civic Plaza purchase price estimate at \$250/SF in 2008, appreciated @ 1% per year until purchased in 2014	
Tenant improvement allowance for new downtown leases	\$45 / SF
Annual rent escalations for leases	2.5%
Estimated Rental resets on leases every 10 years	20%
Current operating expense for owned buildings	\$9.00 SF/annual
Operating expense escalations	5% annual
Construction cost escalation	4.5% annual
FF&E includes per person \$5,000 furn and \$2,000 desk top voice/data (2008 dollars)	\$7,000/ person
FF&E cost escalation	3.0% annual
Cost of new technology (\$18.5 million in New City owned building)	\$17.5 million
Current average SF per employee	315 SF
Year City-owned buildings replaced	2041
Move cost	\$350/person
Swing space cost	\$2.75/SF/mo
Security costs	\$7.50/SF
City growth projections based on Gensler Study (assumes that growth occurs incrementally every 10 yrs, commencing in 2013)	.06% annual

Alternative 3 – Alternative 3 applies the same assumptions as Scenario 2, except Civic Center Plaza remains a leased facility. Assumes the required remaining space to fully accommodate the City's downtown operations is leased in the Executive Complex, or comparable space. This alternative results in a reduction in the amount of lease space required to accommodate the City's downtown operations and does not require any space in 600 B Street. Consistent with the other alternatives, assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report

Key factors of consideration	Initial Total SF				Renovation costs	Building purchase cost	Lease expiration date	Initial lease cost at renewal includes rent & operating expenses	RSF/Staff	New/Orspace including new FF&E	Swing space & Move Costs	New security	Technology upgrades
	2023	2033	2043	2053									
Owned Facilities													
CAB	188,926 SF	188,926 SF			\$44.1 million				227 SF	Yes	Yes	Yes	No
COB	213,905 SF	213,905 SF			\$30.0 million				210 SF	Yes	Yes	Yes	Yes
Concourse	158,119 SF	158,119 SF			\$32.8 million					No	No	No	No
Evans Jones Parkade					\$6.3 million								
New city owned facilities in 30 years in 2039 dollars (cost escalated from 2008 by 4.5%)			849,000 GSF	849,000 GSF		\$1.6 billion				Yes	Move Costs Only	Yes	No
Leased Buildings													
600 B							5/31/2013	\$2.66 PSF/mo					
Civic Center Plaza	243,176 SF	283,175 SF					7/31/2014	\$1.83 PSF/mo	253 SF	Yes	Yes	No	No
Executive Complex , or generic Class "B" <i>(SF needs over time exceed existing buildings' SF, assumed growth in generic class "B" buildings.)</i>	81,062 SF	128,991 SF					3/31/2014	\$2.15 PSF/mo	247 SF	Yes	No	No	No
Total City square feet (owned and leased)	885,188 SF	934,058 SF	849,000 GSF	849,000 GSF									
Total City staff (from Gensler Study)	3140	3539	3757	3989									

General Assumptions (for detailed explanations please refer to the Primary Assumptions at the beginning of this Section VI)

Cost of debt	5.25%
Term of loan	30yrs
Renovation costs include construction, seismic, FF&E, swing space and move cost. (in 2011 dollars)	
Tenant improvement allowance for new downtown leases	\$45 / SF
Annual rent escalations for leases	2.5%
Estimated Rental resets on leases every 10 years	20%
Current operating expense for owned buildings	\$9.00 SF/annual
Operating expense escalations	5% annual
Construction cost escalation	4.5% annual
FF&E includes per person \$5,000 furn and \$2,000 desk top voice/data (2008 dollars)	\$7,000/ person
FF&E cost escalation	3.0% annual
Cost of new technology (\$18.5 million in New City owned building)	\$17.5 million
Current average SF per employee	315 SF
Year City-owned buildings replaced	2041
Move cost	\$350/person
Swing space cost	\$2.75/SF/mo
Security costs	\$7.50/SF
City growth projections based on Gensler Study (assumes that growth occurs incrementally every 10 yrs ,commencing in 2013)	.06% annual

Alternative 4 – Applies the same assumptions as Alternative 3, except improvements are made to the Concourse building to convert its existing meeting spaces into office space using the new efficient workspace standards. Assumes the required remaining space to fully accommodate the City's downtown operations is leased in the Executive Complex, or comparable space. Assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Key factors of consideration	2033		2043		2053		Renovation costs	Building purchase cost	Lease expiration date	Lease cost are operation, includes rent & operating expenses	Initial are costs at renewal, includes rent & operating expenses	RSF Staff	New workspace including new FF&E	Swing space & Move Costs	New Security	Technology upgrades
	Initial staff SF	2033	2043	2053	Renovation costs	Building purchase cost										
Owned Facilities																
CAB	188,926 SF	188,926 SF										227 SF	Yes	Yes	Yes	No
COB	213,905 SF	213,905 SF										210 SF	Yes	Yes	Yes	Yes
Concourse	178,119 SF	178,119 SF											Yes	No	Yes	No
Evans Jones Parkade																
New city owned facilities in 30 years in 2039 dollars (cost escalated from 2008 by 4.5%)				849,000 GSF	849,000 GSF		\$1.6 billion						Yes	Move Only	Yes	No
Leased Buildings																
600 B																
Civic Center Plaza, or generic Class "B" <i>(SF needs over time exceed existing buildings' SF, assumed growth in generic class "B" buildings.)</i>	111,590 SF	160,674 SF	212,542 SF													
<i>Total City square feet (owned and leased)</i>	692,540 SF	741,624 SF	793,492 SF	849,000 GSF	849,000 GSF	849,000 GSF							Yes	No	No	No
Total City staff (from Gensler Study)	3140	3334	3539	3757	3989											

General Assumptions (for detailed explanations please refer to the Primary Assumptions at the beginning of this Section VI)

Cost of debt	5.25%
Term of loan	30yrs
Renovation costs include construction, seismic, FF&E, swing space and move cost (in 2011 dollars)	
Tenant improvement allowance for new downtown leases	\$45 / SF
Annual rent escalations for leases	2.5%
Estimated Rental resets on leases every 10 years	20%
Current operating expense for owned buildings	\$9.00 SF/annual
Operating expense escalations	5% annual
Construction cost escalation	4.5% annual
FF&E includes per person \$5,000 furn and \$2,000 desk top voice/data (2008 dollars)	\$7,000/ person
FF&E cost escalation	3.0% annual
Cost of new technology (\$18.5 million in New City owned building)	\$17.5 million
Current average SF per employee	315 SF
Year City-owned buildings replaced	2041
Move cost	\$350/person
Swing space cost	\$2.75/SF/mo
Security costs	\$7.50/SF
City growth projections based on Gensler Study (assumes that growth occurs incrementally every 10 yrs, commencing in 2013)	.06% annual

Renovation costs to convert Concourse to Office Space:

Renovate Concourse as meeting facility	\$33.5 Million
Tenant Improvements to convert to office use including new workspace standards (includes TIA & FF&E & security)	\$15.3 Million
Cost to construct mezzanine	\$ 2.0 Million
One-time move costs	<u>\$.3 Million</u>
Total Costs:	\$51.1 Million

Alternative 5 –This alternative assumes the City accepts latent risk of its owned facilities and performs NO rehabilitation, code improvements and continues to occupy those facilities for the next 30 years. For the leased facilities, assumes some costs are incurred to modify interior spaces upon renegotiation of existing leases (paint, carpet and minor renovations) and for swing space during these modifications, but the more efficient workspace standards are not employed. Although not estimated in the costs, it should be noted that it is highly likely that, without renovation, some of the major building systems will fail over the next 30 years resulting in costly repairs and disruption for City Staff. Assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report

Key factors of consideration	2023		2033		2043		2053		Renovations costs	Building purchase cost	Lease expiration date	Lease cost at expiration, includes rent & operating expenses	Initial use costs at rental, includes rent & operating expenses	RS&F Staff	New workspace includes new FF&E	Swings, pack & Move	New's equity	Technology upgrades
	Initial Total SF	2023	2033	2043	2053													
Owned Facilities																		
CAB	188,926 SF	188,926 SF	188,926 SF											315 SF	No	No	No	No
COB	213,905 SF	213,905 SF	213,905 SF											315 SF	No	No	No	No
Concourse	158,119 SF	158,119 SF	158,119 SF											315 SF	No	No	No	No
Evans Jones Parkade																		
New city owned facilities in 30 years in 2039 dollars (cost escalated from 2008 by 4.5%)				849,000 GSF	849,000 GSF				\$1.6 billion						Yes	Move Only	Yes	No
Leased Buildings																		
600 B	153,265 SF	243,176 SF	243,176 SF							5/31/2013	\$2.66 PSF/mo			315 SF	No	No	No	No
Civic Center Plaza	243,176 SF	243,176 SF	243,176 SF							7/31/2014	\$1.83 PSF/mo			315 SF	No	Yes	No	No
Executive Complex, or generic Class "B" <i>(SF needs over time exceed existing buildings' SF, assumed growth in generic class "B" buildings.)</i>	136,321 SF	350,696 SF	415,271 SF							3/31/2014	\$2.15 PSF/mo			315 SF	No	Yes	No	No
Total City square footage (owned and leased)	1,093,712 SF	1,154,822 SF	1,219,397 SF	849,000 GSF	849,000 GSF													
Total City staff (from Gensler Study)	3140	3334	3539	3757	3989													

General Assumptions (for detailed explanations please refer to the Primary Assumptions at the beginning of this Section VI)

Cost of debt	5.25%
Term of loan	30yrs
Renovation costs include construction, seismic, FF&E, swing space and move cost (in 2011 dollars)	
Tenant improvement allowance for new downtown leases	\$30 / SF
Annual rent escalations for leases	2.5%
Estimated Rental resets on leases every 10 years	20%
Current operating expense for owned buildings	\$9.00 SF/annual
Operating expense escalations	5% annual
Construction cost escalation	4.5% annual
FF&E includes per person \$5,000 furn and \$2,000 desk top voice/data (2008 dollars)	\$7,000/ person
FF&E cost escalation	3.0% annual
Cost of new technology (\$18.5 million in New City owned building)	\$17.5 mil
Current average SF per employee	315 SF
Year City-owned buildings replaced	2041
Move cost	\$350/person
Swing space cost	\$2.75/SF/mo
Security costs	\$7.50/SF
City growth projections based on Gensler Study (assumes that growth occurs incrementally every 10 yrs ,commencing in 2013)	.06% annual

Alternative 6 – Alternative 6 assumes the City rehabilitates its owned facilities according to the recommendations included in the Facilities Condition Assessment and seismically retrofits, to the extent possible, to current building standards. In addition, the Concourse building is converted from meeting space to office space and the remaining required space leased in both downtown and in a suburban location, adjacent to convenient and frequent public transit. To maintain a strong negotiating position, this alternative assumes the City continues to lease 50,000 square feet of space in downtown and the balance in the suburban location where the rents are more economical. Significant improvements are not made on the lease facilities in order to keep the rental rates as low as possible. Consistent with the other alternatives, assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Key factors of consideration	2023		2043		2053		Renovation costs	Building purchase cost	Lease expiration date	Lease cost at expiration / includes rent & operating expenses	Initial lease costs at renewal / includes rent & operating expenses	RST/Staff	New workspace/ including new FF&E	Swing Space & Move Costs	New Security	Technology upgrades
	Initial debt SF	2023	2043	2053	2053	2043										
Owned Facilities																
CAB	188,926 SF	188,926 SF	188,926 SF				\$44.1 million					227 SF	Yes	Yes	Yes	No
COB	213,905 SF	213,905 SF	213,905 SF				\$30.0 million					210 SF	Yes	Yes	Yes	No
Concourse	178,119 SF	178,119 SF	178,119 SF				\$51.1 million					210 SF	Yes	Yes	Yes	No
Evans Jones Parkade							\$6.3 million									
New city owned facilities in 30 years (cost escalated from 2008 dollars to 2039)								\$1.6 billion					Yes	Move Only	Yes	No
Leased Buildings																
600 B									5/31/2013	\$2.66 PSF/mo						
Civic Center Plaza									7/31/2014	\$1.83 PSF/mo						
Executive Complex, or generic Class "B" downtown	50,000 SF	50,000 SF	50,000 SF						3/31/2014	\$2.60 PSF/mo		315 SF	No	No	No	No
Generic Class "B" office suburban <i>(SF needs over time exceed existing buildings' SF, assumed growth in generic class "B" buildings.)</i>	88,929 SF	159,039 SF	214,614 SF							\$2.50 PSF/mo		247 SF	No	No	No	No
Total City square footage (owned and leased)	719,879 SF	780,989 SF	845,564 SF													
Total City staff (from Gensler Study)	3140	3334	3539													

General Assumptions (for detailed explanations please refer to the Primary Assumptions at the beginning of this Section VI)

Cost of debt	5.25%
Term of loan	30 yrs
Renovation costs include construction, seismic, FF&E, swing space and move cost (in 2011 dollars)	
Tenant improvement allowance for new downtown & suburban leases	\$20 / SF
Annual rent escalations for leases	2.5%
Estimated Rental resets on leases every 10 years	20%
Current operating expense for owned buildings	\$9.00 SF/annual
Operating expense escalations	5% annual
Construction cost escalation	4.5% annual
FF&E includes per person \$5,000 furn and \$2,000 desk top voice/data (2008 dollars)	\$7,000/ person
FF&E cost escalation	3.0% annual
Cost of new technology (\$18.5 million in New City owned building)	\$17.5 mil
Current average SF per employee	315 SF
Year City-owned buildings replaced	2041
Move cost	\$350/person
Swing space cost	\$2.75/SF/mo
Security costs	\$7.50/SF
City growth projections based on Gensler Study (assumes that growth occurs incrementally every 10 yrs, commencing in 2013)	.06% annual

Renovation costs to convert Concourse to Office Space:

Renovate Concourse as meeting facility	\$33.5 Million
Tenant improvements to convert to office use including new workspace standards (includes TIA & FF&E & security)	\$15.3 Million
Cost to construct mezzanine	\$ 3.0 Million
One-time move costs	\$ 0.3 Million
Total Costs:	\$51.1 Million

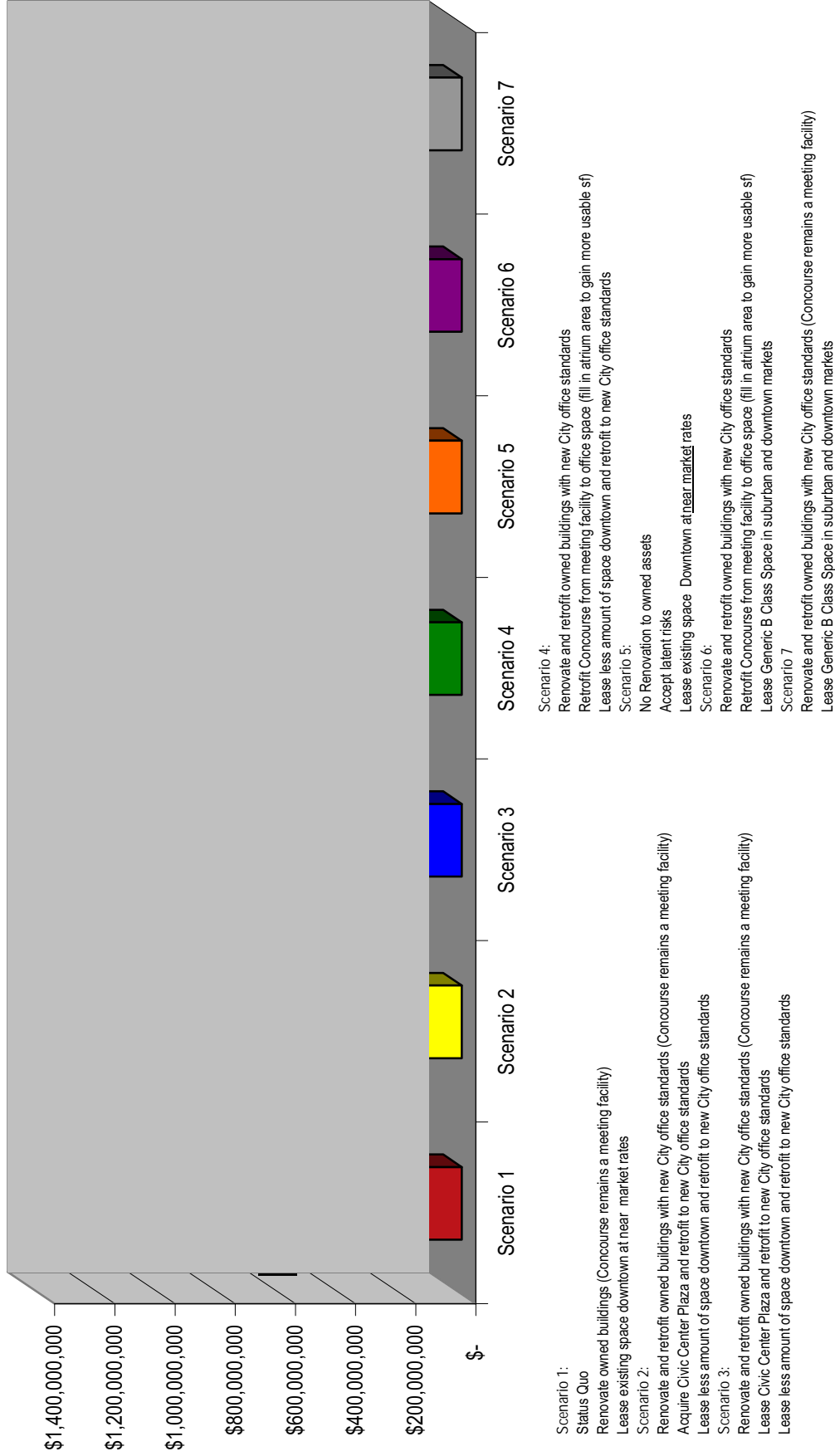
Alternative 7 – Alternative 7 is comparable to Alternative 6 except it assumes the Concourse remains as a meeting facility, reducing the capital costs on this building's future use. However, this results in a substantial increase in the amount of space to be leased in the suburban market. Consistent with the other alternatives, this alternative assumes the facilities will require replacement at the end of the thirtieth year. Also assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

Key factors of consideration	Initial Total SF					Renovation costs	Building lifecycle cost	Lease expiration date	Lease cost at expiration, includes rent & operating expenses	Initial base cost (renewal, includes rent & operating expenses)	RSF/Staff	Neww. RSpace including new FF&E	Swing Space & Move Costs	New/Se curty	Technology upgrades
	2023	2033	2043	2053	2053										
Owned Facilities															
CAB	188,926 SF	188,926 SF	188,926 SF			\$44.1 million					227 SF	Yes	Yes	No	
COB	213,905 SF	213,905 SF	213,905 SF			\$30.0 million					210 SF	Yes	Yes	Yes	
Concourse	158,119 SF	158,119 SF	158,119 SF			\$32.8 million					210 SF	Yes	Yes	No	
Evans Jones Parkade						\$6.3 million									
New city owned facilities in 30 years (cost escalated from 2008 dollars to 2039)			849,000 GSF	849,000 GSF		\$1.6 billion						Yes Move Only	Yes	No	
Leased Buildings															
600 B	153,265 SF						5/31/2013	\$2.66 PSF/mo							
Civic Center Plaza	243,176 SF	243,176 SF	243,176 SF				7/31/2014	\$1.83 PSF/mo							
Executive Complex, or generic Class "B"	136,321 SF	350,696 SF	415,271 SF				3/31/2014	\$2.15 PSF/mo	\$2.60 PSF/mo		315 SF	No	No	No	
Generic Class "B" office suburban <i>(SF needs over time exceed existing buildings' SF, assumed growth in generic class "B" buildings.)</i>	356,108 SF	417,218 SF	481,793 SF						\$2.50 PSF/mo		315 SF	No	No	No	
Total C SF (owned and leased)	967,058 SF	1,028,168 SF	1,092,743 SF	849,000 GSF	849,000 GSF										
Total City staff (from Gensler Study)	3140	3334	3757	3989	3989										

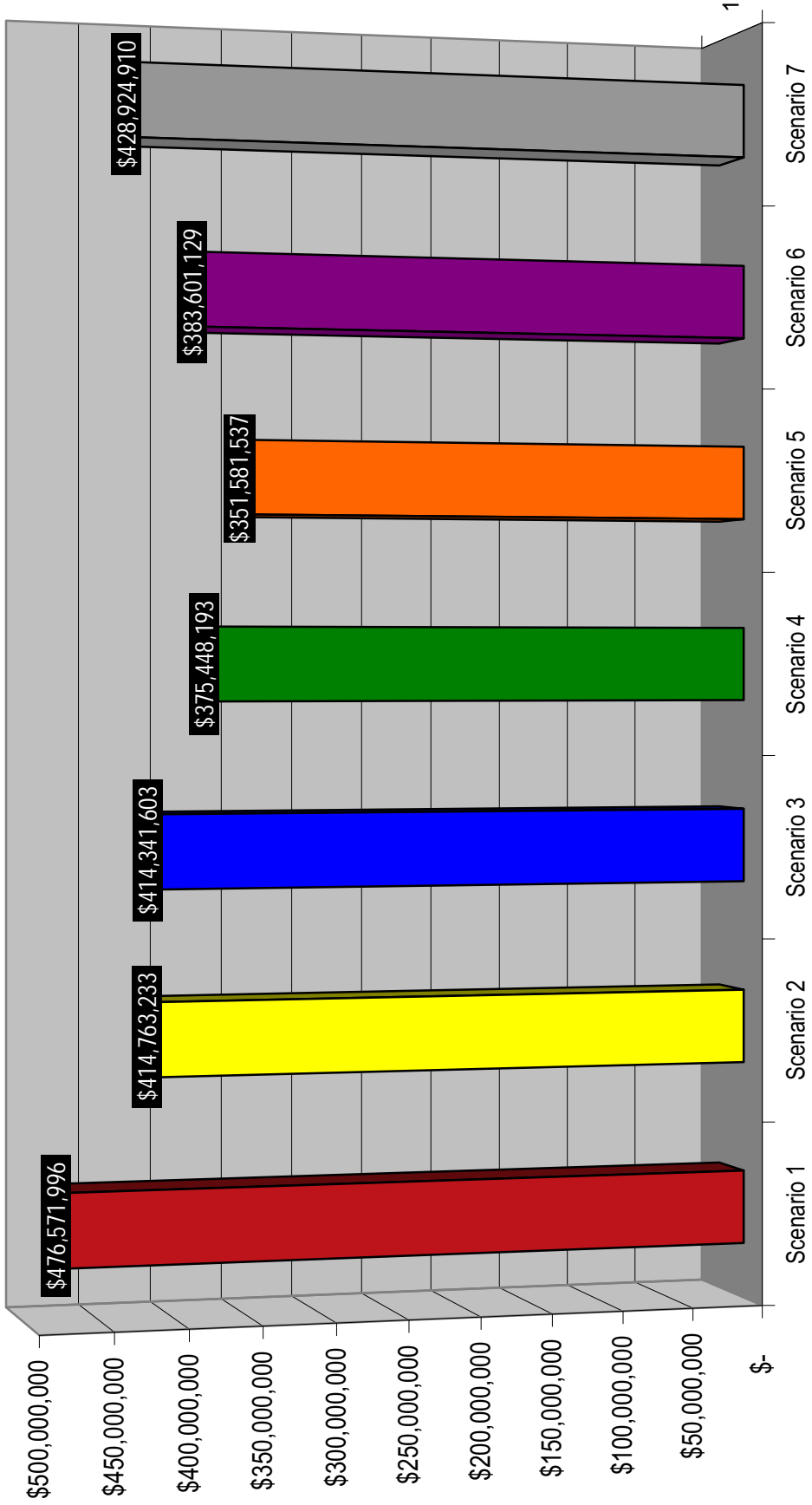
General Assumptions (for detailed explanations please refer to the Primary Assumptions at the beginning of this Section VI)

Cost of debt	5.25%
Term of loan	30 Yrs
Renovation costs include construction, seismic, FF&E, swing space and move cost (in 2011 dollars)	
Tenant improvement allowance for new downtown leases	\$20 / SF
Annual rent escalations for leases	2.5%
Estimated Rental resets on leases every 10 years	20%
Current operating expense for owned buildings	\$9.00/SF/annual
Operating expense escalations	5% annual
Construction cost escalation	4.5% annual
FF&E includes per person \$5,000 furn and \$2,000 desk top voice/data (2008 dollars)	\$7,000/person
FF&E cost escalation	3.0% annual
Cost of new technology (\$18.5 million in New City owned building)	\$17.5 million
Current average SF per employee	315 SF
Year City-owned buildings replaced	2041
Move cost	\$350/person
Swing space cost	\$2.75/SF/mo
Security costs	\$7.50/SF
City growth projections based on Gensler Study (assumes that growth occurs incrementally every 10 yrs. commencing in 2013)	.06% annual

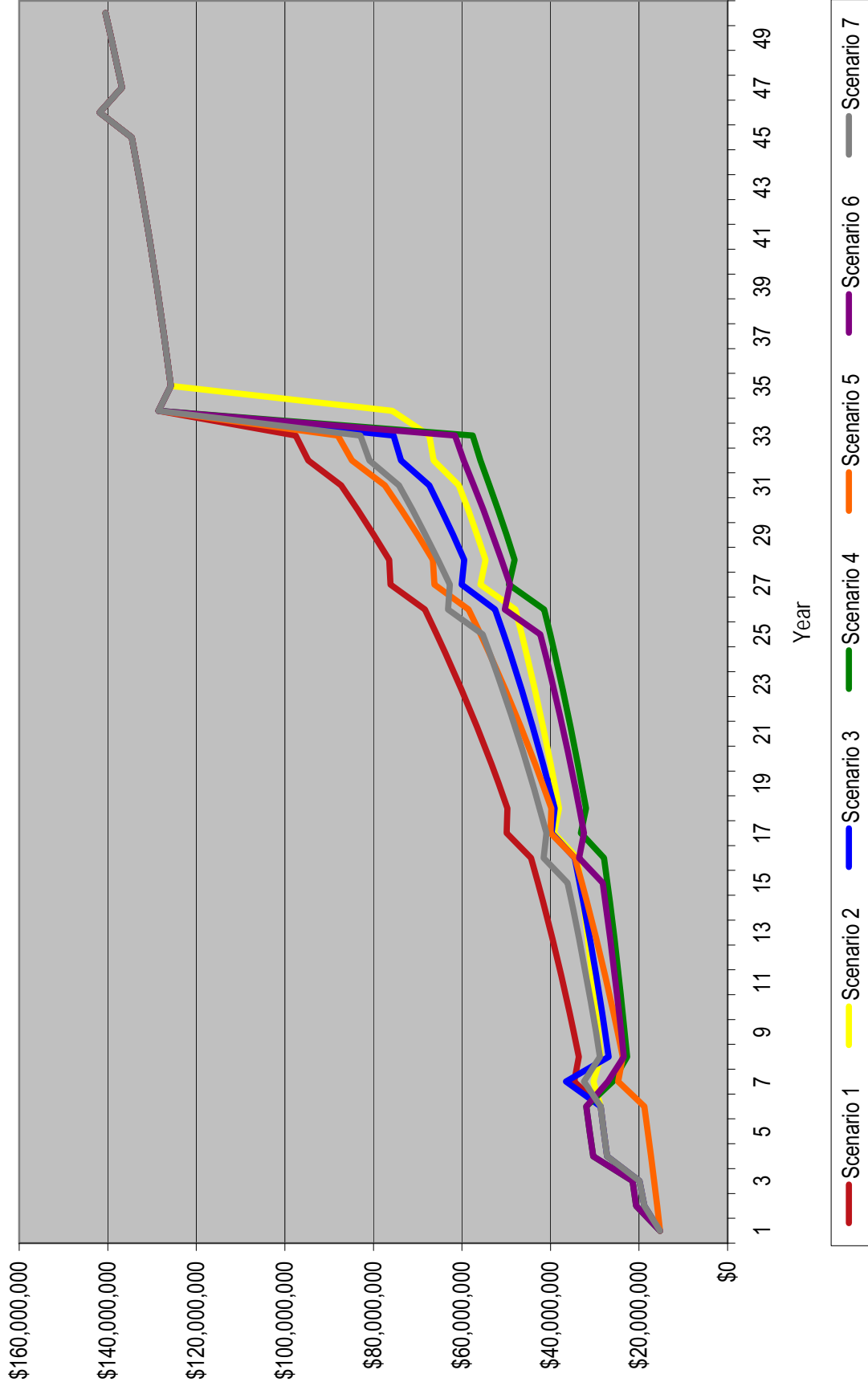
Net Present Value Analysis 2013 Dollars



Occupancy Costs - End of Term plus 10 Years



Occupancy Cash Flow - 50 Years



Scenario 2 (Acquire Civic Plaza)

Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)
Acquire Civic Center Plaza and retrofit to new City office standards
 Lease less amount of space downtown and retrofit to new City office standards
 Construct new facility in 30 years (end of useful life - CAB, COB, Parkade)

	CAB	COB	Concourse as Meeting	Parkade	New "Owned" 30 Years End of Useful Life	Library and Publishing	Lease 600 B EOT	Acquire Civic Plaza	Lease Executive Complex S 2	Total
SF In 2014	188,926	213,905	158,119		849,000	40,000		283,175	136,321 RSF	886,129
									42,004	
									Increases	
									Every 10 Years	
2008	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ -	\$ -	\$ 4,658,036	\$ 2,892,132	\$ 15,283,648
2009	\$ 4,277,135	\$ 2,376,901	\$ 876,225	\$ (703,766)	\$ -	\$ -	\$ -	\$ 4,779,320	\$ 3,007,226	\$ 18,775,285
2010	\$ 4,409,020	\$ 2,468,422	\$ 932,396	\$ (304,191)	\$ -	\$ -	\$ -	\$ 4,906,669	\$ 3,126,438	\$ 19,912,705
2011	\$ 5,543,836	\$ 6,037,908	\$ 3,184,206	\$ (329,802)	\$ -	\$ -	\$ -	\$ 5,040,384	\$ 3,249,974	\$ 27,225,022
2012	\$ 5,543,836	\$ 6,149,338	\$ 3,246,906	\$ (356,262)	\$ -	\$ -	\$ -	\$ 5,180,786	\$ 3,378,052	\$ 27,966,363
2013	\$ 5,647,175	\$ 6,266,339	\$ 3,313,135	\$ (383,595)	\$ -	\$ -	\$ -	\$ 5,320,207	\$ 3,510,898	\$ 28,692,046
2014	\$ 5,755,680	\$ 6,389,190	\$ 3,383,080	\$ (411,826)	\$ -	\$ -	\$ -	\$ 5,462,291	\$ 3,643,112	\$ 29,427,527
2015	\$ 5,869,610	\$ 6,518,184	\$ 3,456,939	\$ (440,983)	\$ -	\$ -	\$ -	\$ 5,604,788	\$ 3,775,447	\$ 29,890,037
2016	\$ 5,989,237	\$ 6,653,628	\$ 3,534,922	\$ (471,091)	\$ -	\$ -	\$ -	\$ 5,747,285	\$ 3,907,888	\$ 30,367,515
2017	\$ 6,114,846	\$ 6,795,844	\$ 3,617,246	\$ (502,178)	\$ -	\$ -	\$ -	\$ 5,890,782	\$ 4,037,447	\$ 30,847,000
2018	\$ 6,246,735	\$ 6,945,170	\$ 3,704,143	\$ (534,272)	\$ -	\$ -	\$ -	\$ 6,034,272	\$ 4,166,935	\$ 31,326,435
2019	\$ 6,385,218	\$ 7,101,963	\$ 3,795,854	\$ (567,401)	\$ -	\$ -	\$ -	\$ 6,183,769	\$ 4,296,474	\$ 31,816,969
2020	\$ 6,530,625	\$ 7,266,596	\$ 3,892,634	\$ (601,595)	\$ -	\$ -	\$ -	\$ 6,338,266	\$ 4,426,013	\$ 32,318,503
2021	\$ 6,683,303	\$ 7,439,460	\$ 3,994,752	\$ (636,862)	\$ -	\$ -	\$ -	\$ 6,492,763	\$ 4,555,552	\$ 32,831,037
2022	\$ 6,843,615	\$ 7,620,967	\$ 4,102,489	\$ (673,294)	\$ -	\$ -	\$ -	\$ 6,647,260	\$ 4,685,091	\$ 33,353,571
2023	\$ 7,011,942	\$ 7,811,550	\$ 4,216,142	\$ (710,860)	\$ -	\$ -	\$ -	\$ 6,801,757	\$ 4,814,630	\$ 33,886,105
2024	\$ 7,188,685	\$ 8,011,662	\$ 4,336,022	\$ (749,612)	\$ -	\$ -	\$ -	\$ 6,956,254	\$ 4,944,169	\$ 34,428,639
2025	\$ 7,374,266	\$ 8,221,780	\$ 4,462,456	\$ (789,580)	\$ -	\$ -	\$ -	\$ 7,110,751	\$ 5,073,708	\$ 34,980,173
2026	\$ 7,569,126	\$ 8,442,403	\$ 4,595,790	\$ (830,799)	\$ -	\$ -	\$ -	\$ 7,265,248	\$ 5,203,247	\$ 35,541,707
2027	\$ 7,773,729	\$ 8,674,057	\$ 4,736,386	\$ (873,299)	\$ -	\$ -	\$ -	\$ 7,419,745	\$ 5,332,786	\$ 36,114,241
2028	\$ 7,988,562	\$ 8,917,285	\$ 4,884,624	\$ (917,113)	\$ -	\$ -	\$ -	\$ 7,574,242	\$ 5,462,325	\$ 36,696,775
2029	\$ 8,214,137	\$ 9,172,694	\$ 5,040,906	\$ (962,276)	\$ -	\$ -	\$ -	\$ 7,728,739	\$ 5,591,864	\$ 37,290,309
2030	\$ 8,450,990	\$ 9,440,863	\$ 5,205,652	\$ (1,008,820)	\$ -	\$ -	\$ -	\$ 7,883,236	\$ 5,721,403	\$ 37,894,843
2031	\$ 8,699,686	\$ 9,722,441	\$ 5,379,304	\$ (1,056,780)	\$ -	\$ -	\$ -	\$ 8,037,733	\$ 5,851,942	\$ 38,509,377
2032	\$ 8,960,817	\$ 10,018,097	\$ 5,562,330	\$ (1,106,190)	\$ -	\$ -	\$ -	\$ 8,192,230	\$ 5,981,481	\$ 39,134,911
2033	\$ 9,235,004	\$ 10,328,536	\$ 5,755,217	\$ (1,157,085)	\$ -	\$ -	\$ -	\$ 8,346,727	\$ 6,111,020	\$ 39,770,445
2034	\$ 9,522,901	\$ 10,654,497	\$ 5,958,480	\$ (1,209,499)	\$ -	\$ -	\$ -	\$ 8,501,224	\$ 6,240,559	\$ 40,416,979
2035	\$ 9,825,192	\$ 10,996,757	\$ 6,172,660	\$ (1,263,467)	\$ -	\$ -	\$ -	\$ 8,655,721	\$ 6,370,108	\$ 41,073,513
2036	\$ 10,142,598	\$ 11,356,129	\$ 6,398,325	\$ (1,319,025)	\$ -	\$ -	\$ -	\$ 8,810,218	\$ 6,500,647	\$ 41,740,047
2037	\$ 10,476,875	\$ 11,733,470	\$ 6,636,074	\$ (1,376,208)	\$ -	\$ -	\$ -	\$ 8,964,715	\$ 6,630,186	\$ 42,417,581
2038	\$ 10,825,815	\$ 12,129,678	\$ 6,886,533	\$ (1,435,060)	\$ -	\$ -	\$ -	\$ 9,119,212	\$ 6,760,725	\$ 43,105,115
2039	\$ 11,193,252	\$ 12,546,696	\$ 7,150,364	\$ (1,495,566)	\$ -	\$ -	\$ -	\$ 9,273,709	\$ 6,891,264	\$ 43,803,649
2040	\$ 11,579,062	\$ 12,982,515	\$ 7,428,260	\$ (1,562,216)	\$ -	\$ -	\$ -	\$ 9,428,206	\$ 7,021,803	\$ 44,513,183
2041	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712
2042	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529
2043	\$ -	\$ -	\$ -	\$ -	\$ 123,645,111	\$ -	\$ -	\$ -	\$ -	\$ 123,645,111
2044	\$ -	\$ -	\$ -	\$ -	\$ 124,193,735	\$ -	\$ -	\$ -	\$ -	\$ 124,193,735
2045	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407
2046	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171
2047	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114
2048	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366
2049	\$ -	\$ -	\$ -	\$ -	\$ 127,849,104	\$ -	\$ -	\$ -	\$ -	\$ 127,849,104
2050	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549
2051	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975
2052	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703
2053	\$ -	\$ -	\$ -	\$ -	\$ 132,299,627	\$ -	\$ -	\$ -	\$ -	\$ 132,299,627
2054	\$ -	\$ -	\$ -	\$ -	\$ 134,299,742	\$ -	\$ -	\$ -	\$ -	\$ 134,299,742
2055	\$ -	\$ -	\$ -	\$ -	\$ 134,340,003	\$ -	\$ -	\$ -	\$ -	\$ 134,340,003
2056	\$ -	\$ -	\$ -	\$ -	\$ 135,422,020	\$ -	\$ -	\$ -	\$ -	\$ 135,422,020
2057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,076,831	\$ -	\$ -	\$ -	\$ 5,076,831
Nominal Sum	\$ 245,473,425	\$ 269,115,175	\$ 146,663,521	\$ (27,840,379)	\$ 2,189,567,291	\$ 70,538,849	\$ 26,931,431	\$ 384,123,322	\$ 189,485,804	\$ 3,494,058,439
NPV	\$ 133,300,396	\$ 143,734,822	\$ 77,012,925	\$ (14,046,468)	\$ 355,363,740	\$ 11,636,804	\$ 26,931,431	\$ 218,812,823	\$ 88,046,305	\$ 1,040,792,776
15 Year Nominal	\$ 83,441,786	\$ 87,955,056	\$ 45,857,998	\$ (7,596,914)	\$ -	\$ -	\$ -	\$ 141,307,441	\$ 36,866,435	\$ 414,763,233
								Net Present Value (2013)		\$ 1,040,792,776

Scenario 1 (Status Quo)

Renovate Owned buildings (Concourse remains a meeting facility)
 Lease existing space downtown at market rates
 Construct new facility in 30 years, (end of useful life - CAB, COB, Parkade)

SF in 2014	CAB	COB	Concourse as Meeting	Parkade	New "Owned" 30 Years	Library and Publishing	Lease Civic Plaza S 1	Lease Executive Complex S1	Lease 600 B or Comparable	Total
2008	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ -	\$ 4,658,036	\$ 2,892,132	\$ 3,964,706	\$ 15,283,648
2009	\$ 4,277,135	\$ 2,376,901	\$ 976,225	\$ (703,766)	\$ -	\$ -	\$ 4,779,320	\$ 3,007,226	\$ 4,162,245	\$ 18,775,285
2010	\$ 4,409,020	\$ 2,468,422	\$ 932,396	\$ (304,191)	\$ -	\$ -	\$ 4,906,669	\$ 3,126,438	\$ 4,373,951	\$ 19,912,705
2011	\$ 5,445,419	\$ 6,037,908	\$ 3,184,206	\$ (329,802)	\$ -	\$ -	\$ 5,040,384	\$ 3,249,974	\$ 4,596,933	\$ 27,225,022
2012	\$ 5,543,836	\$ 6,149,338	\$ 3,246,906	\$ (356,262)	\$ -	\$ -	\$ 5,180,786	\$ 3,378,052	\$ 4,823,708	\$ 27,966,363
2013	\$ 5,647,175	\$ 6,266,339	\$ 3,313,135	\$ (383,595)	\$ -	\$ -	\$ 5,328,207	\$ 3,510,898	\$ 5,009,888	\$ 28,692,046
2014	\$ 5,755,660	\$ 6,388,190	\$ 3,363,080	\$ (411,626)	\$ -	\$ -	\$ 5,473,628	\$ 3,648,044	\$ 5,150,833	\$ 29,428,880
2015	\$ 5,869,610	\$ 6,518,184	\$ 3,406,939	\$ (440,983)	\$ -	\$ -	\$ 5,624,572	\$ 3,791,290	\$ 5,302,778	\$ 30,177,714
2016	\$ 5,989,237	\$ 6,653,628	\$ 3,453,922	\$ (471,091)	\$ -	\$ -	\$ 5,781,016	\$ 3,943,836	\$ 5,459,726	\$ 30,949,550
2017	\$ 6,114,846	\$ 6,795,844	\$ 3,504,143	\$ (502,178)	\$ -	\$ -	\$ 5,940,642	\$ 4,106,100	\$ 5,622,674	\$ 31,736,324
2018	\$ 6,246,735	\$ 6,945,170	\$ 3,559,554	\$ (534,272)	\$ -	\$ -	\$ 6,102,468	\$ 4,272,424	\$ 5,792,622	\$ 32,538,108
2019	\$ 6,385,218	\$ 7,101,963	\$ 3,624,634	\$ (567,401)	\$ -	\$ -	\$ 6,269,934	\$ 4,448,808	\$ 5,969,570	\$ 33,356,992
2020	\$ 6,530,625	\$ 7,266,596	\$ 3,699,752	\$ (601,595)	\$ -	\$ -	\$ 6,432,808	\$ 4,635,252	\$ 6,157,518	\$ 34,192,936
2021	\$ 6,683,303	\$ 7,439,460	\$ 3,784,520	\$ (636,882)	\$ -	\$ -	\$ 6,602,292	\$ 4,830,796	\$ 6,358,466	\$ 35,047,880
2022	\$ 6,843,615	\$ 7,620,967	\$ 3,879,240	\$ (673,294)	\$ -	\$ -	\$ 6,777,016	\$ 5,036,040	\$ 6,572,410	\$ 35,923,824
2023	\$ 7,011,942	\$ 7,811,550	\$ 4,026,489	\$ (710,860)	\$ -	\$ -	\$ 6,959,760	\$ 5,250,284	\$ 6,800,154	\$ 36,823,768
2024	\$ 7,188,665	\$ 8,011,662	\$ 4,261,022	\$ (749,612)	\$ -	\$ -	\$ 7,152,204	\$ 5,483,528	\$ 7,043,908	\$ 37,749,712
2025	\$ 7,374,266	\$ 8,221,780	\$ 4,516,456	\$ (789,590)	\$ -	\$ -	\$ 7,355,948	\$ 5,737,772	\$ 7,300,152	\$ 38,713,656
2026	\$ 7,569,126	\$ 8,442,403	\$ 4,782,900	\$ (830,799)	\$ -	\$ -	\$ 7,570,692	\$ 6,013,016	\$ 7,572,906	\$ 39,727,600
2027	\$ 7,773,729	\$ 8,674,057	\$ 5,069,344	\$ (873,299)	\$ -	\$ -	\$ 7,797,436	\$ 6,317,260	\$ 7,868,150	\$ 40,793,544
2028	\$ 7,988,562	\$ 8,917,295	\$ 5,384,624	\$ (917,113)	\$ -	\$ -	\$ 8,036,180	\$ 6,647,504	\$ 8,183,394	\$ 41,914,488
2029	\$ 8,214,137	\$ 9,172,694	\$ 5,739,304	\$ (962,276)	\$ -	\$ -	\$ 8,287,424	\$ 7,003,748	\$ 8,539,638	\$ 43,095,432
2030	\$ 8,450,990	\$ 9,440,863	\$ 6,134,048	\$ (1,008,820)	\$ -	\$ -	\$ 8,552,668	\$ 7,400,992	\$ 8,925,882	\$ 44,341,376
2031	\$ 8,699,686	\$ 9,722,441	\$ 6,579,304	\$ (1,056,780)	\$ -	\$ -	\$ 8,832,912	\$ 7,835,236	\$ 9,347,126	\$ 45,658,320
2032	\$ 8,960,817	\$ 10,018,097	\$ 7,064,552	\$ (1,106,190)	\$ -	\$ -	\$ 9,128,156	\$ 8,311,480	\$ 9,803,376	\$ 47,042,264
2033	\$ 9,235,004	\$ 10,328,536	\$ 7,599,800	\$ (1,157,085)	\$ -	\$ -	\$ 9,438,400	\$ 8,830,724	\$ 10,299,620	\$ 48,494,208
2034	\$ 9,522,901	\$ 10,654,497	\$ 8,184,048	\$ (1,209,489)	\$ -	\$ -	\$ 9,764,644	\$ 9,400,968	\$ 10,837,864	\$ 50,019,152
2035	\$ 9,825,192	\$ 10,996,757	\$ 8,830,304	\$ (1,263,467)	\$ -	\$ -	\$ 10,106,888	\$ 10,027,212	\$ 11,400,108	\$ 51,617,104
2036	\$ 10,142,598	\$ 11,356,129	\$ 9,524,552	\$ (1,319,025)	\$ -	\$ -	\$ 10,488,132	\$ 10,708,456	\$ 12,004,352	\$ 53,299,056
2037	\$ 10,475,875	\$ 11,733,470	\$ 10,269,800	\$ (1,376,208)	\$ -	\$ -	\$ 10,900,376	\$ 11,450,700	\$ 12,639,600	\$ 55,074,000
2038	\$ 10,825,815	\$ 12,129,678	\$ 11,069,048	\$ (1,435,050)	\$ -	\$ -	\$ 11,344,620	\$ 12,258,944	\$ 13,311,844	\$ 56,952,944
2039	\$ 11,193,252	\$ 12,545,696	\$ 11,999,304	\$ (1,495,586)	\$ -	\$ -	\$ 11,820,864	\$ 13,111,188	\$ 14,034,088	\$ 58,942,888
2040	\$ 11,579,062	\$ 12,982,515	\$ 13,024,560	\$ (1,562,216)	\$ -	\$ -	\$ 12,343,108	\$ 14,011,432	\$ 14,809,332	\$ 61,053,832
2041	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712
2042	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529
2043	\$ -	\$ -	\$ -	\$ -	\$ 123,545,111	\$ -	\$ -	\$ -	\$ -	\$ 123,545,111
2044	\$ -	\$ -	\$ -	\$ -	\$ 124,163,735	\$ -	\$ -	\$ -	\$ -	\$ 124,163,735
2045	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407
2046	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171
2047	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114
2048	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366
2049	\$ -	\$ -	\$ -	\$ -	\$ 127,849,104	\$ -	\$ -	\$ -	\$ -	\$ 127,849,104
2050	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549
2051	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975
2052	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703
2053	\$ -	\$ -	\$ -	\$ -	\$ 131,347,422	\$ -	\$ -	\$ -	\$ -	\$ 131,347,422
2054	\$ -	\$ -	\$ -	\$ -	\$ 132,329,627	\$ -	\$ -	\$ -	\$ -	\$ 132,329,627
2055	\$ -	\$ -	\$ -	\$ -	\$ 133,299,742	\$ -	\$ -	\$ -	\$ -	\$ 133,299,742
2056	\$ -	\$ -	\$ -	\$ -	\$ 134,340,003	\$ -	\$ -	\$ -	\$ -	\$ 134,340,003
2057	\$ -	\$ -	\$ -	\$ -	\$ 135,422,020	\$ -	\$ -	\$ -	\$ -	\$ 135,422,020
Nominal Sum	\$ 245,473,425	\$ 269,115,175	\$ 146,663,521	\$ (27,840,379)	\$ 2,189,567,291	\$ -	\$ 70,538,849	\$ 417,059,072	\$ 610,210,113	\$ 3,947,718,498
NPV 5.25%	\$ 133,300,396	\$ 143,734,822	\$ 77,012,925	\$ (14,046,468)	\$ 355,363,740	\$ -	\$ 11,636,804	\$ 210,660,082	\$ 280,691,499	\$ 1,225,285,230
15 Year Nominal	\$ 83,441,766	\$ 87,955,056	\$ 45,857,998	\$ (7,596,914)	\$ -	\$ -	\$ 115,984,814	\$ 123,997,825	\$ 26,931,431	\$ 476,571,996
Net Present Value (2013)										\$ 1,225,285,230

Occupancy Cost Summary

Occupancy Year	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7
1	\$15,283,648	\$15,283,648	\$15,283,648	\$15,283,648	\$15,283,648	\$15,283,648	\$15,283,648
2	\$18,775,285	\$18,775,285	\$18,775,285	\$18,775,285	\$18,775,285	\$18,775,285	\$18,775,285
3	\$19,912,705	\$19,912,705	\$19,912,705	\$19,912,705	\$19,912,705	\$19,912,705	\$19,912,705
4	\$27,225,022	\$27,225,022	\$27,225,022	\$27,225,022	\$27,225,022	\$27,225,022	\$27,225,022
5	\$27,966,363	\$27,966,363	\$27,966,363	\$27,966,363	\$27,966,363	\$27,966,363	\$27,966,363
6	\$28,692,046	\$28,692,046	\$28,692,046	\$28,692,046	\$28,692,046	\$28,692,046	\$28,692,046
7	\$34,628,535	\$30,274,527	\$36,476,961	\$25,969,977	\$24,725,330	\$27,062,103	\$32,434,305
8	\$33,579,820	\$28,690,037	\$26,859,434	\$22,714,881	\$23,676,615	\$23,427,481	\$28,817,683
9	\$34,744,130	\$29,242,288	\$27,682,683	\$23,264,748	\$24,840,925	\$24,021,952	\$29,738,475
10	\$35,956,513	\$29,822,175	\$28,541,013	\$23,839,771	\$26,053,308	\$24,643,469	\$30,698,236
11	\$37,219,128	\$30,431,121	\$29,436,071	\$24,441,183	\$27,315,923	\$25,293,324	\$31,698,748
12	\$38,534,239	\$31,070,593	\$30,369,549	\$25,070,253	\$28,631,034	\$25,972,876	\$32,741,878
13	\$39,904,215	\$31,742,130	\$31,343,219	\$25,728,312	\$30,001,010	\$26,683,546	\$33,829,583
14	\$41,331,538	\$32,447,348	\$32,368,941	\$26,416,758	\$31,428,333	\$27,426,829	\$34,963,914
15	\$42,818,809	\$33,187,945	\$33,418,664	\$27,137,055	\$32,915,604	\$28,204,292	\$36,147,019
16	\$44,368,752	\$33,965,707	\$34,524,430	\$27,890,742	\$34,465,547	\$33,569,245	\$41,540,083
17	\$49,889,749	\$39,224,001	\$39,759,639	\$33,159,196	\$39,986,544	\$32,459,668	\$40,910,984
18	\$49,708,215	\$38,098,150	\$39,032,408	\$32,004,856	\$39,805,010	\$33,510,639	\$42,460,033
19	\$51,722,319	\$39,135,975	\$40,479,862	\$33,009,446	\$41,819,114	\$34,608,554	\$44,074,346
20	\$53,819,933	\$40,224,131	\$41,988,983	\$34,059,297	\$43,916,728	\$35,755,632	\$45,756,898
21	\$56,004,817	\$41,365,110	\$43,562,601	\$35,156,558	\$46,101,612	\$36,954,198	\$47,510,801
22	\$58,280,908	\$42,561,529	\$45,203,682	\$36,303,485	\$48,377,703	\$38,206,694	\$49,339,321
23	\$60,652,334	\$43,816,134	\$46,915,334	\$37,502,445	\$50,749,129	\$39,515,678	\$51,245,875
24	\$63,123,413	\$45,131,811	\$48,700,815	\$38,755,920	\$53,220,208	\$40,883,835	\$53,234,048
25	\$65,698,675	\$46,511,590	\$50,563,541	\$40,066,512	\$55,795,470	\$42,313,978	\$55,307,596
26	\$68,382,860	\$47,958,650	\$52,507,089	\$41,486,954	\$58,479,655	\$43,838,248	\$57,537,729
27	\$76,111,801	\$55,856,537	\$60,057,447	\$49,375,906	\$66,208,596	\$50,338,248	\$62,716,819
28	\$76,440,021	\$54,674,291	\$59,478,022	\$48,104,729	\$66,536,816	\$51,076,116	\$65,415,305
29	\$79,911,224	\$56,582,909	\$62,006,231	\$49,915,159	\$70,008,018	\$53,072,188	\$68,227,560
30	\$83,527,074	\$58,582,036	\$64,642,223	\$51,806,253	\$73,623,868	\$55,156,721	\$71,158,765
31	\$87,294,102	\$60,676,096	\$67,390,942	\$53,781,816	\$77,390,897	\$57,333,870	\$74,214,346
32	\$94,735,413	\$66,385,995	\$73,773,834	\$55,845,835	\$84,832,208	\$59,607,995	\$80,916,254
33	\$97,526,683	\$67,385,118	\$75,464,839	\$57,578,132	\$88,047,842	\$61,559,302	\$82,938,959
34	\$128,561,728	\$75,762,955	\$128,561,728	\$128,561,728	\$128,561,728	\$128,561,728	\$128,561,728
35	\$125,768,119	\$125,768,119	\$125,768,119	\$125,768,119	\$125,768,119	\$125,768,119	\$125,768,119
36	\$126,500,689	\$126,500,689	\$126,500,689	\$126,500,689	\$126,500,689	\$126,500,689	\$126,500,689
37	\$127,262,919	\$127,262,919	\$127,262,919	\$127,262,919	\$127,262,919	\$127,262,919	\$127,262,919
38	\$128,056,021	\$128,056,021	\$128,056,021	\$128,056,021	\$128,056,021	\$128,056,021	\$128,056,021
39	\$128,881,261	\$128,881,261	\$128,881,261	\$128,881,261	\$128,881,261	\$128,881,261	\$128,881,261
40	\$129,739,957	\$129,739,957	\$129,739,957	\$129,739,957	\$129,739,957	\$129,739,957	\$129,739,957
41	\$130,633,480	\$130,633,480	\$130,633,480	\$130,633,480	\$130,633,480	\$130,633,480	\$130,633,480
42	\$131,563,258	\$131,563,258	\$131,563,258	\$131,563,258	\$131,563,258	\$131,563,258	\$131,563,258
43	\$132,530,780	\$132,530,780	\$132,530,780	\$132,530,780	\$132,530,780	\$132,530,780	\$132,530,780
44	\$133,537,595	\$133,537,595	\$133,537,595	\$133,537,595	\$133,537,595	\$133,537,595	\$133,537,595
45	\$134,585,316	\$134,585,316	\$134,585,316	\$134,585,316	\$134,585,316	\$134,585,316	\$134,585,316
46	\$141,816,937	\$141,816,937	\$141,816,937	\$141,816,937	\$141,816,937	\$141,816,937	\$141,816,937
47	\$136,810,272	\$136,810,272	\$136,810,272	\$136,810,272	\$136,810,272	\$136,810,272	\$136,810,272
48	\$137,991,079	\$137,991,079	\$137,991,079	\$137,991,079	\$137,991,079	\$137,991,079	\$137,991,079
49	\$139,219,947	\$139,219,947	\$139,219,947	\$139,219,947	\$139,219,947	\$139,219,947	\$139,219,947
50	\$140,498,852	\$140,498,852	\$140,498,852	\$140,498,852	\$140,498,852	\$140,498,852	\$140,498,852
Nominal Sum	\$3,947,718,498	\$3,494,058,439	\$3,614,341,734	\$3,385,149,644	\$3,644,894,711	\$3,442,636,438	\$3,722,972,842
NPV (2013)	\$1,225,285,230	\$1,040,792,776	\$1,076,833,424	\$978,122,899	\$1,048,280,417	\$1,003,158,148	\$1,122,586,436
End of Term Plus 10 Years (15 Year Totals, Undiscounted)	\$476,571,996	\$414,763,233	\$414,341,603	\$375,448,193	\$351,581,537	\$383,601,129	\$428,924,910

Scenario 3 (Lease Civic Plaza)

Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)
 Lease Civic Center Plaza and retrofit to new City office standards
 Lease less amount of space downtown and retrofit to new City office standards
 Construct new facility in 30 years (end of useful life - CAB, COB, COB, Parkade)

	CAB	COB	Concourse as Meeting	Parkade	New "Owned" 30 Years End of Useful Life	Library and Publishing	Lease 600 B EOT	Lease Civic Plaza	Lease Executive Complex S3	Total
SF in 2014	188,926	213,905	158,119		40,000			243,176	EOT on 136,321 before 2014 81,062	885,188
2008	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ -	\$ 3,964,706	\$ 4,658,036	\$ 2,892,132	\$ 15,283,648
2009	\$ 4,277,135	\$ 2,376,901	\$ 876,225	\$ (703,766)	\$ -	\$ -	\$ 4,162,245	\$ 4,779,320	\$ 3,007,226	\$ 18,775,285
2010	\$ 4,409,020	\$ 2,468,422	\$ 932,396	\$ (304,191)	\$ -	\$ -	\$ 4,373,951	\$ 4,906,669	\$ 3,126,438	\$ 19,912,705
2011	\$ 5,445,419	\$ 6,037,908	\$ 3,184,206	\$ (329,802)	\$ -	\$ -	\$ 4,596,933	\$ 5,040,384	\$ 3,249,974	\$ 27,225,022
2012	\$ 5,543,836	\$ 6,149,338	\$ 3,246,906	\$ (356,262)	\$ -	\$ -	\$ 4,823,708	\$ 5,180,786	\$ 3,378,052	\$ 27,966,363
2013	\$ 5,647,175	\$ 6,266,339	\$ 3,313,135	\$ (383,595)	\$ -	\$ -	\$ 5,009,888	\$ 5,328,207	\$ 3,510,898	\$ 28,692,046
2014	\$ 5,755,680	\$ 6,389,190	\$ 3,383,080	\$ (411,826)	\$ -	\$ -	\$ -	\$ 16,858,629	\$ 4,502,208	\$ 36,476,961
2015	\$ 5,869,610	\$ 6,518,184	\$ 3,456,939	\$ (440,983)	\$ -	\$ -	\$ -	\$ 8,565,763	\$ 2,889,900	\$ 26,859,434
2016	\$ 5,989,237	\$ 6,653,628	\$ 3,534,922	\$ (471,091)	\$ -	\$ -	\$ -	\$ 8,946,523	\$ 3,029,464	\$ 27,682,683
2017	\$ 6,114,846	\$ 6,795,844	\$ 3,617,246	\$ (502,178)	\$ -	\$ -	\$ -	\$ 9,341,048	\$ 3,174,207	\$ 28,541,013
2018	\$ 6,246,735	\$ 6,945,170	\$ 3,704,143	\$ (534,272)	\$ -	\$ -	\$ -	\$ 9,749,916	\$ 3,324,379	\$ 29,436,071
2019	\$ 6,385,218	\$ 7,101,963	\$ 3,795,854	\$ (567,401)	\$ -	\$ -	\$ -	\$ 10,173,709	\$ 3,480,205	\$ 30,369,549
2020	\$ 6,530,625	\$ 7,266,596	\$ 3,892,634	\$ (601,595)	\$ -	\$ -	\$ -	\$ 10,613,037	\$ 3,641,922	\$ 31,343,219
2021	\$ 6,683,303	\$ 7,439,460	\$ 3,994,752	\$ (636,882)	\$ -	\$ -	\$ -	\$ 11,068,533	\$ 3,809,775	\$ 32,358,941
2022	\$ 6,843,615	\$ 7,620,967	\$ 4,102,489	\$ (673,294)	\$ -	\$ -	\$ -	\$ 11,540,862	\$ 3,984,024	\$ 33,418,664
2023	\$ 7,011,942	\$ 7,811,550	\$ 4,216,142	\$ (710,860)	\$ -	\$ -	\$ -	\$ 12,030,717	\$ 4,164,939	\$ 34,524,430
2024	\$ 7,188,685	\$ 8,011,662	\$ 4,336,022	\$ (749,612)	\$ -	\$ -	\$ -	\$ 12,526,254	\$ 4,352,329	\$ 35,679,639
2025	\$ 7,374,266	\$ 8,221,780	\$ 4,462,456	\$ (789,580)	\$ -	\$ -	\$ -	\$ 13,028,158	\$ 4,546,329	\$ 36,832,408
2026	\$ 7,569,126	\$ 8,442,403	\$ 4,595,790	\$ (830,799)	\$ -	\$ -	\$ -	\$ 13,530,979	\$ 4,745,363	\$ 38,032,408
2027	\$ 7,773,729	\$ 8,674,057	\$ 4,736,386	\$ (873,299)	\$ -	\$ -	\$ -	\$ 14,065,569	\$ 4,949,893	\$ 39,282,408
2028	\$ 7,986,562	\$ 8,917,285	\$ 4,884,624	\$ (917,113)	\$ -	\$ -	\$ -	\$ 14,702,822	\$ 5,160,412	\$ 40,582,408
2029	\$ 8,214,137	\$ 9,172,694	\$ 5,040,906	\$ (962,276)	\$ -	\$ -	\$ -	\$ 15,353,667	\$ 5,374,564	\$ 41,932,408
2030	\$ 8,450,990	\$ 9,440,863	\$ 5,205,652	\$ (1,008,820)	\$ -	\$ -	\$ -	\$ 16,049,079	\$ 5,600,991	\$ 43,332,408
2031	\$ 8,699,686	\$ 9,722,441	\$ 5,379,304	\$ (1,056,780)	\$ -	\$ -	\$ -	\$ 16,760,074	\$ 5,838,541	\$ 44,782,408
2032	\$ 8,960,817	\$ 10,018,097	\$ 5,562,330	\$ (1,106,190)	\$ -	\$ -	\$ -	\$ 17,497,713	\$ 6,083,774	\$ 46,282,408
2033	\$ 9,235,004	\$ 10,328,536	\$ 5,755,217	\$ (1,157,085)	\$ -	\$ -	\$ -	\$ 18,263,107	\$ 6,338,311	\$ 47,832,408
2034	\$ 9,522,901	\$ 10,654,497	\$ 5,958,480	\$ (1,209,499)	\$ -	\$ -	\$ -	\$ 19,064,179	\$ 6,592,447	\$ 49,432,408
2035	\$ 9,825,192	\$ 10,996,727	\$ 6,172,660	\$ (1,263,467)	\$ -	\$ -	\$ -	\$ 19,904,179	\$ 6,856,231	\$ 51,082,408
2036	\$ 10,142,598	\$ 11,356,129	\$ 6,398,325	\$ (1,319,025)	\$ -	\$ -	\$ -	\$ 20,788,811	\$ 7,120,222	\$ 52,782,408
2037	\$ 10,475,875	\$ 11,733,470	\$ 6,636,074	\$ (1,376,208)	\$ -	\$ -	\$ -	\$ 21,718,879	\$ 7,396,133	\$ 54,532,408
2038	\$ 10,825,615	\$ 12,129,678	\$ 6,886,533	\$ (1,435,050)	\$ -	\$ -	\$ -	\$ 22,702,810	\$ 7,674,942	\$ 56,332,408
2039	\$ 11,193,252	\$ 12,545,696	\$ 7,150,364	\$ (1,495,586)	\$ -	\$ -	\$ -	\$ 23,745,094	\$ 7,964,749	\$ 58,182,408
2040	\$ 11,579,062	\$ 12,982,515	\$ 7,428,260	\$ (1,562,216)	\$ -	\$ -	\$ -	\$ 24,848,291	\$ 8,266,261	\$ 60,082,408
2041	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712	\$ -	\$ 3,516,264	\$ -	\$ -	\$ 128,551,728
2042	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529	\$ 2,742,016	\$ 2,641,667	\$ -	\$ -	\$ 125,768,119
2043	\$ -	\$ -	\$ -	\$ -	\$ 123,545,111	\$ 2,846,590	\$ 2,846,590	\$ -	\$ -	\$ 126,500,689
2044	\$ -	\$ -	\$ -	\$ -	\$ 124,193,735	\$ 2,955,579	\$ 2,955,579	\$ -	\$ -	\$ 127,262,919
2045	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407	\$ 3,069,183	\$ 3,069,183	\$ -	\$ -	\$ 128,056,021
2046	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171	\$ 3,187,614	\$ 3,187,614	\$ -	\$ -	\$ 128,881,261
2047	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114	\$ 3,311,091	\$ 3,311,091	\$ -	\$ -	\$ 129,739,957
2048	\$ -	\$ -	\$ -	\$ -	\$ 127,069,366	\$ 3,439,843	\$ 3,439,843	\$ -	\$ -	\$ 130,633,460
2049	\$ -	\$ -	\$ -	\$ -	\$ 127,889,104	\$ 3,574,114	\$ 3,574,114	\$ -	\$ -	\$ 131,563,288
2050	\$ -	\$ -	\$ -	\$ -	\$ 128,749,549	\$ 3,714,154	\$ 3,714,154	\$ -	\$ -	\$ 132,530,760
2051	\$ -	\$ -	\$ -	\$ -	\$ 129,642,975	\$ 3,860,230	\$ 3,860,230	\$ -	\$ -	\$ 133,537,595
2052	\$ -	\$ -	\$ -	\$ -	\$ 130,570,171	\$ 4,012,620	\$ 4,012,620	\$ -	\$ -	\$ 134,585,316
2053	\$ -	\$ -	\$ -	\$ -	\$ 131,539,627	\$ 4,171,613	\$ 4,171,613	\$ -	\$ -	\$ 135,673,937
2054	\$ -	\$ -	\$ -	\$ -	\$ 132,549,742	\$ 4,337,515	\$ 4,337,515	\$ -	\$ -	\$ 136,810,272
2055	\$ -	\$ -	\$ -	\$ -	\$ 133,299,742	\$ 4,691,337	\$ 4,691,337	\$ -	\$ -	\$ 137,991,079
2056	\$ -	\$ -	\$ -	\$ -	\$ 134,340,003	\$ 4,879,944	\$ 4,879,944	\$ -	\$ -	\$ 139,219,947
2057	\$ -	\$ -	\$ -	\$ -	\$ 135,422,020	\$ 5,076,831	\$ 5,076,831	\$ -	\$ -	\$ 140,498,852
Nominal Sum	\$ 245,473,425	\$ 269,115,175	\$ 146,663,521	\$ (27,840,379)	\$ 2,189,567,291	\$ 70,538,849	\$ 26,931,431	\$ 438,897,261	\$ 254,995,159	\$ 3,614,341,734
NPV 5.25%	\$ 133,300,396	\$ 143,734,822	\$ 77,012,925	\$ (14,046,468)	\$ 355,363,740	\$ 11,636,804	\$ 26,931,431	\$ 224,549,077	\$ 118,350,698	\$ 1,076,833,424
15 Year Nominal	\$ 83,441,786	\$ 87,955,056	\$ 45,857,998	\$ (7,596,914)	\$ -	\$ -	\$ 26,931,431	\$ 126,751,442	\$ 51,000,804	\$ 414,341,603
								Net Present Value (2013)		\$ 1,076,833,424

Furniture, Voice and Data Estimates

Equipment Provided at Desktop

Estimated Annual Increase **3.00%**

Year	Unit Cost
2008	\$ 7,000
2009	\$ 7,210
2010	\$ 7,426
2011	\$ 7,649
2012	\$ 7,879
2013	\$ 8,115
2014	\$ 8,358
2015	\$ 8,609
2016	\$ 8,867
2017	\$ 9,133
2018	\$ 9,407
2019	\$ 9,690
2020	\$ 9,980
2021	\$ 10,280
2022	\$ 10,588
2023	\$ 10,906
2024	\$ 11,233
2025	\$ 11,570
2026	\$ 11,917
2027	\$ 12,275
2028	\$ 12,643
2029	\$ 13,022
2030	\$ 13,413
2031	\$ 13,815
2032	\$ 14,230
2033	\$ 14,656
2034	\$ 15,096
2035	\$ 15,549
2036	\$ 16,015
2037	\$ 16,496
2038	\$ 16,991
2039	\$ 17,501
2040	\$ 18,026
2041	\$ 18,566
2042	\$ 19,123
2043	\$ 19,697
2044	\$ 20,288
2045	\$ 20,897
2046	\$ 21,523
2047	\$ 22,169
2048	\$ 22,834
2049	\$ 23,519
2050	\$ 24,225
2051	\$ 24,952
2052	\$ 25,700
2053	\$ 26,471
2054	\$ 27,265
2055	\$ 28,083
2056	\$ 28,926
2057	\$ 29,794
2058	\$ 30,687
2059	\$ 31,608
2060	\$ 32,556

Efficiency Analysis 2053

Number of Employees to be Accommodated **3,989**
 Efficiency Analysis Standard **210**

	CAB	COB	Concourse as Exhibit Hall	Concourse as Office Space	Civic Plaza	Executive Complex/ Generic "B" Class	600 B
Square Feet Per Drawings or Lease	188,926	213,905	158,119	178,119	243,176	136,321	153,265
Efficiency Lost	7.50%	0.00%	0.00%	0.00%	17.00%	15.00%	15.00%
RSF/Employee	227	210	210	210	253	247	247
less efficient Alternate	315	315	315	315	315	315	315
Employees Accommodated (if renovated)	832	1019	0	848	961	552	620
less efficient Alternate	600	679	0	565	772	433	487

Scenario 1:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease existing space at market rates	Civic Plaza	772	243,176
	Executive Complex, 600 B or Generic B Class Building	1,366	557,021
	Total	3,989	1,361,147

Scenario 2:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Purchase Civic Center Plaza and retrofit to new City office standards	Civic Plaza	1,119	283,175
Lease less amount of space and retrofit to new City office standards (start with Executive Complex)	Executive Complex, 600 B or Generic B Class Building	1,019	251,757
	Total	3,989	1,095,882

Employees = gross building square feet divided by RSF/Employee

Scenario 3:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease Civic Center Plaza and retrofit to new City office standards	Civic Plaza	961	243,176
Lease less amount of space and retrofit to new City office standards (start with Executive Complex)	Executive Complex, 600 B or Generic B Class Building	1,177	290,815
	Total	3,989	1,094,941

Scenario 4:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards	Concourse (as Office facility)	848	178,119
Retrofit Concourse from meeting facility to office space (fill in atrium area to gain more usable sf)	Civic Plaza or Generic B Building	1,290	326,397
Lease less amount of space (if any) and retrofit to new City office standards (Lease Civic Plaza as closest building)	Executive Complex, 600 B or Generic B Class Building	-	-
	Total	3,989	907,347

In addition, 40,000 RSF is leased in Kearny Mesa to house the library and publishing functions.

Scenario 5:	CAB	832	188,926
Status Quo	COB	1,019	213,905
No improvements to existing facilities	Concourse (as meeting facility)	-	158,119
Lease existing space at market rates	Civic Plaza	772	243,176
	Executive Complex, 600 B or Generic B Class Building	1,366	557,021
	Total	3,989	1,361,147

Scenario 6:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards	Concourse (as Office facility)	848	178,119
Retrofit Concourse from meeting facility to office space (fill in atrium area to gain more usable sf)	Generic B Class Building Suburban	1,131	356,364
Lease less amount of space (if any) and retrofit to new City office standards (Lease Civic Plaza as closest building)	Generic B Class Building Downtown	159	50,000
	Total	3,989	987,314

In addition, 40,000 RSF is leased in Kearny Mesa to house the library and publishing functions.

Scenario 7:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease Generic B Class Building Downtown	Generic B Class Building Suburban	1,980	623,543
Lease Generic B Class Building Suburban	Generic B Class Building Downtown	159	50,000
	Total	3,989	1,234,493

Efficiency Analysis 2043

Number of Employees to be Accommodated 3,757
 Efficiency Analysis Standard 210

	CAB	COB	Concourse as Exhibit Hall	Concourse as Office Space	Civic Plaza	Executive Complex/ Generic "B" Class	600 B
Square Feet Per Drawings or Lease	188,926	213,905	158,119	178,119	243,176	136,321	153,265
Efficiency Lost	7.50%	0.00%	0.00%	0.00%	17.00%	15.00%	15.00%
RSF/Employee	227	210	210	210	253	247	247
less efficient Alternate	315	315	315	315	315	315	315
Employees Accommodated (if renovated)	832	1019	0	848	961	552	620
less efficient Alternate	600	679	0	565	772	433	487

Scenario 1:			
Status Quo	CAB	832	188,926
	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease existing space at market rates	Civic Plaza	772	243,176
	Executive Complex, 600 B or Generic B Class Building	1,134	483,941
	Total	3,757	1,288,067

Scenario 2:			
Status Quo	CAB	832	188,926
	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as Meeting facility)	-	158,119
Purchase Civic Center Plaza and retrofit to new City office standards	Civic Plaza	1,119	283,175
Lease less amount of space and retrofit to new City office standards (start with Executive Complex)	Executive Complex, 600 B or Generic B Class Building	787	194,439
	Total	3,757	1,038,564

Employees = gross building square feet divided by RSF/Employee

Scenario 3:			
Status Quo	CAB	832	188,926
	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as Meeting facility)	-	158,119
Lease Civic Center Plaza and retrofit to new City office standards	Civic Plaza	961	243,176
Lease less amount of space and retrofit to new City office standards (start with Executive Complex)	Executive Complex, 600 B or Generic B Class Building	945	233,497
	Total	3,757	1,037,623

Scenario 4:			
Status Quo	CAB	832	188,926
	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards	Concourse (as Office facility)	848	178,119
Retrofit Concourse from meeting facility to office space (fill in atrium area to gain more usable sf)	Civic Plaza or Generic B Building	1,058	267,698
Lease less amount of space (if any) and retrofit to new City office standards (Lease Civic Plaza as closest building)	Executive Complex, 600 B or Generic B Class Building	-	-
	Total	3,757	848,648

In addition, 40,000 RSF is leased in Kearny Mesa to house the library and publishing functions.

Scenario 5:			
Status Quo	CAB	832	188,926
	COB	1,019	213,905
No improvements to existing facilities	Concourse (as meeting facility)	-	158,119
Lease existing space at market rates	Civic Plaza	772	243,176
	Executive Complex, 600 B or Generic B Class Building	1,134	483,941
	Total	3,757	1,288,067

Scenario 6:			
Status Quo	CAB	832	188,926
	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards	Concourse (as Office facility)	848	178,119
Retrofit Concourse from meeting facility to office space (fill in atrium area to gain more usable sf)	Generic B Class Building Suburban	899	283,284
Lease less amount of space (if any) and retrofit to new City office standards (Lease Civic Plaza as closest building)	Generic B Class Building Downtown	159	50,000
	Total	3,757	914,234

In addition, 40,000 RSF is leased in Kearny Mesa to house the library and publishing functions.

Scenario 7:			
Status Quo	CAB	832	188,926
	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease Generic B Class Building Downtown	Generic B Class Building Suburban	1,748	550,463
Lease Generic B Class Building Suburban	Generic B Class Building Downtown	159	50,000
	Total	3,757	1,161,413

Efficiency Analysis 2023

Number of Employees to be Accommodated **3,334**
 Efficiency Analysis Standard **210**

	CAB	COB	Concourse as Exhibit Hall	Concourse as Office Space	Civic Plaza	Executive Complex/ Generic "B" Class	600 B
Square Feet Per Drawings or Lease	188,926	213,905	158,119	178,119	243,176	136,321	153,265
Efficiency Lost	7.50%	0.00%	0.00%	0.00%	17.00%	15.00%	15.00%
RSF/Employee	227	210	210	210	253	247	247
less efficient Alternate	315	315	315	315	315	315	315
Employees Accommodated (if renovated)	832	1019	0	848	961	552	620
less efficient Alternate	600	679	0	565	772	433	487

Scenario 1:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease existing space at market rates	Civic Plaza	772	243,176
	Executive Complex, 600 B or Generic B Class Building	711	350,696
	Total	3,334	1,154,822

Scenario 2:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Purchase Civic Center Plaza and retrofit to new City office standards	Civic Plaza	1,119	283,175
Lease less amount of space and retrofit to new City office standards (start with Executive Complex)	Executive Complex, 600 B or Generic B Class Building	364	89,933
	Total	3,334	934,058

Employees = gross building square feet divided by RSF/Employee

Scenario 3:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease Civic Center Plaza and retrofit to new City office standards	Civic Plaza	961	243,176
Lease less amount of space and retrofit to new City office standards (start with Executive Complex)	Executive Complex, 600 B or Generic B Class Building	522	128,991
	Total	3,334	933,117

Scenario 4:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards	Concourse (as Office facility)	848	178,119
Retrofit Concourse from meeting facility to office space (fill in atrium area to gain more usable sf)	Civic Plaza	635	160,674
Lease less amount of space (if any) and retrofit to new City office standards (Lease Civic Plaza as closest building)	Executive Complex, 600 B or Generic B Class Building	-	-
	Total	3,334	741,624

In addition, 40,000 RSF is leased in Kearny Mesa to house the library and publishing functions.

Scenario 5:	CAB	832	188,926
Status Quo	COB	1,019	213,905
No improvements to existing facilities	Concourse (as meeting facility)	-	158,119
Lease existing space at market rates	Civic Plaza	772	243,176
	Executive Complex, 600 B or Generic B Class Building	711	350,696
	Total	3,334	1,154,822

Scenario 6:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards	Concourse (as Office facility)	848	178,119
Retrofit Concourse from meeting facility to office space (fill in atrium area to gain more usable sf)	Generic B Class Building Suburban	476	150,039
Lease less amount of space (if any) and retrofit to new City office standards (Lease Civic Plaza as closest building)	Generic B Class Building Downtown	159	50,000
	Total	3,334	780,989

In addition, 40,000 RSF is leased in Kearny Mesa to house the library and publishing functions.

Scenario 7:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease Generic B Class Building Downtown	Generic B Class Building Suburban	1,325	417,218
Lease Generic B Class Building Suburban	Generic B Class Building Downtown	159	50,000
	Total	3,334	1,028,168

Efficiency Analysis 2023

Number of Employees to be Accommodated **3,334**
 Efficiency Analysis Standard **210**

	CAB	COB	Concourse as Exhibit Hall	Concourse as Office Space	Civic Plaza	Executive Complex/ Generic "B" Class	600 B
Square Feet Per Drawings or Lease	188,926	213,905	158,119	178,119	243,176	136,321	153,265
Efficiency Lost	7.50%	0.00%	0.00%	0.00%	17.00%	15.00%	15.00%
RSF/Employee	227	210	210	210	253	247	247
less efficient Alternate	315	315	315	315	315	315	315
Employees Accommodated (if renovated)	832	1019	0	848	961	552	620
less efficient Alternate	600	679	0	565	772	433	487

Scenario 1:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease existing space at market rates	Civic Plaza	772	243,176
	Executive Complex, 600 B or Generic B Class Building	711	350,696
	Total	3,334	1,154,822

Scenario 2:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Purchase Civic Center Plaza and retrofit to new City office standards	Civic Plaza	1,119	283,175
Lease less amount of space and retrofit to new City office standards (start with Executive Complex)	Executive Complex, 600 B or Generic B Class Building	364	89,933
	Total	3,334	934,058

Employees = gross building square feet divided by RSF/Employee

Scenario 3:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease Civic Center Plaza and retrofit to new City office standards	Civic Plaza	961	243,176
Lease less amount of space and retrofit to new City office standards (start with Executive Complex)	Executive Complex, 600 B or Generic B Class Building	522	128,991
	Total	3,334	933,117

Scenario 4:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards	Concourse (as Office facility)	848	178,119
Retrofit Concourse from meeting facility to office space (fill in atrium area to gain more usable sf)	Civic Plaza	635	160,674
Lease less amount of space (if any) and retrofit to new City office standards (Lease Civic Plaza as closest building)	Executive Complex, 600 B or Generic B Class Building	-	-
	Total	3,334	741,624

In addition, 40,000 RSF is leased in Kearny Mesa to house the library and publishing functions.

Scenario 5:	CAB	832	188,926
Status Quo	COB	1,019	213,905
No improvements to existing facilities	Concourse (as meeting facility)	-	158,119
Lease existing space at market rates	Civic Plaza	772	243,176
	Executive Complex, 600 B or Generic B Class Building	711	350,696
	Total	3,334	1,154,822

Scenario 6:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards	Concourse (as Office facility)	848	178,119
Retrofit Concourse from meeting facility to office space (fill in atrium area to gain more usable sf)	Generic B Class Building Suburban	476	150,039
Lease less amount of space (if any) and retrofit to new City office standards (Lease Civic Plaza as closest building)	Generic B Class Building Downtown	159	50,000
	Total	3,334	780,989

In addition, 40,000 RSF is leased in Kearny Mesa to house the library and publishing functions.

Scenario 7:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease Generic B Class Building Downtown	Generic B Class Building Suburban	1,325	417,218
Lease Generic B Class Building Suburban	Generic B Class Building Downtown	159	50,000
	Total	3,334	1,028,168

Efficiency Analysis 2013

Number of Employees to be Accommodated 3,140
 Efficiency Analysis Standard 210

	CAB	COB	Concourse as Exhibit Hall	Concourse as Office Space	Civic Plaza	Executive Complex/ Generic "B" Class	600 B
Square Feet Per Drawings or Lease	188,926	213,905	158,119	178,119	243,176	136,321	153,265
Efficiency Lost	7.50%	0.00%	0.00%	0.00%	17.00%	15.00%	15.00%
RSF/Employee less efficient Alternate	227 315	210 315	210 315	210 315	253 315	247 315	247 315
Employees Accommodated (if renovated) less efficient Alternate	832 600	1019 679	0 0	848 565	961 772	552 433	620 487

Scenario 1:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease existing space at market rates	Civic Plaza Executive Complex, 600 B or Generic B Class Building	772	243,176
		517	289,586
Total		3,140	1,093,712

Space = Executive Complex plus 600 B

Scenario 2:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Purchase Civic Center Plaza and retrofit to new City office standards	Civic Plaza Executive Complex, 600 B or Generic B Class Building	1,119	283,175
Lease less amount of space and retrofit to new City office standards (start with Executive Complex)		170	42,004
Total		3,140	886,129

Employees = gross building square feet divided by RSF/Employee

Scenario 3:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease Civic Center Plaza and retrofit to new City office standards	Civic Plaza Executive Complex, 600 B or Generic B Class Building	961	243,176
Lease less amount of space and retrofit to new City office standards (start with Executive Complex)		328	81,062
Total		3,140	885,188

Scenario 4:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards	Concourse (as Office facility)	848	178,119
Retrofit Concourse from meeting facility to office space (fill in atrium area to gain more usable sf)	Civic Plaza Executive Complex, 600 B or Generic B Class Building	441	111,590
Lease less amount of space (if any) and retrofit to new City office standards (Lease Civic Plaza as closest building)		-	-
Total		3,140	692,540

In addition, 40,000 RSF is leased in Kearny Mesa to house the library and publishing functions.

Scenario 5:	CAB	832	188,926
Status Quo	COB	1,019	213,905
No improvements to existing facilities	Concourse (as meeting facility)	-	158,119
Lease existing space at market rates	Civic Plaza Executive Complex, 600 B or Generic B Class Building	772	243,176
		517	289,586
Total		3,140	1,093,712

Scenario 6:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards	Concourse (as Office facility)	848	178,119
Retrofit Concourse from meeting facility to office space (fill in atrium area to gain more usable sf)	Generic B Class Building Suburban	282	88,929
Lease less amount of space (if any) and retrofit to new City office standards (Lease Generic B Space in Downtown and Suburban Markets)	Generic B Class Building Downtown	159	50,000
Total		3,140	719,879

In addition, 40,000 RSF is leased in Kearny Mesa to house the library and publishing functions.

Scenario 7:	CAB	832	188,926
Status Quo	COB	1,019	213,905
Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)	Concourse (as meeting facility)	-	158,119
Lease Generic B Class Building Downtown	Generic B Class Building Suburban	1,131	356,108
Lease Generic B Class Building Suburban Market	Generic B Class Building Downtown	159	50,000
Total		3,140	967,058

Growth Projections

Scenario 1 Status Quo - Lease at Market	2013			2023			2033			2043			2053		
	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF
CAB	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926
COB	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905
Concourse (as meeting facility)	-	-	158,119	-	-	158,119	-	-	158,119	-	-	158,119	-	-	158,119
Civic Plaza	772	-	243,176	772	-	243,176	772	-	243,176	772	-	243,176	772	-	243,176
Executive Complex/Generic B Building	517	-	289,586	711	194	350,696	916	205	415,271	1,134	218	483,941	1,366	232	557,021
Total	3,140	-	1,093,712	3,334	194	1,154,822	3,539	205	1,219,397	3,757	218	1,288,067	3,989	232	1,361,147

Scenario 2 Renovate Owned - Purchase CCP, Lease balance at market	2013			2023			2033			2043			2053		
	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF
CAB	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926
COB	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905
Concourse (as meeting facility)	-	-	158,119	-	-	158,119	-	-	158,119	-	-	158,119	-	-	158,119
Civic Plaza	1,119	-	283,175	1,119	-	283,175	1,119	-	283,175	1,119	-	283,175	1,119	-	283,175
Executive Complex/Generic B Building	170	-	42,004	364	194	89,933	569	205	140,580	787	218	194,439	1,019	232	251,757
Total	3,140	-	886,129	3,334	194	934,058	3,539	205	984,705	3,757	218	1,038,564	3,989	232	1,095,882

Scenario 3 Renovate Owned - Lease CCP, Lease balance at market	2013			2023			2033			2043			2053		
	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF
CAB	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926
COB	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905
Concourse (as meeting facility)	-	-	158,119	-	-	158,119	-	-	158,119	-	-	158,119	-	-	158,119
Civic Plaza	961	-	243,176	961	-	243,176	961	-	243,176	961	-	243,176	961	-	243,176
Executive Complex/Generic B Building	328	-	81,062	522	194	128,991	727	205	179,638	945	218	233,497	1,177	232	290,815
Total	3,140	-	885,188	3,334	194	933,117	3,539	205	983,764	3,757	218	1,037,623	3,989	232	1,094,941

Scenario 4 Renovate Owned - Convert Concourse to Office, Lease balance at market	2013			2023			2033			2043			2053		
	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF
CAB	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926
COB	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905
Concourse (as Office facility)	848	-	178,119	848	-	178,119	848	-	178,119	848	-	178,119	848	-	178,119
Civic Plaza or comparable Generic B Building	441	-	111,590	635	194	160,674	840	205	212,542	1,058	218	267,698	1,290	232	326,397
Executive Complex/Generic B Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,140	-	692,540	3,334	194	741,624	3,539	205	793,492	3,757	218	848,648	3,989	232	907,347

Scenario 5 Status Quo - Lease at aggressive market	2013			2023			2033			2043			2053		
	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF
CAB	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926
COB	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905
Concourse (as meeting facility)	-	-	158,119	-	-	158,119	-	-	158,119	-	-	158,119	-	-	158,119
Civic Plaza	772	-	243,176	772	-	243,176	772	-	243,176	772	-	243,176	772	-	243,176
Executive Complex/Generic B Building	517	-	289,586	711	194	350,696	916	205	415,271	1,134	218	483,941	1,366	232	557,021
Total	3,140	-	1,093,712	3,334	194	1,154,822	3,539	205	1,219,397	3,757	218	1,288,067	3,989	232	1,361,147

Scenario 6 Mission Valley with Concourse as Office Space	2013			2023			2033			2043			2053		
	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF
CAB	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926
COB	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905
Concourse (as meeting facility)	848	-	178,119	848	-	178,119	848	-	178,119	848	-	178,119	848	-	178,119
Generic B Class Building Suburban	282	-	88,929	476	194	150,039	681	205	214,614	899	218	283,284	1,131	232	356,364
Generic B Class Building Downtown	159	-	50,000	159	-	50,000	159	-	50,000	159	-	50,000	159	-	50,000
Total	3,140	-	719,879	3,334	194	780,989	3,539	205	845,564	3,757	218	914,234	3,989	232	987,314

315

Scenario 7 Mission Valley with Concourse as Meeting Space	2013			2023			2033			2043			2053		
	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF	FTE's	Increase	SF
CAB	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926	832	-	188,926
COB	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905	1,019	-	213,905
Concourse (as meeting facility)	-	-	158,119	-	-	158,119	-	-	158,119	-	-	158,119	-	-	158,119
Generic B Class Building Suburban	1,131	-	356,108	1,325	194	417,218	1,530	205	481,793	1,748	218	550,463	1,980	232	623,543
Generic B Class Building Downtown	159	-	50,000	159	-	50,000	159	-	50,000	159	-	50,000	159	-	50,000
Total	3,140	-	967,058	3,334	194	1,028,168	3,539	205	1,092,743	3,757	218	1,161,413	3,989	232	1,234,493

Primary Assumptions

FF&E						
Unit Cost \$5,000 (Furniture), \$2,000 (Voice & Data) - at desk	\$	7,000	Estimate per employee	Staubach/JLL		
Security	\$	7.50	Estimate PSF	Cumming		
Seismic Retrofit (estimate only)	\$	35.00	Estimate PSF	DMJM		
Existing Space/FTE		315				
Move Related						
Estimated move costs Per Person	\$	350	Estimate per employee	Staubach/JLL		
Estimated Cost Swing Space	\$	33.00	Estimate PSF	Staubach/JLL		
Library & Publishing Relocation						
Estimated Relocation Costs (moving, voice and data)	\$	10.00	Estimate PSF	Staubach/JLL		
Finance						
City Cost of Capital		5.25%	Estimate	City		
Term of Loan (New Debt)		30	Estimate	City		
Discount Rate for Present Value Analysis		5.25%	Estimate	Staubach/JLL/City		
Leasing						
Market Escalations for New Lease Space		2.50%	Estimate	Staubach/JLL		
Estimated Rental Rate Resets (10 years) - FSG Leases		20.00%	Estimate	Staubach/JLL		
Estimated Rental Rate Resets (10 years) - NINN Leases		2.50%	Estimate	Staubach/JLL		
Operating Expenses						
Actual Operating Expenses (Owned Buildings)	\$	9.00	Estimate PSF	Staubach/JLL/City		
Projected Operating Expenses (New Development)	\$	8.00	Estimate PSF	Staubach/City/Gensler		
Estimated Annual Increases in Operating Expenses - Existing Buildings		5.00%	Estimate	Staubach/JLL		
Estimated Annual Increases in Operating Expenses - New Construction		4.00%	Estimate	Staubach/JLL		

Per SF amount used, as there is no specific headcount number associated with this relocation.

For buildings owned, no property taxes are included.
For buildings leased, property taxes are included.
In the detailed analysis actual expenses are used, as available.

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Scenario 7 (Suburban Alternative - Concourse remains Meeting Facility)

Renovate and Retrofit Owned buildings with new City office standards (Concourse remains a meeting facility)
 Lease Generic B Class Space in Suburban Market
 Lease Generic B Class Space in Downtown
 Construct new facility in 30 years (end of useful life - CAB, COB, Parkade)

SF	CAB	COB	Concourse as Meeting	Parkade	New 'Owned' 30 Years End of Useful Life	Library and Publishing	Lease 600 B EOT	Lease Civic Plaza EOT	Lease Executive Complex EOT	Generic B		Total	
										Downtown	Suburban Space		
2008	188,926	213,905	158,119	40,000						50,000	356,108		
1	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ -	\$ 3,964,706	\$ 4,658,036	\$ 2,892,132	\$ -	\$ -	\$ 15,283,648	
2	\$ 4,277,135	\$ 2,376,901	\$ 876,225	\$ (703,786)	\$ -	\$ -	\$ 4,162,245	\$ 4,779,320	\$ 3,007,226	\$ -	\$ -	\$ 18,775,285	
3	\$ 4,409,020	\$ 2,468,422	\$ 932,396	\$ (304,191)	\$ -	\$ -	\$ 4,373,951	\$ 4,906,669	\$ 3,126,438	\$ -	\$ -	\$ 19,912,705	
4	\$ 5,445,419	\$ 6,037,908	\$ 3,184,206	\$ (329,802)	\$ -	\$ -	\$ 4,596,933	\$ 5,040,384	\$ 3,249,974	\$ -	\$ -	\$ 27,225,022	
5	\$ 5,543,836	\$ 6,149,338	\$ 3,246,906	\$ (356,262)	\$ -	\$ -	\$ 4,823,708	\$ 5,180,786	\$ 3,378,052	\$ -	\$ -	\$ 27,966,363	
6	\$ 5,647,175	\$ 6,266,339	\$ 3,313,135	\$ (383,595)	\$ -	\$ -	\$ 5,009,888	\$ 5,328,207	\$ 3,510,898	\$ -	\$ -	\$ 28,692,046	
7	\$ 5,755,680	\$ 6,389,190	\$ 3,383,080	\$ (411,826)	\$ -	\$ -	\$ -	\$ 3,198,416	\$ 906,053	\$ 1,640,479	\$ 11,573,233	\$ 32,434,305	
8	\$ 5,869,610	\$ 6,518,184	\$ 3,456,939	\$ (440,983)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,724,007	\$ 11,689,925	\$ 28,817,683	
9	\$ 5,989,237	\$ 6,653,628	\$ 3,534,922	\$ (471,091)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,810,712	\$ 12,221,066	\$ 29,738,475	
10	\$ 6,114,846	\$ 6,795,844	\$ 3,617,246	\$ (502,178)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,900,728	\$ 12,771,750	\$ 30,688,236	
11	\$ 6,246,735	\$ 6,945,170	\$ 3,704,143	\$ (534,272)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,994,195	\$ 13,342,777	\$ 31,696,748	
12	\$ 6,385,218	\$ 7,101,963	\$ 3,795,854	\$ (567,401)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,091,259	\$ 13,934,985	\$ 32,741,878	
13	\$ 6,530,625	\$ 7,266,596	\$ 3,892,634	\$ (601,595)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,192,073	\$ 14,549,249	\$ 33,829,583	
14	\$ 6,683,303	\$ 7,439,460	\$ 3,994,752	\$ (636,882)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,296,797	\$ 15,186,493	\$ 34,963,914	
15	\$ 6,843,615	\$ 7,620,967	\$ 4,102,489	\$ (673,294)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,405,599	\$ 15,847,642	\$ 36,147,019	
16	\$ 7,011,942	\$ 7,811,550	\$ 4,216,142	\$ (710,860)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,520,871	\$ 16,604,919	\$ 37,473,919	
17	\$ 7,188,685	\$ 8,011,662	\$ 4,336,022	\$ (749,612)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,646,883	\$ 17,469,343	\$ 38,953,884	
18	\$ 7,374,266	\$ 8,221,780	\$ 4,462,456	\$ (789,580)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,794,735	\$ 18,444,346	\$ 40,588,033	
19	\$ 7,569,126	\$ 8,442,403	\$ 4,595,790	\$ (830,799)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,930,631	\$ 19,534,995	\$ 42,373,346	
20	\$ 7,773,729	\$ 8,674,057	\$ 4,736,386	\$ (873,299)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,016,427	\$ 20,741,427	\$ 44,310,801	
21	\$ 7,986,562	\$ 8,917,285	\$ 4,884,624	\$ (917,113)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,170,707	\$ 22,073,074	\$ 46,399,321	
22	\$ 8,214,137	\$ 9,172,694	\$ 5,040,906	\$ (962,276)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,329,111	\$ 23,546,380	\$ 48,645,875	
23	\$ 8,450,990	\$ 9,440,863	\$ 5,205,652	\$ (1,008,820)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,493,657	\$ 25,175,741	\$ 51,045,875	
24	\$ 8,699,686	\$ 9,722,441	\$ 5,379,304	\$ (1,056,780)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,664,693	\$ 26,965,741	\$ 53,530,048	
25	\$ 8,960,817	\$ 10,018,097	\$ 5,562,330	\$ (1,106,190)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,850,617	\$ 28,926,850	\$ 56,171,729	
26	\$ 9,235,004	\$ 10,328,536	\$ 5,755,217	\$ (1,157,085)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,052,617	\$ 31,089,176	\$ 58,989,176	
27	\$ 9,522,901	\$ 10,654,497	\$ 5,958,480	\$ (1,209,499)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,264,617	\$ 33,489,176	\$ 62,176,819	
28	\$ 9,825,192	\$ 10,996,757	\$ 6,172,660	\$ (1,263,467)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,484,617	\$ 36,177,560	\$ 65,415,305	
29	\$ 10,142,598	\$ 11,356,129	\$ 6,398,325	\$ (1,319,025)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,719,966	\$ 39,347,859	\$ 68,227,560	
30	\$ 10,475,875	\$ 11,733,470	\$ 6,636,074	\$ (1,376,208)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,964,617	\$ 42,822,517	\$ 71,158,765	
31	\$ 10,825,815	\$ 12,129,678	\$ 6,886,533	\$ (1,435,050)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,224,153	\$ 46,546,770	\$ 74,214,346	
32	\$ 11,193,252	\$ 12,545,696	\$ 7,150,364	\$ (1,495,586)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,497,117	\$ 50,722,217	\$ 77,991,079	
33	\$ 11,579,062	\$ 12,982,515	\$ 7,428,260	\$ (1,562,216)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,774,117	\$ 55,396,334	\$ 81,916,254	
34	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712	\$ -	\$ 3,516,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,938,959
35	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529	\$ -	\$ 2,641,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,551,728
36	\$ -	\$ -	\$ -	\$ -	\$ 123,545,111	\$ -	\$ 2,742,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,283,719
37	\$ -	\$ -	\$ -	\$ -	\$ 124,193,735	\$ -	\$ 2,846,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,026,919
38	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407	\$ -	\$ 2,955,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,781,261
39	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171	\$ -	\$ 3,069,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,547,567
40	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114	\$ -	\$ 3,187,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,324,919
41	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366	\$ -	\$ 3,311,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,117,261
42	\$ -	\$ -	\$ -	\$ -	\$ 127,848,104	\$ -	\$ 3,439,843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,929,614
43	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549	\$ -	\$ 3,574,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,762,967
44	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975	\$ -	\$ 3,714,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,627,320
45	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703	\$ -	\$ 3,860,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,512,673
46	\$ -	\$ -	\$ -	\$ -	\$ 131,337,422	\$ -	\$ 4,012,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,428,026
47	\$ -	\$ -	\$ -	\$ -	\$ 132,299,627	\$ -	\$ 4,171,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,362,379
48	\$ -	\$ -	\$ -	\$ -	\$ 133,299,742	\$ -	\$ 4,337,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,321,732
49	\$ -	\$ -	\$ -	\$ -	\$ 134,340,003	\$ -	\$ 4,510,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,291,085
50	\$ -	\$ -	\$ -	\$ -	\$ 135,422,020	\$ -	\$ 4,691,337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,281,438
51	\$ -	\$ -	\$ -	\$ -	\$ 136,542,020	\$ -	\$ 4,879,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,291,791
52	\$ -	\$ -	\$ -	\$ -	\$ 137,702,020	\$ -	\$ 5,076,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,322,144
Nominal Sum	\$ 245,473,425	\$ 289,115,175	\$ 146,663,521	\$ (27,840,379)	\$ 2,189,567,291	\$ -	\$ 70,538,849	\$ 26,931,431	\$ 20,070,772	\$ 81,749,231	\$ 667,611,706	\$ 3,722,872,842	
NPV	\$ 133,300,396	\$ 143,734,822	\$ 77,012,925	\$ (14,046,468)	\$ 355,363,740	\$ -	\$ 11,636,804	\$ 26,931,431	\$ 20,025,577	\$ 38,009,464	\$ 297,685,469	\$ 1,122,586,436	
15 Year Nominal	\$ 83,441,786	\$ 87,955,056	\$ 45,857,998	\$ (7,596,914)	\$ -	\$ -	\$ 26,931,431	\$ 33,091,819	\$ 20,070,772	\$ 18,055,851	\$ 121,117,110	\$ 428,924,910	
											Net Present Value (2013)	\$ 1,122,586,436	

Scenario 6 (Suburban Alternative - Concourse Converted to Office)

Renovate and Retrofit Owned buildings with new City office standards (Concourse converted to office facility)
 Lease Generic B Class Space in Suburban Market
 Lease Generic B Class Space in Downtown
 Construct new facility in 30 years (end of useful life - CAB, COB, Parkade)

Year	SF in 2014	CAB	COB	Concourse as Office	Parkade	New "Owned" 30 Years End of Useful Life	Lease 600 B EOT	Lease Civic Plaza EOT	Lease Executive Complex EOT	Library Publishing Kearney Mesa	Generic B Downtown	Generic B Suburban Space	Total
2008	1	1,700,334	1,925,145	823,071	\$ (679,777)	\$ -	\$ 3,964,706	\$ 4,658,036	\$ 2,892,132	\$ -	\$ -	\$ -	\$ 15,283,648
2009	2	4,277,135	2,376,901	1,494,225	\$ (703,766)	\$ -	\$ 4,162,245	\$ 4,779,320	\$ 3,007,226	\$ 1,292,800	\$ -	\$ -	\$ 20,686,085
2010	3	4,409,020	2,468,422	1,568,936	\$ (304,191)	\$ -	\$ 4,373,951	\$ 4,906,669	\$ 3,126,438	\$ 922,680	\$ -	\$ -	\$ 21,471,925
2011	4	5,445,419	6,037,908	5,347,535	\$ (329,802)	\$ -	\$ 4,596,933	\$ 5,040,384	\$ 3,249,974	\$ 953,685	\$ -	\$ -	\$ 30,342,036
2012	5	5,543,836	6,149,338	5,440,323	\$ (356,262)	\$ -	\$ 4,823,708	\$ 5,180,786	\$ 3,378,052	\$ 985,862	\$ -	\$ -	\$ 31,145,642
2013	6	5,647,175	6,266,339	5,537,750	\$ (383,595)	\$ -	\$ 5,009,888	\$ 5,328,207	\$ 3,510,898	\$ 1,019,260	\$ -	\$ -	\$ 31,935,921
2014	7	5,755,680	6,389,190	5,640,048	\$ (411,826)	\$ -	\$ -	\$ 3,198,416	\$ 906,053	\$ 1,053,931	\$ 1,640,479	\$ 2,890,132	\$ 27,062,103
2015	8	5,869,610	6,518,184	5,747,462	\$ (440,983)	\$ -	\$ -	\$ -	\$ -	\$ 1,069,928	\$ 1,724,007	\$ 2,919,273	\$ 23,427,481
2016	9	5,989,237	6,653,628	5,860,246	\$ (471,091)	\$ -	\$ -	\$ -	\$ -	\$ 1,127,307	\$ 1,810,712	\$ 3,051,912	\$ 24,021,952
2017	10	6,114,846	6,795,844	5,978,669	\$ (502,178)	\$ -	\$ -	\$ -	\$ -	\$ 1,166,128	\$ 1,900,728	\$ 3,189,432	\$ 24,643,469
2018	11	6,246,735	6,945,170	6,103,014	\$ (534,272)	\$ -	\$ -	\$ -	\$ -	\$ 1,208,450	\$ 1,994,185	\$ 3,332,032	\$ 25,293,324
2019	12	6,385,218	7,101,963	6,233,575	\$ (567,401)	\$ -	\$ -	\$ -	\$ -	\$ 1,248,340	\$ 2,091,259	\$ 3,479,921	\$ 25,972,876
2020	13	6,530,625	7,266,596	6,370,665	\$ (601,595)	\$ -	\$ -	\$ -	\$ -	\$ 1,291,863	\$ 2,192,073	\$ 3,633,319	\$ 26,683,546
2021	14	6,683,303	7,439,460	6,514,609	\$ (636,882)	\$ -	\$ -	\$ -	\$ -	\$ 1,337,089	\$ 2,296,797	\$ 3,792,452	\$ 27,426,829
2022	15	6,843,615	7,620,967	6,665,751	\$ (673,294)	\$ -	\$ -	\$ -	\$ -	\$ 1,384,093	\$ 2,405,599	\$ 3,957,561	\$ 28,204,292
2023	16	7,011,942	7,811,550	6,824,449	\$ (710,860)	\$ -	\$ -	\$ -	\$ -	\$ 1,432,951	\$ 2,537,871	\$ 4,132,951	\$ 29,009,245
2024	17	7,188,685	8,011,662	6,991,083	\$ (749,612)	\$ -	\$ -	\$ -	\$ -	\$ 1,483,743	\$ 2,683,883	\$ 4,326,222	\$ 29,839,668
2025	18	7,374,266	8,221,780	7,166,048	\$ (789,580)	\$ -	\$ -	\$ -	\$ -	\$ 1,536,553	\$ 2,849,735	\$ 4,531,639	\$ 30,700,639
2026	19	7,569,126	8,442,403	7,349,761	\$ (830,799)	\$ -	\$ -	\$ -	\$ -	\$ 1,591,470	\$ 3,020,631	\$ 4,755,961	\$ 31,608,554
2027	20	7,773,729	8,674,057	7,542,660	\$ (873,299)	\$ -	\$ -	\$ -	\$ -	\$ 1,648,584	\$ 3,211,787	\$ 4,991,112	\$ 32,556,632
2028	21	7,988,562	8,917,285	7,745,204	\$ (917,113)	\$ -	\$ -	\$ -	\$ -	\$ 1,707,993	\$ 3,418,427	\$ 5,245,631	\$ 33,506,694
2029	22	8,214,137	9,172,694	7,957,876	\$ (962,276)	\$ -	\$ -	\$ -	\$ -	\$ 1,769,796	\$ 3,632,111	\$ 5,511,728	\$ 34,462,819
2030	23	8,450,990	9,440,863	8,181,180	\$ (1,008,820)	\$ -	\$ -	\$ -	\$ -	\$ 1,834,100	\$ 3,867,111	\$ 5,788,254	\$ 35,425,678
2031	24	8,699,686	9,722,441	8,415,651	\$ (1,056,780)	\$ -	\$ -	\$ -	\$ -	\$ 1,901,015	\$ 4,111,111	\$ 6,071,111	\$ 36,395,633
2032	25	8,960,817	10,018,097	8,661,844	\$ (1,106,190)	\$ -	\$ -	\$ -	\$ -	\$ 1,970,655	\$ 4,364,693	\$ 6,364,693	\$ 37,374,978
2033	26	9,235,004	10,328,536	8,920,347	\$ (1,157,085)	\$ -	\$ -	\$ -	\$ -	\$ 2,043,142	\$ 4,633,617	\$ 6,657,617	\$ 38,365,248
2034	27	9,522,901	10,654,497	9,191,776	\$ (1,209,499)	\$ -	\$ -	\$ -	\$ -	\$ 2,118,602	\$ 4,916,686	\$ 6,956,686	\$ 39,368,539
2035	28	9,822,192	10,996,757	9,476,775	\$ (1,263,467)	\$ -	\$ -	\$ -	\$ -	\$ 2,197,168	\$ 5,214,997	\$ 7,264,997	\$ 40,383,839
2036	29	10,142,598	11,356,129	9,776,025	\$ (1,319,025)	\$ -	\$ -	\$ -	\$ -	\$ 2,278,978	\$ 5,531,111	\$ 7,592,111	\$ 41,416,111
2037	30	10,475,875	11,733,470	10,090,237	\$ (1,376,208)	\$ -	\$ -	\$ -	\$ -	\$ 2,364,178	\$ 5,871,695	\$ 7,927,695	\$ 42,464,178
2038	31	10,825,815	12,129,678	10,420,160	\$ (1,435,050)	\$ -	\$ -	\$ -	\$ -	\$ 2,452,918	\$ 6,224,153	\$ 8,301,153	\$ 43,535,870
2039	32	11,193,252	12,545,696	10,766,579	\$ (1,495,986)	\$ -	\$ -	\$ -	\$ -	\$ 2,545,359	\$ 6,611,717	\$ 8,724,717	\$ 44,628,995
2040	33	11,579,062	12,982,515	11,130,319	\$ (1,562,216)	\$ -	\$ -	\$ -	\$ -	\$ 2,641,667	\$ 7,041,174	\$ 9,172,174	\$ 45,743,302
2041	34	-	-	-	\$ -	\$ 125,809,712	\$ -	\$ -	\$ -	\$ 2,742,016	\$ -	\$ -	\$ 128,551,728
2042	35	-	-	-	\$ -	\$ 122,921,529	\$ -	\$ -	\$ -	\$ 2,846,590	\$ -	\$ -	\$ 125,768,119
2043	36	-	-	-	\$ -	\$ 123,545,111	\$ -	\$ -	\$ -	\$ 2,955,579	\$ -	\$ -	\$ 126,500,689
2044	37	-	-	-	\$ -	\$ 124,193,735	\$ -	\$ -	\$ -	\$ 3,069,183	\$ -	\$ -	\$ 127,262,919
2045	38	-	-	-	\$ -	\$ 124,868,407	\$ -	\$ -	\$ -	\$ 3,187,614	\$ -	\$ -	\$ 128,056,021
2046	39	-	-	-	\$ -	\$ 125,570,171	\$ -	\$ -	\$ -	\$ 3,311,091	\$ -	\$ -	\$ 128,881,261
2047	40	-	-	-	\$ -	\$ 126,300,114	\$ -	\$ -	\$ -	\$ 3,439,843	\$ -	\$ -	\$ 129,739,957
2048	41	-	-	-	\$ -	\$ 127,069,386	\$ -	\$ -	\$ -	\$ 3,574,114	\$ -	\$ -	\$ 130,633,480
2049	42	-	-	-	\$ -	\$ 127,849,104	\$ -	\$ -	\$ -	\$ 3,714,154	\$ -	\$ -	\$ 131,563,288
2050	43	-	-	-	\$ -	\$ 128,670,549	\$ -	\$ -	\$ -	\$ 3,860,230	\$ -	\$ -	\$ 132,530,780
2051	44	-	-	-	\$ -	\$ 132,299,625	\$ -	\$ -	\$ -	\$ 4,012,620	\$ -	\$ -	\$ 133,537,595
2052	45	-	-	-	\$ -	\$ 130,413,703	\$ -	\$ -	\$ -	\$ 4,171,613	\$ -	\$ -	\$ 134,585,316
2053	46	-	-	-	\$ -	\$ 137,479,422	\$ -	\$ -	\$ -	\$ 4,337,515	\$ -	\$ -	\$ 141,816,937
2054	47	-	-	-	\$ -	\$ 133,299,742	\$ -	\$ -	\$ -	\$ 4,510,644	\$ -	\$ -	\$ 148,810,272
2055	48	-	-	-	\$ -	\$ 134,340,003	\$ -	\$ -	\$ -	\$ 4,691,337	\$ -	\$ -	\$ 156,991,079
2056	49	-	-	-	\$ -	\$ 135,422,020	\$ -	\$ -	\$ -	\$ 4,879,944	\$ -	\$ -	\$ 165,919,947
2057	50	-	-	-	\$ -	\$ 136,642,000	\$ -	\$ -	\$ -	\$ 5,076,831	\$ -	\$ -	\$ 176,498,852
Nominal Sum		\$ 245,473,425	\$ 269,115,175	\$ 231,933,855	\$ (27,840,379)	\$ 2,189,567,291	\$ 26,931,431	\$ 33,091,819	\$ 20,070,772	\$ 115,979,208	\$ 81,749,231	\$ 256,564,610	\$ 3,442,636,438
NPV 5.25%		\$ 133,300,396	\$ 143,734,822	\$ 123,456,680	\$ (14,046,468)	\$ 355,363,740	\$ 26,931,431	\$ 32,932,278	\$ 20,025,577	\$ 37,224,756	\$ 38,009,464	\$ 106,225,473	\$ 1,003,158,148
15 Year Nominal		\$ 83,441,786	\$ 87,955,056	\$ 75,325,878	\$ (7,596,914)	\$ -	\$ 26,931,431	\$ 33,091,819	\$ 20,070,772	\$ 16,079,416	\$ 18,055,851	\$ 30,246,034	\$ 383,601,129
													Net Present Value (2013)
													\$ 1,003,158,148

Scenario 5 - No Renovation

Do not renovate owned buildings (Concourse remains a meeting facility)
Lease existing space at market rates

	CAB	COB	Concourse as Meeting	Parkade	New "Owned" 30 Years	Library and Publishing	Lease Civic Plaza \$ 5	Lease Executive Complex or Generic B \$ 5	Lease 600 B	Total
SF in 2014	188,926	213,905	158,119		849,000	40,000	243,176	289,586		1,093,712
								EOT 136,321		
								Increases		
								Every 10 Years		
2008	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ -	\$ 4,658,036	\$ 2,892,132	\$ 3,964,706	\$ 15,283,648
2009	\$ 1,795,951	\$ 2,021,402	\$ 876,225	\$ (703,766)	\$ -	\$ -	\$ 4,779,320	\$ 3,007,226	\$ 4,162,245	\$ 15,928,002
2010	\$ 1,874,618	\$ 2,122,472	\$ 932,386	\$ (728,554)	\$ -	\$ -	\$ 4,906,669	\$ 3,126,438	\$ 4,373,951	\$ 16,607,989
2011	\$ 1,968,349	\$ 2,228,596	\$ 991,746	\$ (754,166)	\$ -	\$ -	\$ 5,040,384	\$ 3,249,974	\$ 4,596,986	\$ 17,321,817
2012	\$ 2,066,767	\$ 2,340,026	\$ 1,054,446	\$ (780,626)	\$ -	\$ -	\$ 5,180,786	\$ 3,375,052	\$ 4,823,708	\$ 18,063,158
2013	\$ 2,170,105	\$ 2,457,027	\$ 1,120,675	\$ (807,959)	\$ -	\$ -	\$ 5,328,207	\$ 3,510,898	\$ 5,009,888	\$ 18,788,840
2014	\$ 2,278,610	\$ 2,579,878	\$ 1,190,620	\$ (836,190)	\$ -	\$ -	\$ 5,482,548	\$ 3,651,898	\$ 5,200,000	\$ 19,524,330
2015	\$ 2,392,541	\$ 2,708,872	\$ 1,264,479	\$ (865,346)	\$ -	\$ -	\$ 5,652,997	\$ 3,802,903	\$ 5,399,111	\$ 20,273,881
2016	\$ 2,512,168	\$ 2,844,316	\$ 1,342,462	\$ (895,454)	\$ -	\$ -	\$ 5,835,546	\$ 3,964,912	\$ 5,599,122	\$ 21,048,433
2017	\$ 2,637,776	\$ 2,986,532	\$ 1,424,786	\$ (926,541)	\$ -	\$ -	\$ 6,029,095	\$ 4,138,921	\$ 5,817,133	\$ 21,859,985
2018	\$ 2,769,665	\$ 3,135,858	\$ 1,511,683	\$ (958,635)	\$ -	\$ -	\$ 6,232,244	\$ 4,323,930	\$ 6,053,144	\$ 22,713,129
2019	\$ 2,908,148	\$ 3,293,651	\$ 1,603,394	\$ (991,765)	\$ -	\$ -	\$ 6,446,493	\$ 4,520,939	\$ 6,307,155	\$ 23,603,284
2020	\$ 3,053,556	\$ 3,457,284	\$ 1,700,175	\$ (1,025,958)	\$ -	\$ -	\$ 6,670,742	\$ 4,732,948	\$ 6,581,166	\$ 24,538,440
2021	\$ 3,206,233	\$ 3,630,148	\$ 1,802,292	\$ (1,061,246)	\$ -	\$ -	\$ 6,915,991	\$ 4,957,957	\$ 6,885,175	\$ 25,513,595
2022	\$ 3,366,545	\$ 3,811,655	\$ 1,910,029	\$ (1,097,657)	\$ -	\$ -	\$ 7,179,230	\$ 5,200,966	\$ 7,217,184	\$ 26,534,749
2023	\$ 3,534,872	\$ 4,002,238	\$ 2,023,682	\$ (1,135,224)	\$ -	\$ -	\$ 7,460,469	\$ 5,465,975	\$ 7,497,193	\$ 27,605,942
2024	\$ 3,711,616	\$ 4,202,350	\$ 2,143,562	\$ (1,173,975)	\$ -	\$ -	\$ 7,766,708	\$ 5,753,984	\$ 7,807,202	\$ 28,724,135
2025	\$ 3,897,197	\$ 4,412,468	\$ 2,269,996	\$ (1,213,944)	\$ -	\$ -	\$ 8,090,947	\$ 6,067,993	\$ 8,141,211	\$ 29,894,328
2026	\$ 4,092,057	\$ 4,633,091	\$ 2,403,330	\$ (1,255,162)	\$ -	\$ -	\$ 8,437,986	\$ 6,403,002	\$ 8,507,220	\$ 31,113,519
2027	\$ 4,296,659	\$ 4,864,746	\$ 2,543,926	\$ (1,297,662)	\$ -	\$ -	\$ 8,800,025	\$ 6,768,011	\$ 8,897,229	\$ 32,384,710
2028	\$ 4,511,492	\$ 5,107,983	\$ 2,692,164	\$ (1,341,477)	\$ -	\$ -	\$ 9,180,064	\$ 7,153,020	\$ 9,312,238	\$ 33,702,901
2029	\$ 4,737,067	\$ 5,363,382	\$ 2,848,446	\$ (1,388,640)	\$ -	\$ -	\$ 9,574,103	\$ 7,567,029	\$ 9,757,247	\$ 35,074,092
2030	\$ 4,973,820	\$ 5,631,551	\$ 3,013,192	\$ (1,433,184)	\$ -	\$ -	\$ 9,982,742	\$ 8,001,038	\$ 10,232,256	\$ 36,494,283
2031	\$ 5,222,616	\$ 5,913,129	\$ 3,186,844	\$ (1,481,144)	\$ -	\$ -	\$ 10,406,381	\$ 8,455,047	\$ 10,737,265	\$ 37,961,474
2032	\$ 5,483,747	\$ 6,208,785	\$ 3,369,870	\$ (1,530,554)	\$ -	\$ -	\$ 10,846,020	\$ 8,929,056	\$ 11,262,274	\$ 39,475,665
2033	\$ 5,757,934	\$ 6,519,224	\$ 3,562,757	\$ (1,581,449)	\$ -	\$ -	\$ 11,300,659	\$ 9,422,065	\$ 11,817,283	\$ 41,031,856
2034	\$ 6,045,831	\$ 6,845,185	\$ 3,766,020	\$ (1,633,863)	\$ -	\$ -	\$ 11,771,298	\$ 9,936,074	\$ 12,392,292	\$ 42,634,047
2035	\$ 6,348,123	\$ 7,187,445	\$ 3,980,200	\$ (1,687,831)	\$ -	\$ -	\$ 12,257,937	\$ 10,461,083	\$ 12,987,301	\$ 44,278,238
2036	\$ 6,665,529	\$ 7,546,817	\$ 4,205,865	\$ (1,743,389)	\$ -	\$ -	\$ 12,759,576	\$ 11,006,092	\$ 13,592,310	\$ 45,962,429
2037	\$ 6,998,805	\$ 7,924,158	\$ 4,443,614	\$ (1,800,571)	\$ -	\$ -	\$ 13,281,215	\$ 11,571,101	\$ 14,207,319	\$ 47,682,620
2038	\$ 7,348,746	\$ 8,320,366	\$ 4,694,073	\$ (1,859,413)	\$ -	\$ -	\$ 13,821,834	\$ 12,156,110	\$ 14,832,328	\$ 49,433,811
2039	\$ 7,716,183	\$ 8,736,384	\$ 4,957,904	\$ (1,919,950)	\$ -	\$ -	\$ 14,388,453	\$ 12,761,119	\$ 15,477,337	\$ 51,221,002
2040	\$ 8,101,992	\$ 9,173,203	\$ 5,235,800	\$ (1,982,216)	\$ -	\$ -	\$ 14,959,072	\$ 13,396,128	\$ 16,141,346	\$ 53,049,193
2041	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712	\$ 2,641,667	\$ 23,462,140	\$ 41,415,255	\$ -	\$ 140,498,852
2042	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529	\$ 2,742,016	\$ -	\$ -	\$ -	\$ 125,768,119
2043	\$ -	\$ -	\$ -	\$ -	\$ 123,546,111	\$ 2,855,579	\$ -	\$ -	\$ -	\$ 126,500,689
2044	\$ -	\$ -	\$ -	\$ -	\$ 124,193,735	\$ 3,069,183	\$ -	\$ -	\$ -	\$ 127,262,919
2045	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407	\$ 3,187,614	\$ -	\$ -	\$ -	\$ 128,056,021
2046	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171	\$ 3,311,091	\$ -	\$ -	\$ -	\$ 128,881,261
2047	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114	\$ 3,439,843	\$ -	\$ -	\$ -	\$ 129,739,957
2048	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366	\$ 3,574,114	\$ -	\$ -	\$ -	\$ 130,633,480
2049	\$ -	\$ -	\$ -	\$ -	\$ 127,849,104	\$ 3,714,154	\$ -	\$ -	\$ -	\$ 131,563,258
2050	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549	\$ 3,860,230	\$ -	\$ -	\$ -	\$ 132,530,780
2051	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975	\$ 4,012,620	\$ -	\$ -	\$ -	\$ 133,537,595
2052	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703	\$ 4,171,613	\$ -	\$ -	\$ -	\$ 134,586,316
2053	\$ -	\$ -	\$ -	\$ -	\$ 131,329,422	\$ 4,337,515	\$ -	\$ -	\$ -	\$ 135,671,041
2054	\$ -	\$ -	\$ -	\$ -	\$ 132,269,627	\$ 4,510,644	\$ -	\$ -	\$ -	\$ 136,810,272
2055	\$ -	\$ -	\$ -	\$ -	\$ 133,229,742	\$ 4,691,337	\$ -	\$ -	\$ -	\$ 137,991,079
2056	\$ -	\$ -	\$ -	\$ -	\$ 134,340,003	\$ 4,879,944	\$ -	\$ -	\$ -	\$ 139,219,947
2057	\$ -	\$ -	\$ -	\$ -	\$ 135,422,020	\$ 5,076,831	\$ -	\$ -	\$ -	\$ 140,498,852
Nominal Sum	\$ 136,135,152	\$ 154,134,368	\$ 80,889,726	\$ (40,571,291)	\$ 2,189,567,291	\$ 70,538,849	\$ 417,059,072	\$ 610,210,113	\$ 26,931,431	\$ 3,644,894,711
NPV 5.25%	\$ 68,249,424	\$ 77,273,075	\$ 39,164,406	\$ (21,690,043)	\$ 355,363,740	\$ 11,636,804	\$ 210,660,082	\$ 280,691,499	\$ 26,931,431	\$ 1,048,280,417
15 Year Nominal	\$ 36,690,765	\$ 41,541,864	\$ 19,548,480	\$ (13,113,642)	\$ -	\$ -	\$ 115,984,814	\$ 123,997,825	\$ 26,931,431	\$ 351,581,537
								Net Present Value (2013)		\$ 1,048,280,417

Note:
Civic Plaza Lease continued at expiration of existing term. Expense reflected in 2014.

Scenario 4 (Retrofit Concourse as Office)

Renovate and Retrofit Owned buildings with new City office standards
 Retrofit Concourse from meeting facility to office space (fill in atrium area to gain 20,000 usable sf)
 Lease less amount of space downtown and retrofit to new City office standards
 Construct new facility in 30 years (end of useful life - CAB, COB, COB, Parkade)

SF in 2014	CAB	COB	213,905	178,119	Concourse as Office	Parkade	New "Owned" 30 Years	Lease 600 B	Lease Executive Complex B	Lease Civic Plaza	New Lease Library	Total	EOT at 243,176					
													End of Useful Life	EOT	EOT	111,590		
																Increases	Every 10 Years	40,000
2008	1	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ -	\$ 3,964,706	\$ 2,892,132	\$ -	\$ -	\$ 15,283,648						
2009	2	\$ 4,277,135	\$ 2,376,901	\$ 1,494,225	\$ (703,766)	\$ -	\$ -	\$ 4,162,245	\$ 3,007,226	\$ -	\$ -	\$ 20,686,085						
2010	3	\$ 4,409,020	\$ 2,468,422	\$ 1,568,936	\$ (304,191)	\$ -	\$ -	\$ 4,373,951	\$ 3,126,438	\$ 4,779,320	\$ 1,292,800	\$ 21,471,925						
2011	4	\$ 5,445,419	\$ 6,037,908	\$ 5,347,535	\$ (329,802)	\$ -	\$ -	\$ 4,596,933	\$ 3,249,954	\$ 4,906,669	\$ 953,685	\$ 30,342,036						
2012	5	\$ 5,543,836	\$ 6,149,338	\$ 5,440,323	\$ (356,262)	\$ -	\$ -	\$ 4,823,708	\$ 3,378,052	\$ 5,180,786	\$ 985,862	\$ 31,145,642						
2013	6	\$ 5,647,175	\$ 6,266,339	\$ 5,537,750	\$ (383,595)	\$ -	\$ -	\$ 5,009,888	\$ 3,510,898	\$ 5,328,207	\$ 1,019,260	\$ 31,935,921						
2014	7	\$ 5,755,680	\$ 6,389,190	\$ 5,640,048	\$ (411,826)	\$ -	\$ -	\$ -	\$ 906,063	\$ 6,636,901	\$ 1,053,931	\$ 25,969,977						
2015	8	\$ 5,869,610	\$ 6,518,184	\$ 5,747,462	\$ (440,983)	\$ -	\$ -	\$ -	\$ -	\$ 9,930,679	\$ 1,089,928	\$ 22,714,881						
2016	9	\$ 5,989,237	\$ 6,653,628	\$ 5,860,246	\$ (471,091)	\$ -	\$ -	\$ -	\$ -	\$ 4,105,421	\$ 1,127,307	\$ 23,264,748						
2017	10	\$ 6,114,846	\$ 6,795,644	\$ 5,976,669	\$ (502,178)	\$ -	\$ -	\$ -	\$ -	\$ 4,286,462	\$ 1,166,128	\$ 23,699,771						
2018	11	\$ 6,246,735	\$ 6,945,170	\$ 6,103,014	\$ (534,272)	\$ -	\$ -	\$ -	\$ -	\$ 4,474,085	\$ 1,206,450	\$ 24,441,183						
2019	12	\$ 6,385,218	\$ 7,101,963	\$ 6,230,575	\$ (567,401)	\$ -	\$ -	\$ -	\$ -	\$ 4,668,558	\$ 1,246,340	\$ 25,070,253						
2020	13	\$ 6,530,625	\$ 7,266,596	\$ 6,370,665	\$ (601,595)	\$ -	\$ -	\$ -	\$ -	\$ 4,870,158	\$ 1,291,863	\$ 25,728,312						
2021	14	\$ 6,683,303	\$ 7,439,460	\$ 6,514,609	\$ (636,882)	\$ -	\$ -	\$ -	\$ -	\$ 5,079,178	\$ 1,337,089	\$ 26,416,758						
2022	15	\$ 6,843,615	\$ 7,620,967	\$ 6,665,751	\$ (673,294)	\$ -	\$ -	\$ -	\$ -	\$ 5,295,923	\$ 1,384,083	\$ 27,137,055						
2023	16	\$ 7,011,942	\$ 7,811,550	\$ 6,824,449	\$ (710,860)	\$ -	\$ -	\$ -	\$ -	\$ 5,520,709	\$ 1,432,951	\$ 27,890,742						
2024	17	\$ 7,188,685	\$ 8,011,662	\$ 6,991,083	\$ (749,612)	\$ -	\$ -	\$ -	\$ -	\$ 10,233,634	\$ 1,483,743	\$ 28,591,196						
2025	18	\$ 7,374,266	\$ 8,221,780	\$ 7,166,048	\$ (789,580)	\$ -	\$ -	\$ -	\$ -	\$ 8,495,790	\$ 1,536,553	\$ 29,300,856						
2026	19	\$ 7,569,126	\$ 8,442,403	\$ 7,349,761	\$ (830,799)	\$ -	\$ -	\$ -	\$ -	\$ 8,887,485	\$ 1,591,470	\$ 30,009,446						
2027	20	\$ 7,773,729	\$ 8,674,057	\$ 7,542,660	\$ (873,299)	\$ -	\$ -	\$ -	\$ -	\$ 9,293,564	\$ 1,648,584	\$ 30,759,287						
2028	21	\$ 7,988,562	\$ 8,917,295	\$ 7,745,204	\$ (917,113)	\$ -	\$ -	\$ -	\$ -	\$ 9,714,617	\$ 1,707,983	\$ 31,556,569						
2029	22	\$ 8,214,137	\$ 9,172,694	\$ 7,957,876	\$ (962,276)	\$ -	\$ -	\$ -	\$ -	\$ 10,151,259	\$ 1,769,786	\$ 32,403,485						
2030	23	\$ 8,450,990	\$ 9,440,863	\$ 8,181,160	\$ (1,006,820)	\$ -	\$ -	\$ -	\$ -	\$ 10,604,132	\$ 1,834,100	\$ 33,302,448						
2031	24	\$ 8,699,686	\$ 9,722,441	\$ 8,415,651	\$ (1,056,820)	\$ -	\$ -	\$ -	\$ -	\$ 11,073,908	\$ 1,901,015	\$ 34,256,920						
2032	25	\$ 8,960,817	\$ 10,018,097	\$ 8,661,844	\$ (1,106,190)	\$ -	\$ -	\$ -	\$ -	\$ 11,561,299	\$ 1,970,655	\$ 35,269,512						
2033	26	\$ 9,235,004	\$ 10,328,536	\$ 8,920,347	\$ (1,157,085)	\$ -	\$ -	\$ -	\$ -	\$ 12,067,200	\$ 2,043,142	\$ 36,343,954						
2034	27	\$ 9,522,901	\$ 10,654,497	\$ 9,191,776	\$ (1,209,499)	\$ -	\$ -	\$ -	\$ -	\$ 19,097,629	\$ 2,118,602	\$ 37,549,906						
2035	28	\$ 9,825,192	\$ 10,996,757	\$ 9,476,775	\$ (1,263,467)	\$ -	\$ -	\$ -	\$ -	\$ 16,872,303	\$ 2,197,168	\$ 38,884,729						
2036	29	\$ 10,142,598	\$ 11,356,129	\$ 9,776,025	\$ (1,319,025)	\$ -	\$ -	\$ -	\$ -	\$ 17,680,453	\$ 2,278,978	\$ 40,315,159						
2037	30	\$ 10,475,875	\$ 11,733,470	\$ 10,090,237	\$ (1,376,208)	\$ -	\$ -	\$ -	\$ -	\$ 18,518,701	\$ 2,364,178	\$ 41,849,233						
2038	31	\$ 10,825,815	\$ 12,129,678	\$ 10,420,160	\$ (1,435,050)	\$ -	\$ -	\$ -	\$ -	\$ 19,388,294	\$ 2,452,918	\$ 43,481,816						
2039	32	\$ 11,193,252	\$ 12,545,696	\$ 10,766,579	\$ (1,495,586)	\$ -	\$ -	\$ -	\$ -	\$ 20,290,535	\$ 2,545,359	\$ 45,218,132						
2040	33	\$ 11,579,062	\$ 12,982,515	\$ 11,130,319	\$ (1,562,216)	\$ -	\$ -	\$ -	\$ -	\$ 21,226,786	\$ 2,641,667	\$ 47,060,448						
2041	34	\$ -	\$ -	\$ -	\$ -	\$ 135,809,712	\$ -	\$ -	\$ -	\$ -	\$ 2,742,016	\$ 128,551,728						
2042	35	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529	\$ -	\$ -	\$ -	\$ -	\$ 2,846,590	\$ 129,768,119						
2043	36	\$ -	\$ -	\$ -	\$ -	\$ 123,945,111	\$ -	\$ -	\$ -	\$ -	\$ 2,955,579	\$ 129,500,689						
2044	37	\$ -	\$ -	\$ -	\$ -	\$ 124,193,735	\$ -	\$ -	\$ -	\$ -	\$ 3,069,183	\$ 127,262,919						
2045	38	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407	\$ -	\$ -	\$ -	\$ -	\$ 3,187,614	\$ 128,056,021						
2046	39	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171	\$ -	\$ -	\$ -	\$ -	\$ 3,311,091	\$ 128,881,261						
2047	40	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114	\$ -	\$ -	\$ -	\$ -	\$ 3,439,843	\$ 129,739,957						
2048	41	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366	\$ -	\$ -	\$ -	\$ -	\$ 3,574,114	\$ 130,633,480						
2049	42	\$ -	\$ -	\$ -	\$ -	\$ 127,849,104	\$ -	\$ -	\$ -	\$ -	\$ 3,714,154	\$ 131,563,258						
2050	43	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549	\$ -	\$ -	\$ -	\$ -	\$ 3,860,230	\$ 132,530,780						
2051	44	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975	\$ -	\$ -	\$ -	\$ -	\$ 4,012,620	\$ 133,537,595						
2052	45	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703	\$ -	\$ -	\$ -	\$ -	\$ 4,171,613	\$ 134,585,316						
2053	46	\$ -	\$ -	\$ -	\$ -	\$ 131,347,422	\$ -	\$ -	\$ -	\$ -	\$ 4,337,515	\$ 141,678,937						
2054	47	\$ -	\$ -	\$ -	\$ -	\$ 132,329,627	\$ -	\$ -	\$ -	\$ -	\$ 4,510,644	\$ 136,810,272						
2055	48	\$ -	\$ -	\$ -	\$ -	\$ 133,359,742	\$ -	\$ -	\$ -	\$ -	\$ 4,691,337	\$ 137,991,079						
2056	49	\$ -	\$ -	\$ -	\$ -	\$ 134,440,003	\$ -	\$ -	\$ -	\$ -	\$ 4,879,944	\$ 139,219,947						
2057	50	\$ -	\$ -	\$ -	\$ -	\$ 135,562,020	\$ -	\$ -	\$ -	\$ -	\$ 5,076,831	\$ 140,498,852						
Nominal Sum \$ 245,473,425 \$ 269,115,175 \$ 231,933,855 \$ (27,840,379) \$ 2,189,567,291 \$ 26,931,431 \$ 20,070,772 \$ 313,918,866 \$ 115,979,208 \$ 3,385,149,644																		
NPV 5.25% \$ 133,300,396 \$ 143,734,822 \$ 123,456,680 \$ (14,046,468) \$ 355,363,740 \$ 26,931,431 \$ 20,025,577 \$ 152,131,966 \$ 37,224,756 \$ 978,122,899																		
15 Year Nominal \$ 83,441,766 \$ 87,955,056 \$ 75,325,878 \$ (7,596,914) \$ - \$ 26,931,431 \$ 20,070,772 \$ 73,240,767 \$ 16,079,416 \$ 375,448,193																		
												Net Present Value (2013) \$ 978,122,899						

Note: Civic Plaza Lease continued at expiration of existing term. Expense reflected in 2014.

**Civic Center Plaza - Scenario 5
Lease Analysis**

Primary Assumptions		
Rentable Square Feet	243,176	(8)
Projected Annual Rent Escalation	2.5%	
Forecast Rental Resets (10 Years)	20%	

Operating Expense Calculation					
Estimated Annual Increase Operating Expense					
		5.00%			
		GSF	PSF	Base	Pass Through
1	2002	\$ -	\$ -	\$ -	\$ -
2	2003	\$ -	\$ -	\$ -	\$ -
3	2004	\$ -	\$ -	\$ -	\$ -
4	2005	\$ -	\$ -	\$ -	\$ -
5	2006	\$ -	\$ -	\$ -	\$ -
6	2007	\$ -	(9)	\$ 9.50	\$ 8.22
7	2008	\$ -	\$ -	\$ 9.98	\$ 8.22

Swing Space Calculations			
Year	SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7	60,794 (2)	\$ 39.40	\$ 2,395,510
8		\$ 40.59	\$ -

Year	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	One Time Furniture Expense	Swing Space for Renovation	Parking	Total Occupancy Costs
1	2008	243,176	\$ 1.45	(10) \$ 17.40	\$ 9.98	\$ 8.22	\$ 1.76	\$ 4,658,036				\$ 4,658,036
2	2009	243,176	\$ 1.45	\$ 17.40	\$ 10.47	\$ 8.22	\$ 2.25	\$ 4,779,320				\$ 4,779,320
3	2010	243,176	\$ 1.45	\$ 17.40	\$ 11.00	\$ 8.22	\$ 2.78	\$ 4,906,669				\$ 4,906,669
4	2011	243,176	\$ 1.45	\$ 17.40	\$ 11.55	\$ 8.22	\$ 3.33	\$ 5,040,384				\$ 5,040,384
5	2012	243,176	\$ 1.45	\$ 17.40	\$ 12.12	\$ 8.22	\$ 3.90	\$ 5,180,786				\$ 5,180,786
6	2013	243,176	\$ 1.45	\$ 17.40	\$ 12.73	\$ 8.22	\$ 4.51	\$ 5,328,207				\$ 5,328,207
7	2014	243,176	\$ 1.99	(14) \$ 23.85	\$ 13.37	\$ 10.36	\$ 3.00	\$ 6,529,928	\$ -	\$ 2,395,510		\$ 8,925,438
8	2015	243,176	\$ 2.77	\$ 33.22	\$ 14.04	\$ 13.37	\$ 0.67	\$ 8,241,447				\$ 8,241,447
9	2016	243,176	\$ 2.84	\$ 34.05	\$ 14.74	\$ 13.37	\$ 1.37	\$ 8,614,079				\$ 8,614,079
10	2017	243,176	\$ 2.91	\$ 34.90	\$ 15.47	\$ 13.37	\$ 2.11	\$ 9,000,292				\$ 9,000,292
11	2018	243,176	\$ 2.98	\$ 35.78	\$ 16.25	\$ 13.37	\$ 2.88	\$ 9,400,642				\$ 9,400,642
12	2019	243,176	\$ 3.06	\$ 36.67	\$ 17.06	\$ 13.37	\$ 3.69	\$ 9,815,703				\$ 9,815,703
13	2020	243,176	\$ 3.13	\$ 37.59	\$ 17.91	\$ 13.37	\$ 4.55	\$ 10,246,080				\$ 10,246,080
14	2021	243,176	\$ 3.21	\$ 38.53	\$ 18.81	\$ 13.37	\$ 5.44	\$ 10,692,403				\$ 10,692,403
15	2022	243,176	\$ 3.29	\$ 39.49	\$ 19.75	\$ 13.37	\$ 6.38	\$ 11,155,328				\$ 11,155,328
16	2023	243,176	\$ 3.37	\$ 40.48	\$ 20.74	\$ 13.37	\$ 7.37	\$ 11,635,545				\$ 11,635,545
17	2024	243,176	\$ 4.05	\$ 48.57	\$ 21.77	\$ 21.77	\$ -	\$ 11,812,048				\$ 11,812,048
18	2025	243,176	\$ 4.15	\$ 49.79	\$ 22.86	\$ 21.77	\$ 1.09	\$ 12,372,097				\$ 12,372,097
19	2026	243,176	\$ 4.25	\$ 51.03	\$ 24.01	\$ 21.77	\$ 2.23	\$ 12,952,766				\$ 12,952,766
20	2027	243,176	\$ 4.36	\$ 52.31	\$ 25.21	\$ 21.77	\$ 3.43	\$ 13,554,901				\$ 13,554,901
21	2028	243,176	\$ 4.47	\$ 53.62	\$ 26.47	\$ 21.77	\$ 4.69	\$ 14,179,387				\$ 14,179,387
22	2029	243,176	\$ 4.58	\$ 54.96	\$ 27.79	\$ 21.77	\$ 6.02	\$ 14,827,147				\$ 14,827,147
23	2030	243,176	\$ 4.69	\$ 56.33	\$ 29.18	\$ 21.77	\$ 7.41	\$ 15,499,146				\$ 15,499,146
24	2031	243,176	\$ 4.81	\$ 57.74	\$ 30.64	\$ 21.77	\$ 8.86	\$ 16,196,392				\$ 16,196,392
25	2032	243,176	\$ 4.93	\$ 59.18	\$ 32.17	\$ 21.77	\$ 10.40	\$ 16,919,939				\$ 16,919,939
26	2033	243,176	\$ 5.06	\$ 60.66	\$ 33.78	\$ 21.77	\$ 12.00	\$ 17,670,888				\$ 17,670,888
27	2034	243,176	\$ 6.07	\$ 72.79	\$ 35.47	\$ 35.47	\$ -	\$ 17,701,955				\$ 17,701,955
28	2035	243,176	\$ 6.22	\$ 74.61	\$ 37.24	\$ 35.47	\$ 1.77	\$ 18,575,750				\$ 18,575,750
29	2036	243,176	\$ 6.37	\$ 76.48	\$ 39.10	\$ 35.47	\$ 3.64	\$ 19,482,171				\$ 19,482,171
30	2037	243,176	\$ 6.53	\$ 78.39	\$ 41.06	\$ 35.47	\$ 5.59	\$ 20,422,573				\$ 20,422,573
31	2038	243,176	\$ 6.70	\$ 80.35	\$ 43.11	\$ 35.47	\$ 7.64	\$ 21,398,371				\$ 21,398,371
32	2039	243,176	\$ 6.86	\$ 82.36	\$ 45.27	\$ 35.47	\$ 9.80	\$ 22,411,045				\$ 22,411,045
33	2040	243,176	\$ 7.03	\$ 84.42	\$ 47.53	\$ 35.47	\$ 12.06	\$ 23,462,140				\$ 23,462,140
34	2041	-	\$ 7.21	\$ 86.53	\$ 49.91	\$ 35.47	\$ 14.44	\$ 100.97				\$ -
35	2042	-	\$ 7.39	\$ 88.69	\$ 52.40	\$ 35.47	\$ 16.93	\$ 105.63				\$ -
36	2043	-	\$ 7.58	\$ 90.91	\$ 55.02	\$ 35.47	\$ 19.55	\$ 110.47				\$ -
37	2044	-	\$ 9.09	\$ 109.09	\$ 57.77	\$ 57.77	\$ -	\$ 109.09				\$ -
38	2045	-	\$ 9.32	\$ 111.82	\$ 60.66	\$ 57.77	\$ 2.89	\$ 114.71				\$ -
39	2046	-	\$ 9.55	\$ 114.62	\$ 63.70	\$ 57.77	\$ 5.92	\$ 120.54				\$ -
40	2047	-	\$ 9.79	\$ 117.48	\$ 66.88	\$ 57.77	\$ 9.11	\$ 126.59				\$ -
41	2048	-	\$ 10.03	\$ 120.42	\$ 70.22	\$ 57.77	\$ 12.45	\$ 132.87				\$ -
42	2049	-	\$ 10.29	\$ 123.43	\$ 73.74	\$ 57.77	\$ 15.96	\$ 139.39				\$ -
43	2050	-	\$ 10.54	\$ 126.51	\$ 77.42	\$ 57.77	\$ 19.65	\$ 146.16				\$ -
44	2051	-	\$ 10.81	\$ 129.68	\$ 81.29	\$ 57.77	\$ 23.52	\$ 153.20				\$ -
45	2052	-	\$ 11.08	\$ 132.92	\$ 85.36	\$ 57.77	\$ 27.58	\$ 160.50				\$ -
46	2053	-	\$ 11.35	\$ 136.24	\$ 89.63	\$ 57.77	\$ 31.85	\$ 168.09				\$ -
47	2054	-	\$ 13.62	\$ 163.49	\$ 94.11	\$ 94.11	\$ -	\$ 163.49				\$ -
48	2055	-	\$ 13.96	\$ 167.58	\$ 98.81	\$ 94.11	\$ 4.71	\$ 172.28				\$ -
49	2056	-	\$ 14.31	\$ 171.77	\$ 103.75	\$ 94.11	\$ 9.65	\$ 181.41				\$ -
50	2057	-	\$ 14.67	\$ 176.06	\$ 108.94	\$ 94.11	\$ 14.83	\$ 190.89				\$ -

Nominal Sum		\$ 417,059,072
NPV (2013)	5.25%	\$ 210,660,082

Compilation Notes	
(8)	Article 1 of the 13th Amendment to the lease dated June 15, 2007
(9)	2007 accrued direct operating expenses prepared by Landlord.
(10)	Article 2 of 2nd amendment to the Lease dated December 31, 2007
(14)	Leased at Market Rates assuming Landlord provides \$30 psf to renovate space.

**Civic Center Plaza - Scenario 4
Lease Analysis**

Primary Assumptions	
Rentable Square Feet	243,176 (17)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	20%

Operating Expense Calculation				
Estimated Annual Increase Operating Expense 5.00%				
	GSF	PSF	Base	Pass Through
1 2002	\$ -	\$ -	\$ -	\$ -
2 2003	\$ -	\$ -	\$ -	\$ -
3 2004	\$ -	\$ -	\$ -	\$ -
4 2005	\$ -	\$ -	\$ -	\$ -
5 2006	\$ -	\$ -	\$ -	\$ -
6 2007	\$ -	(18)	\$ 9.50	\$ 8.22
7 2008	\$ -	-	\$ 9.98	\$ 8.22

Year No.	Year Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	One Time Furniture Expense	Swing Space for Renovation	Total Occupancy Costs
1	2008	243,176	\$ 1.45 (19)	\$ 17.40	\$ 9.98	\$ 8.22	\$ 1.76	\$ 19.16	\$ 4,658,036			\$ 4,658,036
2	2009	243,176	\$ 1.45	\$ 17.40	\$ 10.47	\$ 8.22	\$ 2.25	\$ 19.65	\$ 4,779,320			\$ 4,779,320
3	2010	243,176	\$ 1.45	\$ 17.40	\$ 11.00	\$ 8.22	\$ 2.78	\$ 20.18	\$ 4,906,669			\$ 4,906,669
4	2011	243,176	\$ 1.45	\$ 17.40	\$ 11.55	\$ 8.22	\$ 3.33	\$ 20.73	\$ 5,040,384			\$ 5,040,384
5	2012	243,176	\$ 1.45	\$ 17.40	\$ 12.12	\$ 8.22	\$ 3.90	\$ 21.30	\$ 5,180,786			\$ 5,180,786
6	2013	243,176	\$ 1.45	\$ 17.40	\$ 12.73	\$ 8.22	\$ 4.51	\$ 21.91	\$ 5,328,207			\$ 5,328,207
7	2014	111,590	\$ 2.03 (22), (24)	\$ 24.40	\$ 13.37	\$ 10.36	\$ 3.00	\$ 27.40	\$ 3,057,857	\$ 3,579,044		\$ 6,636,901
8	2015	111,590	\$ 2.88	\$ 34.56	\$ 14.04	\$ 13.37	\$ 0.67	\$ 35.22	\$ 3,930,705	\$ -		\$ 3,930,679
9	2016	111,590	\$ 2.95	\$ 35.42	\$ 14.74	\$ 13.37	\$ 1.37	\$ 36.79	\$ 4,105,421	\$ -		\$ 4,105,421
10	2017	111,590	\$ 3.03	\$ 36.31	\$ 15.47	\$ 13.37	\$ 2.11	\$ 38.41	\$ 4,286,462	\$ -		\$ 4,286,462
11	2018	111,590	\$ 3.10	\$ 37.21	\$ 16.25	\$ 13.37	\$ 2.88	\$ 40.09	\$ 4,474,085	\$ -		\$ 4,474,085
12	2019	111,590	\$ 3.18	\$ 38.14	\$ 17.06	\$ 13.37	\$ 3.69	\$ 41.84	\$ 4,668,558	\$ -		\$ 4,668,558
13	2020	111,590	\$ 3.26	\$ 39.10	\$ 17.91	\$ 13.37	\$ 4.55	\$ 43.64	\$ 4,870,158	\$ -		\$ 4,870,158
14	2021	111,590	\$ 3.34	\$ 40.07	\$ 18.81	\$ 13.37	\$ 5.44	\$ 45.52	\$ 5,079,178	\$ -		\$ 5,079,178
15	2022	111,590	\$ 3.42	\$ 41.08	\$ 19.75	\$ 13.37	\$ 6.38	\$ 47.46	\$ 5,295,923	\$ -		\$ 5,295,923
16	2023	111,590	\$ 3.51	\$ 42.10	\$ 20.74	\$ 13.37	\$ 7.37	\$ 49.47	\$ 5,520,709	\$ -		\$ 5,520,709
17	2024	160,674	\$ 4.21 (25)	\$ 50.52	\$ 21.77	\$ 21.77	\$ -	\$ 50.52	\$ 8,117,915	\$ 2,115,720		\$ 10,233,634
18	2025	160,674	\$ 4.32	\$ 51.79	\$ 22.86	\$ 21.77	\$ 1.09	\$ 52.88	\$ 8,495,790	\$ -		\$ 8,495,790
19	2026	160,674	\$ 4.42	\$ 53.08	\$ 24.01	\$ 21.77	\$ 2.23	\$ 55.31	\$ 8,887,485	\$ -		\$ 8,887,485
20	2027	160,674	\$ 4.53	\$ 54.41	\$ 25.21	\$ 21.77	\$ 3.43	\$ 57.84	\$ 9,293,564	\$ -		\$ 9,293,564
21	2028	160,674	\$ 4.65	\$ 55.77	\$ 26.47	\$ 21.77	\$ 4.69	\$ 60.46	\$ 9,714,617	\$ -		\$ 9,714,617
22	2029	160,674	\$ 4.76	\$ 57.16	\$ 27.79	\$ 21.77	\$ 6.02	\$ 63.18	\$ 10,151,259	\$ -		\$ 10,151,259
23	2030	160,674	\$ 4.88	\$ 58.59	\$ 29.18	\$ 21.77	\$ 7.41	\$ 66.00	\$ 10,604,132	\$ -		\$ 10,604,132
24	2031	160,674	\$ 5.00	\$ 60.06	\$ 30.64	\$ 21.77	\$ 8.86	\$ 68.92	\$ 11,073,908	\$ -		\$ 11,073,908
25	2032	160,674	\$ 5.13	\$ 61.56	\$ 32.17	\$ 21.77	\$ 10.40	\$ 71.95	\$ 11,561,290	\$ -		\$ 11,561,290
26	2033	160,674	\$ 5.26	\$ 63.10	\$ 33.78	\$ 21.77	\$ 12.00	\$ 75.10	\$ 12,067,009	\$ -		\$ 12,067,009
27	2034	212,542	\$ 6.31 (25)	\$ 75.72	\$ 35.47	\$ 35.47	\$ -	\$ 75.72	\$ 16,093,058	\$ 3,004,571		\$ 19,097,629
28	2035	212,542	\$ 6.47	\$ 77.61	\$ 37.24	\$ 35.47	\$ 1.77	\$ 79.38	\$ 16,872,303	\$ -		\$ 16,872,303
29	2036	212,542	\$ 6.63	\$ 79.55	\$ 39.10	\$ 35.47	\$ 3.64	\$ 83.19	\$ 17,680,453	\$ -		\$ 17,680,453
30	2037	212,542	\$ 6.79	\$ 81.54	\$ 41.06	\$ 35.47	\$ 5.59	\$ 87.13	\$ 18,518,701	\$ -		\$ 18,518,701
31	2038	212,542	\$ 6.96	\$ 83.58	\$ 43.11	\$ 35.47	\$ 7.64	\$ 91.22	\$ 19,388,294	\$ -		\$ 19,388,294
32	2039	212,542	\$ 7.14	\$ 85.67	\$ 45.27	\$ 35.47	\$ 9.80	\$ 95.47	\$ 20,290,535	\$ -		\$ 20,290,535
33	2040	212,542	\$ 7.32	\$ 87.81	\$ 47.53	\$ 35.47	\$ 12.06	\$ 99.87	\$ 21,226,786	\$ -		\$ 21,226,786
34	2041	-	\$ 7.50	\$ 90.00	\$ 49.91	\$ 35.47	\$ 14.44	\$ 104.44	\$ -	\$ -		\$ -
35	2042	-	\$ 7.69	\$ 92.25	\$ 52.40	\$ 35.47	\$ 16.93	\$ 109.19	\$ -	\$ -		\$ -
36	2043	-	\$ 7.88	\$ 94.56	\$ 55.02	\$ 35.47	\$ 19.55	\$ 114.11	\$ -	\$ -		\$ -
37	2044	-	\$ 9.46 (25)	\$ 113.47	\$ 57.77	\$ 57.77	\$ -	\$ 113.47	\$ -	\$ -		\$ -
38	2045	-	\$ 9.69	\$ 116.31	\$ 60.66	\$ 57.77	\$ 2.89	\$ 119.20	\$ -	\$ -		\$ -
39	2046	-	\$ 9.93	\$ 119.22	\$ 63.70	\$ 57.77	\$ 5.92	\$ 125.14	\$ -	\$ -		\$ -
40	2047	-	\$ 10.18	\$ 122.20	\$ 66.88	\$ 57.77	\$ 9.11	\$ 131.30	\$ -	\$ -		\$ -
41	2048	-	\$ 10.44	\$ 125.25	\$ 70.22	\$ 57.77	\$ 12.45	\$ 137.70	\$ -	\$ -		\$ -
42	2049	-	\$ 10.70	\$ 128.38	\$ 73.74	\$ 57.77	\$ 15.96	\$ 144.35	\$ -	\$ -		\$ -
43	2050	-	\$ 10.97	\$ 131.59	\$ 77.42	\$ 57.77	\$ 19.65	\$ 151.24	\$ -	\$ -		\$ -
44	2051	-	\$ 11.24	\$ 134.88	\$ 81.29	\$ 57.77	\$ 23.52	\$ 158.40	\$ -	\$ -		\$ -
45	2052	-	\$ 11.52	\$ 138.26	\$ 85.36	\$ 57.77	\$ 27.58	\$ 165.84	\$ -	\$ -		\$ -
46	2053	-	\$ 11.81	\$ 141.71	\$ 89.63	\$ 57.77	\$ 31.85	\$ 173.56	\$ -	\$ -		\$ -
47	2054	-	\$ 14.17 (25)	\$ 170.05	\$ 94.11	\$ 94.11	\$ -	\$ 170.05	\$ -	\$ -		\$ -
48	2055	-	\$ 14.53	\$ 174.31	\$ 98.81	\$ 94.11	\$ 4.71	\$ 179.01	\$ -	\$ -		\$ -
49	2056	-	\$ 14.89	\$ 178.66	\$ 103.75	\$ 94.11	\$ 9.65	\$ 188.31	\$ -	\$ -		\$ -
50	2057	-	\$ 15.26	\$ 183.13	\$ 108.94	\$ 94.11	\$ 14.83	\$ 197.96	\$ -	\$ -		\$ -

	Capital	Operating	Total
Nominal Sum	\$ 8,699,335	\$ 305,219,530	\$ 313,918,866
NPV (2013)	\$ 5,631,526	\$ 146,500,440	\$ 152,131,966

Compilation Notes	
(17)	Per Article 1 of the 13th Amendment to the lease dated June 15, 2007
(18)	2007 accrued direct operating expenses prepared by Landlord.
(19)	Per Article 2 of 2nd amendment to the Lease dated December 31, 2007
(22)	Estimated rents for Class B office assuming \$45/SF tenant improvement allowance provided by landlord to retrofit space to City's new office standards. For details refer to Appendix B, Market Study, Section 3.
(24)	Square footage reduction due to converting Concourse from meeting space to office space.
(25)	Square footage increases to accommodate growth per Gensler Study and detailed in Growth Projections, page 7 of this report.
(26)	FF&E costs for converting new City office standards.

**Civic Center Plaza - Scenario 3
Lease Analysis**

Primary Assumptions	
Rentable Square Feet	243,176 (17)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	20%

Operating Expense Calculation					
Estimated Annual Increase Operating Expense					
		GSF	PSF	Base	Pass Through
1	2002	\$ -	\$ -	\$ -	\$ -
2	2003	\$ -	\$ -	\$ -	\$ -
3	2004	\$ -	\$ -	\$ -	\$ -
4	2005	\$ -	\$ -	\$ -	\$ -
5	2006	\$ -	\$ -	\$ -	\$ -
6	2007	\$ -	(18)	\$ 9.50	\$ 8.22
7	2008	\$ -	\$ -	\$ 9.98	\$ 8.22

Year	Swing Space Calculations SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7	60,794	\$ 39.40	\$ 2,395,510
8		\$ 40.59	\$ -

Year No.	Year Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Furniture Expense	Swing Space for Renovation	Total Occupancy Costs
1	2008	243,176	\$ 1.45	(19) \$ 17.40	\$ 9.98	\$ 8.22	\$ 1.76	\$ 19.16	\$ 4,658,036	\$ -	\$ -	\$ 4,658,036
2	2009	243,176	\$ 1.45	\$ 17.40	\$ 10.47	\$ 8.22	\$ 2.25	\$ 19.65	\$ 4,779,320	\$ -	\$ -	\$ 4,779,320
3	2010	243,176	\$ 1.45	\$ 17.40	\$ 11.00	\$ 8.22	\$ 2.78	\$ 20.18	\$ 4,906,669	\$ -	\$ -	\$ 4,906,669
4	2011	243,176	\$ 1.45	\$ 17.40	\$ 11.55	\$ 8.22	\$ 3.33	\$ 20.73	\$ 5,040,384	\$ -	\$ -	\$ 5,040,384
5	2012	243,176	\$ 1.45	\$ 17.40	\$ 12.12	\$ 8.22	\$ 3.90	\$ 21.30	\$ 5,180,786	\$ -	\$ -	\$ 5,180,786
6	2013	243,176	\$ 1.45	\$ 17.40	\$ 12.73	\$ 8.22	\$ 4.51	\$ 21.91	\$ 5,328,207	\$ -	\$ -	\$ 5,328,207
7	2014	243,176	\$ 2.03	(21) \$ 24.40	\$ 13.37	\$ 10.36	\$ 3.00	\$ 27.40	\$ 6,663,674	\$ 7,799,444	\$ 2,395,510	\$ 16,858,629
8	2015	243,176	\$ 2.88	\$ 34.56	\$ 14.04	\$ 13.37	\$ 0.67	\$ 35.22	\$ 8,565,783	\$ 0 (21)	\$ -	\$ 8,565,783
9	2016	243,176	\$ 2.95	\$ 35.42	\$ 14.74	\$ 13.37	\$ 1.37	\$ 36.79	\$ 8,946,523	\$ -	\$ -	\$ 8,946,523
10	2017	243,176	\$ 3.03	\$ 36.31	\$ 15.47	\$ 13.37	\$ 2.11	\$ 38.41	\$ 9,341,048	\$ -	\$ -	\$ 9,341,048
11	2018	243,176	\$ 3.10	\$ 37.21	\$ 16.25	\$ 13.37	\$ 2.88	\$ 40.09	\$ 9,749,916	\$ -	\$ -	\$ 9,749,916
12	2019	243,176	\$ 3.18	\$ 38.14	\$ 17.06	\$ 13.37	\$ 3.69	\$ 41.84	\$ 10,173,709	\$ -	\$ -	\$ 10,173,709
13	2020	243,176	\$ 3.26	\$ 39.10	\$ 17.91	\$ 13.37	\$ 4.55	\$ 43.64	\$ 10,613,037	\$ -	\$ -	\$ 10,613,037
14	2021	243,176	\$ 3.34	\$ 40.07	\$ 18.81	\$ 13.37	\$ 5.44	\$ 45.52	\$ 11,068,533	\$ -	\$ -	\$ 11,068,533
15	2022	243,176	\$ 3.42	\$ 41.08	\$ 19.75	\$ 13.37	\$ 6.38	\$ 47.46	\$ 11,540,862	\$ -	\$ -	\$ 11,540,862
16	2023	243,176	\$ 3.51	\$ 42.10	\$ 20.74	\$ 13.37	\$ 7.37	\$ 49.47	\$ 12,030,717	\$ -	\$ -	\$ 12,030,717
17	2024	243,176	\$ 4.21	\$ 50.52	\$ 21.77	\$ 21.77	\$ -	\$ 50.52	\$ 12,286,254	\$ -	\$ -	\$ 12,286,254
18	2025	243,176	\$ 4.32	\$ 51.79	\$ 22.86	\$ 21.77	\$ 1.09	\$ 52.88	\$ 12,858,158	\$ -	\$ -	\$ 12,858,158
19	2026	243,176	\$ 4.42	\$ 53.08	\$ 24.01	\$ 21.77	\$ 2.23	\$ 55.31	\$ 13,450,979	\$ -	\$ -	\$ 13,450,979
20	2027	243,176	\$ 4.53	\$ 54.41	\$ 25.21	\$ 21.77	\$ 3.43	\$ 57.84	\$ 14,065,569	\$ -	\$ -	\$ 14,065,569
21	2028	243,176	\$ 4.65	\$ 55.77	\$ 26.47	\$ 21.77	\$ 4.69	\$ 60.46	\$ 14,702,822	\$ -	\$ -	\$ 14,702,822
22	2029	243,176	\$ 4.76	\$ 57.16	\$ 27.79	\$ 21.77	\$ 6.02	\$ 63.18	\$ 15,363,667	\$ -	\$ -	\$ 15,363,667
23	2030	243,176	\$ 4.88	\$ 58.59	\$ 29.18	\$ 21.77	\$ 7.41	\$ 66.00	\$ 16,049,079	\$ -	\$ -	\$ 16,049,079
24	2031	243,176	\$ 5.00	\$ 60.06	\$ 30.64	\$ 21.77	\$ 8.86	\$ 68.92	\$ 16,760,074	\$ -	\$ -	\$ 16,760,074
25	2032	243,176	\$ 5.13	\$ 61.56	\$ 32.17	\$ 21.77	\$ 10.40	\$ 71.95	\$ 17,497,713	\$ -	\$ -	\$ 17,497,713
26	2033	243,176	\$ 5.26	\$ 63.10	\$ 33.78	\$ 21.77	\$ 12.00	\$ 75.10	\$ 18,263,107	\$ -	\$ -	\$ 18,263,107
27	2034	243,176	\$ 6.31	\$ 75.72	\$ 35.47	\$ 35.47	\$ -	\$ 75.72	\$ 18,412,617	\$ -	\$ -	\$ 18,412,617
28	2035	243,176	\$ 6.47	\$ 77.61	\$ 37.24	\$ 35.47	\$ 1.77	\$ 79.38	\$ 19,304,179	\$ -	\$ -	\$ 19,304,179
29	2036	243,176	\$ 6.63	\$ 79.55	\$ 39.10	\$ 35.47	\$ 3.64	\$ 83.19	\$ 20,228,811	\$ -	\$ -	\$ 20,228,811
30	2037	243,176	\$ 6.79	\$ 81.54	\$ 41.06	\$ 35.47	\$ 5.59	\$ 87.13	\$ 21,187,879	\$ -	\$ -	\$ 21,187,879
31	2038	243,176	\$ 6.96	\$ 83.58	\$ 43.11	\$ 35.47	\$ 7.64	\$ 91.22	\$ 22,182,810	\$ -	\$ -	\$ 22,182,810
32	2039	243,176	\$ 7.14	\$ 85.67	\$ 45.27	\$ 35.47	\$ 9.80	\$ 95.47	\$ 23,215,094	\$ -	\$ -	\$ 23,215,094
33	2040	243,176	\$ 7.32	\$ 87.81	\$ 47.53	\$ 35.47	\$ 12.06	\$ 99.87	\$ 24,286,291	\$ -	\$ -	\$ 24,286,291
34	2041	-	\$ 7.50	\$ 90.00	\$ 49.91	\$ 35.47	\$ 14.44	\$ 104.44	\$ -	\$ -	\$ -	\$ -
35	2042	-	\$ 7.69	\$ 92.25	\$ 52.40	\$ 35.47	\$ 16.93	\$ 109.19	\$ -	\$ -	\$ -	\$ -
36	2043	-	\$ 7.88	\$ 94.56	\$ 55.02	\$ 35.47	\$ 19.55	\$ 114.11	\$ -	\$ -	\$ -	\$ -
37	2044	-	\$ 9.46	\$ 113.47	\$ 57.77	\$ 57.77	\$ -	\$ 113.47	\$ -	\$ -	\$ -	\$ -
38	2045	-	\$ 9.69	\$ 116.31	\$ 60.66	\$ 57.77	\$ 2.89	\$ 119.20	\$ -	\$ -	\$ -	\$ -
39	2046	-	\$ 9.93	\$ 119.22	\$ 63.70	\$ 57.77	\$ 5.92	\$ 125.14	\$ -	\$ -	\$ -	\$ -
40	2047	-	\$ 10.18	\$ 122.20	\$ 66.88	\$ 57.77	\$ 9.11	\$ 131.30	\$ -	\$ -	\$ -	\$ -
41	2048	-	\$ 10.44	\$ 125.25	\$ 70.22	\$ 57.77	\$ 12.45	\$ 137.70	\$ -	\$ -	\$ -	\$ -
42	2049	-	\$ 10.70	\$ 128.38	\$ 73.74	\$ 57.77	\$ 15.96	\$ 144.35	\$ -	\$ -	\$ -	\$ -
43	2050	-	\$ 10.97	\$ 131.59	\$ 77.42	\$ 57.77	\$ 19.65	\$ 151.24	\$ -	\$ -	\$ -	\$ -
44	2051	-	\$ 11.24	\$ 134.88	\$ 81.29	\$ 57.77	\$ 23.52	\$ 158.40	\$ -	\$ -	\$ -	\$ -
45	2052	-	\$ 11.52	\$ 138.26	\$ 85.36	\$ 57.77	\$ 27.58	\$ 165.84	\$ -	\$ -	\$ -	\$ -
46	2053	-	\$ 11.81	\$ 141.71	\$ 89.63	\$ 57.77	\$ 31.85	\$ 173.56	\$ -	\$ -	\$ -	\$ -
47	2054	-	\$ 14.17	\$ 170.05	\$ 94.11	\$ 94.11	\$ -	\$ 170.05	\$ -	\$ -	\$ -	\$ -
48	2055	-	\$ 14.53	\$ 174.31	\$ 98.81	\$ 94.11	\$ 4.71	\$ 179.01	\$ -	\$ -	\$ -	\$ -
49	2056	-	\$ 14.89	\$ 178.66	\$ 103.75	\$ 94.11	\$ 9.65	\$ 188.31	\$ -	\$ -	\$ -	\$ -
50	2057	-	\$ 15.26	\$ 183.13	\$ 108.94	\$ 94.11	\$ 14.83	\$ 197.96	\$ -	\$ -	\$ -	\$ -

	Capital	Operating	Total
Nominal Sum	\$ 7,799,444	\$ 431,097,816	\$ 438,897,261
NPV (2014)	5.25%	\$ 7,410,399	\$ 217,138,678

Compilation Notes

- (17) Per Article 1 of the 13th Amendment to the lease dated June 15, 2007
- (18) 2007 accrued direct operating expenses prepared by Landlord.
- (19) Per Article 2 of 2nd amendment to the Lease dated December 31, 2007
- (21) Assumed 12 months of swing space to complete tenant improvements in Premises at renewal
- (22) Estimated rents for Class B office assuming \$45/SF tenant improvement allowance provided by landlord to retrofit space to City's new workplace standards. For details refer to Appendix B, Market Study, Section 3.
- (23) Onetime FF&E costs for converting new City workspace standards.

**Civic Center Plaza - Scenario 1
Lease Analysis**

Primary Assumptions	
Rentable Square Feet	243,176 (17)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	20% Lease Expires 7/23/14

Operating Expense Calculation				
Estimated Annual Increase Operating Expense	5.00%			
	GSF	PSF	Base	Pass Through
1 2002	\$ -	\$ -	\$ -	\$ -
2 2003	\$ -	\$ -	\$ -	\$ -
3 2004	\$ -	\$ -	\$ -	\$ -
4 2005	\$ -	\$ -	\$ -	\$ -
5 2006	\$ -	\$ -	\$ -	\$ -
6 2007	\$ -	(18) \$ 9.50	\$ 8.22	\$ 1.28
7 2008	\$ -	\$ 9.98	\$ 8.22	\$ 1.76

Swing Space Calculations			
Year	SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7	60,794	\$ 39.40	\$ 2,395,510
8		\$ 40.59	\$ -

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	One Time Furniture Expense	Swing Space for Renovation	Total Occupancy Costs
1	2008	243,176	\$ 1.45	(19) \$ 17.40	\$ 9.98	\$ 8.22	\$ 1.76	\$ 19.16	\$ 4,658,036			\$ 4,658,036
2	2009	243,176	\$ 1.45	\$ 17.40	\$ 10.47	\$ 8.22	\$ 2.25	\$ 19.65	\$ 4,779,320			\$ 4,779,320
3	2010	243,176	\$ 1.45	\$ 17.40	\$ 11.00	\$ 8.22	\$ 2.78	\$ 20.18	\$ 4,906,669			\$ 4,906,669
4	2011	243,176	\$ 1.45	\$ 17.40	\$ 11.55	\$ 8.22	\$ 3.33	\$ 20.73	\$ 5,040,384			\$ 5,040,384
5	2012	243,176	\$ 1.45	\$ 17.40	\$ 12.12	\$ 8.22	\$ 3.90	\$ 21.30	\$ 5,180,786			\$ 5,180,786
6	2013	243,176	\$ 1.45	\$ 17.40	\$ 12.73	\$ 8.22	\$ 4.51	\$ 21.91	\$ 5,328,207			\$ 5,328,207
7	2014	243,176	\$ 1.99	(20) \$ 23.85	\$ 13.37	\$ 10.36	\$ 3.00	\$ 26.85	\$ 6,529,928	\$ -	\$ 2,395,510 (21)	\$ 8,925,438
8	2015	243,176	\$ 2.77	\$ 33.22	\$ 14.04	\$ 13.37	\$ 0.67	\$ 33.89	\$ 8,241,447			\$ 8,241,447
9	2016	243,176	\$ 2.84	\$ 34.05	\$ 14.74	\$ 13.37	\$ 1.37	\$ 35.42	\$ 8,614,079			\$ 8,614,079
10	2017	243,176	\$ 2.91	\$ 34.90	\$ 15.47	\$ 13.37	\$ 2.11	\$ 37.01	\$ 9,000,292			\$ 9,000,292
11	2018	243,176	\$ 2.98	\$ 35.78	\$ 16.25	\$ 13.37	\$ 2.88	\$ 38.66	\$ 9,400,642			\$ 9,400,642
12	2019	243,176	\$ 3.06	\$ 36.67	\$ 17.06	\$ 13.37	\$ 3.69	\$ 40.36	\$ 9,815,703			\$ 9,815,703
13	2020	243,176	\$ 3.13	\$ 37.59	\$ 17.91	\$ 13.37	\$ 4.55	\$ 42.13	\$ 10,246,080			\$ 10,246,080
14	2021	243,176	\$ 3.21	\$ 38.53	\$ 18.81	\$ 13.37	\$ 5.44	\$ 43.97	\$ 10,692,403			\$ 10,692,403
15	2022	243,176	\$ 3.29	\$ 39.49	\$ 19.75	\$ 13.37	\$ 6.38	\$ 45.87	\$ 11,155,328			\$ 11,155,328
16	2023	243,176	\$ 3.37	\$ 40.48	\$ 20.74	\$ 13.37	\$ 7.37	\$ 47.85	\$ 11,635,545			\$ 11,635,545
17	2024	243,176	\$ 4.05	\$ 48.57	\$ 21.77	\$ 21.77	\$ -	\$ 48.57	\$ 11,812,048			\$ 11,812,048
18	2025	243,176	\$ 4.15	\$ 49.79	\$ 22.86	\$ 21.77	\$ 1.09	\$ 50.88	\$ 12,372,097			\$ 12,372,097
19	2026	243,176	\$ 4.25	\$ 51.03	\$ 24.01	\$ 21.77	\$ 2.23	\$ 53.26	\$ 12,952,766			\$ 12,952,766
20	2027	243,176	\$ 4.36	\$ 52.31	\$ 25.21	\$ 21.77	\$ 3.43	\$ 55.74	\$ 13,554,901			\$ 13,554,901
21	2028	243,176	\$ 4.47	\$ 53.62	\$ 26.47	\$ 21.77	\$ 4.69	\$ 58.31	\$ 14,179,387			\$ 14,179,387
22	2029	243,176	\$ 4.58	\$ 54.96	\$ 27.79	\$ 21.77	\$ 6.02	\$ 60.97	\$ 14,827,147			\$ 14,827,147
23	2030	243,176	\$ 4.69	\$ 56.33	\$ 29.18	\$ 21.77	\$ 7.41	\$ 63.74	\$ 15,499,146			\$ 15,499,146
24	2031	243,176	\$ 4.81	\$ 57.74	\$ 30.64	\$ 21.77	\$ 8.86	\$ 66.60	\$ 16,196,392			\$ 16,196,392
25	2032	243,176	\$ 4.93	\$ 59.18	\$ 32.17	\$ 21.77	\$ 10.40	\$ 69.58	\$ 16,919,939			\$ 16,919,939
26	2033	243,176	\$ 5.06	\$ 60.66	\$ 33.78	\$ 21.77	\$ 12.00	\$ 72.67	\$ 17,670,888			\$ 17,670,888
27	2034	243,176	\$ 6.07	\$ 72.79	\$ 35.47	\$ 35.47	\$ -	\$ 72.79	\$ 17,701,955			\$ 17,701,955
28	2035	243,176	\$ 6.22	\$ 74.61	\$ 37.24	\$ 35.47	\$ 1.77	\$ 76.39	\$ 18,575,750			\$ 18,575,750
29	2036	243,176	\$ 6.37	\$ 76.48	\$ 39.10	\$ 35.47	\$ 3.64	\$ 80.12	\$ 19,482,171			\$ 19,482,171
30	2037	243,176	\$ 6.53	\$ 78.39	\$ 41.06	\$ 35.47	\$ 5.59	\$ 83.98	\$ 20,422,573			\$ 20,422,573
31	2038	243,176	\$ 6.70	\$ 80.35	\$ 43.11	\$ 35.47	\$ 7.64	\$ 88.00	\$ 21,398,371			\$ 21,398,371
32	2039	243,176	\$ 6.86	\$ 82.36	\$ 45.27	\$ 35.47	\$ 9.80	\$ 92.16	\$ 22,411,045			\$ 22,411,045
33	2040	243,176	\$ 7.03	\$ 84.42	\$ 47.53	\$ 35.47	\$ 12.06	\$ 96.48	\$ 23,462,140			\$ 23,462,140
34	2041	-	\$ 7.21	\$ 86.53	\$ 49.91	\$ 35.47	\$ 14.44	\$ 100.97	\$ -			\$ -
35	2042	-	\$ 7.39	\$ 88.69	\$ 52.40	\$ 35.47	\$ 16.93	\$ 105.63	\$ -			\$ -
36	2043	-	\$ 7.58	\$ 90.91	\$ 55.02	\$ 35.47	\$ 19.55	\$ 110.47	\$ -			\$ -
37	2044	-	\$ 9.09	\$ 109.09	\$ 57.77	\$ 57.77	\$ -	\$ 109.09	\$ -			\$ -
38	2045	-	\$ 9.32	\$ 111.82	\$ 60.66	\$ 57.77	\$ 2.89	\$ 114.71	\$ -			\$ -
39	2046	-	\$ 9.55	\$ 114.62	\$ 63.70	\$ 57.77	\$ 5.92	\$ 120.54	\$ -			\$ -
40	2047	-	\$ 9.79	\$ 117.48	\$ 66.88	\$ 57.77	\$ 9.11	\$ 126.59	\$ -			\$ -
41	2048	-	\$ 10.03	\$ 120.42	\$ 70.22	\$ 57.77	\$ 12.45	\$ 132.87	\$ -			\$ -
42	2049	-	\$ 10.29	\$ 123.43	\$ 73.74	\$ 57.77	\$ 15.96	\$ 139.39	\$ -			\$ -
43	2050	-	\$ 10.54	\$ 126.51	\$ 77.42	\$ 57.77	\$ 19.65	\$ 146.16	\$ -			\$ -
44	2051	-	\$ 10.81	\$ 129.68	\$ 81.29	\$ 57.77	\$ 23.52	\$ 153.20	\$ -			\$ -
45	2052	-	\$ 11.08	\$ 132.92	\$ 85.36	\$ 57.77	\$ 27.58	\$ 160.50	\$ -			\$ -
46	2053	-	\$ 11.35	\$ 136.24	\$ 89.63	\$ 57.77	\$ 31.85	\$ 168.09	\$ -			\$ -
47	2054	-	\$ 13.62	\$ 163.49	\$ 94.11	\$ 94.11	\$ -	\$ 163.49	\$ -			\$ -
48	2055	-	\$ 13.96	\$ 167.58	\$ 98.81	\$ 94.11	\$ 4.71	\$ 172.28	\$ -			\$ -
49	2056	-	\$ 14.31	\$ 171.77	\$ 103.75	\$ 94.11	\$ 9.65	\$ 181.41	\$ -			\$ -
50	2057	-	\$ 14.67	\$ 176.06	\$ 108.94	\$ 94.11	\$ 14.83	\$ 190.89	\$ -			\$ -

Nominal Sum		\$ 417,059,072
NPV (2013)	5.25%	\$ 210,660,082

- Compilation Notes**
- (17) Per Article 1 of the 13th Amendment to the lease dated June 15, 2007
 - (18) 2007 accrued direct operating expenses prepared by Landlord.
 - (19) Per Article 2 of 2nd amendment to the Lease dated December 31, 2007
 - (20) Estimated rents for Class B office assuming \$30/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 3.
 - (21) Assumed 12 months of swing space to complete tenant improvements in Premises at renewal

600 B Street
Lease Analysis - End of Term (Scenarios 2 - 4, 6, 7)

Primary Assumptions		
Rentable Square Feet	(13)	153,265
Projected Annual Rent Escalation		2.5%
Forecast Rental Resets (10 Years)		20% Lease Expires 5/31/13

Operating Expense Calculation		
Estimated Annual Increase Operating Expense		5.00%
		GSF PSF Base Pass Through
1	2002	\$ 2,400,005 (14) (15) 337,123 \$ 7.12 \$ 7.12 \$ -
2	2003	\$ 7.12
3	2004	\$ 7.12
4	2005	\$ 7.12
5	2006	\$ 7.12
6	2007	\$ 7.12
7	2008	\$ 3,026,483 (14) 337,123 \$ 8.98 \$ 7.12 \$ 1.86

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Total Occupancy Costs
1	2008	153,265	(15) \$ 2.00	\$ 24.01	\$ 8.98	\$ 7.12	\$ 1.86	\$ 25.87	\$ 3,964,706	\$ 3,964,706
2	2009	153,265	\$ 2.07	\$ 24.85	\$ 9.43	\$ 7.12	\$ 2.31	\$ 27.16	\$ 4,162,245	\$ 4,162,245
3	2010	153,265	\$ 2.15	\$ 25.76	\$ 9.90	\$ 7.12	\$ 2.78	\$ 28.54	\$ 4,373,951	\$ 4,373,951
4	2011	153,265	\$ 2.23	\$ 26.72	\$ 10.39	\$ 7.12	\$ 3.27	\$ 29.99	\$ 4,596,933	\$ 4,596,933
5	2012	153,265	\$ 2.31	\$ 27.68	\$ 10.91	\$ 7.12	\$ 3.79	\$ 31.47	\$ 4,823,708	\$ 4,823,708
6	2013	153,265	(16) \$ 2.57	\$ 30.88	\$ 11.46	\$ 9.65	\$ 1.81	\$ 32.69	\$ 5,009,888	\$ 5,009,888
7	2014	-	\$ 2.78	\$ 33.36	\$ 12.03	\$ 12.03	\$ -	\$ 33.36	\$ -	\$ -
8	2015	-	\$ 2.85	\$ 34.19	\$ 12.63	\$ 12.03	\$ 0.60	\$ 34.80	\$ -	\$ -
9	2016	-	\$ 2.92	\$ 35.05	\$ 13.26	\$ 12.03	\$ 1.23	\$ 36.28	\$ -	\$ -
10	2017	-	\$ 2.99	\$ 35.92	\$ 13.93	\$ 12.03	\$ 1.90	\$ 37.82	\$ -	\$ -
11	2018	-	\$ 3.07	\$ 36.82	\$ 14.62	\$ 12.03	\$ 2.59	\$ 39.42	\$ -	\$ -
12	2019	-	\$ 3.15	\$ 37.74	\$ 15.35	\$ 12.03	\$ 3.32	\$ 41.07	\$ -	\$ -
13	2020	-	\$ 3.22	\$ 38.69	\$ 16.12	\$ 12.03	\$ 4.09	\$ 42.78	\$ -	\$ -
14	2021	-	\$ 3.30	\$ 39.65	\$ 16.93	\$ 12.03	\$ 4.90	\$ 44.55	\$ -	\$ -
15	2022	-	\$ 3.39	\$ 40.65	\$ 17.77	\$ 12.03	\$ 5.74	\$ 46.39	\$ -	\$ -
16	2023	-	\$ 4.06	\$ 48.77	\$ 18.66	\$ 18.66	\$ -	\$ 48.77	\$ -	\$ -
17	2024	-	\$ 4.17	\$ 49.99	\$ 19.60	\$ 18.66	\$ 0.93	\$ 50.93	\$ -	\$ -
18	2025	-	\$ 4.27	\$ 51.24	\$ 20.58	\$ 18.66	\$ 1.91	\$ 53.16	\$ -	\$ -
19	2026	-	\$ 4.38	\$ 52.52	\$ 21.61	\$ 18.66	\$ 2.94	\$ 55.47	\$ -	\$ -
20	2027	-	\$ 4.49	\$ 53.84	\$ 22.69	\$ 18.66	\$ 4.02	\$ 57.86	\$ -	\$ -
21	2028	-	\$ 4.60	\$ 55.18	\$ 23.82	\$ 18.66	\$ 5.16	\$ 60.34	\$ -	\$ -
22	2029	-	\$ 4.71	\$ 56.56	\$ 25.01	\$ 18.66	\$ 6.35	\$ 62.91	\$ -	\$ -
23	2030	-	\$ 4.83	\$ 57.98	\$ 26.26	\$ 18.66	\$ 7.60	\$ 65.58	\$ -	\$ -
24	2031	-	\$ 4.95	\$ 59.43	\$ 27.57	\$ 18.66	\$ 8.91	\$ 68.34	\$ -	\$ -
25	2032	-	\$ 5.08	\$ 60.91	\$ 28.95	\$ 18.66	\$ 10.29	\$ 71.20	\$ -	\$ -
26	2033	-	\$ 6.09	\$ 73.10	\$ 30.40	\$ 30.40	\$ -	\$ 73.10	\$ -	\$ -
27	2034	-	\$ 6.24	\$ 74.92	\$ 31.92	\$ 30.40	\$ 1.52	\$ 76.44	\$ -	\$ -
28	2035	-	\$ 6.40	\$ 76.80	\$ 33.52	\$ 30.40	\$ 3.12	\$ 79.91	\$ -	\$ -
29	2036	-	\$ 6.56	\$ 78.72	\$ 35.19	\$ 30.40	\$ 4.79	\$ 83.51	\$ -	\$ -
30	2037	-	\$ 6.72	\$ 80.68	\$ 36.95	\$ 30.40	\$ 6.55	\$ 87.23	\$ -	\$ -
31	2038	-	\$ 6.89	\$ 82.70	\$ 38.80	\$ 30.40	\$ 8.40	\$ 91.10	\$ -	\$ -
32	2039	-	\$ 7.06	\$ 84.77	\$ 40.74	\$ 30.40	\$ 10.34	\$ 95.11	\$ -	\$ -
33	2040	-	\$ 7.24	\$ 86.89	\$ 42.78	\$ 30.40	\$ 12.38	\$ 99.26	\$ -	\$ -
34	2041	-	\$ 7.42	\$ 89.06	\$ 44.92	\$ 30.40	\$ 14.51	\$ 103.57	\$ -	\$ -
35	2042	-	\$ 7.61	\$ 91.29	\$ 47.16	\$ 30.40	\$ 16.76	\$ 108.05	\$ -	\$ -
36	2043	-	\$ 9.13	\$ 109.54	\$ 49.52	\$ 49.52	\$ -	\$ 109.54	\$ -	\$ -
37	2044	-	\$ 9.36	\$ 112.28	\$ 52.00	\$ 49.52	\$ 2.48	\$ 114.76	\$ -	\$ -
38	2045	-	\$ 9.59	\$ 115.09	\$ 54.60	\$ 49.52	\$ 5.08	\$ 120.16	\$ -	\$ -
39	2046	-	\$ 9.83	\$ 117.97	\$ 57.32	\$ 49.52	\$ 7.81	\$ 125.77	\$ -	\$ -
40	2047	-	\$ 10.08	\$ 120.91	\$ 60.19	\$ 49.52	\$ 10.67	\$ 131.59	\$ -	\$ -
41	2048	-	\$ 10.33	\$ 123.94	\$ 63.20	\$ 49.52	\$ 13.68	\$ 137.62	\$ -	\$ -
42	2049	-	\$ 10.59	\$ 127.04	\$ 66.36	\$ 49.52	\$ 16.84	\$ 143.88	\$ -	\$ -
43	2050	-	\$ 10.85	\$ 130.21	\$ 69.68	\$ 49.52	\$ 20.16	\$ 150.37	\$ -	\$ -
44	2051	-	\$ 11.12	\$ 133.47	\$ 73.16	\$ 49.52	\$ 23.64	\$ 157.11	\$ -	\$ -
45	2052	-	\$ 11.40	\$ 136.80	\$ 76.82	\$ 49.52	\$ 27.30	\$ 164.11	\$ -	\$ -
46	2053	-	\$ 13.68	\$ 164.16	\$ 80.66	\$ 80.66	\$ -	\$ 164.16	\$ -	\$ -
47	2054	-	\$ 14.02	\$ 168.27	\$ 84.69	\$ 80.66	\$ 4.03	\$ 172.30	\$ -	\$ -
48	2055	-	\$ 14.37	\$ 172.48	\$ 88.93	\$ 80.66	\$ 8.27	\$ 180.74	\$ -	\$ -
49	2056	-	\$ 14.73	\$ 176.79	\$ 93.38	\$ 80.66	\$ 12.71	\$ 189.50	\$ -	\$ -
50	2057	-	\$ 15.10	\$ 181.21	\$ 98.05	\$ 80.66	\$ 17.38	\$ 198.59	\$ -	\$ -

Nominal Sum		\$ 26,931,431
NPV (2013)	5.25%	\$ 26,931,431

Compilation Notes	
(13)	Per City of San Diego letter dated September 29, 2006
(14)	Estimated 2008 Operating Expenses provided by landlord, Legacy Partners
(15)	GSF per Article 4 of the 7th Amendment to Lease, rental rate per Article 3 of the 7th Amendment to Lease
(16)	Estimated rents for Class B office assuming \$20/SF tenant improvement allowance provided by landlord.
	For details refer to Appendix B, Market Study, Section 9. 2013 is a blended rate, given the 5/31/13 lease expiration date.

**Downtown Class B - Scenarios 6 and 7
Lease Analysis**

Primary Assumptions	
Rentable Square Feet	50,000 (10)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	20%

Operating Expense Calculation				
Estimated Annual Increase Operating Expense 5.00%				
	GSF	PSF	Base	Pass Through
1 2002	\$ -	\$ -	\$ -	\$ -
2 2003	\$ -	\$ -	\$ -	\$ -
3 2004	\$ -	\$ -	\$ -	\$ -
4 2005	\$ -	\$ -	\$ -	\$ -
5 2006	\$ -	\$ -	\$ -	\$ -
6 2007	\$ -	\$ -	\$ -	\$ -
7 2008	\$ -	50,000 (11)	\$ 13.00	\$ 13.00

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Total Occupancy Costs
1	2008	-	\$ -	\$ -	\$ 13.00	\$ 13.00	\$ -	\$ -	\$ -	\$ -
2	2009	-	\$ -	\$ -	\$ 13.65	\$ 13.00	\$ 0.65	\$ 0.65	\$ -	\$ -
3	2010	-	\$ -	\$ -	\$ 14.33	\$ 13.00	\$ 1.33	\$ 1.33	\$ -	\$ -
4	2011	-	\$ -	\$ -	\$ 15.05	\$ 13.00	\$ 2.05	\$ 2.05	\$ -	\$ -
5	2012	-	\$ -	\$ -	\$ 15.80	\$ 13.00	\$ 2.80	\$ 2.80	\$ -	\$ -
6	2013	-	\$ 2.60 (12)	\$ 31.20	\$ 16.59	\$ 16.59	\$ -	\$ 31.20	\$ -	\$ -
7	2014	50,000	\$ 2.67	\$ 31.98	\$ 17.42	\$ 16.59	\$ 0.83	\$ 32.81	\$ 1,640,479	\$ 1,640,479
8	2015	50,000	\$ 2.73	\$ 32.78	\$ 18.29	\$ 16.59	\$ 1.70	\$ 34.48	\$ 1,724,007	\$ 1,724,007
9	2016	50,000	\$ 2.80	\$ 33.60	\$ 19.21	\$ 16.59	\$ 2.62	\$ 36.21	\$ 1,810,712	\$ 1,810,712
10	2017	50,000	\$ 2.87	\$ 34.44	\$ 20.17	\$ 16.59	\$ 3.58	\$ 38.01	\$ 1,900,728	\$ 1,900,728
11	2018	50,000	\$ 2.94	\$ 35.30	\$ 21.18	\$ 16.59	\$ 4.58	\$ 39.88	\$ 1,994,195	\$ 1,994,195
12	2019	50,000	\$ 3.02	\$ 36.18	\$ 22.23	\$ 16.59	\$ 5.64	\$ 41.83	\$ 2,091,259	\$ 2,091,259
13	2020	50,000	\$ 3.09	\$ 37.09	\$ 23.35	\$ 16.59	\$ 6.75	\$ 43.84	\$ 2,192,073	\$ 2,192,073
14	2021	50,000	\$ 3.17	\$ 38.01	\$ 24.51	\$ 16.59	\$ 7.92	\$ 45.94	\$ 2,296,797	\$ 2,296,797
15	2022	50,000	\$ 3.25	\$ 38.96	\$ 25.74	\$ 16.59	\$ 9.15	\$ 48.11	\$ 2,405,599	\$ 2,405,599
16	2023	50,000	\$ 3.90	\$ 46.76	\$ 27.03	\$ 27.03	\$ -	\$ 46.76	\$ 2,337,871	\$ 2,337,871
17	2024	50,000	\$ 3.99	\$ 47.93	\$ 28.38	\$ 27.03	\$ 1.35	\$ 49.28	\$ 2,463,883	\$ 2,463,883
18	2025	50,000	\$ 4.09	\$ 49.12	\$ 29.80	\$ 27.03	\$ 2.77	\$ 51.89	\$ 2,594,735	\$ 2,594,735
19	2026	50,000	\$ 4.20	\$ 50.35	\$ 31.29	\$ 27.03	\$ 4.26	\$ 54.61	\$ 2,730,631	\$ 2,730,631
20	2027	50,000	\$ 4.30	\$ 51.61	\$ 32.85	\$ 27.03	\$ 5.82	\$ 57.44	\$ 2,871,787	\$ 2,871,787
21	2028	50,000	\$ 4.41	\$ 52.90	\$ 34.49	\$ 27.03	\$ 7.47	\$ 60.37	\$ 3,018,427	\$ 3,018,427
22	2029	50,000	\$ 4.52	\$ 54.22	\$ 36.22	\$ 27.03	\$ 9.19	\$ 63.42	\$ 3,170,787	\$ 3,170,787
23	2030	50,000	\$ 4.63	\$ 55.58	\$ 38.03	\$ 27.03	\$ 11.00	\$ 66.58	\$ 3,329,111	\$ 3,329,111
24	2031	50,000	\$ 4.75	\$ 56.97	\$ 39.93	\$ 27.03	\$ 12.90	\$ 69.87	\$ 3,493,657	\$ 3,493,657
25	2032	50,000	\$ 4.87	\$ 58.39	\$ 41.93	\$ 27.03	\$ 14.90	\$ 73.29	\$ 3,664,693	\$ 3,664,693
26	2033	50,000	\$ 5.84	\$ 70.07	\$ 44.02	\$ 44.02	\$ -	\$ 70.07	\$ 3,503,617	\$ 3,503,617
27	2034	50,000	\$ 5.99	\$ 71.82	\$ 46.22	\$ 44.02	\$ 2.20	\$ 74.03	\$ 3,701,264	\$ 3,701,264
28	2035	50,000	\$ 6.13	\$ 73.62	\$ 48.53	\$ 44.02	\$ 4.51	\$ 78.13	\$ 3,906,604	\$ 3,906,604
29	2036	50,000	\$ 6.29	\$ 75.46	\$ 50.96	\$ 44.02	\$ 6.94	\$ 82.40	\$ 4,119,966	\$ 4,119,966
30	2037	50,000	\$ 6.45	\$ 77.35	\$ 53.51	\$ 44.02	\$ 9.49	\$ 86.83	\$ 4,341,695	\$ 4,341,695
31	2038	50,000	\$ 6.61	\$ 79.28	\$ 56.19	\$ 44.02	\$ 12.16	\$ 91.44	\$ 4,572,153	\$ 4,572,153
32	2039	50,000	\$ 6.77	\$ 81.26	\$ 58.99	\$ 44.02	\$ 14.97	\$ 96.23	\$ 4,811,717	\$ 4,811,717
33	2040	50,000	\$ 6.94	\$ 83.29	\$ 61.94	\$ 44.02	\$ 17.92	\$ 101.22	\$ 5,060,781	\$ 5,060,781
34	2041	-	\$ 7.11	\$ 85.38	\$ 65.04	\$ 44.02	\$ 21.02	\$ 106.40	\$ -	\$ -
35	2042	-	\$ 7.29	\$ 87.51	\$ 68.29	\$ 44.02	\$ 24.27	\$ 111.78	\$ -	\$ -
36	2043	-	\$ 8.75	\$ 105.01	\$ 71.71	\$ 71.71	\$ -	\$ 105.01	\$ -	\$ -
37	2044	-	\$ 8.97	\$ 107.64	\$ 75.29	\$ 71.71	\$ 3.59	\$ 111.22	\$ -	\$ -
38	2045	-	\$ 9.19	\$ 110.33	\$ 79.06	\$ 71.71	\$ 7.35	\$ 117.68	\$ -	\$ -
39	2046	-	\$ 9.42	\$ 113.09	\$ 83.01	\$ 71.71	\$ 11.30	\$ 124.39	\$ -	\$ -
40	2047	-	\$ 9.66	\$ 115.91	\$ 87.16	\$ 71.71	\$ 15.45	\$ 131.37	\$ -	\$ -
41	2048	-	\$ 9.90	\$ 118.81	\$ 91.52	\$ 71.71	\$ 19.81	\$ 138.62	\$ -	\$ -
42	2049	-	\$ 10.15	\$ 121.78	\$ 96.10	\$ 71.71	\$ 24.39	\$ 146.17	\$ -	\$ -
43	2050	-	\$ 10.40	\$ 124.83	\$ 100.90	\$ 71.71	\$ 29.19	\$ 154.02	\$ -	\$ -
44	2051	-	\$ 10.66	\$ 127.95	\$ 105.95	\$ 71.71	\$ 34.24	\$ 162.19	\$ -	\$ -
45	2052	-	\$ 10.93	\$ 131.15	\$ 111.24	\$ 71.71	\$ 39.53	\$ 170.68	\$ -	\$ -
46	2053	-	\$ 13.11	\$ 157.38	\$ 116.81	\$ 116.81	\$ -	\$ 157.38	\$ -	\$ -
47	2054	-	\$ 13.44	\$ 161.31	\$ 122.65	\$ 116.81	\$ 5.84	\$ 167.15	\$ -	\$ -
48	2055	-	\$ 13.78	\$ 165.34	\$ 128.78	\$ 116.81	\$ 11.97	\$ 177.32	\$ -	\$ -
49	2056	-	\$ 14.12	\$ 169.48	\$ 135.22	\$ 116.81	\$ 18.41	\$ 187.89	\$ -	\$ -
50	2057	-	\$ 14.48	\$ 173.71	\$ 141.98	\$ 116.81	\$ 25.17	\$ 198.89	\$ -	\$ -

Nominal Sum	\$ 81,749,231
NPV (2013)	\$ 38,009,464

Compilation Notes	
(10)	Square footage assumes City will keep 50,000 SF of lease space downtown and lease remaining SF in suburban markets.
(11)	Estimated operating expenses for downtown markets. For details refer to Appendix B, Market Study, Section 4.
(12)	Estimated rents for downtown Class B space, assuming \$20/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 9.

**Suburban Market - Scenario 7
Lease Analysis**

Primary Assumptions	
Rentable Square Feet	356,108 (7)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	20%

Operating Expense Calculation	
Estimated Annual Increase Operating Expense	5.00%

		GSF	PSF	Base	Pass Through
1	2002	\$ -	\$ -	\$ -	\$ -
2	2003	\$ -	\$ -	\$ -	\$ -
3	2004	\$ -	\$ -	\$ -	\$ -
4	2005	\$ -	\$ -	\$ -	\$ -
5	2006	\$ -	\$ -	\$ -	\$ -
6	2007	\$ -	\$ -	\$ -	\$ -
7	2008	\$ -	356,108 (8)	\$ 10.00	\$ 10.00

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	One Time Furniture Expense	Moving Costs	Total Occupancy Costs
1	2008	-	\$ -	\$ -	\$ 10.00	\$ 10.00	\$ -	\$ -	\$ -			\$ -
2	2009	-	\$ -	\$ -	\$ 10.50	\$ 10.00	\$ 0.50	\$ 0.50	\$ -			\$ -
3	2010	-	\$ -	\$ -	\$ 11.03	\$ 10.00	\$ 1.03	\$ 1.03	\$ -			\$ -
4	2011	-	\$ -	\$ -	\$ 11.58	\$ 10.00	\$ 1.58	\$ 1.58	\$ -			\$ -
5	2012	-	\$ -	\$ -	\$ 12.16	\$ 10.00	\$ 2.16	\$ 2.16	\$ -			\$ -
6	2013	-	\$ 2.50 (9)	\$ 30.00	\$ 12.76	\$ 12.76	\$ -	\$ 30.00	\$ -			\$ -
7	2014	356,108	\$ 2.56	\$ 30.75	\$ 13.40	\$ 12.76	\$ 0.64	\$ 31.39	\$ 11,177,558		\$ 395,675	\$ 11,573,233
8	2015	356,108	\$ 2.63	\$ 31.52	\$ 14.07	\$ 12.76	\$ 1.31	\$ 32.83	\$ 11,689,925			\$ 11,689,925
9	2016	356,108	\$ 2.69	\$ 32.31	\$ 14.77	\$ 12.76	\$ 2.01	\$ 34.32	\$ 12,221,066			\$ 12,221,066
10	2017	356,108	\$ 2.76	\$ 33.11	\$ 15.51	\$ 12.76	\$ 2.75	\$ 35.86	\$ 12,771,750			\$ 12,771,750
11	2018	356,108	\$ 2.83	\$ 33.94	\$ 16.29	\$ 12.76	\$ 3.53	\$ 37.47	\$ 13,342,777			\$ 13,342,777
12	2019	356,108	\$ 2.90	\$ 34.79	\$ 17.10	\$ 12.76	\$ 4.34	\$ 39.13	\$ 13,934,985			\$ 13,934,985
13	2020	356,108	\$ 2.97	\$ 35.66	\$ 17.96	\$ 12.76	\$ 5.20	\$ 40.86	\$ 14,549,249			\$ 14,549,249
14	2021	356,108	\$ 3.05	\$ 36.55	\$ 18.86	\$ 12.76	\$ 6.09	\$ 42.65	\$ 15,186,483			\$ 15,186,483
15	2022	356,108	\$ 3.12	\$ 37.47	\$ 19.80	\$ 12.76	\$ 7.04	\$ 44.50	\$ 15,847,642			\$ 15,847,642
16	2023	417,218	\$ 3.75	\$ 44.96	\$ 20.79	\$ 20.79	\$ -	\$ 44.96	\$ 18,757,717	\$ 2,115,720		\$ 20,873,437
17	2024	417,218	\$ 3.84	\$ 46.08	\$ 21.83	\$ 20.79	\$ 1.04	\$ 47.12	\$ 19,660,343			\$ 19,660,343
18	2025	417,218	\$ 3.94	\$ 47.24	\$ 22.92	\$ 20.79	\$ 2.13	\$ 49.37	\$ 20,596,377			\$ 20,596,377
19	2026	417,218	\$ 4.03	\$ 48.42	\$ 24.07	\$ 20.79	\$ 3.28	\$ 51.69	\$ 21,567,195			\$ 21,567,195
20	2027	417,218	\$ 4.14	\$ 49.63	\$ 25.27	\$ 20.79	\$ 4.48	\$ 54.11	\$ 22,574,237			\$ 22,574,237
21	2028	417,218	\$ 4.24	\$ 50.87	\$ 26.53	\$ 20.79	\$ 5.74	\$ 56.61	\$ 23,619,007			\$ 23,619,007
22	2029	417,218	\$ 4.34	\$ 52.14	\$ 27.86	\$ 20.79	\$ 7.07	\$ 59.21	\$ 24,703,074			\$ 24,703,074
23	2030	417,218	\$ 4.45	\$ 53.44	\$ 29.25	\$ 20.79	\$ 8.46	\$ 61.91	\$ 25,828,080			\$ 25,828,080
24	2031	417,218	\$ 4.56	\$ 54.78	\$ 30.72	\$ 20.79	\$ 9.93	\$ 64.70	\$ 26,995,741			\$ 26,995,741
25	2032	417,218	\$ 4.68	\$ 56.15	\$ 32.25	\$ 20.79	\$ 11.46	\$ 67.61	\$ 28,207,850			\$ 28,207,850
26	2033	481,793	\$ 5.61	\$ 67.38	\$ 33.86	\$ 33.86	\$ -	\$ 67.38	\$ 32,461,869	\$ 3,004,571		\$ 35,466,440
27	2034	481,793	\$ 5.76	\$ 69.06	\$ 35.56	\$ 33.86	\$ 1.69	\$ 70.75	\$ 34,089,176			\$ 34,089,176
28	2035	481,793	\$ 5.90	\$ 70.79	\$ 37.33	\$ 33.86	\$ 3.47	\$ 74.26	\$ 35,777,560			\$ 35,777,560
29	2036	481,793	\$ 6.05	\$ 72.56	\$ 39.20	\$ 33.86	\$ 5.34	\$ 77.90	\$ 37,529,567			\$ 37,529,567
30	2037	481,793	\$ 6.20	\$ 74.37	\$ 41.16	\$ 33.86	\$ 7.30	\$ 81.67	\$ 39,347,859			\$ 39,347,859
31	2038	481,793	\$ 6.35	\$ 76.23	\$ 43.22	\$ 33.86	\$ 9.36	\$ 85.59	\$ 41,235,217			\$ 41,235,217
32	2039	481,793	\$ 6.51	\$ 78.14	\$ 45.38	\$ 33.86	\$ 11.52	\$ 89.65	\$ 43,194,547			\$ 43,194,547
33	2040	481,793	\$ 6.67	\$ 80.09	\$ 47.65	\$ 33.86	\$ 13.79	\$ 93.88	\$ 45,228,890			\$ 45,228,890
34	2041	-	\$ 6.84	\$ 82.09	\$ 50.03	\$ 33.86	\$ 16.17	\$ 98.26	\$ -			\$ -
35	2042	-	\$ 7.01	\$ 84.14	\$ 52.53	\$ 33.86	\$ 18.67	\$ 102.81	\$ -			\$ -
36	2043	-	\$ 8.41	\$ 100.97	\$ 55.16	\$ 55.16	\$ -	\$ 100.97	\$ -	\$ -		\$ -
37	2044	-	\$ 8.62	\$ 103.50	\$ 57.92	\$ 55.16	\$ 2.76	\$ 106.26	\$ -			\$ -
38	2045	-	\$ 8.84	\$ 106.09	\$ 60.81	\$ 55.16	\$ 5.65	\$ 111.74	\$ -			\$ -
39	2046	-	\$ 9.06	\$ 108.74	\$ 63.85	\$ 55.16	\$ 8.69	\$ 117.43	\$ -			\$ -
40	2047	-	\$ 9.29	\$ 111.46	\$ 67.05	\$ 55.16	\$ 11.89	\$ 123.34	\$ -			\$ -
41	2048	-	\$ 9.52	\$ 114.24	\$ 70.40	\$ 55.16	\$ 15.24	\$ 129.48	\$ -			\$ -
42	2049	-	\$ 9.76	\$ 117.10	\$ 73.92	\$ 55.16	\$ 18.76	\$ 135.86	\$ -			\$ -
43	2050	-	\$ 10.00	\$ 120.03	\$ 77.62	\$ 55.16	\$ 22.46	\$ 142.48	\$ -			\$ -
44	2051	-	\$ 10.25	\$ 123.03	\$ 81.50	\$ 55.16	\$ 26.34	\$ 149.36	\$ -			\$ -
45	2052	-	\$ 10.51	\$ 126.10	\$ 85.57	\$ 55.16	\$ 30.41	\$ 156.51	\$ -			\$ -
46	2053	-	\$ 12.61	\$ 151.32	\$ 89.85	\$ 89.85	\$ -	\$ 151.32	\$ -	\$ -		\$ -
47	2054	-	\$ 12.93	\$ 155.11	\$ 94.34	\$ 89.85	\$ 4.49	\$ 159.60	\$ -			\$ -
48	2055	-	\$ 13.25	\$ 158.98	\$ 99.06	\$ 89.85	\$ 9.21	\$ 168.19	\$ -			\$ -
49	2056	-	\$ 13.58	\$ 162.96	\$ 104.01	\$ 89.85	\$ 14.16	\$ 177.12	\$ -			\$ -
50	2057	-	\$ 13.92	\$ 167.03	\$ 109.21	\$ 89.85	\$ 19.36	\$ 186.40	\$ -			\$ -

	Capital	Operating	
Nominal Sum	\$ 5,120,291	\$ 662,491,415	\$ 667,611,706
NPV (2013)	\$ 4,722,489	\$ 292,962,980	\$ 297,685,469

Compilation Notes	
(7)	Square footage assumes City will keep 50,000 SF of lease space downtown and lease remaining SF in suburban markets.
(8)	Estimated operating expenses for suburban markets. For details refer to Appendix B, Market Study, Section 9.
(9)	Estimated rents for suburban markets assuming \$20/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 9.

**Suburban Market - Scenario 6
Lease Analysis**

Primary Assumptions	
Rentable Square Feet	88,929 (4)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	20%

Operating Expense Calculation				
Estimated Annual Increase Operating Expense	5.00%			
	GSF	PSF	Base	Pass Through
1 2002	\$ -	\$ -	\$ -	\$ -
2 2003	\$ -	\$ -	\$ -	\$ -
3 2004	\$ -	\$ -	\$ -	\$ -
4 2005	\$ -	\$ -	\$ -	\$ -
5 2006	\$ -	\$ -	\$ -	\$ -
6 2007	\$ -	\$ -	\$ -	\$ -
7 2008	\$ -	88,929	\$ 10.00	\$ 10.00

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	One Time Furniture Expense	Moving Costs	Total Occupancy Costs
1	2008	-	\$ -	\$ -	\$ 10.00	\$ 10.00	\$ -	\$ -	\$ -			\$ -
2	2009	-	\$ -	\$ -	\$ 10.50	\$ 10.00	\$ 0.50	\$ 0.50	\$ -			\$ -
3	2010	-	\$ -	\$ -	\$ 11.03	\$ 10.00	\$ 1.03	\$ 1.03	\$ -			\$ -
4	2011	-	\$ -	\$ -	\$ 11.58	\$ 10.00	\$ 1.58	\$ 1.58	\$ -			\$ -
5	2012	-	\$ -	\$ -	\$ 12.16	\$ 10.00	\$ 2.16	\$ 2.16	\$ -			\$ -
6	2013	-	\$ 2.50 (6)	\$ 30.00	\$ 12.76	\$ 12.76	\$ -	\$ 30.00	\$ -			\$ -
7	2014	88,929	\$ 2.56	\$ 30.75	\$ 13.40	\$ 12.76	\$ 0.64	\$ 31.39	\$ 2,791,321		\$ 98,810	\$ 2,890,132
8	2015	88,929	\$ 2.63	\$ 31.52	\$ 14.07	\$ 12.76	\$ 1.31	\$ 32.83	\$ 2,919,273			\$ 2,919,273
9	2016	88,929	\$ 2.69	\$ 32.31	\$ 14.77	\$ 12.76	\$ 2.01	\$ 34.32	\$ 3,051,912			\$ 3,051,912
10	2017	88,929	\$ 2.76	\$ 33.11	\$ 15.51	\$ 12.76	\$ 2.75	\$ 35.86	\$ 3,189,432			\$ 3,189,432
11	2018	88,929	\$ 2.83	\$ 33.94	\$ 16.29	\$ 12.76	\$ 3.53	\$ 37.47	\$ 3,332,032			\$ 3,332,032
12	2019	88,929	\$ 2.90	\$ 34.79	\$ 17.10	\$ 12.76	\$ 4.34	\$ 39.13	\$ 3,479,921			\$ 3,479,921
13	2020	88,929	\$ 2.97	\$ 35.66	\$ 17.96	\$ 12.76	\$ 5.20	\$ 40.86	\$ 3,633,319			\$ 3,633,319
14	2021	88,929	\$ 3.05	\$ 36.55	\$ 18.86	\$ 12.76	\$ 6.09	\$ 42.65	\$ 3,792,452			\$ 3,792,452
15	2022	88,929	\$ 3.12	\$ 37.47	\$ 19.80	\$ 12.76	\$ 7.04	\$ 44.50	\$ 3,957,561			\$ 3,957,561
16	2023	150,039	\$ 3.75	\$ 44.96	\$ 20.79	\$ 20.79	\$ -	\$ 44.96	\$ 6,745,621	\$ 2,115,720		\$ 8,861,341
17	2024	150,039	\$ 3.84	\$ 46.08	\$ 21.83	\$ 20.79	\$ 1.04	\$ 47.12	\$ 7,070,222			\$ 7,070,222
18	2025	150,039	\$ 3.94	\$ 47.24	\$ 22.92	\$ 20.79	\$ 2.13	\$ 49.37	\$ 7,406,837			\$ 7,406,837
19	2026	150,039	\$ 4.03	\$ 48.42	\$ 24.07	\$ 20.79	\$ 3.28	\$ 51.69	\$ 7,755,961			\$ 7,755,961
20	2027	150,039	\$ 4.14	\$ 49.63	\$ 25.27	\$ 20.79	\$ 4.48	\$ 54.11	\$ 8,118,112			\$ 8,118,112
21	2028	150,039	\$ 4.24	\$ 50.87	\$ 26.53	\$ 20.79	\$ 5.74	\$ 56.61	\$ 8,493,831			\$ 8,493,831
22	2029	150,039	\$ 4.34	\$ 52.14	\$ 27.86	\$ 20.79	\$ 7.07	\$ 59.21	\$ 8,883,681			\$ 8,883,681
23	2030	150,039	\$ 4.45	\$ 53.44	\$ 29.25	\$ 20.79	\$ 8.46	\$ 61.91	\$ 9,288,254			\$ 9,288,254
24	2031	150,039	\$ 4.56	\$ 54.78	\$ 30.72	\$ 20.79	\$ 9.93	\$ 64.70	\$ 9,708,167			\$ 9,708,167
25	2032	150,039	\$ 4.68	\$ 56.15	\$ 32.25	\$ 20.79	\$ 11.46	\$ 67.61	\$ 10,144,063			\$ 10,144,063
26	2033	214,614	\$ 5.61	\$ 67.38	\$ 33.86	\$ 33.86	\$ -	\$ 67.38	\$ 14,460,114	\$ 3,004,571		\$ 17,464,686
27	2034	214,614	\$ 5.76	\$ 69.06	\$ 35.56	\$ 33.86	\$ 1.69	\$ 70.75	\$ 15,184,997			\$ 15,184,997
28	2035	214,614	\$ 5.90	\$ 70.79	\$ 37.33	\$ 33.86	\$ 3.47	\$ 74.26	\$ 15,937,086			\$ 15,937,086
29	2036	214,614	\$ 6.05	\$ 72.56	\$ 39.20	\$ 33.86	\$ 5.34	\$ 77.90	\$ 16,717,517			\$ 16,717,517
30	2037	214,614	\$ 6.20	\$ 74.37	\$ 41.16	\$ 33.86	\$ 7.30	\$ 81.67	\$ 17,527,473			\$ 17,527,473
31	2038	214,614	\$ 6.35	\$ 76.23	\$ 43.22	\$ 33.86	\$ 9.36	\$ 85.59	\$ 18,368,195			\$ 18,368,195
32	2039	214,614	\$ 6.51	\$ 78.14	\$ 45.38	\$ 33.86	\$ 11.52	\$ 89.65	\$ 19,240,978			\$ 19,240,978
33	2040	214,614	\$ 6.67	\$ 80.09	\$ 47.65	\$ 33.86	\$ 13.79	\$ 93.88	\$ 20,147,174			\$ 20,147,174
34	2041	-	\$ 6.84	\$ 82.09	\$ 50.03	\$ 33.86	\$ 16.17	\$ 98.26	\$ -			\$ -
35	2042	-	\$ 7.01	\$ 84.14	\$ 52.53	\$ 33.86	\$ 18.67	\$ 102.81	\$ -			\$ -
36	2043	-	\$ 8.41	\$ 100.97	\$ 55.16	\$ 55.16	\$ -	\$ 100.97	\$ -	\$ -		\$ -
37	2044	-	\$ 8.62	\$ 103.50	\$ 57.92	\$ 55.16	\$ 2.76	\$ 106.26	\$ -			\$ -
38	2045	-	\$ 8.84	\$ 106.09	\$ 60.81	\$ 55.16	\$ 5.65	\$ 111.74	\$ -			\$ -
39	2046	-	\$ 9.06	\$ 108.74	\$ 63.85	\$ 55.16	\$ 8.69	\$ 117.43	\$ -			\$ -
40	2047	-	\$ 9.29	\$ 111.46	\$ 67.05	\$ 55.16	\$ 11.89	\$ 123.34	\$ -			\$ -
41	2048	-	\$ 9.52	\$ 114.24	\$ 70.40	\$ 55.16	\$ 15.24	\$ 129.48	\$ -			\$ -
42	2049	-	\$ 9.76	\$ 117.10	\$ 73.92	\$ 55.16	\$ 18.76	\$ 135.86	\$ -			\$ -
43	2050	-	\$ 10.00	\$ 120.03	\$ 77.62	\$ 55.16	\$ 22.46	\$ 142.48	\$ -			\$ -
44	2051	-	\$ 10.25	\$ 123.03	\$ 81.50	\$ 55.16	\$ 26.34	\$ 149.36	\$ -			\$ -
45	2052	-	\$ 10.51	\$ 126.10	\$ 85.57	\$ 55.16	\$ 30.41	\$ 156.51	\$ -			\$ -
46	2053	-	\$ 12.61	\$ 151.32	\$ 89.85	\$ 89.85	\$ -	\$ 151.32	\$ -	\$ -		\$ -
47	2054	-	\$ 12.93	\$ 155.11	\$ 94.34	\$ 89.85	\$ 4.49	\$ 159.60	\$ -			\$ -
48	2055	-	\$ 13.25	\$ 158.98	\$ 99.06	\$ 89.85	\$ 9.21	\$ 168.19	\$ -			\$ -
49	2056	-	\$ 13.58	\$ 162.96	\$ 104.01	\$ 89.85	\$ 14.16	\$ 177.12	\$ -			\$ -
50	2057	-	\$ 13.92	\$ 167.03	\$ 109.21	\$ 89.85	\$ 19.36	\$ 186.40	\$ -			\$ -

	Capital	Operating
Nominal Sum	\$ 5,120,291	\$ 251,444,319
NPV (2013)	\$ 4,722,489	\$ 101,502,984
	\$ 256,564,610	\$ 106,225,473

Compilation Notes	
(4)	Square footage assumes City will keep 50,000 SF of lease space downtown and lease remaining SF in suburban markets.
(5)	Estimated operating expenses for suburban markets. For details refer to Appendix B, Market Study, Section 9.
(6)	Estimated rent for suburban markets assuming \$20/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 9.

**Library & Publishing, Offsite, Kearny Mesa
Lease Analysis - Scenarios 1 - 3, 5 and 7**

New Worksheet - Relocation Concurrent With Construction of New City Hall in 30 Years

Primary Assumptions	
Rentable Square Feet	40,000 (1)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	2.5%

Operating Expense Calculation					
Estimated Annual Increase Operating Expense					5.00%
		GSF	PSF	Base	Pass Through
1	2002	\$ -	\$ -	\$ -	\$ -
2	2003	\$ -	\$ -	\$ -	\$ -
3	2004	\$ -	\$ -	\$ -	\$ -
4	2005	\$ -	\$ -	\$ -	\$ -
5	2006	\$ -	\$ -	\$ -	\$ -
6	2007	\$ -	\$ -	\$ -	\$ -
7	2008	\$ -	40,000	\$ 7.20	\$ -
					\$ 7.20 (2)

Year No.	Year Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Relocation Costs	Total Occupancy Costs
1	2008	-	\$ 1.20 (3)	\$ 14.40	\$ 7.20	\$ -	\$ 7.20	\$ 21.60	\$ -	\$ -	\$ -
2	2009	-	\$ 1.23	\$ 14.76	\$ 7.56	\$ -	\$ 7.56	\$ 22.32	\$ -	\$ -	\$ -
3	2010	-	\$ 1.26	\$ 15.13	\$ 7.94	\$ -	\$ 7.94	\$ 23.07	\$ -	\$ -	\$ -
4	2011	-	\$ 1.29	\$ 15.51	\$ 8.33	\$ -	\$ 8.33	\$ 23.84	\$ -	\$ -	\$ -
5	2012	-	\$ 1.32	\$ 15.89	\$ 8.75	\$ -	\$ 8.75	\$ 24.65	\$ -	\$ -	\$ -
6	2013	-	\$ 1.36	\$ 16.29	\$ 9.19	\$ -	\$ 9.19	\$ 25.48	\$ -	\$ -	\$ -
7	2014	-	\$ 1.39	\$ 16.70	\$ 9.65	\$ -	\$ 9.65	\$ 26.35	\$ -	\$ -	\$ -
8	2015	-	\$ 1.43	\$ 17.12	\$ 10.13	\$ -	\$ 10.13	\$ 27.25	\$ -	\$ -	\$ -
9	2016	-	\$ 1.46	\$ 17.55	\$ 10.64	\$ -	\$ 10.64	\$ 28.18	\$ -	\$ -	\$ -
10	2017	-	\$ 1.50	\$ 17.98	\$ 11.17	\$ -	\$ 11.17	\$ 29.15	\$ -	\$ -	\$ -
11	2018	-	\$ 1.54	\$ 18.43	\$ 11.73	\$ -	\$ 11.73	\$ 30.16	\$ -	\$ -	\$ -
12	2019	-	\$ 1.57	\$ 18.89	\$ 12.31	\$ -	\$ 12.31	\$ 31.21	\$ -	\$ -	\$ -
13	2020	-	\$ 1.61	\$ 19.37	\$ 12.93	\$ -	\$ 12.93	\$ 32.30	\$ -	\$ -	\$ -
14	2021	-	\$ 1.65	\$ 19.85	\$ 13.58	\$ -	\$ 13.58	\$ 33.43	\$ -	\$ -	\$ -
15	2022	-	\$ 1.70	\$ 20.35	\$ 14.26	\$ -	\$ 14.26	\$ 34.60	\$ -	\$ -	\$ -
16	2023	-	\$ 1.74	\$ 20.86	\$ 14.97	\$ -	\$ 14.97	\$ 35.82	\$ -	\$ -	\$ -
17	2024	-	\$ 1.78	\$ 21.38	\$ 15.72	\$ -	\$ 15.72	\$ 37.09	\$ -	\$ -	\$ -
18	2025	-	\$ 1.83	\$ 21.91	\$ 16.50	\$ -	\$ 16.50	\$ 38.41	\$ -	\$ -	\$ -
19	2026	-	\$ 1.87	\$ 22.46	\$ 17.33	\$ -	\$ 17.33	\$ 39.79	\$ -	\$ -	\$ -
20	2027	-	\$ 1.92	\$ 23.02	\$ 18.19	\$ -	\$ 18.19	\$ 41.21	\$ -	\$ -	\$ -
21	2028	-	\$ 1.97	\$ 23.60	\$ 19.10	\$ -	\$ 19.10	\$ 42.70	\$ -	\$ -	\$ -
22	2029	-	\$ 2.02	\$ 24.19	\$ 20.06	\$ -	\$ 20.06	\$ 44.24	\$ -	\$ -	\$ -
23	2030	-	\$ 2.07	\$ 24.79	\$ 21.06	\$ -	\$ 21.06	\$ 45.85	\$ -	\$ -	\$ -
24	2031	-	\$ 2.12	\$ 25.41	\$ 22.11	\$ -	\$ 22.11	\$ 47.53	\$ -	\$ -	\$ -
25	2032	-	\$ 2.17	\$ 26.05	\$ 23.22	\$ -	\$ 23.22	\$ 49.27	\$ -	\$ -	\$ -
26	2033	-	\$ 2.22	\$ 26.70	\$ 24.38	\$ -	\$ 24.38	\$ 51.08	\$ -	\$ -	\$ -
27	2034	-	\$ 2.28	\$ 27.36	\$ 25.60	\$ -	\$ 25.60	\$ 52.97	\$ -	\$ -	\$ -
28	2035	-	\$ 2.34	\$ 28.05	\$ 26.88	\$ -	\$ 26.88	\$ 54.93	\$ -	\$ -	\$ -
29	2036	-	\$ 2.40	\$ 28.75	\$ 28.22	\$ -	\$ 28.22	\$ 56.97	\$ -	\$ -	\$ -
30	2037	-	\$ 2.46	\$ 29.47	\$ 29.64	\$ -	\$ 29.64	\$ 59.10	\$ -	\$ -	\$ -
31	2038	-	\$ 2.52	\$ 30.20	\$ 31.12	\$ -	\$ 31.12	\$ 61.32	\$ -	\$ -	\$ -
32	2039	40,000	\$ 2.58	\$ 30.96	\$ 32.67	\$ -	\$ 32.67	\$ 63.63	\$ 2,545,359	\$ 970,905	\$ 3,516,264
33	2040	40,000	\$ 2.64	\$ 31.73	\$ 34.31	\$ -	\$ 34.31	\$ 66.04	\$ 2,641,667	\$ -	\$ 2,641,667
34	2041	40,000	\$ 2.71	\$ 32.53	\$ 36.02	\$ -	\$ 36.02	\$ 68.55	\$ 2,742,016	\$ -	\$ 2,742,016
35	2042	40,000	\$ 2.78	\$ 33.34	\$ 37.82	\$ -	\$ 37.82	\$ 71.16	\$ 2,846,590	\$ -	\$ 2,846,590
36	2043	40,000	\$ 2.85	\$ 34.17	\$ 39.72	\$ -	\$ 39.72	\$ 73.89	\$ 2,955,579	\$ -	\$ 2,955,579
37	2044	40,000	\$ 2.92	\$ 35.03	\$ 41.70	\$ -	\$ 41.70	\$ 76.73	\$ 3,069,183	\$ -	\$ 3,069,183
38	2045	40,000	\$ 2.99	\$ 35.90	\$ 43.79	\$ -	\$ 43.79	\$ 79.69	\$ 3,187,614	\$ -	\$ 3,187,614
39	2046	40,000	\$ 3.07	\$ 36.80	\$ 45.98	\$ -	\$ 45.98	\$ 82.78	\$ 3,311,091	\$ -	\$ 3,311,091
40	2047	40,000	\$ 3.14	\$ 37.72	\$ 48.27	\$ -	\$ 48.27	\$ 86.00	\$ 3,439,843	\$ -	\$ 3,439,843
41	2048	40,000	\$ 3.22	\$ 38.66	\$ 50.69	\$ -	\$ 50.69	\$ 89.35	\$ 3,574,114	\$ -	\$ 3,574,114
42	2049	40,000	\$ 3.30	\$ 39.63	\$ 53.22	\$ -	\$ 53.22	\$ 92.85	\$ 3,714,154	\$ -	\$ 3,714,154
43	2050	40,000	\$ 3.39	\$ 40.62	\$ 55.88	\$ -	\$ 55.88	\$ 96.51	\$ 3,860,230	\$ -	\$ 3,860,230
44	2051	40,000	\$ 3.47	\$ 41.64	\$ 58.68	\$ -	\$ 58.68	\$ 100.32	\$ 4,012,620	\$ -	\$ 4,012,620
45	2052	40,000	\$ 3.56	\$ 42.68	\$ 61.61	\$ -	\$ 61.61	\$ 104.29	\$ 4,171,613	\$ -	\$ 4,171,613
46	2053	40,000	\$ 3.65	\$ 43.75	\$ 64.69	\$ -	\$ 64.69	\$ 108.44	\$ 4,337,515	\$ -	\$ 4,337,515
47	2054	40,000	\$ 3.74	\$ 44.84	\$ 67.93	\$ -	\$ 67.93	\$ 112.77	\$ 4,510,644	\$ -	\$ 4,510,644
48	2055	40,000	\$ 3.83	\$ 45.96	\$ 71.32	\$ -	\$ 71.32	\$ 117.28	\$ 4,691,337	\$ -	\$ 4,691,337
49	2056	40,000	\$ 3.93	\$ 47.11	\$ 74.89	\$ -	\$ 74.89	\$ 122.00	\$ 4,879,944	\$ -	\$ 4,879,944
50	2057	40,000	\$ 4.02	\$ 48.29	\$ 78.63	\$ -	\$ 78.63	\$ 126.92	\$ 5,076,831	\$ -	\$ 5,076,831

Nominal Sum		\$ 70,538,849
NPV (2013)	5.25%	\$ 11,636,804

Compilation Notes	
(1)	Square Footage Requirements per Gensler Facilities Needs Assessment.
(2)	Estimated triple net expenses for 2008. For details refer to Appendix B, Market Study, Section 8.
(3)	Estimated triple net market rent. For details refer to Appendix B, Market Study, Section 8.

**Civic Center Plaza - Scenarios 6 & 7
Lease Analysis**

Primary Assumptions		
Rentable Square Feet	243,176	(17)
Projected Annual Rent Escalation	2.5%	
Forecast Rental Resets (10 Years)	20%	Lease Expires 7/23/14

Operating Expense Calculation					
Estimated Annual Increase Operating Expense					
			5.00%		
		GSF	PSF	Base	Pass Through
1	2002	\$ -	\$ -	\$ -	\$ -
2	2003	\$ -	\$ -	\$ -	\$ -
3	2004	\$ -	\$ -	\$ -	\$ -
4	2005	\$ -	\$ -	\$ -	\$ -
5	2006	\$ -	\$ -	\$ -	\$ -
6	2007	\$ -	(18) \$ 9.50	\$ 8.22	\$ 1.28
7	2008	\$ -	\$ 9.98	\$ 8.22	\$ 1.76

Swing Space Calculations			
Year	SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7		\$ 39.40	\$ -
8		\$ 40.59	\$ -

Year	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	One Time Furniture Expense	Swing Space for Renovation	Total Occupancy Costs
1	2008	243,176	\$ 1.45	(19) \$ 17.40	\$ 9.98	\$ 8.22	\$ 1.76	\$ 19.16	\$ 4,658,036		\$ 4,658,036
2	2009	243,176	\$ 1.45	\$ 17.40	\$ 10.47	\$ 8.22	\$ 2.25	\$ 19.65	\$ 4,779,320		\$ 4,779,320
3	2010	243,176	\$ 1.45	\$ 17.40	\$ 11.00	\$ 8.22	\$ 2.78	\$ 20.18	\$ 4,906,669		\$ 4,906,669
4	2011	243,176	\$ 1.45	\$ 17.40	\$ 11.55	\$ 8.22	\$ 3.33	\$ 20.73	\$ 5,040,384		\$ 5,040,384
5	2012	243,176	\$ 1.45	\$ 17.40	\$ 12.12	\$ 8.22	\$ 3.90	\$ 21.30	\$ 5,180,786		\$ 5,180,786
6	2013	243,176	\$ 1.45	\$ 17.40	\$ 12.73	\$ 8.22	\$ 4.51	\$ 21.91	\$ 5,328,207		\$ 5,328,207
7	2014	243,176	\$ 1.45	(20) \$ 17.40	\$ 13.37	\$ 8.22	\$ 5.15	\$ 22.55	\$ 3,198,416	\$ -	\$ 3,198,416
8	2015	-	\$ 2.77	\$ 33.22	\$ 14.04	\$ 13.37	\$ 0.67	\$ 33.89	\$ -	\$ -	\$ -
9	2016	-	\$ 2.84	\$ 34.05	\$ 14.74	\$ 13.37	\$ 1.37	\$ 35.42	\$ -	\$ -	\$ -
10	2017	-	\$ 2.91	\$ 34.90	\$ 15.47	\$ 13.37	\$ 2.11	\$ 37.01	\$ -	\$ -	\$ -
11	2018	-	\$ 2.98	\$ 35.78	\$ 16.25	\$ 13.37	\$ 2.88	\$ 38.66	\$ -	\$ -	\$ -
12	2019	-	\$ 3.06	\$ 36.67	\$ 17.06	\$ 13.37	\$ 3.69	\$ 40.36	\$ -	\$ -	\$ -
13	2020	-	\$ 3.13	\$ 37.59	\$ 17.91	\$ 13.37	\$ 4.55	\$ 42.13	\$ -	\$ -	\$ -
14	2021	-	\$ 3.21	\$ 38.53	\$ 18.81	\$ 13.37	\$ 5.44	\$ 43.97	\$ -	\$ -	\$ -
15	2022	-	\$ 3.29	\$ 39.49	\$ 19.75	\$ 13.37	\$ 6.38	\$ 45.87	\$ -	\$ -	\$ -
16	2023	-	\$ 3.37	\$ 40.48	\$ 20.74	\$ 13.37	\$ 7.37	\$ 47.85	\$ -	\$ -	\$ -
17	2024	-	\$ 4.05	\$ 48.57	\$ 21.77	\$ 21.77	\$ -	\$ 48.57	\$ -	\$ -	\$ -
18	2025	-	\$ 4.15	\$ 49.79	\$ 22.86	\$ 21.77	\$ 1.09	\$ 50.88	\$ -	\$ -	\$ -
19	2026	-	\$ 4.25	\$ 51.03	\$ 24.01	\$ 21.77	\$ 2.23	\$ 53.26	\$ -	\$ -	\$ -
20	2027	-	\$ 4.36	\$ 52.31	\$ 25.21	\$ 21.77	\$ 3.43	\$ 55.74	\$ -	\$ -	\$ -
21	2028	-	\$ 4.47	\$ 53.62	\$ 26.47	\$ 21.77	\$ 4.69	\$ 58.31	\$ -	\$ -	\$ -
22	2029	-	\$ 4.58	\$ 54.96	\$ 27.79	\$ 21.77	\$ 6.02	\$ 60.97	\$ -	\$ -	\$ -
23	2030	-	\$ 4.69	\$ 56.33	\$ 29.18	\$ 21.77	\$ 7.41	\$ 63.74	\$ -	\$ -	\$ -
24	2031	-	\$ 4.81	\$ 57.74	\$ 30.64	\$ 21.77	\$ 8.86	\$ 66.60	\$ -	\$ -	\$ -
25	2032	-	\$ 4.93	\$ 59.18	\$ 32.17	\$ 21.77	\$ 10.40	\$ 69.58	\$ -	\$ -	\$ -
26	2033	-	\$ 5.06	\$ 60.66	\$ 33.78	\$ 21.77	\$ 12.00	\$ 72.67	\$ -	\$ -	\$ -
27	2034	-	\$ 6.07	\$ 72.79	\$ 35.47	\$ 35.47	\$ -	\$ 72.79	\$ -	\$ -	\$ -
28	2035	-	\$ 6.22	\$ 74.61	\$ 37.24	\$ 35.47	\$ 1.77	\$ 76.39	\$ -	\$ -	\$ -
29	2036	-	\$ 6.37	\$ 76.48	\$ 39.10	\$ 35.47	\$ 3.64	\$ 80.12	\$ -	\$ -	\$ -
30	2037	-	\$ 6.53	\$ 78.39	\$ 41.06	\$ 35.47	\$ 5.59	\$ 83.98	\$ -	\$ -	\$ -
31	2038	-	\$ 6.70	\$ 80.35	\$ 43.11	\$ 35.47	\$ 7.64	\$ 88.00	\$ -	\$ -	\$ -
32	2039	-	\$ 6.86	\$ 82.36	\$ 45.27	\$ 35.47	\$ 9.80	\$ 92.16	\$ -	\$ -	\$ -
33	2040	-	\$ 7.03	\$ 84.42	\$ 47.53	\$ 35.47	\$ 12.06	\$ 96.48	\$ -	\$ -	\$ -
34	2041	-	\$ 7.21	\$ 86.53	\$ 49.91	\$ 35.47	\$ 14.44	\$ 100.97	\$ -	\$ -	\$ -
35	2042	-	\$ 7.39	\$ 88.69	\$ 52.40	\$ 35.47	\$ 16.93	\$ 105.63	\$ -	\$ -	\$ -
36	2043	-	\$ 7.58	\$ 90.91	\$ 55.02	\$ 35.47	\$ 19.55	\$ 110.47	\$ -	\$ -	\$ -
37	2044	-	\$ 9.09	\$ 109.09	\$ 57.77	\$ 57.77	\$ -	\$ 109.09	\$ -	\$ -	\$ -
38	2045	-	\$ 9.32	\$ 111.82	\$ 60.66	\$ 57.77	\$ 2.89	\$ 114.71	\$ -	\$ -	\$ -
39	2046	-	\$ 9.55	\$ 114.62	\$ 63.70	\$ 57.77	\$ 5.92	\$ 120.54	\$ -	\$ -	\$ -
40	2047	-	\$ 9.79	\$ 117.48	\$ 66.88	\$ 57.77	\$ 9.11	\$ 126.59	\$ -	\$ -	\$ -
41	2048	-	\$ 10.03	\$ 120.42	\$ 70.22	\$ 57.77	\$ 12.45	\$ 132.87	\$ -	\$ -	\$ -
42	2049	-	\$ 10.29	\$ 123.43	\$ 73.74	\$ 57.77	\$ 15.96	\$ 139.39	\$ -	\$ -	\$ -
43	2050	-	\$ 10.54	\$ 126.51	\$ 77.42	\$ 57.77	\$ 19.65	\$ 146.16	\$ -	\$ -	\$ -
44	2051	-	\$ 10.81	\$ 129.68	\$ 81.29	\$ 57.77	\$ 23.52	\$ 153.20	\$ -	\$ -	\$ -
45	2052	-	\$ 11.08	\$ 132.92	\$ 85.36	\$ 57.77	\$ 27.58	\$ 160.50	\$ -	\$ -	\$ -
46	2053	-	\$ 11.35	\$ 136.24	\$ 89.63	\$ 57.77	\$ 31.85	\$ 168.09	\$ -	\$ -	\$ -
47	2054	-	\$ 13.62	\$ 163.49	\$ 94.11	\$ 94.11	\$ -	\$ 163.49	\$ -	\$ -	\$ -
48	2055	-	\$ 13.96	\$ 167.58	\$ 98.81	\$ 94.11	\$ 4.71	\$ 172.28	\$ -	\$ -	\$ -
49	2056	-	\$ 14.31	\$ 171.77	\$ 103.75	\$ 94.11	\$ 9.65	\$ 181.41	\$ -	\$ -	\$ -
50	2057	-	\$ 14.67	\$ 176.06	\$ 108.94	\$ 94.11	\$ 14.83	\$ 190.89	\$ -	\$ -	\$ -

Nominal Sum		\$ 33,091,819
NPV (2013)	5.25%	\$ 32,932,278

Compilation Notes
(17) Per Article 1 of the 13th Amendment to the lease dated June 15, 2007
(18) 2007 accrued direct operating expenses prepared by Landlord.
(19) Per Article 2 of 2nd amendment to the Lease dated December 31, 2007

Parkade - Scenario 5 Only

Total Square Feet: 580,076

Renovation to Code/Standard	
Estimated Renovation Costs	\$ -
Furniture	\$ -
Technology	\$ -
Security	\$ -
Other 1	\$ -
Other 2	\$ -
Other 3	\$ -
Total Project Budget	\$ -

Debt Service Calculations	
Amount	\$ -
Term	30
Interest Rate	5.25%
Debt Service	\$ -

Operating Expense Calculations	
2007 Operating Costs	\$ 304,974 (15)
Estimated Annual Increases	5.0%
Parking Income Annual Increases	4.0%

Year	Debt Service	Operating Expenses	Parking Income	Less: Parking Subsidy	Total Occupancy
1 2008	\$ -	\$ 320,223	\$ (2,000,000)	\$ 1,000,000	\$ (679,777)
2 2009	\$ -	\$ 336,234	\$ (2,080,000)	\$ 1,040,000	\$ (703,766)
3 2010	\$ -	\$ 353,046 (16)	\$ (2,163,200)	\$ 1,081,600	\$ (728,554)
4 2011	\$ -	\$ 370,698	\$ (2,249,728)	\$ 1,124,864	\$ (754,166)
5 2012	\$ -	\$ 389,233	\$ (2,339,717)	\$ 1,169,859	\$ (780,626)
6 2013	\$ -	\$ 408,694	\$ (2,433,306)	\$ 1,216,653	\$ (807,959)
7 2014	\$ -	\$ 429,129	\$ (2,530,638)	\$ 1,265,319	\$ (836,190)
8 2015	\$ -	\$ 450,585	\$ (2,631,864)	\$ 1,315,932	\$ (865,346)
9 2016	\$ -	\$ 473,115	\$ (2,737,138)	\$ 1,368,569	\$ (895,454)
10 2017	\$ -	\$ 496,771	\$ (2,846,624)	\$ 1,423,312	\$ (926,541)
11 2018	\$ -	\$ 521,609	\$ (2,960,489)	\$ 1,480,244	\$ (958,635)
12 2019	\$ -	\$ 547,689	\$ (3,078,908)	\$ 1,539,454	\$ (991,765)
13 2020	\$ -	\$ 575,074	\$ (3,202,064)	\$ 1,601,032	\$ (1,025,958)
14 2021	\$ -	\$ 603,828	\$ (3,330,147)	\$ 1,665,074	\$ (1,061,246)
15 2022	\$ -	\$ 634,019	\$ (3,463,353)	\$ 1,731,676	\$ (1,097,657)
16 2023	\$ -	\$ 665,720	\$ (3,601,887)	\$ 1,800,944	\$ (1,135,224)
17 2024	\$ -	\$ 699,006	\$ (3,745,962) (69)	\$ 1,872,981 (70)	\$ (1,173,975)
18 2025	\$ -	\$ 733,956	\$ (3,895,801)	\$ 1,947,900	\$ (1,213,944)
19 2026	\$ -	\$ 770,654	\$ (4,051,633)	\$ 2,025,817	\$ (1,255,162)
20 2027	\$ -	\$ 809,187	\$ (4,213,698)	\$ 2,106,849	\$ (1,297,662)
21 2028	\$ -	\$ 849,646	\$ (4,382,246)	\$ 2,191,123	\$ (1,341,477)
22 2029	\$ -	\$ 892,128	\$ (4,557,536)	\$ 2,278,768	\$ (1,386,640)
23 2030	\$ -	\$ 936,735	\$ (4,739,838)	\$ 2,369,919	\$ (1,433,184)
24 2031	\$ -	\$ 983,572	\$ (4,929,431)	\$ 2,464,716	\$ (1,481,144)
25 2032	\$ -	\$ 1,032,750	\$ (5,126,608)	\$ 2,563,304	\$ (1,530,554)
26 2033	\$ -	\$ 1,084,388	\$ (5,331,673)	\$ 2,665,836	\$ (1,581,449)
27 2034	\$ -	\$ 1,138,607	\$ (5,544,940)	\$ 2,772,470	\$ (1,633,863)
28 2035	\$ -	\$ 1,195,537	\$ (5,766,737)	\$ 2,883,369	\$ (1,687,831)
29 2036	\$ -	\$ 1,255,314	\$ (5,997,407)	\$ 2,998,703	\$ (1,743,389)
30 2037	\$ -	\$ 1,318,080	\$ (6,237,303)	\$ 3,118,651	\$ (1,800,571)
31 2038	\$ -	\$ 1,383,984	\$ (6,486,795)	\$ 3,243,398	\$ (1,859,413)
32 2039	\$ -	\$ 1,453,183	\$ (6,746,267)	\$ 3,373,133	\$ (1,919,950)
33 2040	\$ -	\$ 1,525,842 (17)	\$ (7,016,117)	\$ 3,508,059	\$ (1,982,216)
34 2041	\$ -	\$ -	\$ -	\$ -	\$ -
35 2042	\$ -	\$ -	\$ -	\$ -	\$ -
36 2043	\$ -	\$ -	\$ -	\$ -	\$ -
37 2044	\$ -	\$ -	\$ -	\$ -	\$ -
38 2045	\$ -	\$ -	\$ -	\$ -	\$ -
39 2046	\$ -	\$ -	\$ -	\$ -	\$ -
40 2047	\$ -	\$ -	\$ -	\$ -	\$ -
41 2048	\$ -	\$ -	\$ -	\$ -	\$ -
42 2049	\$ -	\$ -	\$ -	\$ -	\$ -
43 2050	\$ -	\$ -	\$ -	\$ -	\$ -
44 2051	\$ -	\$ -	\$ -	\$ -	\$ -
45 2052	\$ -	\$ -	\$ -	\$ -	\$ -
46 2053	\$ -	\$ -	\$ -	\$ -	\$ -
47 2054	\$ -	\$ -	\$ -	\$ -	\$ -
48 2055	\$ -	\$ -	\$ -	\$ -	\$ -
49 2056	\$ -	\$ -	\$ -	\$ -	\$ -
50 2057	\$ -	\$ -	\$ -	\$ -	\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 25,638,237	\$ (66,209,527)	\$ (40,571,291)
NPV 2013	5.25%	\$ 12,853,366	\$ (34,543,409)	\$ (21,690,043)

Compilation Notes	
(15)	Operating expenses per statement provided by READ
(16)	Assumes 1 year renovation starting 2009.
(17)	Debt service expires in 2039 - assumes operating expenses only in 2040.
(18)	New facility delivered in 2041 as part of new Civic Center Complex
(69)	Parking income provided by READ. Refer to Appendix A, Financial Analysis Source Documents.
(70)	Current employee parking subsidy equal to 50% of market rate is assumed through 2040 for the Parkade.

Parkade

Total Square Feet: 580,076

Renovation to Code/Standard			
Estimated Renovation Costs		\$	6,341,649 (48)
Furniture	-	\$	-
Technology		\$	-
Security		\$	-
Other 1		\$	-
Other 2		\$	-
Other 3		\$	-
Total Project Budget		\$	6,341,649

Debt Service Calculations			
Amount		\$	6,341,649
Term			30
Interest Rate			5.25%
Debt Service		\$	424,364

Operating Expense Calculations			
2007 Operating Costs		\$	304,974 (49)
Estimated Annual Increases			5.0%
Parking Income Annual Increases			4.0%

						(69)	(70)		
Year		Debt Service	Operating Expenses	Parking Income	Less: Parking Subsidy	Total Occupancy			
1	2008	\$ -	\$ 320,223	\$ (2,000,000)	\$ 1,000,000	\$ (679,777)			
2	2009	\$ -	\$ 336,234	\$ (2,080,000)	\$ 1,040,000	\$ (703,766)			
3	2010	1 \$ 424,364	\$ 353,046 (50)	\$ (2,163,200)	\$ 1,081,600	\$ (304,191)			
4	2011	2 \$ 424,364	\$ 370,698	\$ (2,249,728)	\$ 1,124,864	\$ (329,802)			
5	2012	3 \$ 424,364	\$ 389,233	\$ (2,339,717)	\$ 1,169,859	\$ (356,262)			
6	2013	4 \$ 424,364	\$ 408,694	\$ (2,433,306)	\$ 1,216,653	\$ (383,595)			
7	2014	5 \$ 424,364	\$ 429,129	\$ (2,530,638)	\$ 1,265,319	\$ (411,826)			
8	2015	6 \$ 424,364	\$ 450,585	\$ (2,631,864)	\$ 1,315,932	\$ (440,983)			
9	2016	7 \$ 424,364	\$ 473,115	\$ (2,737,138)	\$ 1,368,569	\$ (471,091)			
10	2017	8 \$ 424,364	\$ 496,771	\$ (2,846,624)	\$ 1,423,312	\$ (502,178)			
11	2018	9 \$ 424,364	\$ 521,609	\$ (2,960,489)	\$ 1,480,244	\$ (534,272)			
12	2019	10 \$ 424,364	\$ 547,689	\$ (3,078,908)	\$ 1,539,454	\$ (567,401)			
13	2020	11 \$ 424,364	\$ 575,074	\$ (3,202,064)	\$ 1,601,032	\$ (601,595)			
14	2021	12 \$ 424,364	\$ 603,828	\$ (3,330,147)	\$ 1,665,074	\$ (636,882)			
15	2022	13 \$ 424,364	\$ 634,019	\$ (3,463,353)	\$ 1,731,676	\$ (673,294)			
16	2023	14 \$ 424,364	\$ 665,720	\$ (3,601,887)	\$ 1,800,944	\$ (710,860)			
17	2024	15 \$ 424,364	\$ 699,006	\$ (3,745,962)	\$ 1,872,981	\$ (749,612)			
18	2025	16 \$ 424,364	\$ 733,956	\$ (3,895,801)	\$ 1,947,900	\$ (789,580)			
19	2026	17 \$ 424,364	\$ 770,654	\$ (4,051,633)	\$ 2,025,817	\$ (830,799)			
20	2027	18 \$ 424,364	\$ 809,187	\$ (4,213,698)	\$ 2,106,849	\$ (873,299)			
21	2028	19 \$ 424,364	\$ 849,646	\$ (4,382,246)	\$ 2,191,123	\$ (917,113)			
22	2029	20 \$ 424,364	\$ 892,128	\$ (4,557,536)	\$ 2,278,768	\$ (962,276)			
23	2030	21 \$ 424,364	\$ 936,735	\$ (4,739,838)	\$ 2,369,919	\$ (1,008,820)			
24	2031	22 \$ 424,364	\$ 983,572	\$ (4,929,431)	\$ 2,464,716	\$ (1,056,780)			
25	2032	23 \$ 424,364	\$ 1,032,750	\$ (5,126,608)	\$ 2,563,304	\$ (1,106,190)			
26	2033	24 \$ 424,364	\$ 1,084,388	\$ (5,331,673)	\$ 2,665,836	\$ (1,157,085)			
27	2034	25 \$ 424,364	\$ 1,138,607	\$ (5,544,940)	\$ 2,772,470	\$ (1,209,499)			
28	2035	26 \$ 424,364	\$ 1,195,537	\$ (5,766,737)	\$ 2,883,369	\$ (1,263,467)			
29	2036	27 \$ 424,364	\$ 1,255,314	\$ (5,997,407)	\$ 2,998,703	\$ (1,319,025)			
30	2037	28 \$ 424,364	\$ 1,318,080	\$ (6,237,303)	\$ 3,118,651	\$ (1,376,208)			
31	2038	29 \$ 424,364	\$ 1,383,984	\$ (6,486,795)	\$ 3,243,398	\$ (1,435,050)			
32	2039	30 \$ 424,364	\$ 1,453,183	\$ (6,746,267)	\$ 3,373,133	\$ (1,495,586)			
33	2040	\$ -	\$ 1,525,842 (51)	\$ (7,016,117)	\$ 3,508,059	\$ (1,982,216)			
34	2041 (52)	\$ -	\$ -	\$ -	\$ -	\$ -			
35	2042	\$ -	\$ -	\$ -	\$ -	\$ -			
36	2043	\$ -	\$ -	\$ -	\$ -	\$ -			
37	2044	\$ -	\$ -	\$ -	\$ -	\$ -			
38	2045	\$ -	\$ -	\$ -	\$ -	\$ -			
39	2046	\$ -	\$ -	\$ -	\$ -	\$ -			
40	2047	\$ -	\$ -	\$ -	\$ -	\$ -			
41	2048	\$ -	\$ -	\$ -	\$ -	\$ -			
42	2049	\$ -	\$ -	\$ -	\$ -	\$ -			
43	2050	\$ -	\$ -	\$ -	\$ -	\$ -			
44	2051	\$ -	\$ -	\$ -	\$ -	\$ -			
45	2052	\$ -	\$ -	\$ -	\$ -	\$ -			
46	2053	\$ -	\$ -	\$ -	\$ -	\$ -			
47	2054	\$ -	\$ -	\$ -	\$ -	\$ -			
48	2055	\$ -	\$ -	\$ -	\$ -	\$ -			
49	2056	\$ -	\$ -	\$ -	\$ -	\$ -			
50	2057	\$ -	\$ -	\$ -	\$ -	\$ -			

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 12,730,911	\$ 25,638,237	\$ (66,209,527)	\$ (27,840,379)
NPV 2013	5.25% \$ 7,643,575	\$ 12,853,366	\$ (34,543,409)	\$ (14,046,468)

Compilation Notes	
(48)	Per DMJM H&N Facilities Condition Assessment, page 13
(49)	Operating expenses per statement provided by City's Real Estate Assets Department
(50)	Assumes 1 year renovation starting 2009.
(51)	Debt service expires in 2039 - assumes operating expenses only in 2030
(52)	New facility delivered in 2041 as part of new Civic Center Complex
(69)	Parking income provided by READ. Refer to Appendix A, Financial Analysis Source Documents.
(70)	Current employee parking subsidy equal to 50% of market rate is assumed through 2040 for the Parkade.

Acquire Civic Plaza - Scenario 2

Total Square Feet: 283,175

Renovation to Code/Standard		
Estimated Purchase Price		\$ 75,148,992
Estimated Base Building Renovation Costs		\$ 9,269,077
Estimated Tenant Improvements	\$ 58.60	\$ 16,594,538 (40)
Seismic Retrofit	\$ 35.00	\$ 9,911,125
Technology		\$ - (36)
Security	\$ 7.50	\$ 2,123,813
Furniture	1,119	\$ 7,000 (41)
Temporary move for Swing Space 1		\$ 2,395,510 (42)
		\$ -
Total Project Budget		\$ 123,277,563

Debt Service Calculations	
Amount	\$ 123,277,563 (43)
Term	30
Interest Rate	5.25%
Debt Service	\$ 8,249,357

Operating Expense Calculations	
2007 Operating Costs	\$ 9.50
Less: Real Estate Taxes	\$ (1.04) (44)
Adjusted 2007 Operating Costs	\$ 8.46
Estimated Annual Increases	5.0%

Purchase Price Estimate			
Appreciation per year:		(46)	1.0%
2008	283,175	\$ 250.00	\$ 70,793,750 (47)
2009	283,175	\$ 252.50	\$ 71,501,688
2010	283,175	\$ 255.03	\$ 72,216,704
2011	283,175	\$ 257.58	\$ 72,938,871
2012	283,175	\$ 260.15	\$ 73,668,260
2013	283,175	\$ 262.75	\$ 74,404,943
2014	283,175	\$ 265.38	\$ 75,148,992
Residual value in 2041 as a % of price:			100.0%

Renovation Costs			
		TI	Base Bldg
Escalating per year:			4.5%
2008		\$ 45.00	\$ 7,117,685
2009		\$ 47.03	\$ 7,437,981
2010		\$ 49.14	\$ 7,772,690
2011		\$ 51.35	\$ 8,122,461
2012		\$ 53.66	\$ 8,487,972
2013		\$ 56.08	\$ 8,869,930
2014		\$ 58.60	\$ 9,269,077

Swing Space Calculations			
Year	SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7	60,794	\$ 39.40	\$ 2,395,510
8		\$ 40.59	\$ -

Year	Existing Lease	Debt Service	Operating Expenses	Operating Expense Calcs	Residual Value	Total Occupancy
1	2008	\$ 4,658,036	\$ -	\$ -	\$ 2,515,444	\$ 4,658,036
2	2009	\$ 4,779,320	\$ -	\$ -	\$ 2,641,216	\$ 4,779,320
3	2010	\$ 4,906,669	\$ -	\$ -	\$ 2,773,276	\$ 4,906,669
4	2011	\$ 5,040,384	\$ -	\$ -	\$ 2,911,940	\$ 5,040,384
5	2012	\$ 5,180,786	\$ -	\$ -	\$ 3,057,537	\$ 5,180,786
6	2013	\$ 5,328,207	\$ -	\$ -	\$ 3,210,414	\$ 5,328,207
7	2014	1	\$ 8,249,357	\$ 3,370,935	\$ -	\$ 11,620,291
8	2015	2	\$ 8,249,357	\$ 3,539,482	\$ -	\$ 11,788,838
9	2016	3	\$ 8,249,357	\$ 3,716,456	\$ -	\$ 11,965,812
10	2017	4	\$ 8,249,357	\$ 3,902,279	\$ -	\$ 12,151,635
11	2018	5	\$ 8,249,357	\$ 4,097,392	\$ -	\$ 12,346,749
12	2019	6	\$ 8,249,357	\$ 4,302,262	\$ -	\$ 12,551,619
13	2020	7	\$ 8,249,357	\$ 4,517,375	\$ -	\$ 12,766,732
14	2021	8	\$ 8,249,357	\$ 4,743,244	\$ -	\$ 12,992,600
15	2022	9	\$ 8,249,357	\$ 4,980,406	\$ -	\$ 13,229,763
16	2023	10	\$ 8,249,357	\$ 5,229,426	\$ -	\$ 13,478,783
17	2024	11	\$ 8,249,357	\$ 5,490,898	\$ -	\$ 13,740,254
18	2025	12	\$ 8,249,357	\$ 5,765,443	\$ -	\$ 14,014,799
19	2026	13	\$ 8,249,357	\$ 6,053,715	\$ -	\$ 14,303,071
20	2027	14	\$ 8,249,357	\$ 6,356,401	\$ -	\$ 14,605,757
21	2028	15	\$ 8,249,357	\$ 6,674,221	\$ -	\$ 14,923,577
22	2029	16	\$ 8,249,357	\$ 7,007,932	\$ -	\$ 15,257,288
23	2030	17	\$ 8,249,357	\$ 7,358,328	\$ -	\$ 15,607,685
24	2031	18	\$ 8,249,357	\$ 7,726,245	\$ -	\$ 15,975,601
25	2032	19	\$ 8,249,357	\$ 8,112,557	\$ -	\$ 16,361,913
26	2033	20	\$ 8,249,357	\$ 8,518,185	\$ -	\$ 16,767,541
27	2034	21	\$ 8,249,357	\$ 8,944,094	\$ -	\$ 17,193,450
28	2035	22	\$ 8,249,357	\$ 9,391,299	\$ -	\$ 17,640,655
29	2036	23	\$ 8,249,357	\$ 9,860,863	\$ -	\$ 18,110,220
30	2037	24	\$ 8,249,357	\$ 10,353,907	\$ -	\$ 18,603,263
31	2038	25	\$ 8,249,357	\$ 10,871,602	\$ -	\$ 19,120,958
32	2039	26	\$ 8,249,357	\$ 11,415,182	\$ -	\$ 19,664,539
33	2040	27	\$ 8,249,357	\$ 11,985,941	\$ -	\$ 20,235,298
34	2041	28	\$ 22,360,219	\$ -	\$ (75,148,992)	\$ (52,788,773)
35	2042	29	\$ -	\$ -	\$ -	\$ -
36	2043	30	\$ -	\$ -	\$ -	\$ -
37	2044	\$ -	\$ -	\$ -	\$ -	\$ -
38	2045	\$ -	\$ -	\$ -	\$ -	\$ -
39	2046	\$ -	\$ -	\$ -	\$ -	\$ -
40	2047	\$ -	\$ -	\$ -	\$ -	\$ -
41	2048	\$ -	\$ -	\$ -	\$ -	\$ -
42	2049	\$ -	\$ -	\$ -	\$ -	\$ -
43	2050	\$ -	\$ -	\$ -	\$ -	\$ -
44	2051	\$ -	\$ -	\$ -	\$ -	\$ -
45	2052	\$ -	\$ -	\$ -	\$ -	\$ -
46	2053	\$ -	\$ -	\$ -	\$ -	\$ -
47	2054	\$ -	\$ -	\$ -	\$ -	\$ -
48	2055	\$ -	\$ -	\$ -	\$ -	\$ -
49	2056	\$ -	\$ -	\$ -	\$ -	\$ -
50	2057	\$ -	\$ -	\$ -	\$ -	\$ -

	Operating 1	Capital 1	Operating 2	Capital 2	Total
Nominal Sum	\$ 29,893,402	\$ 245,092,845	\$ 184,286,066	\$ (75,148,992)	\$ 384,123,322
NPV 2013	5.3%	\$ 29,893,402	\$ 122,997,397	\$ 83,857,142	\$ (17,935,118)
					\$ 218,812,823

15 Year Nominal Sum
\$ 141,307,441

Compilation Notes	
(40)	\$45 Tenant Improvement escalated 4.5% until 2014 when job is bought.
(36)	Estimated Technology Costs in 2008 dollars to be provided by Developers.
(41)	One time FF&E costs for converting to new City workspace standards.
(42)	Swing Space to retrofit the building to the City's new workspace standards.
(43)	Total debt service to commence in 2014.
(44)	Current Operating Expenses less actual real estate taxes.
(45)	Building is newer and in better condition than existing City owned facilities. For purposes of analysis, assumed that useful life is 50 years and City will incur operating expense only from 2044 - 2057 (N/A due to assumed sale and relocation to new City Hall in 2041).
(46)	Estimated appreciation at 1% to reflect that market is predicted to decline for next two years.
(47)	Purchase price estimate detailed in Appendix B, Market Study, Section 6.

New "Owned" Facilities in 30 Years (End of Useful Life)
(Includes New Parking Facility)

Total Square Feet (gross): **849,000 (34)**

Construction Costs (2008)				
Est. Construction Costs (2008)		\$	485	\$ 411,543,211 (35)
Furniture (37)	3,757	\$	7,000	\$ 26,299,000 (36)
Technology (included above)		\$	-	
Security (included above)		\$	-	
Move (37)	3,757	\$	350	\$ 1,314,950
Assumes no Swing Space required.		\$	-	
		\$	-	
Total Project Budget (2008)		\$		\$ 439,157,161
Escalated for "Buy" in 2039		\$		\$ -

Debt Service Calculations	
Amount	\$ 1,605,194,827 (38)
Term	30
Interest Rate	5.25%
Debt Service	\$ 107,414,716

Operating Expense Calculations	
2008 Operating Costs (Green Building, no taxes)	\$ 8.00 (39)
Estimated Annual Increases	4.0%

Parking Income and Expense Calculations	
Monthly Rate - 2008	\$ 170
Number of Spaces (1.5:1,000 GSF)	1,274
Oversell Rate	15.00%
Annual Growth Rate	4.00%
Monthly Rate - 2041	\$ 620
Parking Income - 2041	\$ 10,904,296
Parking Expenses - 2008 Amount per Space	\$ 291
Parking Expenses - 2008	\$ 370,876
Annual Growth Rate	4.00%
Parking Expenses - 2041	\$ 1,353,097

Year	Est. Construction Costs (Escalated)	FF&E	Debt Service	Operating Expenses	Meeting Space Revenue	FF&E After Initial Move In	Moving Expenses	Parking Income, Net of Expenses	Meeting Space Revenue	Total Occupancy Costs
	4.5%	3.0%								
1 2008	\$ 411,543,211	\$ 26,299,000	\$ -	\$ 6,792,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 2009	\$ 430,062,655	\$ 27,087,970	\$ -	\$ 7,063,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 2010	\$ 449,415,475	\$ 27,900,609	\$ -	\$ 7,346,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 2011	\$ 469,639,171	\$ 28,737,627	\$ -	\$ 7,640,076	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 2012	\$ 490,772,934	\$ 29,599,756	\$ -	\$ 7,945,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 2013	\$ 512,857,716	\$ 30,487,749	\$ -	\$ 8,263,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 2014	\$ 535,936,313	\$ 31,402,381	\$ -	\$ 8,594,047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8 2015	\$ 560,053,447	\$ 32,344,453	\$ -	\$ 8,937,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 2016	\$ 585,255,853	\$ 33,314,786	\$ -	\$ 9,295,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10 2017	\$ 611,592,366	\$ 34,314,230	\$ -	\$ 9,667,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11 2018	\$ 639,114,022	\$ 35,343,657	\$ -	\$ 10,053,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 2019	\$ 667,874,153	\$ 36,403,967	\$ -	\$ 10,455,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 2020	\$ 697,928,490	\$ 37,496,086	\$ -	\$ 10,874,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 2021	\$ 729,335,272	\$ 38,620,968	\$ -	\$ 11,309,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 2022	\$ 762,155,360	\$ 39,779,597	\$ -	\$ 11,761,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16 2023	\$ 796,452,351	\$ 40,972,985	\$ -	\$ 12,232,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17 2024	\$ 832,292,707	\$ 42,202,175	\$ -	\$ 12,721,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 2025	\$ 869,745,878	\$ 43,468,240	\$ -	\$ 13,230,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19 2026	\$ 908,884,443	\$ 44,772,287	\$ -	\$ 13,759,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 2027	\$ 949,784,243	\$ 46,115,456	\$ -	\$ 14,309,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21 2028	\$ 992,524,534	\$ 47,498,919	\$ -	\$ 14,882,108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22 2029	\$ 1,037,188,138	\$ 48,923,887	\$ -	\$ 15,477,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23 2030	\$ 1,083,861,604	\$ 50,391,604	\$ -	\$ 16,096,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24 2031	\$ 1,132,635,376	\$ 51,903,352	\$ -	\$ 16,740,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25 2032	\$ 1,183,603,968	\$ 53,460,452	\$ -	\$ 17,409,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26 2033	\$ 1,236,866,147	\$ 55,064,266	\$ -	\$ 18,106,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27 2034	\$ 1,292,525,123	\$ 56,716,194	\$ -	\$ 18,830,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28 2035	\$ 1,350,688,754	\$ 58,417,680	\$ -	\$ 19,583,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29 2036	\$ 1,411,469,748	\$ 60,170,210	\$ -	\$ 20,367,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30 2037	\$ 1,474,985,886	\$ 61,975,316	\$ -	\$ 21,181,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31 2038	\$ 1,541,360,251	\$ 63,834,576	\$ -	\$ 22,029,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32 2039			\$ -	\$ 22,910,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33 2040			\$ -	\$ 23,826,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34 2041			\$ 107,414,716	\$ 24,779,804	\$ 24,779,804	\$ -	\$ 3,487,688	\$ (9,551,199)	\$ (321,298)	\$ 125,809,712
35 2042	1		\$ 107,414,716	\$ 25,770,997	\$ 25,770,997	\$ -	\$ -	\$ (9,933,247)	\$ (330,937)	\$ 122,921,529
36 2043	3		\$ 107,414,716	\$ 26,801,836	\$ 26,801,836	\$ -	\$ -	\$ (10,330,576)	\$ (340,865)	\$ 123,545,111
37 2044	4		\$ 107,414,716	\$ 27,873,910	\$ 27,873,910	\$ -	\$ -	\$ (10,743,799)	\$ (351,091)	\$ 124,193,735
38 2045	5		\$ 107,414,716	\$ 28,988,866	\$ 28,988,866	\$ -	\$ -	\$ (11,173,551)	\$ (361,623)	\$ 124,868,407
39 2046	6		\$ 107,414,716	\$ 30,148,421	\$ 30,148,421	\$ -	\$ -	\$ (11,620,494)	\$ (372,472)	\$ 125,570,171
40 2047	7		\$ 107,414,716	\$ 31,354,358	\$ 31,354,358	\$ -	\$ -	\$ (12,085,313)	\$ (383,646)	\$ 126,300,114
41 2048	8		\$ 107,414,716	\$ 32,608,532	\$ 32,608,532	\$ -	\$ -	\$ (12,568,726)	\$ (395,156)	\$ 127,059,366
42 2049	9		\$ 107,414,716	\$ 33,912,873	\$ 33,912,873	\$ -	\$ -	\$ (13,071,475)	\$ (407,010)	\$ 127,849,104
43 2050	10		\$ 107,414,716	\$ 35,269,388	\$ 35,269,388	\$ -	\$ -	\$ (13,594,334)	\$ (419,221)	\$ 128,670,549
44 2051	11		\$ 107,414,716	\$ 36,680,164	\$ 36,680,164	\$ -	\$ -	\$ (14,138,107)	\$ (431,797)	\$ 129,524,975
45 2052	12		\$ 107,414,716	\$ 38,147,370	\$ 38,147,370	\$ -	\$ -	\$ (14,703,631)	\$ (444,751)	\$ 130,413,703
46 2053	13		\$ 107,414,716	\$ 39,673,265	\$ 39,673,265	\$ 6,141,312	\$ -	\$ (15,291,777)	\$ (458,094)	\$ 131,479,422
47 2054	14		\$ 107,414,716	\$ 41,260,196	\$ 41,260,196	\$ -	\$ -	\$ (15,903,448)	\$ (471,836)	\$ 132,699,627
48 2055	15		\$ 107,414,716	\$ 42,910,604	\$ 42,910,604	\$ -	\$ -	\$ (16,539,586)	\$ (485,991)	\$ 134,099,742
49 2056	16		\$ 107,414,716	\$ 44,627,028	\$ 44,627,028	\$ -	\$ -	\$ (17,201,169)	\$ (500,571)	\$ 135,640,003
50 2057	17		\$ 107,414,716	\$ 46,412,109	\$ 46,412,109	\$ -	\$ -	\$ (17,889,216)	\$ (515,588)	\$ 137,325,220

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 1,832,191,476	\$ 587,219,722	\$ (229,843,906)	\$ 2,189,567,291
NPV 2013	\$ 299,383,997	\$ 91,529,567	\$ (35,549,825)	\$ 355,363,740

Compilation Notes	
(34)	Existing SF of owned facilities replaced at end of useful life
(35)	Construction cost estimates for replacement facilities in 2008 dollars provided by Cumming Corporation.
(36)	Estimated Technology Costs in 2008 dollars to be provided by Developers.
(37)	3,757 employees estimated in 2043 per Gensler's Study and detailed in Growth Projections page 7.
(38)	2008 Construction costs increased 4.5% per year until job bought in 2038 for 3 year construction period.
(39)	Operating Expense estimate excluding property taxes. For details refer to Appendix B, Market Study, Section 4. Furniture increasing at now increasing at 3.0% instead of 4.5%
(71)	For the New City Hall, meeting space revenue is based on a percentage of revenue in the existing Concourse by applying the 9,200 SF of meeting space in Gensler's space projections divided by the 45,568 SF of meeting space in the existing Concourse. Please see the worksheet herein for the calculations and Appendix A, Financial Analysis Source Documents, for detailed information.

**Executive Complex, 600 B or Comparable - Scenarios 4, 6 and 7
Lease Analysis**

Primary Assumptions	
Rentable Square Feet	136,321 (27)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	20%

Swing Space Calculations			
Year	SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7		\$ 39.40	\$ -
8		\$ 40.59	\$ -

Operating Expense Calculation						
Estimated Annual Increase Operating Expense						5.00%
		GSF	PSF	Base	Pass Through	
1	2002	\$ -	\$ -	\$ -	\$ -	\$ -
2	2003	\$ -	\$ -	\$ -	\$ -	\$ -
3	2004	\$ -	\$ -	\$ -	\$ -	\$ -
4	2005	\$ -	136,321 (28)	\$ 10.44	\$ 9.41	\$ 1.03
5	2006	\$ -	136,321	\$ 10.96	\$ 9.41	\$ 1.55
6	2007	\$ -	136,321	\$ 11.51	\$ 9.41	\$ 2.10
7	2008	\$ -	136,321	\$ 12.09	\$ 9.41	\$ 2.68

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Furniture Expense	Swing Space for Renovation	Total Occupancy Costs
1	2008	136,321	\$ 1.55 (27)	\$ 18.54	\$ 12.09	\$ 9.41	\$ 2.68	\$ 21.22	\$ 2,892,132	\$ -	\$ -	\$ 2,892,132
2	2009	136,321	\$ 1.57	\$ 18.78	\$ 12.69	\$ 9.41	\$ 3.28	\$ 22.06	\$ 3,007,226	\$ -	\$ -	\$ 3,007,226
3	2010	136,321	\$ 1.59	\$ 19.02	\$ 13.32	\$ 9.41	\$ 3.91	\$ 22.93	\$ 3,126,438	\$ -	\$ -	\$ 3,126,438
4	2011	136,321	\$ 1.61	\$ 19.26	\$ 13.99	\$ 9.41	\$ 4.58	\$ 23.84	\$ 3,249,974	\$ -	\$ -	\$ 3,249,974
5	2012	136,321	\$ 1.63	\$ 19.50	\$ 14.69	\$ 9.41	\$ 5.28	\$ 24.78	\$ 3,378,052	\$ -	\$ -	\$ 3,378,052
6	2013	136,321	\$ 1.65	\$ 19.74	\$ 15.42	\$ 9.41	\$ 6.01	\$ 25.75	\$ 3,510,898	\$ -	\$ -	\$ 3,510,898
7	2014	136,321	\$ 1.65	\$ 19.80	\$ 16.20	\$ 9.41	\$ 6.79	\$ 26.59	\$ 906,053	\$ -	\$ -	\$ 906,053
8	2015	-	\$ 2.79	\$ 33.50	\$ 17.01	\$ 16.20	\$ 0.81	\$ 34.31	\$ -	\$ -	\$ -	\$ -
9	2016	-	\$ 2.86	\$ 34.33	\$ 17.86	\$ 16.20	\$ 1.66	\$ 35.99	\$ -	\$ -	\$ -	\$ -
10	2017	-	\$ 2.93	\$ 35.19	\$ 18.75	\$ 16.20	\$ 2.55	\$ 37.75	\$ -	\$ -	\$ -	\$ -
11	2018	-	\$ 3.01	\$ 36.07	\$ 19.69	\$ 16.20	\$ 3.49	\$ 39.56	\$ -	\$ -	\$ -	\$ -
12	2019	-	\$ 3.08	\$ 36.97	\$ 20.67	\$ 16.20	\$ 4.47	\$ 41.45	\$ -	\$ -	\$ -	\$ -
13	2020	-	\$ 3.16	\$ 37.90	\$ 21.70	\$ 16.20	\$ 5.51	\$ 43.41	\$ -	\$ -	\$ -	\$ -
14	2021	-	\$ 3.24	\$ 38.85	\$ 22.79	\$ 16.20	\$ 6.59	\$ 45.44	\$ -	\$ -	\$ -	\$ -
15	2022	-	\$ 3.32	\$ 39.82	\$ 23.93	\$ 16.20	\$ 7.73	\$ 47.55	\$ -	\$ -	\$ -	\$ -
16	2023	-	\$ 3.40	\$ 40.81	\$ 25.13	\$ 16.20	\$ 8.93	\$ 49.74	\$ -	\$ -	\$ -	\$ -
17	2024	-	\$ 4.08	\$ 48.97	\$ 26.38	\$ 26.38	\$ -	\$ 48.97	\$ -	\$ -	\$ -	\$ -
18	2025	-	\$ 4.18	\$ 50.20	\$ 27.70	\$ 26.38	\$ 1.32	\$ 51.52	\$ -	\$ -	\$ -	\$ -
19	2026	-	\$ 4.29	\$ 51.45	\$ 29.09	\$ 26.38	\$ 2.70	\$ 54.16	\$ -	\$ -	\$ -	\$ -
20	2027	-	\$ 4.40	\$ 52.74	\$ 30.54	\$ 26.38	\$ 4.16	\$ 56.90	\$ -	\$ -	\$ -	\$ -
21	2028	-	\$ 4.50	\$ 54.06	\$ 32.07	\$ 26.38	\$ 5.69	\$ 59.74	\$ -	\$ -	\$ -	\$ -
22	2029	-	\$ 4.62	\$ 55.41	\$ 33.67	\$ 26.38	\$ 7.29	\$ 62.70	\$ -	\$ -	\$ -	\$ -
23	2030	-	\$ 4.73	\$ 56.80	\$ 35.35	\$ 26.38	\$ 8.97	\$ 65.77	\$ -	\$ -	\$ -	\$ -
24	2031	-	\$ 4.85	\$ 58.22	\$ 37.12	\$ 26.38	\$ 10.74	\$ 68.96	\$ -	\$ -	\$ -	\$ -
25	2032	-	\$ 4.97	\$ 59.67	\$ 38.98	\$ 26.38	\$ 12.60	\$ 72.27	\$ -	\$ -	\$ -	\$ -
26	2033	-	\$ 5.10	\$ 61.16	\$ 40.93	\$ 26.38	\$ 14.54	\$ 75.71	\$ -	\$ -	\$ -	\$ -
27	2034	-	\$ 6.12	\$ 73.40	\$ 42.97	\$ 42.97	\$ -	\$ 73.40	\$ -	\$ -	\$ -	\$ -
28	2035	-	\$ 6.27	\$ 75.23	\$ 45.12	\$ 42.97	\$ 2.15	\$ 77.38	\$ -	\$ -	\$ -	\$ -
29	2036	-	\$ 6.43	\$ 77.11	\$ 47.38	\$ 42.97	\$ 4.40	\$ 81.52	\$ -	\$ -	\$ -	\$ -
30	2037	-	\$ 6.59	\$ 79.04	\$ 49.75	\$ 42.97	\$ 6.77	\$ 85.81	\$ -	\$ -	\$ -	\$ -
31	2038	-	\$ 6.75	\$ 81.01	\$ 52.23	\$ 42.97	\$ 9.26	\$ 90.28	\$ -	\$ -	\$ -	\$ -
32	2039	-	\$ 6.92	\$ 83.04	\$ 54.84	\$ 42.97	\$ 11.87	\$ 94.91	\$ -	\$ -	\$ -	\$ -
33	2040	-	\$ 7.09	\$ 85.12	\$ 57.59	\$ 42.97	\$ 14.61	\$ 99.73	\$ -	\$ -	\$ -	\$ -
34	2041	-	\$ 7.27	\$ 87.24	\$ 60.47	\$ 42.97	\$ 17.49	\$ 104.74	\$ -	\$ -	\$ -	\$ -
35	2042	-	\$ 7.45	\$ 89.42	\$ 63.49	\$ 42.97	\$ 20.52	\$ 109.94	\$ -	\$ -	\$ -	\$ -
36	2043	-	\$ 7.64	\$ 91.66	\$ 66.66	\$ 42.97	\$ 23.69	\$ 115.35	\$ -	\$ -	\$ -	\$ -
37	2044	-	\$ 9.17	\$ 109.99	\$ 70.00	\$ 70.00	\$ -	\$ 109.99	\$ -	\$ -	\$ -	\$ -
38	2045	-	\$ 9.40	\$ 112.74	\$ 73.50	\$ 70.00	\$ 3.50	\$ 116.24	\$ -	\$ -	\$ -	\$ -
39	2046	-	\$ 9.63	\$ 115.56	\$ 77.17	\$ 70.00	\$ 7.17	\$ 122.74	\$ -	\$ -	\$ -	\$ -
40	2047	-	\$ 9.87	\$ 118.45	\$ 81.03	\$ 70.00	\$ 11.03	\$ 129.48	\$ -	\$ -	\$ -	\$ -
41	2048	-	\$ 10.12	\$ 121.41	\$ 85.08	\$ 70.00	\$ 15.08	\$ 136.50	\$ -	\$ -	\$ -	\$ -
42	2049	-	\$ 10.37	\$ 124.45	\$ 89.34	\$ 70.00	\$ 19.34	\$ 143.79	\$ -	\$ -	\$ -	\$ -
43	2050	-	\$ 10.63	\$ 127.56	\$ 93.80	\$ 70.00	\$ 23.81	\$ 151.36	\$ -	\$ -	\$ -	\$ -
44	2051	-	\$ 10.90	\$ 130.75	\$ 98.49	\$ 70.00	\$ 28.50	\$ 159.24	\$ -	\$ -	\$ -	\$ -
45	2052	-	\$ 11.17	\$ 134.02	\$ 103.42	\$ 70.00	\$ 33.42	\$ 167.44	\$ -	\$ -	\$ -	\$ -
46	2053	-	\$ 11.45	\$ 137.37	\$ 108.59	\$ 70.00	\$ 38.59	\$ 175.96	\$ -	\$ -	\$ -	\$ -
47	2054	-	\$ 13.74	\$ 164.84	\$ 114.02	\$ 114.02	\$ -	\$ 164.84	\$ -	\$ -	\$ -	\$ -
48	2055	-	\$ 14.08	\$ 168.96	\$ 119.72	\$ 114.02	\$ 5.70	\$ 174.66	\$ -	\$ -	\$ -	\$ -
49	2056	-	\$ 14.43	\$ 173.18	\$ 125.71	\$ 114.02	\$ 11.69	\$ 184.87	\$ -	\$ -	\$ -	\$ -
50	2057	-	\$ 14.79	\$ 177.51	\$ 131.99	\$ 114.02	\$ 17.97	\$ 195.49	\$ -	\$ -	\$ -	\$ -

	Capital	Operating	
Nominal Sum	\$ -	\$ 20,070,772	\$ 20,070,772
NPV (2013) 5.25%	\$ -	\$ 20,025,577	\$ 20,025,577

Compilation Notes

(27) Square Footage contained in Article 2 of the 5th amendment to lease dated July 16, 2002. Rent confirmation in article 3 of the 5th amendment to lease.

(28) 2005 Operating Expense Budget submitted by Landlord.

**Executive Complex - Scenario 5
Lease Analysis**

Primary Assumptions		
Rentable Square Feet	136,321	(12)
Projected Annual Rent Escalation	2.5%	
Forecast Rental Resets (10 Years)	20%	

Operating Expense Calculation					
Estimated Annual Increase Operating Expense					
5.00%					
		GSF	PSF	Base	Pass Through
1	2002	\$ -	\$ -	\$ -	\$ -
2	2003	\$ -	\$ -	\$ -	\$ -
3	2004	\$ -	\$ -	\$ -	\$ -
4	2005	\$ -	136,321 (13)	\$ 10.44	\$ 9.41
5	2006	\$ -	136,321	\$ 10.96	\$ 9.41
6	2007	\$ -	136,321	\$ 11.51	\$ 9.41
7	2008	\$ -	136,321	\$ 12.09	\$ 9.41

Swing Space Calculations			
Year	SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7	34,080	\$ 39.40	\$ 1,342,889
8		\$ 40.59	\$ -

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	One Time Furniture Expense	Swing Space for Renovation	Parking	Total Occupancy Costs
1	2008	136,321	\$ 1.55	(12) \$ 18.54	\$ 12.09	\$ 9.41	\$ 2.68	\$ 21.22	\$ 2,892,132	\$ -	\$ -	\$ -	\$ 2,892,132
2	2009	136,321	\$ 1.57	\$ 18.78	\$ 12.69	\$ 9.41	\$ 3.28	\$ 22.06	\$ 3,007,226	\$ -	\$ -	\$ -	\$ 3,007,226
3	2010	136,321	\$ 1.59	\$ 19.02	\$ 13.32	\$ 9.41	\$ 3.91	\$ 22.93	\$ 3,126,438	\$ -	\$ -	\$ -	\$ 3,126,438
4	2011	136,321	\$ 1.61	\$ 19.26	\$ 13.99	\$ 9.41	\$ 4.58	\$ 23.84	\$ 3,249,974	\$ -	\$ -	\$ -	\$ 3,249,974
5	2012	136,321	\$ 1.63	\$ 19.50	\$ 14.69	\$ 9.41	\$ 5.28	\$ 24.78	\$ 3,378,052	\$ -	\$ -	\$ -	\$ 3,378,052
6	2013	136,321	\$ 1.65	\$ 19.74	\$ 15.42	\$ 9.41	\$ 6.01	\$ 25.75	\$ 3,510,898	\$ -	\$ -	\$ -	\$ 3,510,898
7	2014	289,586	\$ 2.52	(14) \$ 30.23	\$ 16.20	\$ 14.50	\$ 1.70	\$ 31.92	\$ 9,244,085	\$ -	\$ 1,342,889	\$ -	\$ 10,586,974
8	2015	289,586	\$ 2.79	\$ 33.50	\$ 17.01	\$ 16.20	\$ 0.81	\$ 34.31	\$ 9,934,622	\$ -	\$ -	\$ -	\$ 9,934,622
9	2016	289,586	\$ 2.86	\$ 34.33	\$ 17.86	\$ 16.20	\$ 1.66	\$ 35.99	\$ 10,423,355	\$ -	\$ -	\$ -	\$ 10,423,355
10	2017	289,586	\$ 2.93	\$ 35.19	\$ 18.75	\$ 16.20	\$ 2.55	\$ 37.75	\$ 10,930,462	\$ -	\$ -	\$ -	\$ 10,930,462
11	2018	289,586	\$ 3.01	\$ 36.07	\$ 19.69	\$ 16.20	\$ 3.49	\$ 39.56	\$ 11,456,711	\$ -	\$ -	\$ -	\$ 11,456,711
12	2019	289,586	\$ 3.08	\$ 36.97	\$ 20.67	\$ 16.20	\$ 4.47	\$ 41.45	\$ 12,002,902	\$ -	\$ -	\$ -	\$ 12,002,902
13	2020	289,586	\$ 3.16	\$ 37.90	\$ 21.70	\$ 16.20	\$ 5.51	\$ 43.41	\$ 12,569,874	\$ -	\$ -	\$ -	\$ 12,569,874
14	2021	289,586	\$ 3.24	\$ 38.85	\$ 22.79	\$ 16.20	\$ 6.59	\$ 45.44	\$ 13,158,503	\$ -	\$ -	\$ -	\$ 13,158,503
15	2022	289,586	\$ 3.32	\$ 39.82	\$ 23.93	\$ 16.20	\$ 7.73	\$ 47.55	\$ 13,769,703	\$ -	\$ -	\$ -	\$ 13,769,703
16	2023	289,586	\$ 3.40	\$ 40.81	\$ 25.13	\$ 16.20	\$ 8.93	\$ 49.74	\$ 14,404,434	\$ -	\$ -	\$ -	\$ 14,404,434
17	2024	350,696	\$ 4.08	\$ 48.97	\$ 26.38	\$ 26.38	\$ -	\$ 48.97	\$ 17,175,224	\$ 2,115,720	\$ -	\$ -	\$ 19,290,944
18	2025	350,696	\$ 4.18	\$ 50.20	\$ 27.70	\$ 26.38	\$ 1.32	\$ 51.52	\$ 18,067,197	\$ -	\$ -	\$ -	\$ 18,067,197
19	2026	350,696	\$ 4.29	\$ 51.45	\$ 29.09	\$ 26.38	\$ 2.70	\$ 54.16	\$ 18,993,033	\$ -	\$ -	\$ -	\$ 18,993,033
20	2027	350,696	\$ 4.40	\$ 52.74	\$ 30.54	\$ 26.38	\$ 4.16	\$ 56.90	\$ 19,954,159	\$ -	\$ -	\$ -	\$ 19,954,159
21	2028	350,696	\$ 4.50	\$ 54.06	\$ 32.07	\$ 26.38	\$ 5.69	\$ 59.74	\$ 20,952,063	\$ -	\$ -	\$ -	\$ 20,952,063
22	2029	350,696	\$ 4.62	\$ 55.41	\$ 33.67	\$ 26.38	\$ 7.29	\$ 62.70	\$ 21,988,302	\$ -	\$ -	\$ -	\$ 21,988,302
23	2030	350,696	\$ 4.73	\$ 56.80	\$ 35.35	\$ 26.38	\$ 8.97	\$ 65.77	\$ 23,064,504	\$ -	\$ -	\$ -	\$ 23,064,504
24	2031	350,696	\$ 4.85	\$ 58.22	\$ 37.12	\$ 26.38	\$ 10.74	\$ 68.96	\$ 24,182,371	\$ -	\$ -	\$ -	\$ 24,182,371
25	2032	350,696	\$ 4.97	\$ 59.67	\$ 38.98	\$ 26.38	\$ 12.60	\$ 72.27	\$ 25,343,683	\$ -	\$ -	\$ -	\$ 25,343,683
26	2033	350,696	\$ 5.10	\$ 61.16	\$ 40.93	\$ 26.38	\$ 14.54	\$ 75.71	\$ 26,550,300	\$ -	\$ -	\$ -	\$ 26,550,300
27	2034	415,271	\$ 6.12	\$ 73.40	\$ 42.97	\$ 42.97	\$ -	\$ 73.40	\$ 30,478,896	\$ 3,004,571	\$ -	\$ -	\$ 33,483,468
28	2035	415,271	\$ 6.27	\$ 75.23	\$ 45.12	\$ 42.97	\$ 2.15	\$ 77.38	\$ 32,133,130	\$ -	\$ -	\$ -	\$ 32,133,130
29	2036	415,271	\$ 6.43	\$ 77.11	\$ 47.38	\$ 42.97	\$ 4.40	\$ 81.52	\$ 33,851,025	\$ -	\$ -	\$ -	\$ 33,851,025
30	2037	415,271	\$ 6.59	\$ 79.04	\$ 49.75	\$ 42.97	\$ 6.77	\$ 85.81	\$ 35,635,290	\$ -	\$ -	\$ -	\$ 35,635,290
31	2038	415,271	\$ 6.75	\$ 81.01	\$ 52.23	\$ 42.97	\$ 9.26	\$ 90.28	\$ 37,488,754	\$ -	\$ -	\$ -	\$ 37,488,754
32	2039	415,271	\$ 6.92	\$ 83.04	\$ 54.84	\$ 42.97	\$ 11.87	\$ 94.91	\$ 39,414,378	\$ -	\$ -	\$ -	\$ 39,414,378
33	2040	415,271	\$ 7.09	\$ 85.12	\$ 57.59	\$ 42.97	\$ 14.61	\$ 99.73	\$ 41,415,255	\$ -	\$ -	\$ -	\$ 41,415,255
34	2041	-	\$ 7.27	\$ 87.24	\$ 60.47	\$ 42.97	\$ 17.49	\$ 104.74	\$ -	\$ -	\$ -	\$ -	\$ -
35	2042	-	\$ 7.45	\$ 89.42	\$ 63.49	\$ 42.97	\$ 20.52	\$ 109.94	\$ -	\$ -	\$ -	\$ -	\$ -
36	2043	-	\$ 7.64	\$ 91.66	\$ 66.66	\$ 42.97	\$ 23.69	\$ 115.35	\$ -	\$ -	\$ -	\$ -	\$ -
37	2044	-	\$ 9.17	\$ 109.99	\$ 70.00	\$ 70.00	\$ -	\$ 109.99	\$ -	\$ -	\$ -	\$ -	\$ -
38	2045	-	\$ 9.40	\$ 112.74	\$ 73.50	\$ 70.00	\$ 3.50	\$ 116.24	\$ -	\$ -	\$ -	\$ -	\$ -
39	2046	-	\$ 9.63	\$ 115.56	\$ 77.17	\$ 70.00	\$ 7.17	\$ 122.74	\$ -	\$ -	\$ -	\$ -	\$ -
40	2047	-	\$ 9.87	\$ 118.45	\$ 81.03	\$ 70.00	\$ 11.03	\$ 129.48	\$ -	\$ -	\$ -	\$ -	\$ -
41	2048	-	\$ 10.12	\$ 121.41	\$ 85.08	\$ 70.00	\$ 15.08	\$ 136.50	\$ -	\$ -	\$ -	\$ -	\$ -
42	2049	-	\$ 10.37	\$ 124.45	\$ 89.34	\$ 70.00	\$ 19.34	\$ 143.79	\$ -	\$ -	\$ -	\$ -	\$ -
43	2050	-	\$ 10.63	\$ 127.56	\$ 93.80	\$ 70.00	\$ 23.81	\$ 151.36	\$ -	\$ -	\$ -	\$ -	\$ -
44	2051	-	\$ 10.90	\$ 130.75	\$ 98.49	\$ 70.00	\$ 28.50	\$ 159.24	\$ -	\$ -	\$ -	\$ -	\$ -
45	2052	-	\$ 11.17	\$ 134.02	\$ 103.42	\$ 70.00	\$ 33.42	\$ 167.44	\$ -	\$ -	\$ -	\$ -	\$ -
46	2053	-	\$ 11.45	\$ 137.37	\$ 108.59	\$ 70.00	\$ 38.59	\$ 175.96	\$ -	\$ -	\$ -	\$ -	\$ -
47	2054	-	\$ 13.74	\$ 164.84	\$ 114.02	\$ 114.02	\$ -	\$ 164.84	\$ -	\$ -	\$ -	\$ -	\$ -
48	2055	-	\$ 14.08	\$ 168.96	\$ 119.72	\$ 114.02	\$ 5.70	\$ 174.66	\$ -	\$ -	\$ -	\$ -	\$ -
49	2056	-	\$ 14.43	\$ 173.18	\$ 125.71	\$ 114.02	\$ 11.69	\$ 184.87	\$ -	\$ -	\$ -	\$ -	\$ -
50	2057	-	\$ 14.79	\$ 177.51	\$ 131.99	\$ 114.02	\$ 17.97	\$ 195.49	\$ -	\$ -	\$ -	\$ -	\$ -

	Capital	Operating	Total
Nominal Sum	\$ 5,120,291	\$ 605,089,821	\$ 610,210,113
NPV (2013)	\$ 2,231,009	\$ 278,460,490	\$ 280,691,499

Compilation Notes	
(12)	Square Footage contained in Article 2 of the 5th amendment to lease dated July 16, 2002. Rent confirmation in article 3 of the 5th amendment to lease dated _____
(13)	2005 Operating Expense Budget submitted by Landlord.
(14)	Leased at Market Rates assuming Landlord provides \$30 psf to renovate space.

Executive Complex - Scenario 3
Lease Analysis (new worksheet to account for greater square footage than Scenario 2)

Primary Assumptions	
Rentable Square Feet	136,321 (27)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	20%

Operating Expense Calculation				
Estimated Annual Increase Operating Expense	5.00%			
	GSF	PSF	Base	Pass Through
1 2002	\$ -	\$ -	\$ -	\$ -
2 2003	\$ -	\$ -	\$ -	\$ -
3 2004	\$ -	\$ -	\$ -	\$ -
4 2005	\$ - 136,321	(28) \$ 10.44	\$ 9.41	\$ 1.03
5 2006	\$ - 136,321	\$ 10.96	\$ 9.41	\$ 1.55
6 2007	\$ - 136,321	\$ 11.51	\$ 9.41	\$ 2.10
7 2008	\$ - 136,321	\$ 12.09	\$ 9.41	\$ 2.68

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Furniture Expense	Swing Space for Renovation	Total Occupancy Costs
1	2008	136,321	\$ 1.55 (27)	\$ 18.54	\$ 12.09	\$ 9.41	\$ 2.68	\$ 21.22	\$ 2,892,132	\$ -	\$ -	\$ 2,892,132
2	2009	136,321	\$ 1.57	\$ 18.78	\$ 12.69	\$ 9.41	\$ 3.28	\$ 22.06	\$ 3,007,226	\$ -	\$ -	\$ 3,007,226
3	2010	136,321	\$ 1.59	\$ 19.02	\$ 13.32	\$ 9.41	\$ 3.91	\$ 22.93	\$ 3,126,438	\$ -	\$ -	\$ 3,126,438
4	2011	136,321	\$ 1.61	\$ 19.26	\$ 13.99	\$ 9.41	\$ 4.58	\$ 23.84	\$ 3,249,974	\$ -	\$ -	\$ 3,249,974
5	2012	136,321	\$ 1.63	\$ 19.50	\$ 14.69	\$ 9.41	\$ 5.28	\$ 24.78	\$ 3,378,052	\$ -	\$ -	\$ 3,378,052
6	2013	136,321	\$ 1.65	\$ 19.74	\$ 15.42	\$ 9.41	\$ 6.01	\$ 25.75	\$ 3,510,898	\$ -	\$ -	\$ 3,510,898
7	2014	94,876	\$ 2.60 (22), (33)	\$ 31.22	\$ 16.20	\$ 14.50	\$ 1.70	\$ 32.91	\$ 3,122,548	\$ 1,379,660	\$ -	\$ 4,502,208
8	2015	81,062	\$ 2.90	\$ 34.84	\$ 17.01	\$ 16.20	\$ 0.81	\$ 35.65	\$ 2,889,931	\$ -	\$ -	\$ 2,889,900
9	2016	81,062	\$ 2.98	\$ 35.71	\$ 17.86	\$ 16.20	\$ 1.66	\$ 37.37	\$ 3,029,464	\$ -	\$ -	\$ 3,029,464
10	2017	81,062	\$ 3.05	\$ 36.61	\$ 18.75	\$ 16.20	\$ 2.55	\$ 39.16	\$ 3,174,207	\$ -	\$ -	\$ 3,174,207
11	2018	81,062	\$ 3.13	\$ 37.52	\$ 19.69	\$ 16.20	\$ 3.49	\$ 41.01	\$ 3,324,379	\$ -	\$ -	\$ 3,324,379
12	2019	81,062	\$ 3.20	\$ 38.46	\$ 20.67	\$ 16.20	\$ 4.47	\$ 42.93	\$ 3,480,205	\$ -	\$ -	\$ 3,480,205
13	2020	81,062	\$ 3.28	\$ 39.42	\$ 21.70	\$ 16.20	\$ 5.51	\$ 44.93	\$ 3,641,922	\$ -	\$ -	\$ 3,641,922
14	2021	81,062	\$ 3.37	\$ 40.41	\$ 22.79	\$ 16.20	\$ 6.59	\$ 47.00	\$ 3,809,775	\$ -	\$ -	\$ 3,809,775
15	2022	81,062	\$ 3.45	\$ 41.42	\$ 23.93	\$ 16.20	\$ 7.73	\$ 49.15	\$ 3,984,024	\$ -	\$ -	\$ 3,984,024
16	2023	81,062	\$ 3.54	\$ 42.45	\$ 25.13	\$ 16.20	\$ 8.93	\$ 51.38	\$ 4,164,939	\$ -	\$ -	\$ 4,164,939
17	2024	128,991	\$ 4.25 (30)	\$ 50.94	\$ 26.38	\$ 26.38	\$ -	\$ 50.94	\$ 6,570,908	\$ 2,115,720	\$ -	\$ 8,686,628
18	2025	128,991	\$ 4.35	\$ 52.21	\$ 27.70	\$ 26.38	\$ 1.32	\$ 53.53	\$ 6,905,329	\$ -	\$ -	\$ 6,905,329
19	2026	128,991	\$ 4.46	\$ 53.52	\$ 29.09	\$ 26.38	\$ 2.70	\$ 56.22	\$ 7,252,363	\$ -	\$ -	\$ 7,252,363
20	2027	128,991	\$ 4.57	\$ 54.86	\$ 30.54	\$ 26.38	\$ 4.16	\$ 59.02	\$ 7,612,541	\$ -	\$ -	\$ 7,612,541
21	2028	128,991	\$ 4.69	\$ 56.23	\$ 32.07	\$ 26.38	\$ 5.69	\$ 61.91	\$ 7,986,412	\$ -	\$ -	\$ 7,986,412
22	2029	128,991	\$ 4.80	\$ 57.63	\$ 33.67	\$ 26.38	\$ 7.29	\$ 64.92	\$ 8,374,554	\$ -	\$ -	\$ 8,374,554
23	2030	128,991	\$ 4.92	\$ 59.08	\$ 35.35	\$ 26.38	\$ 8.97	\$ 68.05	\$ 8,777,570	\$ -	\$ -	\$ 8,777,570
24	2031	128,991	\$ 5.05	\$ 60.55	\$ 37.12	\$ 26.38	\$ 10.74	\$ 71.29	\$ 9,196,091	\$ -	\$ -	\$ 9,196,091
25	2032	128,991	\$ 5.17	\$ 62.07	\$ 38.98	\$ 26.38	\$ 12.60	\$ 74.66	\$ 9,630,774	\$ -	\$ -	\$ 9,630,774
26	2033	128,991	\$ 5.30	\$ 63.62	\$ 40.93	\$ 26.38	\$ 14.54	\$ 78.16	\$ 10,082,311	\$ -	\$ -	\$ 10,082,311
27	2034	179,638	\$ 6.36 (30)	\$ 76.34	\$ 42.97	\$ 42.97	\$ -	\$ 76.34	\$ 13,713,880	\$ 3,004,571	\$ -	\$ 16,718,451
28	2035	179,638	\$ 6.52	\$ 78.25	\$ 45.12	\$ 42.97	\$ 2.15	\$ 80.40	\$ 14,442,701	\$ -	\$ -	\$ 14,442,701
29	2036	179,638	\$ 6.68	\$ 80.21	\$ 47.38	\$ 42.97	\$ 4.40	\$ 84.61	\$ 15,199,393	\$ -	\$ -	\$ 15,199,393
30	2037	179,638	\$ 6.85	\$ 82.21	\$ 49.75	\$ 42.97	\$ 6.77	\$ 88.99	\$ 15,985,133	\$ -	\$ -	\$ 15,985,133
31	2038	179,638	\$ 7.02	\$ 84.27	\$ 52.23	\$ 42.97	\$ 9.26	\$ 93.53	\$ 16,801,156	\$ -	\$ -	\$ 16,801,156
32	2039	179,638	\$ 7.20	\$ 86.37	\$ 54.84	\$ 42.97	\$ 11.87	\$ 98.25	\$ 17,648,749	\$ -	\$ -	\$ 17,648,749
33	2040	179,638	\$ 7.38	\$ 88.53	\$ 57.59	\$ 42.97	\$ 14.61	\$ 103.15	\$ 18,529,261	\$ -	\$ -	\$ 18,529,261
34	2041	-	\$ 7.56	\$ 90.75	\$ 60.47	\$ 42.97	\$ 17.49	\$ 108.24	\$ -	\$ -	\$ -	\$ -
35	2042	-	\$ 7.75	\$ 93.01	\$ 63.49	\$ 42.97	\$ 20.52	\$ 113.53	\$ -	\$ -	\$ -	\$ -
36	2043	-	\$ 7.95	\$ 95.34	\$ 66.66	\$ 42.97	\$ 23.69	\$ 119.03	\$ -	\$ -	\$ -	\$ -
37	2044	-	\$ 9.53 (30)	\$ 114.41	\$ 70.00	\$ 70.00	\$ -	\$ 114.41	\$ -	\$ -	\$ -	\$ -
38	2045	-	\$ 9.77	\$ 117.27	\$ 73.50	\$ 70.00	\$ 3.50	\$ 120.77	\$ -	\$ -	\$ -	\$ -
39	2046	-	\$ 10.02	\$ 120.20	\$ 77.17	\$ 70.00	\$ 7.17	\$ 127.38	\$ -	\$ -	\$ -	\$ -
40	2047	-	\$ 10.27	\$ 123.21	\$ 81.03	\$ 70.00	\$ 11.03	\$ 134.24	\$ -	\$ -	\$ -	\$ -
41	2048	-	\$ 10.52	\$ 126.29	\$ 85.08	\$ 70.00	\$ 15.08	\$ 141.37	\$ -	\$ -	\$ -	\$ -
42	2049	-	\$ 10.79	\$ 129.44	\$ 89.34	\$ 70.00	\$ 19.34	\$ 148.78	\$ -	\$ -	\$ -	\$ -
43	2050	-	\$ 11.06	\$ 132.68	\$ 93.80	\$ 70.00	\$ 23.81	\$ 156.48	\$ -	\$ -	\$ -	\$ -
44	2051	-	\$ 11.33	\$ 136.00	\$ 98.49	\$ 70.00	\$ 28.50	\$ 164.49	\$ -	\$ -	\$ -	\$ -
45	2052	-	\$ 11.62	\$ 139.40	\$ 103.42	\$ 70.00	\$ 33.42	\$ 172.82	\$ -	\$ -	\$ -	\$ -
46	2053	-	\$ 11.91	\$ 142.88	\$ 108.59	\$ 70.00	\$ 38.59	\$ 181.47	\$ -	\$ -	\$ -	\$ -
47	2054	-	\$ 14.29 (30)	\$ 171.46	\$ 114.02	\$ 114.02	\$ -	\$ 171.46	\$ -	\$ -	\$ -	\$ -
48	2055	-	\$ 14.65	\$ 175.74	\$ 119.72	\$ 114.02	\$ 5.70	\$ 181.44	\$ -	\$ -	\$ -	\$ -
49	2056	-	\$ 15.01	\$ 180.14	\$ 125.71	\$ 114.02	\$ 11.69	\$ 191.82	\$ -	\$ -	\$ -	\$ -
50	2057	-	\$ 15.39	\$ 184.64	\$ 131.99	\$ 114.02	\$ 17.97	\$ 202.61	\$ -	\$ -	\$ -	\$ -

	Capital	Operating	
Nominal Sum	\$ 6,499,951	\$ 248,495,208	\$ 254,995,159
NPV (2013)	\$ 3,541,850	\$ 114,808,849	\$ 118,350,698

Compilation Notes

**Executive Complex - Scenario 2
Lease Analysis**

Primary Assumptions	
Rentable Square Feet	136,321 (27)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	20%

Operating Expense Calculation				
Estimated Annual Increase Operating Expense	5.00%			
	GSF	PSF	Base	Pass Through
1 2002	\$ -	\$ -	\$ -	\$ -
2 2003	\$ -	\$ -	\$ -	\$ -
3 2004	\$ -	\$ -	\$ -	\$ -
4 2005	\$ - 136,321	(28) \$ 10.44	\$ 9.41	\$ 1.03
5 2006	\$ - 136,321	\$ 10.96	\$ 9.41	\$ 1.55
6 2007	\$ - 136,321	\$ 11.51	\$ 9.41	\$ 2.10
7 2008	\$ - 136,321	\$ 12.09	\$ 9.41	\$ 2.68

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Furniture Expense	Swing Space for Renovation	Total Occupancy Costs
1	2008	136,321	\$ 1.55 (27)	\$ 18.54	\$ 12.09	\$ 9.41	\$ 2.68	\$ 21.22	\$ 2,892,132	\$ -	\$ -	\$ 2,892,132
2	2009	136,321	\$ 1.57	\$ 18.78	\$ 12.69	\$ 9.41	\$ 3.28	\$ 22.06	\$ 3,007,226	\$ -	\$ -	\$ 3,007,226
3	2010	136,321	\$ 1.59	\$ 19.02	\$ 13.32	\$ 9.41	\$ 3.91	\$ 22.93	\$ 3,126,438	\$ -	\$ -	\$ 3,126,438
4	2011	136,321	\$ 1.61	\$ 19.26	\$ 13.99	\$ 9.41	\$ 4.58	\$ 23.84	\$ 3,249,974	\$ -	\$ -	\$ 3,249,974
5	2012	136,321	\$ 1.63	\$ 19.50	\$ 14.69	\$ 9.41	\$ 5.28	\$ 24.78	\$ 3,378,052	\$ -	\$ -	\$ 3,378,052
6	2013	136,321	\$ 1.65	\$ 19.74	\$ 15.42	\$ 9.41	\$ 6.01	\$ 25.75	\$ 3,510,898	\$ -	\$ -	\$ 3,510,898
7	2014	65,583	\$ 2.60 (22), (33)	\$ 31.22	\$ 16.20	\$ 14.50	\$ 1.70	\$ 32.91	\$ 2,158,452	\$ 1,379,660	\$ -	\$ 3,538,112
8	2015	42,004	\$ 2.90	\$ 34.84	\$ 17.01	\$ 16.20	\$ 0.81	\$ 35.65	\$ 1,497,478	\$ -	\$ -	\$ 1,497,447
9	2016	42,004	\$ 2.98	\$ 35.71	\$ 17.86	\$ 16.20	\$ 1.66	\$ 37.37	\$ 1,569,780	\$ -	\$ -	\$ 1,569,780
10	2017	42,004	\$ 3.05	\$ 36.61	\$ 18.75	\$ 16.20	\$ 2.55	\$ 39.16	\$ 1,644,782	\$ -	\$ -	\$ 1,644,782
11	2018	42,004	\$ 3.13	\$ 37.52	\$ 19.69	\$ 16.20	\$ 3.49	\$ 41.01	\$ 1,722,596	\$ -	\$ -	\$ 1,722,596
12	2019	42,004	\$ 3.20	\$ 38.46	\$ 20.67	\$ 16.20	\$ 4.47	\$ 42.93	\$ 1,803,341	\$ -	\$ -	\$ 1,803,341
13	2020	42,004	\$ 3.28	\$ 39.42	\$ 21.70	\$ 16.20	\$ 5.51	\$ 44.93	\$ 1,887,138	\$ -	\$ -	\$ 1,887,138
14	2021	42,004	\$ 3.37	\$ 40.41	\$ 22.79	\$ 16.20	\$ 6.59	\$ 47.00	\$ 1,974,114	\$ -	\$ -	\$ 1,974,114
15	2022	42,004	\$ 3.45	\$ 41.42	\$ 23.93	\$ 16.20	\$ 7.73	\$ 49.15	\$ 2,064,405	\$ -	\$ -	\$ 2,064,405
16	2023	42,004	\$ 3.54	\$ 42.45	\$ 25.13	\$ 16.20	\$ 8.93	\$ 51.38	\$ 2,158,150	\$ -	\$ -	\$ 2,158,150
17	2024	89,933	\$ 4.25 (30)	\$ 50.94	\$ 26.38	\$ 26.38	\$ -	\$ 50.94	\$ 4,581,269	\$ 2,115,720	\$ -	\$ 6,696,989
18	2025	89,933	\$ 4.35	\$ 52.21	\$ 27.70	\$ 26.38	\$ 1.32	\$ 53.53	\$ 4,814,429	\$ -	\$ -	\$ 4,814,429
19	2026	89,933	\$ 4.46	\$ 53.52	\$ 29.09	\$ 26.38	\$ 2.70	\$ 56.22	\$ 5,056,384	\$ -	\$ -	\$ 5,056,384
20	2027	89,933	\$ 4.57	\$ 54.86	\$ 30.54	\$ 26.38	\$ 4.16	\$ 59.02	\$ 5,307,501	\$ -	\$ -	\$ 5,307,501
21	2028	89,933	\$ 4.69	\$ 56.23	\$ 32.07	\$ 26.38	\$ 5.69	\$ 61.91	\$ 5,568,166	\$ -	\$ -	\$ 5,568,166
22	2029	89,933	\$ 4.80	\$ 57.63	\$ 33.67	\$ 26.38	\$ 7.29	\$ 64.92	\$ 5,838,780	\$ -	\$ -	\$ 5,838,780
23	2030	89,933	\$ 4.92	\$ 59.08	\$ 35.35	\$ 26.38	\$ 8.97	\$ 68.05	\$ 6,119,765	\$ -	\$ -	\$ 6,119,765
24	2031	89,933	\$ 5.05	\$ 60.55	\$ 37.12	\$ 26.38	\$ 10.74	\$ 71.29	\$ 6,411,560	\$ -	\$ -	\$ 6,411,560
25	2032	89,933	\$ 5.17	\$ 62.07	\$ 38.98	\$ 26.38	\$ 12.60	\$ 74.66	\$ 6,714,623	\$ -	\$ -	\$ 6,714,623
26	2033	89,933	\$ 5.30	\$ 63.62	\$ 40.93	\$ 26.38	\$ 14.54	\$ 78.16	\$ 7,029,437	\$ -	\$ -	\$ 7,029,437
27	2034	140,580	\$ 6.36 (30)	\$ 76.34	\$ 42.97	\$ 42.97	\$ -	\$ 76.34	\$ 10,732,137	\$ 3,004,571	\$ -	\$ 13,736,708
28	2035	140,580	\$ 6.52	\$ 78.25	\$ 45.12	\$ 42.97	\$ 2.15	\$ 80.40	\$ 11,302,494	\$ -	\$ -	\$ 11,302,494
29	2036	140,580	\$ 6.68	\$ 80.21	\$ 47.38	\$ 42.97	\$ 4.40	\$ 84.61	\$ 11,894,662	\$ -	\$ -	\$ 11,894,662
30	2037	140,580	\$ 6.85	\$ 82.21	\$ 49.75	\$ 42.97	\$ 6.77	\$ 88.99	\$ 12,509,562	\$ -	\$ -	\$ 12,509,562
31	2038	140,580	\$ 7.02	\$ 84.27	\$ 52.23	\$ 42.97	\$ 9.26	\$ 93.53	\$ 13,148,161	\$ -	\$ -	\$ 13,148,161
32	2039	140,580	\$ 7.20	\$ 86.37	\$ 54.84	\$ 42.97	\$ 11.87	\$ 98.25	\$ 13,811,466	\$ -	\$ -	\$ 13,811,466
33	2040	140,580	\$ 7.38	\$ 88.53	\$ 57.59	\$ 42.97	\$ 14.61	\$ 103.15	\$ 14,500,533	\$ -	\$ -	\$ 14,500,533
34	2041	-	\$ 7.56	\$ 90.75	\$ 60.47	\$ 42.97	\$ 17.49	\$ 108.24	\$ -	\$ -	\$ -	\$ -
35	2042	-	\$ 7.75	\$ 93.01	\$ 63.49	\$ 42.97	\$ 20.52	\$ 113.53	\$ -	\$ -	\$ -	\$ -
36	2043	-	\$ 7.95	\$ 95.34	\$ 66.66	\$ 42.97	\$ 23.69	\$ 119.03	\$ -	\$ -	\$ -	\$ -
37	2044	-	\$ 9.53 (30)	\$ 114.41	\$ 70.00	\$ 70.00	\$ -	\$ 114.41	\$ -	\$ -	\$ -	\$ -
38	2045	-	\$ 9.77	\$ 117.27	\$ 73.50	\$ 70.00	\$ 3.50	\$ 120.77	\$ -	\$ -	\$ -	\$ -
39	2046	-	\$ 10.02	\$ 120.20	\$ 77.17	\$ 70.00	\$ 7.17	\$ 127.38	\$ -	\$ -	\$ -	\$ -
40	2047	-	\$ 10.27	\$ 123.21	\$ 81.03	\$ 70.00	\$ 11.03	\$ 134.24	\$ -	\$ -	\$ -	\$ -
41	2048	-	\$ 10.52	\$ 126.29	\$ 85.08	\$ 70.00	\$ 15.08	\$ 141.37	\$ -	\$ -	\$ -	\$ -
42	2049	-	\$ 10.79	\$ 129.44	\$ 89.34	\$ 70.00	\$ 19.34	\$ 148.78	\$ -	\$ -	\$ -	\$ -
43	2050	-	\$ 11.06	\$ 132.68	\$ 93.80	\$ 70.00	\$ 23.81	\$ 156.48	\$ -	\$ -	\$ -	\$ -
44	2051	-	\$ 11.33	\$ 136.00	\$ 98.49	\$ 70.00	\$ 28.50	\$ 164.49	\$ -	\$ -	\$ -	\$ -
45	2052	-	\$ 11.62	\$ 139.40	\$ 103.42	\$ 70.00	\$ 33.42	\$ 172.82	\$ -	\$ -	\$ -	\$ -
46	2053	-	\$ 11.91	\$ 142.88	\$ 108.59	\$ 70.00	\$ 38.59	\$ 181.47	\$ -	\$ -	\$ -	\$ -
47	2054	-	\$ 14.29 (30)	\$ 171.46	\$ 114.02	\$ 114.02	\$ -	\$ 171.46	\$ -	\$ -	\$ -	\$ -
48	2055	-	\$ 14.65	\$ 175.74	\$ 119.72	\$ 114.02	\$ 5.70	\$ 181.44	\$ -	\$ -	\$ -	\$ -
49	2056	-	\$ 15.01	\$ 180.14	\$ 125.71	\$ 114.02	\$ 11.69	\$ 191.82	\$ -	\$ -	\$ -	\$ -
50	2057	-	\$ 15.39	\$ 184.64	\$ 131.99	\$ 114.02	\$ 17.97	\$ 202.61	\$ -	\$ -	\$ -	\$ -

	Capital	Operating	Total
Nominal Sum	\$ 6,499,951	\$ 182,985,853	\$ 189,485,804
NPV (2013)	\$ 3,541,850	\$ 84,504,456	\$ 88,046,305

Compilation Notes	
(27)	Square Footage contained in Article 2 of the 5th amendment to lease dated July 16, 2002. Rent confirmation in article 3 of the 5th amendment to lease dated July 16, 2012.
(28)	2005 Operating Expense Budget submitted by Landlord.
(22)	Estimated rents for Class B office assuming \$45/SF tenant improvement allowance provided by landlord to retrofit space to City's new office standards. For details refer to Appendix B, Market Study, Section 3.
(30)	Square footage increases to accommodate growth per Gensler Study and detailed in growth projections page 7.
(31)	Onetime FF&E costs for converting new city office standards.
(33)	Square footage reduction due purchasing Civic Center and moving more people into that building, in addition to retrofitting space to new city workspace standards.

**Executive Complex, 600 B or Comparable - Scenario 1
Lease Analysis**

Primary Assumptions	
Rentable Square Feet	136,321 (27)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	20%

Swing Space Calculations			
Year	SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7	34,080	\$ 39.40	\$ 1,342,889
8		\$ 40.59	\$ -

Operating Expense Calculation						
Estimated Annual Increase Operating Expense						5.00%
		GSF	PSF	Base	Pass Through	
1	2002	\$ -	\$ -	\$ -	\$ -	\$ -
2	2003	\$ -	\$ -	\$ -	\$ -	\$ -
3	2004	\$ -	\$ -	\$ -	\$ -	\$ -
4	2005	\$ -	136,321 (28)	\$ 10.44	\$ 9.41	\$ 1.03
5	2006	\$ -	136,321	\$ 10.96	\$ 9.41	\$ 1.55
6	2007	\$ -	136,321	\$ 11.51	\$ 9.41	\$ 2.10
7	2008	\$ -	136,321	\$ 12.09	\$ 9.41	\$ 2.68

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Furniture Expense	Swing Space for Renovation	Total Occupancy Costs
1	2008	136,321	\$ 1.55 (27)	\$ 18.54	\$ 12.09	\$ 9.41	\$ 2.68	\$ 21.22	\$ 2,892,132	\$ -	\$ -	\$ 2,892,132
2	2009	136,321	\$ 1.57	\$ 18.78	\$ 12.69	\$ 9.41	\$ 3.28	\$ 22.06	\$ 3,007,226	\$ -	\$ -	\$ 3,007,226
3	2010	136,321	\$ 1.59	\$ 19.02	\$ 13.32	\$ 9.41	\$ 3.91	\$ 22.93	\$ 3,126,438	\$ -	\$ -	\$ 3,126,438
4	2011	136,321	\$ 1.61	\$ 19.26	\$ 13.99	\$ 9.41	\$ 4.58	\$ 23.84	\$ 3,249,974	\$ -	\$ -	\$ 3,249,974
5	2012	136,321	\$ 1.63	\$ 19.50	\$ 14.69	\$ 9.41	\$ 5.28	\$ 24.78	\$ 3,378,052	\$ -	\$ -	\$ 3,378,052
6	2013	136,321	\$ 1.65	\$ 19.74	\$ 15.42	\$ 9.41	\$ 6.01	\$ 25.75	\$ 3,510,898	\$ -	\$ -	\$ 3,510,898
7	2014	289,586	\$ 2.52 (29)	\$ 30.23	\$ 16.20	\$ 14.50	\$ 1.70	\$ 31.92	\$ 9,244,085	\$ -	\$ 1,342,889 (32)	\$ 10,586,974
8	2015	289,586	\$ 2.79	\$ 33.50	\$ 17.01	\$ 16.20	\$ 0.81	\$ 34.31	\$ 9,934,622	\$ -	\$ -	\$ 9,934,622
9	2016	289,586	\$ 2.86	\$ 34.33	\$ 17.86	\$ 16.20	\$ 1.66	\$ 35.99	\$ 10,423,355	\$ -	\$ -	\$ 10,423,355
10	2017	289,586	\$ 2.93	\$ 35.19	\$ 18.75	\$ 16.20	\$ 2.55	\$ 37.75	\$ 10,930,462	\$ -	\$ -	\$ 10,930,462
11	2018	289,586	\$ 3.01	\$ 36.07	\$ 19.69	\$ 16.20	\$ 3.49	\$ 39.56	\$ 11,456,711	\$ -	\$ -	\$ 11,456,711
12	2019	289,586	\$ 3.08	\$ 36.97	\$ 20.67	\$ 16.20	\$ 4.47	\$ 41.45	\$ 12,002,902	\$ -	\$ -	\$ 12,002,902
13	2020	289,586	\$ 3.16	\$ 37.90	\$ 21.70	\$ 16.20	\$ 5.51	\$ 43.41	\$ 12,569,874	\$ -	\$ -	\$ 12,569,874
14	2021	289,586	\$ 3.24	\$ 38.85	\$ 22.79	\$ 16.20	\$ 6.59	\$ 45.44	\$ 13,158,503	\$ -	\$ -	\$ 13,158,503
15	2022	289,586	\$ 3.32	\$ 39.82	\$ 23.93	\$ 16.20	\$ 7.73	\$ 47.55	\$ 13,769,703	\$ -	\$ -	\$ 13,769,703
16	2023	289,586	\$ 3.40	\$ 40.81	\$ 25.13	\$ 16.20	\$ 8.93	\$ 49.74	\$ 14,404,434	\$ -	\$ -	\$ 14,404,434
17	2024	350,696	\$ 4.08 (30)	\$ 48.97	\$ 26.38	\$ 26.38	\$ -	\$ 48.97	\$ 17,175,224	\$ 2,115,720	\$ -	\$ 19,290,944
18	2025	350,696	\$ 4.18	\$ 50.20	\$ 27.70	\$ 26.38	\$ 1.32	\$ 51.52	\$ 18,067,197	\$ -	\$ -	\$ 18,067,197
19	2026	350,696	\$ 4.29	\$ 51.45	\$ 29.09	\$ 26.38	\$ 2.70	\$ 54.16	\$ 18,993,033	\$ -	\$ -	\$ 18,993,033
20	2027	350,696	\$ 4.40	\$ 52.74	\$ 30.54	\$ 26.38	\$ 4.16	\$ 56.90	\$ 19,954,159	\$ -	\$ -	\$ 19,954,159
21	2028	350,696	\$ 4.50	\$ 54.06	\$ 32.07	\$ 26.38	\$ 5.69	\$ 59.74	\$ 20,952,063	\$ -	\$ -	\$ 20,952,063
22	2029	350,696	\$ 4.62	\$ 55.41	\$ 33.67	\$ 26.38	\$ 7.29	\$ 62.70	\$ 21,988,302	\$ -	\$ -	\$ 21,988,302
23	2030	350,696	\$ 4.73	\$ 56.80	\$ 35.35	\$ 26.38	\$ 8.97	\$ 65.77	\$ 23,064,504	\$ -	\$ -	\$ 23,064,504
24	2031	350,696	\$ 4.85	\$ 58.22	\$ 37.12	\$ 26.38	\$ 10.74	\$ 68.96	\$ 24,182,371	\$ -	\$ -	\$ 24,182,371
25	2032	350,696	\$ 4.97	\$ 59.67	\$ 38.98	\$ 26.38	\$ 12.60	\$ 72.27	\$ 25,343,683	\$ -	\$ -	\$ 25,343,683
26	2033	350,696	\$ 5.10	\$ 61.16	\$ 40.93	\$ 26.38	\$ 14.54	\$ 75.71	\$ 26,550,300	\$ -	\$ -	\$ 26,550,300
27	2034	415,271	\$ 6.12 (30)	\$ 73.40	\$ 42.97	\$ 42.97	\$ -	\$ 73.40	\$ 30,478,896	\$ 3,004,571	\$ -	\$ 33,483,468
28	2035	415,271	\$ 6.27	\$ 75.23	\$ 45.12	\$ 42.97	\$ 2.15	\$ 77.38	\$ 32,133,130	\$ -	\$ -	\$ 32,133,130
29	2036	415,271	\$ 6.43	\$ 77.11	\$ 47.38	\$ 42.97	\$ 4.40	\$ 81.52	\$ 33,851,025	\$ -	\$ -	\$ 33,851,025
30	2037	415,271	\$ 6.59	\$ 79.04	\$ 49.75	\$ 42.97	\$ 6.77	\$ 85.81	\$ 35,635,290	\$ -	\$ -	\$ 35,635,290
31	2038	415,271	\$ 6.75	\$ 81.01	\$ 52.23	\$ 42.97	\$ 9.26	\$ 90.28	\$ 37,488,754	\$ -	\$ -	\$ 37,488,754
32	2039	415,271	\$ 6.92	\$ 83.04	\$ 54.84	\$ 42.97	\$ 11.87	\$ 94.91	\$ 39,414,378	\$ -	\$ -	\$ 39,414,378
33	2040	415,271	\$ 7.09	\$ 85.12	\$ 57.59	\$ 42.97	\$ 14.61	\$ 99.73	\$ 41,415,255	\$ -	\$ -	\$ 41,415,255
34	2041	-	\$ 7.27	\$ 87.24	\$ 60.47	\$ 42.97	\$ 17.49	\$ 104.74	\$ -	\$ -	\$ -	\$ -
35	2042	-	\$ 7.45	\$ 89.42	\$ 63.49	\$ 42.97	\$ 20.52	\$ 109.94	\$ -	\$ -	\$ -	\$ -
36	2043	-	\$ 7.64	\$ 91.66	\$ 66.66	\$ 42.97	\$ 23.69	\$ 115.35	\$ -	\$ -	\$ -	\$ -
37	2044	-	\$ 9.17 (30)	\$ 109.99	\$ 70.00	\$ 70.00	\$ -	\$ 109.99	\$ -	\$ -	\$ -	\$ -
38	2045	-	\$ 9.40	\$ 112.74	\$ 73.50	\$ 70.00	\$ 3.50	\$ 116.24	\$ -	\$ -	\$ -	\$ -
39	2046	-	\$ 9.63	\$ 115.56	\$ 77.17	\$ 70.00	\$ 7.17	\$ 122.74	\$ -	\$ -	\$ -	\$ -
40	2047	-	\$ 9.87	\$ 118.45	\$ 81.03	\$ 70.00	\$ 11.03	\$ 129.48	\$ -	\$ -	\$ -	\$ -
41	2048	-	\$ 10.12	\$ 121.41	\$ 85.08	\$ 70.00	\$ 15.08	\$ 136.50	\$ -	\$ -	\$ -	\$ -
42	2049	-	\$ 10.37	\$ 124.45	\$ 89.34	\$ 70.00	\$ 19.34	\$ 143.79	\$ -	\$ -	\$ -	\$ -
43	2050	-	\$ 10.63	\$ 127.56	\$ 93.80	\$ 70.00	\$ 23.81	\$ 151.36	\$ -	\$ -	\$ -	\$ -
44	2051	-	\$ 10.90	\$ 130.75	\$ 98.49	\$ 70.00	\$ 28.50	\$ 159.24	\$ -	\$ -	\$ -	\$ -
45	2052	-	\$ 11.17	\$ 134.02	\$ 103.42	\$ 70.00	\$ 33.42	\$ 167.44	\$ -	\$ -	\$ -	\$ -
46	2053	-	\$ 11.45	\$ 137.37	\$ 108.59	\$ 70.00	\$ 38.59	\$ 175.96	\$ -	\$ -	\$ -	\$ -
47	2054	-	\$ 13.74 (30)	\$ 164.84	\$ 114.02	\$ 114.02	\$ -	\$ 164.84	\$ -	\$ -	\$ -	\$ -
48	2055	-	\$ 14.08	\$ 168.96	\$ 119.72	\$ 114.02	\$ 5.70	\$ 174.66	\$ -	\$ -	\$ -	\$ -
49	2056	-	\$ 14.43	\$ 173.18	\$ 125.71	\$ 114.02	\$ 11.69	\$ 184.87	\$ -	\$ -	\$ -	\$ -
50	2057	-	\$ 14.79	\$ 177.51	\$ 131.99	\$ 114.02	\$ 17.97	\$ 195.49	\$ -	\$ -	\$ -	\$ -

	Capital	Operating	
Nominal Sum	\$ 5,120,291	\$ 605,089,821	\$ 610,210,113
NPV (2013) 5.25%	\$ 2,231,009	\$ 278,460,490	\$ 280,691,499

Compilation Notes	
(27)	Square Footage contained in Article 2 of the 5th amendment to lease dated July 16, 2002. Rent confirmation in article 3 of the 5th amendment to lease.
(28)	2005 Operating Expense Budget submitted by Landlord.
(29)	Estimated rents for Class B office assuming \$30/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 3.
(30)	Square footage increases to accommodate growth per Gensler Study and detailed in growth projections page 7.
(31)	Onetime FF&E costs for converting new city office standards. - NOTE: Eliminated since no renovation is planned for leased buildings
(32)	Assumes 12 months of swing space to complete tenant improvements in Premises at renewal.

Concourse Building (as Meeting Space)

Total Square Feet: 158,119

Renovation to Code/Standard			
Estimated Renovation Costs		\$ 27,229,737	(53)
Furniture	\$ -	\$ -	
Technology	\$ -		
Security	\$ -		
Seismic Retrofit	\$ 35.00	\$ 5,534,165	
Other 1		\$ -	
Other 2		\$ -	
Total Project Budget		\$ 32,763,902	

Debt Service Calculations	
Amount	\$ 32,763,902
Term	30
Interest Rate	5.25%
Debt Service	\$ 2,192,460

Operating Expense Calculations	
Current Operating Costs PSF	\$ 9.00
Estimated Annual Increases	5.0%

		(71)			
Year		Debt Service	Operating Expenses	Meeting Space Revenue	Total Occupancy
1	2008		\$ 1,423,071	\$ (600,000)	\$ 823,071
2	2009		\$ 1,494,225	\$ (618,000)	\$ 876,225
3	2010		\$ 1,568,936	\$ (636,540)	\$ 932,396
4	2011	1	\$ 2,192,460	\$ 1,647,383 (54)	\$ 3,184,206
5	2012	2	\$ 2,192,460	\$ 1,729,752	\$ 3,246,906
6	2013	3	\$ 2,192,460	\$ 1,816,239	\$ 3,313,135
7	2014	4	\$ 2,192,460	\$ 1,907,051	\$ 3,383,080
8	2015	5	\$ 2,192,460	\$ 2,002,404	\$ 3,456,939
9	2016	6	\$ 2,192,460	\$ 2,102,524	\$ 3,534,922
10	2017	7	\$ 2,192,460	\$ 2,207,650	\$ 3,617,246
11	2018	8	\$ 2,192,460	\$ 2,318,033	\$ 3,704,143
12	2019	9	\$ 2,192,460	\$ 2,433,934	\$ 3,795,854
13	2020	10	\$ 2,192,460	\$ 2,555,631	\$ 3,892,634
14	2021	11	\$ 2,192,460	\$ 2,683,413	\$ 3,994,752
15	2022	12	\$ 2,192,460	\$ 2,817,583	\$ 4,102,489
16	2023	13	\$ 2,192,460	\$ 2,958,462	\$ 4,216,142
17	2024	14	\$ 2,192,460	\$ 3,106,386	\$ 4,336,022
18	2025	15	\$ 2,192,460	\$ 3,261,705	\$ 4,462,456
19	2026	16	\$ 2,192,460	\$ 3,424,790	\$ 4,595,790
20	2027	17	\$ 2,192,460	\$ 3,596,030	\$ 4,736,386
21	2028	18	\$ 2,192,460	\$ 3,775,831	\$ 4,884,624
22	2029	19	\$ 2,192,460	\$ 3,964,623	\$ 5,040,906
23	2030	20	\$ 2,192,460	\$ 4,162,854	\$ 5,205,652
24	2031	21	\$ 2,192,460	\$ 4,370,996	\$ 5,379,304
25	2032	22	\$ 2,192,460	\$ 4,589,546	\$ 5,562,330
26	2033	23	\$ 2,192,460	\$ 4,819,024	\$ 5,755,217
27	2034	24	\$ 2,192,460	\$ 5,059,975	\$ 5,958,480
28	2035	25	\$ 2,192,460	\$ 5,312,973	\$ 6,172,660
29	2036	26	\$ 2,192,460	\$ 5,578,622	\$ 6,398,325
30	2037	27	\$ 2,192,460	\$ 5,857,553	\$ 6,636,074
31	2038	28	\$ 2,192,460	\$ 6,150,431	\$ 6,886,533
32	2039	29	\$ 2,192,460	\$ 6,457,952	\$ 7,150,364
33	2040	30	\$ 2,192,460	\$ 6,780,850 (55)	\$ 7,428,260
34	2041			\$ -	\$ -
35	2042			\$ -	\$ -
36	2043			\$ -	\$ -
37	2044			\$ -	\$ -
38	2045			\$ -	\$ -
39	2046			\$ -	\$ -
40	2047			\$ -	\$ -
41	2048			\$ -	\$ -
42	2049			\$ -	\$ -
43	2050			\$ -	\$ -
44	2051			\$ -	\$ -
45	2052			\$ -	\$ -
46	2053			\$ -	\$ -
47	2054			\$ -	\$ -
48	2055			\$ -	\$ -
49	2056			\$ -	\$ -
50	2057			\$ -	\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 65,773,796	\$ 113,936,430	\$ (33,046,705)	\$ 146,663,521
NPV 2013	5.25%	\$37,848,519	\$57,120,410	\$ (17,956,004)
				\$ 77,012,925

Compilation Notes	
(53)	Per DMJM H&N Facilities Condition Assessment, page 13
(54)	Assumes 2 year renovation starting 2009
(55)	Debt Service Expires in 2040, Operating Expenses only until 2041 when new facility constructed
(71)	Meeting space revenue for 2008 is based on the City's fiscal year 2009 budget projection. Annual increases of 3% are assumed thereafter. Please refer to the historical revenue information and assumptions in this workbook and Appendix A, Financial Analysis Source Documents for further information.

Capital vs. Operating Costs Scenario 2

CAB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 104,312,088	\$ 132,841,180	\$ 8,320,158	\$ 245,473,425
NPV 2013	\$ 60,024,786	\$ 64,955,452	\$ 8,320,158	\$ 133,300,396
COB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 114,279,358	\$ 152,062,431	\$ 2,773,386	\$ 269,115,175
NPV 2013	\$ 65,760,299	\$ 75,201,138	\$ 2,773,386	\$ 143,734,822
Concourse as Meeting	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 65,773,796	\$ 113,936,430	\$ (33,046,705)	\$ 146,663,521
NPV 2013	\$ 37,848,519	\$ 57,120,410	\$ (17,956,004)	\$ 77,012,925
Parkade	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 12,730,911	\$ 25,638,237	\$ (66,209,527)	\$ (27,840,379)
NPV 2013	\$ 7,643,575	\$ 12,853,366	\$ (34,543,409)	\$ (14,046,468)
New "Owned" 30 Years (End of Useful Life)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 1,832,191,476	\$ 587,219,722	\$ (229,843,906)	\$ 2,189,567,291
NPV 2013	\$ 299,383,997	\$ 91,529,567	\$ (35,549,825)	\$ 355,363,740
Civic Plaza (Acquire)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 169,943,853	\$ 29,893,402	\$ 184,286,066	\$ 384,123,322
NPV (2013)	\$ 105,062,279	\$ 29,893,402	\$ 83,857,142	\$ 218,812,823
Executive Complex	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 6,499,951	\$ 182,985,853	\$ -	\$ 189,485,804
NPV (2013)	\$ 3,541,850	\$ 84,504,456	\$ -	\$ 88,046,305
600 B Street	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
Library and Publishing (Kearny Mesa)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 70,538,849	\$ -	\$ 70,538,849
NPV 2013	\$ -	\$ 11,636,804	\$ -	\$ 11,636,804
Civic Plaza (Lease) - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum (included above)	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
Executive Complex - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum (included above)	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
600 B Street - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
NPV (2013)	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
Total - Owned Assets	\$ 2,299,231,481	\$ 1,041,591,402	\$ (133,720,528)	\$ 3,207,102,355
	\$ 575,723,454	\$ 331,553,334	\$ 6,901,448	\$ 914,178,236
Total - Leased Assets	\$ 6,499,951	\$ 280,456,133	\$ -	\$ 286,956,084
	\$ 3,541,850	\$ 123,072,691	\$ -	\$ 126,614,540
Grand Total - All Facilities	\$ 2,305,731,432	\$ 1,322,047,535	\$ (133,720,528)	\$ 3,494,058,439
	\$ 579,265,304	\$ 454,626,025	\$ 6,901,448	\$ 1,040,792,776

Capital vs. Operating Costs Scenario 1

CAB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 104,312,088	\$ 132,841,180	\$ 8,320,158	\$ 245,473,425
NPV 2013	\$ 60,024,786	\$ 64,955,452	\$ 8,320,158	\$ 133,300,396
COB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 114,279,358	\$ 152,062,431	\$ 2,773,386	\$ 269,115,175
NPV 2013	\$ 65,760,299	\$ 75,201,138	\$ 2,773,386	\$ 143,734,822
Concourse as Meeting	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 65,773,796	\$ 113,936,430	\$ (33,046,705)	\$ 146,663,521
NPV 2013	\$ 37,848,519	\$ 57,120,410	\$ (17,956,004)	\$ 77,012,925
Parkade	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 12,730,911	\$ 25,638,237	\$ (66,209,527)	\$ (27,840,379)
NPV 2013	\$ 7,643,575	\$ 12,853,366	\$ (34,543,409)	\$ (14,046,468)
New "Owned" 30 Years (End of Useful Life)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 1,832,191,476	\$ 587,219,722	\$ (229,843,906)	\$ 2,189,567,291
NPV 2013	\$ 299,383,997	\$ 91,529,567	\$ (35,549,825)	\$ 355,363,740
Library and Publishing (Kearny Mesa)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 70,538,849	\$ -	\$ 70,538,849
NPV 2013	\$ -	\$ 11,636,804	\$ -	\$ 11,636,804
Civic Plaza	Capital	Operating 1	Operating 2	Total
Nominal Sum		\$ 417,059,072	\$ -	\$ 417,059,072
NPV (2013)		\$ 210,660,082	\$ -	\$ 210,660,082
Executive Complex	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 5,120,291	\$ 605,089,821	\$ -	\$ 610,210,113
NPV (2013)	\$ 2,231,009	\$ 278,460,490	\$ -	\$ 280,691,499
600 B Street	Capital	Operating 1	Operating 2	Total
Nominal Sum		\$ 26,931,431	\$ -	\$ 26,931,431
NPV (2013)		\$ 26,931,431	\$ -	\$ 26,931,431
Civic Plaza (Lease) - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum (included above)	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
Executive Complex - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum (included above)	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
600 B Street - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum (included above)	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
Total - Owned Assets	Capital	Operating 1	Operating 2	Total
	\$ 2,129,287,628	\$ 1,011,698,000	\$ (318,006,594)	\$ 2,822,979,034
	\$ 470,661,175	\$ 301,659,932	\$ (76,955,694)	\$ 695,365,414
Total - Leased Assets	Capital	Operating 1	Operating 2	Total
	\$ 5,120,291	\$ 1,119,619,173	\$ -	\$ 1,124,739,464
	\$ 2,231,009	\$ 527,688,807	\$ -	\$ 529,919,816
Grand Total - All Facilities	Capital	Operating 1	Operating 2	Total
	\$ 2,134,407,919	\$ 2,131,317,173	\$ (318,006,594)	\$ 3,947,718,498
	\$ 472,892,184	\$ 829,348,739	\$ (76,955,694)	\$ 1,225,285,230

Existing Leases - Rental Rate through end of term										
600 B St	153,265	01/1/08-05/31/08	\$	1.96	\$	1,501,997			2008 \$	3,679,893
		06/1/08-12/31/08	\$	2.03	\$	2,177,896	\$	2.00		
		01/1/09-05/31/09	\$	2.03	\$	1,555,640			2009 \$	3,808,635
		06/1/09-12/31/09	\$	2.10	\$	2,252,996	\$	2.07		
		01/1/10-05/31/10	\$	2.10	\$	1,609,283			2010 \$	3,948,106
		06/1/10-12/31/10	\$	2.18	\$	2,338,824	\$	2.15		
		01/1/11-05/31/11	\$	2.18	\$	1,670,589			2011 \$	4,095,241
		06/1/11-12/31/11	\$	2.26	\$	2,424,652	\$	2.23		
		01/1/12-05/31/12	\$	2.26	\$	1,731,895			2012 \$	4,242,375
		06/1/12-12/31/12	\$	2.34	\$	2,510,481	\$	2.31		
		01/1/13-05/31/13	\$	2.34	\$	1,793,201			2013 \$	4,732,823
		06/1/13-12/31/13	\$	2.74	\$	2,939,623	\$	2.57		
Lease expires 5/31/13										
(market rate at 6/1/13 assuming a renewal with \$30 TI allowance; same rate used for holdover if lease expires - not material)										
Executive Complex	136,321	01/1/08-03/31/08	\$	1.53	\$	625,713			2008 \$	2,527,391
		04/1/08-12/31/08	\$	1.55	\$	1,901,678	\$	1.55		
		01/1/09-03/31/09	\$	1.55	\$	633,893			2009 \$	2,560,108
		04/1/09-12/31/09	\$	1.57	\$	1,926,216	\$	1.57		
		01/1/10-03/31/10	\$	1.57	\$	642,072			2010 \$	2,592,825
		04/1/10-12/31/10	\$	1.59	\$	1,950,754	\$	1.59		
		01/1/11-03/31/11	\$	1.59	\$	650,251			2011 \$	2,625,542
		04/1/11-12/31/11	\$	1.61	\$	1,975,291	\$	1.61		
		01/1/12-03/31/12	\$	1.61	\$	658,430			2012 \$	2,658,260
		04/1/12-12/31/12	\$	1.63	\$	1,999,829	\$	1.63		
		01/1/13-03/31/13	\$	1.63	\$	666,610			2013 \$	2,690,977
		04/1/13-12/31/13	\$	1.65	\$	2,024,367	\$	1.65		
		01/1/14-03/31/14	\$	1.65	\$	758,662			2014 \$	4,120,338
		04/1/14-12/31/14	\$	2.74	\$	3,361,676	\$	2.52		
Lease expires 3/31/14										
(market rate at 4/1/14 assuming a renewal with \$30 TI allowance - Scenarios 1 & 5)										
		01/1/14-03/31/14	\$	1.65	\$	758,662			2014 \$	4,255,295
		04/1/14-12/31/14	\$	2.85	\$	3,496,634	\$	2.60		
(market rate at 4/1/14 assuming a renewal with \$45 TI allowance - Scenarios 2 & 3)										

Civic Center Plaza	243,176	01/1/08-12/31/08	\$	1.45	\$ 2,468,236	\$	1.45	2008 \$	4,231,262
		01/1/09-	\$	1.45	\$ 2,468,236	\$	1.45	2009 \$	4,231,262
		-12/31/09	\$	1.45	\$ 1,763,026	\$	1.45	2010 \$	4,231,262
		01/1/10-	\$	1.45	\$ 2,468,236	\$	1.45	2011 \$	4,231,262
		-12/31/10	\$	1.45	\$ 1,763,026	\$	1.45	2012 \$	4,231,262
		01/1/11-	\$	1.45	\$ 2,468,236	\$	1.45	2013 \$	4,231,262
		-12/31/11	\$	1.45	\$ 1,763,026	\$	1.45	2014 \$	5,799,748
		01/1/12-	\$	1.45	\$ 2,468,236	\$	1.45		
		-12/31/12	\$	1.45	\$ 1,763,026	\$	1.45		
		01/1/13-	\$	1.45	\$ 2,468,236	\$	1.45		
		-12/31/13	\$	1.45	\$ 1,763,026	\$	1.45		
		01/1/14-07/23/14	\$	1.45	\$ 2,468,236	\$	1.45		
		8/1/14-12/31/14	\$	2.74	\$ 3,331,511	\$	1.99		
Lease expires 7/23/14									
(market rate at 4/1/14 assuming a renewal with \$30 TI allowance - Scenarios 1 & 5)									
		01/1/14-07/23/14	\$	1.45	\$ 2,468,236	\$	2.03		
		8/1/14-12/31/14	\$	2.85	\$ 3,465,258	\$			
(market rate at 4/1/14 assuming a renewal with \$45 TI allowance - Scenarios 3 & 4)									

City Administration Building (CAB) - Scenario 5

Total Square Feet: 188,926

Renovation to Code/Standard			
Estimated Renovation Costs			\$ -
Seismic Retrofit	\$	35.00	\$ -
Furniture	832 \$	7,000	\$ -
Technology			\$ -
Security	\$	7.50	\$ -
Temp Move 1	832 \$	350	\$ -
Permanent Move	832 \$	350	\$ -
Other 1			\$ -
Total Project Budget			\$ -

Swing Space Calculations			
Year	SF	Rate	Total
1	124,200	\$ -	\$ -
2	124,200	\$ -	\$ -
3		\$ -	\$ -
4		\$ -	\$ -
5		\$ -	\$ -

Debt Service Calculations	
Amount	\$ -
Term	30
Interest Rate	5.25%
Debt Service	\$ -

Operating Expense Calculations	
Current Operating Costs PSF	\$ 9.00
Estimated Annual Increases	5.0%

Year	Debt Service	Operating Expenses	Swing Space	Total Occupancy
1 2008	\$ -	\$ 1,700,334	\$ -	\$ 1,700,334
2 2009	\$ -	\$ 1,785,351	\$ -	\$ 1,785,351
3 2010	\$ -	\$ 1,874,618	\$ -	\$ 1,874,618
4 2011	1 \$	\$ 1,968,349	\$ -	\$ 1,968,349
5 2012	2 \$	\$ 2,066,767	\$ -	\$ 2,066,767
6 2013	3 \$	\$ 2,170,105	\$ -	\$ 2,170,105
7 2014	4 \$	\$ 2,278,610	\$ -	\$ 2,278,610
8 2015	5 \$	\$ 2,392,541	\$ -	\$ 2,392,541
9 2016	6 \$	\$ 2,512,168	\$ -	\$ 2,512,168
10 2017	7 \$	\$ 2,637,776	\$ -	\$ 2,637,776
11 2018	8 \$	\$ 2,769,665	\$ -	\$ 2,769,665
12 2019	9 \$	\$ 2,908,148	\$ -	\$ 2,908,148
13 2020	10 \$	\$ 3,053,556	\$ -	\$ 3,053,556
14 2021	11 \$	\$ 3,206,233	\$ -	\$ 3,206,233
15 2022	12 \$	\$ 3,366,545	\$ -	\$ 3,366,545
16 2023	13 \$	\$ 3,534,872	\$ -	\$ 3,534,872
17 2024	14 \$	\$ 3,711,616	\$ -	\$ 3,711,616
18 2025	15 \$	\$ 3,897,197	\$ -	\$ 3,897,197
19 2026	16 \$	\$ 4,092,057	\$ -	\$ 4,092,057
20 2027	17 \$	\$ 4,296,659	\$ -	\$ 4,296,659
21 2028	18 \$	\$ 4,511,492	\$ -	\$ 4,511,492
22 2029	19 \$	\$ 4,737,067	\$ -	\$ 4,737,067
23 2030	20 \$	\$ 4,973,920	\$ -	\$ 4,973,920
24 2031	21 \$	\$ 5,222,616	\$ -	\$ 5,222,616
25 2032	22 \$	\$ 5,483,747	\$ -	\$ 5,483,747
26 2033	23 \$	\$ 5,757,934	\$ -	\$ 5,757,934
27 2034	24 \$	\$ 6,045,831	\$ -	\$ 6,045,831
28 2035	25 \$	\$ 6,348,123	\$ -	\$ 6,348,123
29 2036	26 \$	\$ 6,665,529	\$ -	\$ 6,665,529
30 2037	27 \$	\$ 6,998,805	\$ -	\$ 6,998,805
31 2038	28 \$	\$ 7,348,746	\$ -	\$ 7,348,746
32 2039	29 \$	\$ 7,716,183	\$ -	\$ 7,716,183
33 2040	30 \$	\$ 8,101,992	\$ -	\$ 8,101,992
34 2041	\$ -	\$ -	\$ -	\$ -
35 2042	\$ -	\$ -	\$ -	\$ -
36 2043	\$ -	\$ -	\$ -	\$ -
37 2044	\$ -	\$ -	\$ -	\$ -
38 2045	\$ -	\$ -	\$ -	\$ -
39 2046	\$ -	\$ -	\$ -	\$ -
40 2047	\$ -	\$ -	\$ -	\$ -
41 2048	\$ -	\$ -	\$ -	\$ -
42 2049	\$ -	\$ -	\$ -	\$ -
43 2050	\$ -	\$ -	\$ -	\$ -
44 2051	\$ -	\$ -	\$ -	\$ -
45 2052	\$ -	\$ -	\$ -	\$ -
46 2053	\$ -	\$ -	\$ -	\$ -
47 2054	\$ -	\$ -	\$ -	\$ -
48 2055	\$ -	\$ -	\$ -	\$ -
49 2056	\$ -	\$ -	\$ -	\$ -
50 2057	\$ -	\$ -	\$ -	\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 136,135,152	\$ -	\$ 136,135,152
NPV 2013	5.25%	\$ 68,249,424	\$ 0	\$ 68,249,424

Compilation Notes

(37) Operating expenses should drop if building is vacated - estimated at 10%.

City Administration Building (CAB)

Total Square Feet: 188,926

Renovation to Code/Standard			
Estimated Renovation Costs			
Seismic Retrofit	\$	35.00	\$ 37,523,887 (65)
Furniture	832 \$	7,000	\$ 5,825,218
Technology			\$ -
Security	\$	7.50	\$ 1,416,945
Temp Move 1	832 \$	350	\$ 291,261
Permanent Move	832 \$	350	\$ 291,261
Other 1			\$ -
Total Project Budget			\$ 51,960,982

Swing Space Calculations			
Year	SF	Rate	Total
1	124,200	\$ 33.00	\$ 4,098,600
2	124,200	\$ 33.99	\$ 4,221,558
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -

Debt Service Calculations	
Amount	\$ 51,960,982
Term	30
Interest Rate	5.25%
Debt Service	\$ 3,477,070

Operating Expense Calculations	
Current Operating Costs PSF	\$ 9.00
Estimated Annual Increases	5.0%

Year	Debt Service	Operating Expenses	Swing Space	Total Occupancy
1 2008	\$ -	\$ 1,700,334	\$ -	\$ 1,700,334
2 2009	\$ -	(67) \$ 178,535	\$ 4,098,600	\$ 4,277,135
3 2010	\$ -	\$ 187,462	\$ 4,221,558	\$ 4,409,020
4 2011	1 \$ 3,477,070	\$ 1,968,349	\$ -	\$ 5,445,419
5 2012	2 \$ 3,477,070	\$ 2,066,767	\$ -	\$ 5,543,836
6 2013	3 \$ 3,477,070	\$ 2,170,105	\$ -	\$ 5,647,175
7 2014	4 \$ 3,477,070	\$ 2,278,610	\$ -	\$ 5,755,680
8 2015	5 \$ 3,477,070	\$ 2,392,541	\$ -	\$ 5,869,610
9 2016	6 \$ 3,477,070	\$ 2,512,168	\$ -	\$ 5,989,237
10 2017	7 \$ 3,477,070	\$ 2,637,776	\$ -	\$ 6,114,846
11 2018	8 \$ 3,477,070	\$ 2,769,665	\$ -	\$ 6,246,735
12 2019	9 \$ 3,477,070	\$ 2,908,148	\$ -	\$ 6,385,218
13 2020	10 \$ 3,477,070	\$ 3,053,556	\$ -	\$ 6,530,625
14 2021	11 \$ 3,477,070	\$ 3,206,233	\$ -	\$ 6,683,303
15 2022	12 \$ 3,477,070	\$ 3,366,545	\$ -	\$ 6,843,615
16 2023	13 \$ 3,477,070	\$ 3,534,872	\$ -	\$ 7,011,942
17 2024	14 \$ 3,477,070	\$ 3,711,616	\$ -	\$ 7,188,685
18 2025	15 \$ 3,477,070	\$ 3,897,197	\$ -	\$ 7,374,266
19 2026	16 \$ 3,477,070	\$ 4,092,057	\$ -	\$ 7,569,126
20 2027	17 \$ 3,477,070	\$ 4,296,659	\$ -	\$ 7,773,729
21 2028	18 \$ 3,477,070	\$ 4,511,492	\$ -	\$ 7,988,562
22 2029	19 \$ 3,477,070	\$ 4,737,067	\$ -	\$ 8,214,137
23 2030	20 \$ 3,477,070	\$ 4,973,920	\$ -	\$ 8,450,990
24 2031	21 \$ 3,477,070	\$ 5,222,616	\$ -	\$ 8,699,686
25 2032	22 \$ 3,477,070	\$ 5,483,747	\$ -	\$ 8,960,817
26 2033	23 \$ 3,477,070	\$ 5,757,934	\$ -	\$ 9,235,004
27 2034	24 \$ 3,477,070	\$ 6,045,831	\$ -	\$ 9,522,901
28 2035	25 \$ 3,477,070	\$ 6,348,123	\$ -	\$ 9,825,192
29 2036	26 \$ 3,477,070	\$ 6,665,529	\$ -	\$ 10,142,598
30 2037	27 \$ 3,477,070	\$ 6,998,805	\$ -	\$ 10,475,875
31 2038	28 \$ 3,477,070	\$ 7,348,746	\$ -	\$ 10,825,815
32 2039	29 \$ 3,477,070	\$ 7,716,183	\$ -	\$ 11,193,252
33 2040	30 \$ 3,477,070 (68)	\$ 8,101,992	\$ -	\$ 11,579,062
34 2041	\$ -	\$ -	\$ -	\$ -
35 2042	\$ -	\$ -	\$ -	\$ -
36 2043	\$ -	\$ -	\$ -	\$ -
37 2044	\$ -	\$ -	\$ -	\$ -
38 2045	\$ -	\$ -	\$ -	\$ -
39 2046	\$ -	\$ -	\$ -	\$ -
40 2047	\$ -	\$ -	\$ -	\$ -
41 2048	\$ -	\$ -	\$ -	\$ -
42 2049	\$ -	\$ -	\$ -	\$ -
43 2050	\$ -	\$ -	\$ -	\$ -
44 2051	\$ -	\$ -	\$ -	\$ -
45 2052	\$ -	\$ -	\$ -	\$ -
46 2053	\$ -	\$ -	\$ -	\$ -
47 2054	\$ -	\$ -	\$ -	\$ -
48 2055	\$ -	\$ -	\$ -	\$ -
49 2056	\$ -	\$ -	\$ -	\$ -
50 2057	\$ -	\$ -	\$ -	\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 104,312,088	\$ 132,841,180	\$ 8,320,158	\$ 245,473,425
NPV 2013	5.25% \$ 60,024,786	\$ 64,955,452	\$ 8,320,158	\$ 133,300,396

15 Year Nominal Sum
\$ 83,441,786

Compilation Notes	
(65)	Per DMJM H&N Facilities Condition Assessment, page 13
(66)	Swing space for 2 year period calculated for 600 people in each phase at 108,000 SF + 15% core.
(67)	Operating expenses should drop if building is vacated - estimated at 10%.
(68)	Debt Service expires 2040. Operating Expenses only until new facility constructed in 2041

City Operations Building (COB) - Scenario 5

Total Square Feet: 213,905

Renovation to Code/Standard				
Estimated Renovation Costs				
Seismic Retrofit		\$	35.00	\$ -
Furniture	1019	\$	7,000	\$ -
Technology				
Security		\$	7.50	\$ -
Temp Move 1 1st half	509	\$	350	\$ -
Temp Move 2 2nd half	509	\$	350	\$ -
Permanent Move(s)	1019	\$	350	\$ -
Total Project Budget				\$ -

Year	S
1	
2	
3	
4	
5	

Debt Service Calculations	
Amount	\$ -
Term	30
Interest Rate	5.25%
Debt Service	\$ -

Operating Expense Calculations	
Current Operating Costs PSF	\$ 9.00
Estimated Annual Increases	5.0%

Year	Debt Service	Operating Expenses	Swing Space	Total Occupancy
1	2008	\$ 1,925,145		\$ 1,925,145
2	2009	\$ 2,021,402	\$ -	\$ 2,021,402
3	2010	\$ 2,122,472	\$ -	\$ 2,122,472
4	2011 1	\$ 2,228,596		\$ 2,228,596
5	2012 2	\$ 2,340,026		\$ 2,340,026
6	2013 3	\$ 2,457,027		\$ 2,457,027
7	2014 4	\$ 2,579,878		\$ 2,579,878
8	2015 5	\$ 2,708,872		\$ 2,708,872
9	2016 6	\$ 2,844,316		\$ 2,844,316
10	2017 7	\$ 2,986,532		\$ 2,986,532
11	2018 8	\$ 3,135,858		\$ 3,135,858
12	2019 9	\$ 3,292,651		\$ 3,292,651
13	2020 10	\$ 3,457,284		\$ 3,457,284
14	2021 11	\$ 3,630,148		\$ 3,630,148
15	2022 12	\$ 3,811,655		\$ 3,811,655
16	2023 13	\$ 4,002,238		\$ 4,002,238
17	2024 14	\$ 4,202,350		\$ 4,202,350
18	2025 15	\$ 4,412,468		\$ 4,412,468
19	2026 16	\$ 4,633,091		\$ 4,633,091
20	2027 17	\$ 4,864,746		\$ 4,864,746
21	2028 18	\$ 5,107,983		\$ 5,107,983
22	2029 19	\$ 5,363,382		\$ 5,363,382
23	2030 20	\$ 5,631,551		\$ 5,631,551
24	2031 21	\$ 5,913,129		\$ 5,913,129
25	2032 22	\$ 6,208,785		\$ 6,208,785
26	2033 23	\$ 6,519,224		\$ 6,519,224
27	2034 24	\$ 6,845,185		\$ 6,845,185
28	2035 25	\$ 7,187,445		\$ 7,187,445
29	2036 26	\$ 7,546,817		\$ 7,546,817
30	2037 27	\$ 7,924,158		\$ 7,924,158
31	2038 28	\$ 8,320,366		\$ 8,320,366
32	2039 29	\$ 8,736,384		\$ 8,736,384
33	2040 30	\$ 9,173,203		\$ 9,173,203
34	2041	\$ -		\$ -
35	2042	\$ -		\$ -
36	2043	\$ -		\$ -
37	2044	\$ -		\$ -
38	2045	\$ -		\$ -
39	2046	\$ -		\$ -
40	2047	\$ -		\$ -
41	2048	\$ -		\$ -
42	2049	\$ -		\$ -
43	2050	\$ -		\$ -
44	2051	\$ -		\$ -
45	2052	\$ -		\$ -
46	2053	\$ -		\$ -
47	2054	\$ -		\$ -
48	2055	\$ -		\$ -
49	2056	\$ -		\$ -
50	2057	\$ -		\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 154,134,368	\$ -	\$ 154,134,368
NPV 2013	\$0	\$77,273,075	\$0	\$77,273,075

Compilation Notes	
(35)	Swing space calculated for 200 people in each phase at 36,000 SF + 15% core.
(36)	Operating expenses forecast to reduce by 50% during construction period.

City Operations Building (COB)

Total Square Feet: 213,905

Renovation to Code/Standard			
Estimated Renovation Costs		\$	22,491,833 (61)
Seismic Retrofit		\$	7,486,675
Furniture	1019	\$	7,000 (62)
Technology		\$	17,500,000 (64a)
Security		\$	1,604,288
Temp Move 1 1st half	509	\$	350
Temp Move 2 2nd half	509	\$	350
Permanent Move(s)	1019	\$	350
Total Project Budget		\$	56,925,979

Swing Space Calculations			
Year	SF	Rate	Total
1	41,400	\$ 33.00	\$ 1,366,200
2	41,400	\$ 33.99	\$ 1,407,186
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -

Debt Service Calculations	
Amount	\$ 56,925,979
Term	30
Interest Rate	5.25%
Debt Service	\$ 3,809,312

Operating Expense Calculations	
Current Operating Costs PSF	\$ 9.00
Estimated Annual Increases	5.0%

Year	Debt Service	Operating Expenses	Swing Space	Total Occupancy
1 2008		\$ 1,925,145		\$ 1,925,145
2 2009		\$ 1,010,701 (63)	\$ 1,366,200	\$ 2,376,901
3 2010		\$ 1,061,236	\$ 1,407,186	\$ 2,468,422
4 2011	1 \$ 3,809,312	\$ 2,228,596		\$ 6,037,908
5 2012	2 \$ 3,809,312	\$ 2,340,026		\$ 6,149,338
6 2013	3 \$ 3,809,312	\$ 2,457,027		\$ 6,266,339
7 2014	4 \$ 3,809,312	\$ 2,579,878		\$ 6,389,190
8 2015	5 \$ 3,809,312	\$ 2,708,872		\$ 6,518,184
9 2016	6 \$ 3,809,312	\$ 2,844,316		\$ 6,653,628
10 2017	7 \$ 3,809,312	\$ 2,986,532		\$ 6,795,844
11 2018	8 \$ 3,809,312	\$ 3,135,858		\$ 6,945,170
12 2019	9 \$ 3,809,312	\$ 3,292,651		\$ 7,101,963
13 2020	10 \$ 3,809,312	\$ 3,457,284		\$ 7,266,596
14 2021	11 \$ 3,809,312	\$ 3,630,148		\$ 7,439,460
15 2022	12 \$ 3,809,312	\$ 3,811,655		\$ 7,620,967
16 2023	13 \$ 3,809,312	\$ 4,002,238		\$ 7,811,550
17 2024	14 \$ 3,809,312	\$ 4,202,350		\$ 8,011,662
18 2025	15 \$ 3,809,312	\$ 4,412,468		\$ 8,221,780
19 2026	16 \$ 3,809,312	\$ 4,633,091		\$ 8,442,403
20 2027	17 \$ 3,809,312	\$ 4,864,746		\$ 8,674,057
21 2028	18 \$ 3,809,312	\$ 5,107,983		\$ 8,917,295
22 2029	19 \$ 3,809,312	\$ 5,363,382		\$ 9,172,694
23 2030	20 \$ 3,809,312	\$ 5,631,551		\$ 9,440,863
24 2031	21 \$ 3,809,312	\$ 5,913,129		\$ 9,722,441
25 2032	22 \$ 3,809,312	\$ 6,208,785		\$ 10,018,097
26 2033	23 \$ 3,809,312	\$ 6,519,224		\$ 10,328,536
27 2034	24 \$ 3,809,312	\$ 6,845,185		\$ 10,654,497
28 2035	25 \$ 3,809,312	\$ 7,187,445		\$ 10,996,757
29 2036	26 \$ 3,809,312	\$ 7,546,817		\$ 11,356,129
30 2037	27 \$ 3,809,312	\$ 7,924,158		\$ 11,733,470
31 2038	28 \$ 3,809,312	\$ 8,320,366		\$ 12,129,678
32 2039	29 \$ 3,809,312	\$ 8,736,384		\$ 12,545,696
33 2040	30 \$ 3,809,312	\$ 9,173,203 (64)		\$ 12,982,515
34 2041		\$ -		\$ -
35 2042		\$ -		\$ -
36 2043		\$ -		\$ -
37 2044		\$ -		\$ -
38 2045		\$ -		\$ -
39 2046		\$ -		\$ -
40 2047		\$ -		\$ -
41 2048		\$ -		\$ -
42 2049		\$ -		\$ -
43 2050		\$ -		\$ -
44 2051		\$ -		\$ -
45 2052		\$ -		\$ -
46 2053		\$ -		\$ -
47 2054		\$ -		\$ -
48 2055		\$ -		\$ -
49 2056		\$ -		\$ -
50 2057		\$ -		\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 114,279,358	\$ 152,062,431	\$ 2,773,386	\$ 269,115,175
NPV 2013	5.25%	\$65,760,299	\$75,201,138	\$2,773,386 \$ 143,734,822

15 Year Nominal Sum
\$ 87,955,056

Compilation Notes	
(61)	Per DMJM H&N Facilities Condition Assessment, page 13
(62)	Swing space for 2 year period calculated for 200 people in each phase at 36,000 SF + 15% core.
(63)	Operating expenses forecast to reduce by 50% during construction period.
(64)	Debt Service expires 2040. Operating Expenses only until new facility constructed in 2041
(64a)	Technology Costs estimate per City's CIO.

**Concourse Building (Renovated to Office Use)
Scenarios 4 and 6**

Total Square Feet: **178,119 (56)**

Renovation to Code/Standard			
Estimated Renovation Costs		\$	27,229,737 (57)
Tenant Improvement to Office Standard	\$ 51.35	\$	9,146,852
Seismic Retrofit	\$ 35.00	\$	6,234,165
Furniture	848 \$ 7,000	\$	5,937,300
Technology		\$	-
Security	\$ 7.50	\$	1,335,893
Permanent Move	848 \$ 350.00	\$	296,865
Cost to Construct Mezzanine		\$	1,700,000 (58)
Add \$15 psf for above the ceiling mechanical in Mezzanine	\$ 15.00	\$	300,000
		\$	-
Total Project Budget		\$	52,180,811

Renovation Costs			
		TI	Base Bldg
Escalating per year:			4.5%
2008	\$	45.00	\$ 8,015,355
2009	\$	47.03	\$ 8,376,046
2010	\$	49.14	\$ 8,752,968
2011	\$	51.35	\$ 9,146,852

Debt Service Calculations	
Amount	\$ 52,180,811
Term	30
Interest Rate	5.25%
Debt Service	\$ 3,491,780

Operating Expense Calculations	
Current Operating Costs PSF	\$ 9.00
Estimated Annual Increases	5.0%

			(71)			
Year			Debt Service	Operating Expenses	Meeting Space Revenue	Total Occupancy
1	2008		\$ -	\$ 1,423,071	\$ (600,000)	\$ 823,071
2	2009		\$ -	\$ 1,494,225	\$ -	\$ 1,494,225
3	2010		\$ -	\$ 1,568,936	\$ -	\$ 1,568,936
4	2011	1 (59)	\$ 3,491,780	\$ 1,855,755	\$ -	\$ 5,347,535
5	2012	2	\$ 3,491,780	\$ 1,948,543	\$ -	\$ 5,440,323
6	2013	3	\$ 3,491,780	\$ 2,045,970	\$ -	\$ 5,537,750
7	2014	4	\$ 3,491,780	\$ 2,148,268	\$ -	\$ 5,640,048
8	2015	5	\$ 3,491,780	\$ 2,255,682	\$ -	\$ 5,747,462
9	2016	6	\$ 3,491,780	\$ 2,368,466	\$ -	\$ 5,860,246
10	2017	7	\$ 3,491,780	\$ 2,486,889	\$ -	\$ 5,978,669
11	2018	8	\$ 3,491,780	\$ 2,611,234	\$ -	\$ 6,103,014
12	2019	9	\$ 3,491,780	\$ 2,741,795	\$ -	\$ 6,233,575
13	2020	10	\$ 3,491,780	\$ 2,878,885	\$ -	\$ 6,370,665
14	2021	11	\$ 3,491,780	\$ 3,022,829	\$ -	\$ 6,514,609
15	2022	12	\$ 3,491,780	\$ 3,173,971	\$ -	\$ 6,665,751
16	2023	13	\$ 3,491,780	\$ 3,332,669	\$ -	\$ 6,824,449
17	2024	14	\$ 3,491,780	\$ 3,499,303	\$ -	\$ 6,991,083
18	2025	15	\$ 3,491,780	\$ 3,674,268	\$ -	\$ 7,166,048
19	2026	16	\$ 3,491,780	\$ 3,857,982	\$ -	\$ 7,349,761
20	2027	17	\$ 3,491,780	\$ 4,050,881	\$ -	\$ 7,542,660
21	2028	18	\$ 3,491,780	\$ 4,253,425	\$ -	\$ 7,745,204
22	2029	19	\$ 3,491,780	\$ 4,466,096	\$ -	\$ 7,957,876
23	2030	20	\$ 3,491,780	\$ 4,689,401	\$ -	\$ 8,181,180
24	2031	21	\$ 3,491,780	\$ 4,923,871	\$ -	\$ 8,415,651
25	2032	22	\$ 3,491,780	\$ 5,170,064	\$ -	\$ 8,661,844
26	2033	23	\$ 3,491,780	\$ 5,428,567	\$ -	\$ 8,920,347
27	2034	24	\$ 3,491,780	\$ 5,699,996	\$ -	\$ 9,191,776
28	2035	25	\$ 3,491,780	\$ 5,984,996	\$ -	\$ 9,476,775
29	2036	26	\$ 3,491,780	\$ 6,284,245	\$ -	\$ 9,776,025
30	2037	27	\$ 3,491,780	\$ 6,598,458	\$ -	\$ 10,090,237
31	2038	28	\$ 3,491,780	\$ 6,928,380	\$ -	\$ 10,420,160
32	2039	29	\$ 3,491,780	\$ 7,274,800	\$ -	\$ 10,766,579
33	2040	30 (60)	\$ 3,491,780	\$ 7,638,539	\$ -	\$ 11,130,319
34	2041		\$ -	\$ -	\$ -	\$ -
35	2042		\$ -	\$ -	\$ -	\$ -
36	2043		\$ -	\$ -	\$ -	\$ -
37	2044		\$ -	\$ -	\$ -	\$ -
38	2045		\$ -	\$ -	\$ -	\$ -
39	2046		\$ -	\$ -	\$ -	\$ -
40	2047		\$ -	\$ -	\$ -	\$ -
41	2048		\$ -	\$ -	\$ -	\$ -
42	2049		\$ -	\$ -	\$ -	\$ -
43	2050		\$ -	\$ -	\$ -	\$ -
44	2051		\$ -	\$ -	\$ -	\$ -
45	2052		\$ -	\$ -	\$ -	\$ -
46	2053		\$ -	\$ -	\$ -	\$ -
47	2054		\$ -	\$ -	\$ -	\$ -
48	2055		\$ -	\$ -	\$ -	\$ -
49	2056		\$ -	\$ -	\$ -	\$ -
50	2057		\$ -	\$ -	\$ -	\$ -

		Capital	Operating 1	Operating 2	Total
Nominal Sum		\$ 104,753,396	\$ 127,780,459	\$ (600,000)	\$ 231,933,855
NPV 2013	5.25%	\$60,278,730	\$63,777,950	\$ (600,000)	\$ 123,456,680

15 Year Nomin
\$ 75,325,878

Compilation Notes	
(56)	Estimate = 158,119 + 20,000 SF mezzanine provided by Cumming Cost Estimators.
(57)	Per DMJM H&N Facilities Condition Assessment, page 13
(59)	Assumes 2 year renovation starting 2009; operating expenses based on current SF until completed.
(60)	Debt Service expires 2040. Operating Expenses only until new facility constructed in 2041
(71)	Meeting space revenue for 2008 is based on the City's fiscal year 2009 budget projection. Annual increases of 3% are assumed thereafter. Please refer to the historical revenue information and assumptions in this workbook and Appendix A, Financial Analysis Source Documents for further information.

Concourse Building (as Meeting Space) - Scenario 5

Total Square Feet: 158,119

Renovation to Code/Standard			
Estimated Renovation Costs		\$	-
Furniture	\$	-	\$ -
Technology	\$	-	
Security	\$	-	
Seismic Retrofit	\$	-	-
Other 1			-
Other 2			-
Total Project Budget		\$	-

Debt Service Calculations			
Amount		\$	-
Term			30
Interest Rate			5.25%
Debt Service		\$	-

Operating Expense Calculations			
Current Operating Costs PSF		\$	9.00
Estimated Annual Increases			5.0%

				(71)	
Year		Debt Service	Operating Expenses	Meeting Space Revenue	Total Occupancy
1	2008		\$ 1,423,071	\$ (600,000)	\$ 823,071
2	2009		\$ 1,494,225	\$ (618,000)	\$ 876,225
3	2010		\$ 1,568,936	\$ (636,540)	\$ 932,396
4	2011	1 \$	\$ 1,647,383	\$ (30) (655,636)	\$ 991,746
5	2012	2 \$	\$ 1,729,752	\$ (675,305)	\$ 1,054,446
6	2013	3 \$	\$ 1,816,239	\$ (695,564)	\$ 1,120,675
7	2014	4 \$	\$ 1,907,051	\$ (716,431)	\$ 1,190,620
8	2015	5 \$	\$ 2,002,404	\$ (737,924)	\$ 1,264,479
9	2016	6 \$	\$ 2,102,524	\$ (760,062)	\$ 1,342,462
10	2017	7 \$	\$ 2,207,650	\$ (782,864)	\$ 1,424,786
11	2018	8 \$	\$ 2,318,033	\$ (806,350)	\$ 1,511,683
12	2019	9 \$	\$ 2,433,934	\$ (830,540)	\$ 1,603,394
13	2020	10 \$	\$ 2,555,631	\$ (855,457)	\$ 1,700,175
14	2021	11 \$	\$ 2,683,413	\$ (881,120)	\$ 1,802,292
15	2022	12 \$	\$ 2,817,583	\$ (907,554)	\$ 1,910,029
16	2023	13 \$	\$ 2,958,462	\$ (934,780)	\$ 2,023,682
17	2024	14 \$	\$ 3,106,386	\$ (962,824)	\$ 2,143,562
18	2025	15 \$	\$ 3,261,705	\$ (991,709)	\$ 2,269,996
19	2026	16 \$	\$ 3,424,790	\$ (1,021,460)	\$ 2,403,330
20	2027	17 \$	\$ 3,596,030	\$ (1,052,104)	\$ 2,543,926
21	2028	18 \$	\$ 3,775,831	\$ (1,083,667)	\$ 2,692,164
22	2029	19 \$	\$ 3,964,623	\$ (1,116,177)	\$ 2,848,446
23	2030	20 \$	\$ 4,162,854	\$ (1,149,662)	\$ 3,013,192
24	2031	21 \$	\$ 4,370,996	\$ (1,184,152)	\$ 3,186,844
25	2032	22 \$	\$ 4,589,546	\$ (1,219,676)	\$ 3,369,870
26	2033	23 \$	\$ 4,819,024	\$ (1,256,267)	\$ 3,562,757
27	2034	24 \$	\$ 5,059,975	\$ (1,293,955)	\$ 3,766,020
28	2035	25 \$	\$ 5,312,973	\$ (1,332,773)	\$ 3,980,200
29	2036	26 \$	\$ 5,578,622	\$ (1,372,757)	\$ 4,205,865
30	2037	27 \$	\$ 5,857,553	\$ (1,413,939)	\$ 4,443,614
31	2038	28 \$	\$ 6,150,431	\$ (1,456,357)	\$ 4,694,073
32	2039	29 \$	\$ 6,457,952	\$ (1,500,048)	\$ 4,957,904
33	2040	30 \$	\$ 6,780,850	\$ (1,545,050)	\$ 5,235,800
34	2041				\$ -
35	2042				\$ -
36	2043				\$ -
37	2044				\$ -
38	2045				\$ -
39	2046				\$ -
40	2047				\$ -
41	2048				\$ -
42	2049				\$ -
43	2050				\$ -
44	2051				\$ -
45	2052				\$ -
46	2053				\$ -
47	2054				\$ -
48	2055				\$ -
49	2056				\$ -
50	2057				\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 113,936,430	\$ (33,046,705)	\$ 80,889,726
NPV 2013		\$0	\$57,120,410	\$ (17,956,004)

Compilation Notes	
(30)	Assumes 2 year renovation starting 2009
(71)	Meeting space revenue for 2008 is based on the City's fiscal year 2009 budget projection. Annual increases of 3% are assumed thereafter. Please refer to the historical revenue information and assumptions in this workbook and Appendix A, Financial Analysis Source Documents for further information.

Capital vs. Operating Costs Scenario 3

CAB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 104,312,088	\$ 132,841,180	\$ 8,320,158	\$ 245,473,425
NPV 2013	\$ 60,024,786	\$ 64,955,452	\$ 8,320,158	\$ 133,300,396
COB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 114,279,358	\$ 152,062,431	\$ 2,773,386	\$ 269,115,175
NPV 2013	\$ 65,760,299	\$ 75,201,138	\$ 2,773,386	\$ 143,734,822
Concourse as Meeting	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 65,773,796	\$ 113,936,430	\$ (33,046,705)	\$ 146,663,521
NPV 2013	\$ 37,848,519	\$ 57,120,410	\$ (17,956,004)	\$ 77,012,925
Parkade	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 12,730,911	\$ 25,638,237	\$ (66,209,527)	\$ (27,840,379)
NPV 2013	\$ 7,643,575	\$ 12,853,366	\$ (34,543,409)	\$ (14,046,468)
New "Owned" 30 Years (End of Useful Life)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 1,832,191,476	\$ 587,219,722	\$ (229,843,906)	\$ 2,189,567,291
NPV 2013	\$ 299,383,997	\$ 91,529,567	\$ (35,549,825)	\$ 355,363,740
Library and Publishing (Kearny Mesa)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 70,538,849	\$ -	\$ 70,538,849
NPV 2013	\$ -	\$ 11,636,804	\$ -	\$ 11,636,804
Civic Plaza (Lease)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 7,799,444	\$ 431,097,816	\$ -	\$ 438,897,261
NPV (2013)	\$ 7,410,399	\$ 217,138,678	\$ -	\$ 224,549,077
Executive Complex	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 6,499,951	\$ 248,495,208	\$ -	\$ 254,995,159
NPV (2013)	\$ 3,541,850	\$ 114,808,849	\$ -	\$ 118,350,698
600 B Street	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
Civic Plaza (Lease) - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum (included above)	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
Executive Complex - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum (included above)	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
600 B Street - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
NPV (2013)	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
Total - Owned Assets	Capital	Operating 1	Operating 2	Total
	\$ 2,129,287,628	\$ 1,011,698,000	\$ (318,006,594)	\$ 2,822,979,034
	\$ 470,661,175	\$ 301,659,932	\$ (76,955,694)	\$ 695,365,414
Total - Leased Assets	Capital	Operating 1	Operating 2	Total
	\$ 14,299,395	\$ 777,063,305	\$ -	\$ 791,362,700
	\$ 10,952,248	\$ 370,515,762	\$ -	\$ 381,468,010
Grand Total - All Facilities	Capital	Operating 1	Operating 2	Total
	\$ 2,143,587,024	\$ 1,788,761,304	\$ (318,006,594)	\$ 3,614,341,734
	\$ 481,613,423	\$ 672,175,694	\$ (76,955,694)	\$ 1,076,833,424

Capital vs. Operating Costs Scenario 7

CAB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 104,312,088	\$ 132,841,180	\$ 8,320,158	\$ 245,473,425
NPV 2013	\$ 60,024,786	\$ 64,955,452	\$ 8,320,158	\$ 133,300,396
COB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 114,279,358	\$ 152,062,431	\$ 2,773,386	\$ 269,115,175
NPV 2013	\$ 65,760,299	\$ 75,201,138	\$ 2,773,386	\$ 143,734,822
Concourse as Meeting	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 65,773,796	\$ 113,936,430	\$ (33,046,705)	\$ 146,663,521
NPV 2013	\$ 37,848,519	\$ 57,120,410	\$ (17,956,004)	\$ 77,012,925
Parkade	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 12,730,911	\$ 25,638,237	\$ (66,209,527)	\$ (27,840,379)
NPV 2013	\$ 7,643,575	\$ 12,853,366	\$ (34,543,409)	\$ (14,046,468)
New "Owned" 30 Years (End of Useful Life)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 1,832,191,476	\$ 587,219,722	\$ (229,843,906)	\$ 2,189,567,291
NPV 2013	\$ 299,383,997	\$ 91,529,567	\$ (35,549,825)	\$ 355,363,740
Generic B Suburban Market	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 667,611,706	\$ -	\$ 667,611,706
NPV (2013)	\$ -	\$ 297,685,469	\$ -	\$ 297,685,469
New Lease Library & Publishing	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 70,538,849	\$ -	\$ 70,538,849
NPV (2013)	\$ -	\$ 11,636,804	\$ -	\$ 11,636,804
Generic B Downtown	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 81,749,231	\$ -	\$ 81,749,231
NPV (2013)	\$ -	\$ 38,009,464	\$ -	\$ 38,009,464
Civic Plaza (Lease) - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 33,091,819	\$ -	\$ 33,091,819
NPV (2013)	\$ -	\$ 32,932,278	\$ -	\$ 32,932,278
Executive Complex - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 20,070,772	\$ -	\$ 20,070,772
NPV (2013)	\$ -	\$ 20,025,577	\$ -	\$ 20,025,577
600 B Street - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
NPV (2013)	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
Total - Owned Assets	Capital	Operating 1	Operating 2	Total
	\$ 2,129,287,628	\$ 1,011,698,000	\$ (318,006,594)	\$ 2,822,979,034
	\$ 470,661,175	\$ 301,659,932	\$ (76,955,694)	\$ 695,365,414
Total - Leased Assets	Capital	Operating 1	Operating 2	Total
	\$ -	\$ 899,993,809	\$ -	\$ 899,993,809
	\$ -	\$ 427,221,022	\$ -	\$ 427,221,022
Grand Total - All Facilities	Capital	Operating 1	Operating 2	Total
	\$ 2,129,287,628	\$ 1,911,691,808	\$ (318,006,594)	\$ 3,722,972,842
	\$ 470,661,175	\$ 728,880,954	\$ (76,955,694)	\$ 1,122,586,436

Capital vs. Operating Costs Scenario 6

CAB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 104,312,088	\$ 132,841,180	\$ 8,320,158	\$ 245,473,425
NPV 2013	\$ 60,024,786	\$ 64,955,452	\$ 8,320,158	\$ 133,300,396
COB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 114,279,358	\$ 152,062,431	\$ 2,773,386	\$ 269,115,175
NPV 2013	\$ 65,760,299	\$ 75,201,138	\$ 2,773,386	\$ 143,734,822
Concourse as Office	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 104,753,396	\$ 127,780,459	\$ (600,000)	\$ 231,933,855
NPV 2013	\$ 60,278,730	\$ 63,777,950	\$ (600,000)	\$ 123,456,680
Parkade	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 12,730,911	\$ 25,638,237	\$ (66,209,527)	\$ (27,840,379)
NPV 2013	\$ 7,643,575	\$ 12,853,366	\$ (34,543,409)	\$ (14,046,468)
Library & Publishing (Kearny Mesa)	Capital	Operating 1	Operating 2	0
Nominal Sum	\$ -	\$ 115,979,208	\$ -	\$ 115,979,208
NPV 2013	\$ -	\$ 37,224,756	\$ -	\$ 37,224,756
New "Owned" 30 Years (End of Useful Life)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 1,832,191,476	\$ 587,219,722	\$ (229,843,906)	\$ 2,189,567,291
NPV 2013	\$ 299,383,997	\$ 91,529,567	\$ (35,549,825)	\$ 355,363,740
Generic B Suburban Market	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 256,564,610	\$ -	\$ 256,564,610
NPV (2013)	\$ -	\$ 106,225,473	\$ -	\$ 106,225,473
Generic B Downtown	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 81,749,231	\$ -	\$ 81,749,231
NPV (2013)	\$ -	\$ 38,009,464	\$ -	\$ 38,009,464
Civic Plaza (Lease) - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 33,091,819	\$ -	\$ 33,091,819
NPV (2013)	\$ -	\$ 32,932,278	\$ -	\$ 32,932,278
Executive Complex - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 20,070,772	\$ -	\$ 20,070,772
NPV (2013)	\$ -	\$ 20,025,577	\$ -	\$ 20,025,577
600 B Street - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
NPV (2013)	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
Total - Owned Assets	Capital	Operating 1	Operating 2	Total
	\$ 2,168,267,229	\$ 1,025,542,029	\$ (285,559,890)	\$ 2,908,249,368
	\$ 493,091,386	\$ 308,317,472	\$ (59,599,689)	\$ 741,809,169
Total - Leased Assets	Capital	Operating 1	Operating 2	Total
	\$ -	\$ 534,387,071	\$ -	\$ 534,387,071
	\$ -	\$ 261,348,979	\$ -	\$ 261,348,979
Grand Total - All Facilities	Capital	Operating 1	Operating 2	Total
	\$ 2,168,267,229	\$ 1,559,929,099	\$ (285,559,890)	\$ 3,442,636,438
	\$ 493,091,386	\$ 569,666,451	\$ (59,599,689)	\$ 1,003,158,148

Capital vs. Operating Costs Scenario 5

CAB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 136,135,152	\$ -	\$ 136,135,152
NPV 2013	\$ -	\$ 68,249,424	\$ -	\$ 68,249,424
COB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 154,134,368	\$ -	\$ 154,134,368
NPV 2013	\$ -	\$ 77,273,075	\$ -	\$ 77,273,075
Concourse as Meeting	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 113,936,430	\$ (33,046,705)	\$ 80,889,726
NPV 2013	\$ -	\$ 57,120,410	\$ (17,956,004)	\$ 39,164,406
Parkade	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 25,638,237	\$ (66,209,527)	\$ (40,571,291)
NPV 2013	\$ -	\$ 12,853,366	\$ (34,543,409)	\$ (21,690,043)
New "Owned" 30 Years (End of Useful Life)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 1,832,191,476	\$ 587,219,722	\$ (229,843,906)	\$ 2,189,567,291
NPV 2013	\$ 299,383,997	\$ 91,529,567	\$ (35,549,825)	\$ 355,363,740
Civic Plaza (Lease)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 417,059,072	\$ -	\$ 417,059,072
NPV (2013)	\$ -	\$ 210,660,082	\$ -	\$ 210,660,082
Executive Complex	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 5,120,291	\$ 605,089,821	\$ -	\$ 610,210,113
NPV (2013)	\$ 2,231,009	\$ 278,460,490	\$ -	\$ 280,691,499
600 B Street	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
New Lease Library & Publishing	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 70,538,849	\$ -	\$ 70,538,849
NPV (2013)	\$ -	\$ 11,636,804	\$ -	\$ 11,636,804
Civic Plaza (Lease) - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum (included above)	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
Executive Complex - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum (included above)	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
600 B Street - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
NPV (2013)	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
Total - Owned Assets	Capital	Operating 1	Operating 2	Total
	\$ 1,832,191,476	\$ 1,017,063,909	\$ (329,100,138)	\$ 2,520,155,246
	\$ 299,383,997	\$ 307,025,842	\$ (88,049,238)	\$ 518,360,601
Total - Leased Assets	Capital	Operating 1	Operating 2	Total
	\$ 5,120,291	\$ 1,119,619,173	\$ -	\$ 1,124,739,464
	\$ 2,231,009	\$ 527,688,807	\$ -	\$ 529,919,816
Grand Total - All Facilities	Capital	Operating 1	Operating 2	Total
	\$ 1,837,311,767	\$ 2,136,683,082	\$ (329,100,138)	\$ 3,644,894,711
	\$ 301,615,006	\$ 834,714,648	\$ (88,049,238)	\$ 1,048,280,417

Capital vs. Operating Costs Scenario 4

CAB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 104,312,088	\$ 132,841,180	\$ 8,320,158	\$ 245,473,425
NPV 2013	\$ 60,024,786	\$ 64,955,452	\$ 8,320,158	\$ 133,300,396
COB	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 114,279,358	\$ 152,062,431	\$ 2,773,386	\$ 269,115,175
NPV 2013	\$ 65,760,299	\$ 75,201,138	\$ 2,773,386	\$ 143,734,822
Concourse as Office	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 104,753,396	\$ 127,780,459	\$ (600,000)	\$ 231,933,855
NPV 2013	\$ 60,278,730	\$ 63,777,950	\$ (600,000)	\$ 123,456,680
Parkade	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 12,730,911	\$ 25,638,237	\$ (66,209,527)	\$ (27,840,379)
NPV 2013	\$ 7,643,575	\$ 12,853,366	\$ (34,543,409)	\$ (14,046,468)
New "Owned" 30 Years (End of Useful Life)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 1,832,191,476	\$ 587,219,722	\$ (229,843,906)	\$ 2,189,567,291
NPV 2013	\$ 299,383,997	\$ 91,529,567	\$ (35,549,825)	\$ 355,363,740
Civic Plaza (Lease)	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ 8,699,335	\$ 305,219,530	\$ -	\$ 313,918,866
NPV (2013)	\$ 5,631,526	\$ 146,500,440	\$ -	\$ 152,131,966
Executive Complex	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
600 B Street	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
New Lease Library & Publishing	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 115,979,208	\$ -	\$ 115,979,208
NPV (2013)	\$ -	\$ 37,224,756	\$ -	\$ 37,224,756
Civic Plaza (Lease) - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum (included above)	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
Executive Complex - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 20,070,772	\$ -	\$ 20,070,772
NPV (2013)	\$ -	\$ 20,025,577	\$ -	\$ 20,025,577
600 B Street - End of Term	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
NPV (2013)	\$ -	\$ 26,931,431	\$ -	\$ 26,931,431
Parking Revenues	Capital	Operating 1		
Nominal Sum	\$ -	\$ -	\$ -	\$ -
NPV (2013)	\$ -	\$ -	\$ -	\$ -
Total - Owned Assets				
	\$ 2,168,267,229	\$ 1,025,542,029	\$ (285,559,890)	\$ 2,908,249,368
	\$ 493,091,386	\$ 308,317,472	\$ (59,599,689)	\$ 741,809,169
Total - Leased Assets				
	\$ 8,699,335	\$ 468,200,941	\$ -	\$ 476,900,277
	\$ 5,631,526	\$ 230,682,204	\$ -	\$ 236,313,730
Grand Total - All Facilities				
	\$ 2,176,966,564	\$ 1,493,742,970	\$ (285,559,890)	\$ 3,385,149,644
	\$ 498,722,912	\$ 538,999,676	\$ (59,599,689)	\$ 978,122,899

Compilation Notes

- (1) Square Footage Requirements per Gensler Facilities Needs Assessment.
- (2) Estimated triple net expenses for 2008. For details refer to Appendix B, Market Study, Section 8.
- (3) Estimated triple net market rent. For details refer to Appendix B, Market Study, Section 8.
- (4) Square footage assumes City will keep 50,000 SF of lease space downtown and lease remaining SF in suburban markets.
- (5) Estimated operating expenses for suburban markets. For details refer to Appendix B, Market Study, Section 9.
- (6) Estimated rent for suburban markets assuming \$20/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 9.
- (7) Square footage assumes City will keep 50,000 SF of lease space downtown and lease remaining SF in suburban markets.
- (8) Estimated operating expenses for suburban markets. For details refer to Appendix B, Market Study, Section 9.
- (9) Estimated rents for suburban markets assuming \$20/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 9.
- (10) Square footage assumes City will keep 50,000 SF of lease space downtown and lease remaining SF in suburban markets.
- (11) Estimated operating expenses for downtown markets. For details refer to Appendix B, Market Study, Section 4.
- (12) Estimated rents for downtown Class B space, assuming \$20/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 9.
- (13) Per City of San Diego letter dated September 29, 2006.
- (14) Estimated 2008 Operating Expenses provided by landlord, Legacy Partners.
- (15) GSF per Article 4 of the 7th Amendment to Lease, rental rate per Article 3 of the 7th Amendment to Lease.
- (16) Estimated rents for Class B office assuming \$20/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 9. 2013 is a blended rate, given the 5/31/13 lease expiration date.
- (17) Per Article 1 of the 13th Amendment to the lease dated June 15, 2007.
- (18) 2007 accrued direct operating expenses prepared by Landlord.
- (19) Per Article 2 of 2nd amendment to the Lease dated December 31, 2007.
- (20) Estimated rents for Class B office assuming \$30/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 3.
- (21) Assumed 12 months of swing space to complete tenant improvements in Premises at renewal.
- (22) Estimated rents for Class B office assuming \$45/SF tenant improvement allowance provided by landlord to retrofit space to City's new workplace standards. For details refer to Appendix B, Market Study, Section 3.
- (23) Onetime FF&E costs for converting new City workspace standards.
- (24) Square footage reduction due to converting Concourse from meeting space to office space.
- (25) Square footage increases to accommodate growth per Gensler Study and detailed in Growth Projections, page 7 of this report.
- (26) FF&E costs for converting new City office standards.
- (27) Square Footage contained in Article 2 of the 5th amendment to lease dated July 16, 2002. Rent confirmation in article 3 of the 5th amendment to lease.
- (28) 2005 Operating Expense Budget submitted by Landlord.
- (29) Estimated rents for Class B office assuming \$30/SF tenant improvement allowance provided by landlord. For details refer to Appendix B, Market Study, Section 3.
- (30) Square footage increases to accommodate growth per Gensler Study and detailed in growth projections page 7.
- (31) Onetime FF&E costs for converting new city office standards. - NOTE: Eliminated since no renovation is planned for leased buildings.
- (32) Assumes 12 months of swing space to complete tenant improvements in Premises at renewal.
- (33) Square footage reduction due purchasing Civic Center and moving more people into that building, in addition to retrofitting space to new city workspace standards.
- (34) Existing SF of owned facilities replaced at end of useful life.
- (35) Construction cost estimates for replacement facilities in 2008 dollars provided by Cumming Corporation.
- (36) Estimated Technology Costs in 2008 dollars to be provided by Developers.
- (37) 3,757 employees estimated in 2043 per Gensler's Study and detailed in Growth Projections page 7.
- (38) 2008 Construction costs increased 4.5% per year until job bought in 2038 for 3 year construction period.
- (39) Operating Expense estimate excluding property taxes. For details refer to Appendix B, Market Study, Section 4.
- (40) \$45 Tenant Improvement escalated 4.5% until 2014 when job is bought.
- (41) One time FF&E costs for converting to new City workspace standards.
- (42) Swing Space to retrofit the building to the City's new workspace standards.
- (43) Total debt service to commence in 2014.
- (44) Current Operating Expenses less actual real estate taxes.
- (45) Building is newer and in better condition than existing City owned facilities. For purposes of analysis, assumed that useful life is 50 years and City will incur operating expense only from 2044 - 2057 (N/A due to assumed sale and relocation to new City Hall in 2041).
- (46) Estimated appreciation at 1% to reflect that market is predicted to decline for next two years.
- (47) Purchase price estimate detailed in Appendix B, Market Study, Section 6.
- (48) Per DMJM H&N Facilities Condition Assessment, page 13
- (49) Operating expenses per statement provided by City's Real Estate Assets Department
- (50) Assumes 1 year renovation starting 2009.
- (51) Debt service expires in 2039 - assumes operating expenses only in 2030
- (52) New facility delivered in 2041 as part of new Civic Center Complex
- (53) Per DMJM H&N Facilities Condition Assessment, page 13
- (54) Assumes 2 year renovation starting 2009
- (55) Debt Service Expires in 2040, Operating Expenses only until 2041 when new facility constructed
- (56) Estimate = 158,119 + 20,000 SF mezzanine provided by Cumming Cost Estimators.
- (57) Per DMJM H&N Facilities Condition Assessment, page 13
- (58)
- (59) Assumes 2 year renovation starting 2009; operating expenses based on current SF until completed.
- (60) Debt Service expires 2040, Operating Expenses only until new facility constructed in 2041
- (61) Per DMJM H&N Facilities Condition Assessment, page 13
- (62) Swing space for 2 year period calculated for 200 people in each phase at 36,000 SF + 15% core.
- (63) Operating expenses forecast to reduce by 50% during construction period.
- (64) Debt Service expires 2040, Operating Expenses only until new facility constructed in 2041
- (64a) Technology Costs estimate per City's CIO.
- (65) Per DMJM H&N Facilities Condition Assessment, page 13
- (66) Swing space for 2 year period calculated for 600 people in each phase at 108,000 SF + 15% core.
- (67) Operating expenses should drop if building is vacated - estimated at 10%.
- (68) Debt Service expires 2040, Operating Expenses only until new facility constructed in 2041
- (69) Parking income provided by READ. Refer to Appendix A, Financial Analysis Source Documents.
- (70) Current employee parking subsidy equal to 50% of market rate is assumed through 2040 for the Parkade.
- (71) Meeting space revenue for 2008 is based on the City's fiscal year 2009 budget projection. Annual increases of 3% are assumed thereafter. Please refer to the historical revenue information and assumptions in this workbook and Appendix A, Financial Analysis Source Documents for further information.
- (72) For the New City Hall, meeting space revenue is based on a percentage of revenue in the existing Concourse by applying the 9,200 SF of meeting space in Gensler's space projections divided by the 45,568 SF of meeting space in the existing Concourse. Please see the worksheets herein for the calculations and Appendix A, Financial Analysis Source Documents, for detailed information.

VII. APPENDIX

A – Financial Analysis Source Documents

B – Market Study

C – Facilities Condition Assessment

APPENDIX A

Financial Analysis Source Documents

Source documents under separate cover.

APPENDIX B

Market Study

Market Study under separate cover.

APPENDIX C

Facilities Condition Assessment

Facilities Condition Assessment under separate cover.



SAN DIEGO CIVIC CENTER REDEVELOPMENT ALTERNATIVES

December 17, 2008

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TABLE OF CONTENTS

- I. Executive Summary

- II. Methodology

- III. Developer Financial Analysis

- IV. Developer Evaluation Criteria

- V. Appendix
 - A. Summary Matrix of Developer Proposals and Project Site Plans
 - B. Financial Analysis – Hines
 - C. Financial Analysis – Gerding Edlen Development
 - D. Sub-Consultant Reports
 - E. Additional Source Documents

I. EXECUTIVE SUMMARY

The Centre City Development Corporation (“CCDC”) on behalf of the City of San Diego (“the City”) retained Jones Lang LaSalle (“JLL”) to provide consulting services to assist CCDC evaluate potential alternatives for minimizing the City’s occupancy costs for its downtown workforce. Among the numerous alternatives identified by JLL was the possible redevelopment of the City-owned San Diego Civic Center Complex (“Civic Center”) site and is the subject of this report. Other occupancy alternatives not involving the Civic Center’s redevelopment were also identified, fully evaluated and are described in the JLL companion report titled “San Diego Civic Center Complex: Alternative Scenarios to Redevelopment” dated December 15, 2008. The contents of both reports should be reviewed and considered collectively in any decision making process by the City concerning the issues addressed in these reports.

The purpose of the study contained in this report is to:

- a. Assist CCDC in the financial evaluation of the Request for Proposal (“RFP”) responses submitted by the finalist development teams: Gerding Edlen Development (“Gerding”) and Hines and;
- b. Compare each of the developers’ proposals to the non-redevelopment alternatives presented in the JLL companion report for the purpose of identifying the lowest cost occupancy strategy for the City.

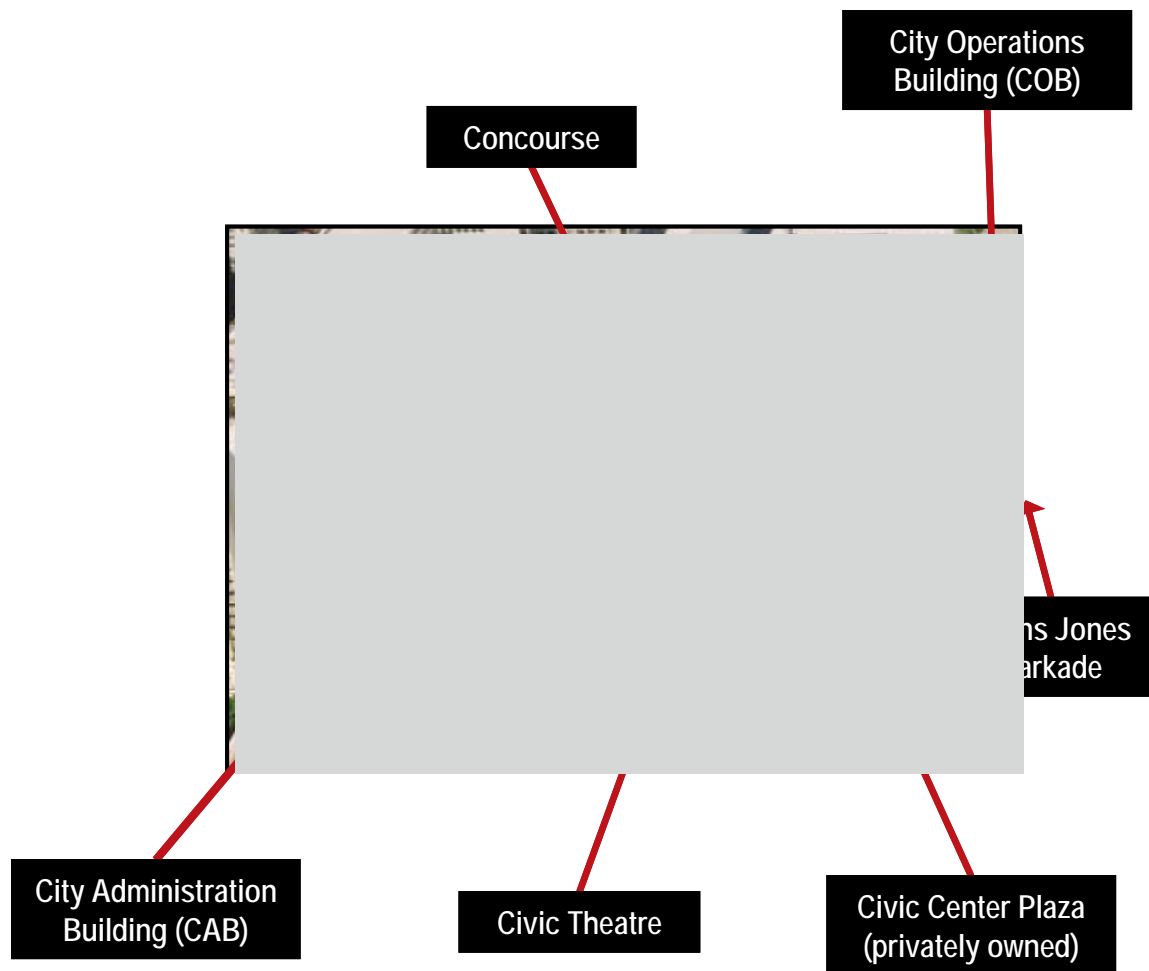
Background

The City of San Diego’s downtown office workforce of roughly 3,000 is currently disbursed in six buildings throughout downtown. Approximately 1,000 employees work in three City-owned buildings located within a four-square block site known as the “Civic Center Complex.” The remaining 2,000 employees work in three privately-owned office buildings in space leased by the City. The City’s leases are scheduled to expire in the years 2013 and 2014. Because the existing leases were negotiated many years ago, it is anticipated that the City’s annual leasing costs will increase significantly when the leases are renewed. CCDC, on behalf of the City, has retained JLL to research, identify and assess viable options available to the City with the goal of minimizing the City’s occupancy costs in the near-term (next 15 years) and in the long-term (next 50 years).

San Diego Civic Center Complex

The Civic Center Complex site is a four-square block area located in the heart of the Civic/Core District of San Diego’s downtown. The five structures located on the Civic Center site were constructed in the mid-1960s and consist of the City Administration Building (“CAB”), the City Operations Building (“COB”), the Evans Jones Parkade (“Parkade”), the Concourse, and the Civic Theatre. Downtown’s primary fire station, Station #1, is located in the basement of the COB.

Each of the structures is in a deteriorated condition due to a poor maintenance and capital improvement program. The buildings do not comply with current seismic and life safety code, are not fully accessible by the physically disabled and contain hazardous materials. The buildings are also highly energy and water inefficient. For these reasons, and the current inefficiencies created by geographically dispersed operations, CCDC issued Requests of Qualifications and Proposals from developers interested in partnering with the City to possibly redevelop the site with new City facilities. Redevelopment was considered one of several possible alternatives available to the City to minimize its future occupancy costs.



Facilities Needs Assessment

CCDC retained the services of Gensler Architects to conduct a Facilities Needs Assessment to determine the City’s near-term and long-term space needs should a new City facility be constructed. The contents of the Gensler study formed an important basis upon which the developers’ proposals were to respond. The Gensler study contained such critical information as optimal floor plate size, critical adjacencies of various City departments, customer service recommendations, design standards, efficient workspace standards, and projected City space needs for the next 50 years. The space needs forecasts contained in the Gensler study also formed the basis for each of JLL’s non-redevelopment analyses.

Building	Square Footage	Owned/Leased	No. of Employees
City Administration Building (CAB)	188,926	Owned	600
City Operations Building (COB)	213,905	Owned	400
Concourse	158,119	Owned	60
Parkade	580,076	Owned	N/A
600 B Street	153,265	Leased	550
Civic Center Plaza (CCP)	243,176	Leased	835
Executive Complex	136,321	Leased	455
TOTALS:	1,673,788		2,900

Goals of the Developer RFP

A fundamental condition of the redevelopment alternative to be considered by the City is that it clearly provides the City with the lowest short-term and long-term occupancy costs when compared to all other viable alternatives studied in the JLL “Alternative Scenarios to Redevelopment” report.

The goal of the RFP was to provide a structured and comparative format for the developers to propose a Civic Center redevelopment vision and associated financial projections, including the proposed development of a new City Hall that met the programmatic requirements of the City. For the proposals to be considered, the developers’ financial projections must demonstrate the lowest occupancy costs to the City as compared to the identified alternatives. To evaluate the City’s occupancy costs, the RFP required the development teams’ responses to include a 50-year cash flow projection of the entire site’s proposed development, operations and sales; including the City’s share of capital costs, operating costs and revenues. Similar to the analysis of the non-redevelopment alternatives, the City’s 50-year cost projection contained in the development teams’ pro formas were discounted to the year 2013 using a discount rate of 5.25%. A 50-year projection period was deemed appropriate in order to fully reflect the value and benefit of a new facility (estimated to provide a minimum 50-year useful life prior to requiring significant capital investment). The developers were also required to submit an annualized cash flow projection of all costs to the City resulting from their proposed development over the initial 15 years, beginning in 2008. The 15-year evaluation was used to consider the near-term financial impacts on the City’s operating budget.

In addition to the financial pro forma, the RFP required each developer to describe in detail a vision for the development of the site, including the submission of a conceptual design representation of the proposed project. Some of the key items the RFP requests developers to address in this submission include:

- The locations for all phases and proposed mixed-uses within buildings.
- The gross building area and rentable square feet in year 2013, and location(s) of a new, modern and architecturally significant City Hall built to a minimum of LEED™ Silver sustainability standards.
- The location and amount of parking provided.
- A detailed plan for the design and development of the City Hall on the site including a phasing plan that addresses parking and physical plant issues during construction.
- A plan for future growth in City space needs as forecast in the Gensler facility needs assessment.
- Onsite opportunities for employment and active level ground floor retail.
- The size, features, location and characteristics of proposed open space.
- How the proposed design integrates and activates the C Street transit corridor.
- The level of sustainability (LEED™ certification) commitment made for each component of the proposed public and private development on the site.
- The amount and type of any private development proposed on the site.
- Incorporation of the existing Civic Theatre.
- Incorporation of the Fire Station #1.
- On-site public artwork or space for cultural use.

In order to fairly and quantifiably evaluate the submissions in a manner that properly reflects the City’s goals for the Civic Center, the following evaluation categories were established. Under each of these categories the RFP lists a number of sub-items to be addressed and evaluated.

Evaluation Category	Points
Proposal and Development Team Characteristics	15 points maximum
Financial Resources and Structure	35 points maximum
Conceptual Project Planning/Design/Architecture	30 points maximum
Financial Viability and Economic Stimulation	55 points maximum
Development Program and Project Implementation	30 points maximum
Total Points:	165 points available

Overview of Development proposed by Hines and Gerding

Each development team proposed very different approaches to developing the overall site, with Hines proposing no private development and Gerding proposing about 1.8 million square feet of private development. Each proposal is summarized as follows:

The Hines proposal included a 4-story City Hall building to accommodate the Council Chambers and offices of the City Council and Mayor located on the portion of the site fronting C Street. A second 19-story administrative building is proposed to be located on the block between Front Street and First Avenue (location of the existing COB). A new Fire Station #1 is proposed to be constructed at the same location as the existing fire station financed by Redevelopment Agency funds. The Hines proposal suggests renovation of the existing Parkade including modifications to the ramping, increasing the number of stalls to roughly 1,337, and installation of artwork along the structure's façade. No additional parking is intended to be provided. The Hines proposal assumes that the City administration building will attain a LEED™ Silver sustainability designation and the Council Chambers building will be designed and construction to a LEED™ Gold standard. The proposal provides approximately 735,000 gross square feet of office space, which meets the City's projected requirements in year 2013. The proposal assumed the City would lease space in privately-owned office buildings in the downtown market for future growth and expansion. Approximately 13,000 gross square feet of ground floor retail is proposed. The Hines proposal anticipates re-opening the "B" Street corridor providing over 40,000 gross square feet of landscaped plaza areas. The proposal assumes The Civic Theatre will be renovated by the Theatre's operator and its own expense. The Hines proposal provided for the demolition of the CAB, COB and Concourse buildings. Delivery of the City facilities is scheduled for May 2013.

The Gerding Edlen proposal consisted of a three-phased project.

Phase I

Phase I provided a 34-story City administration building fronting C Street at the location of the existing Concourse building. A small separate building located directly to the east of the new City administration building is proposed to accommodate and house the Council Chambers and One-Stop-Shop customer service area. The proposed City administration building would contain about 965,000 gross square feet of office space which is intended to provide excess space to meet the City's projected future space needs. The proposal suggests the City would be obligated to pay only for the space the City occupies. The existing Parkade is proposed to be demolished and replaced with underground parking that encompasses most of the overall site. The City is proposed to control and have exclusive use for the parking located directly under the City administration and Council Chambers buildings. Approximately 19,060 gross square feet of ground floor retail space is included in the new City administration building. The Civic Theatre is assumed to be renovated by the Theatre operator at the operator's expense. The Gerding proposal assumes the City administration and Council Chambers buildings will be designed and constructed to LEED™ Platinum sustainability standards. Delivery of the City facilities is scheduled for May 2013.

Phase II

The Gerding proposal suggests a purchase of portions of the site from the City at fair market value by the developer for future private development. The proposal provides for a 10% non-refundable deposit paid at the time of development agreement execution and land acquisition occurring within approximately 5 years.

Upon completion of Phase I and at such time that market and economic conditions deem such development feasible, the proposal provides for the following private development in Phase II:

- On the southeast corner of the site (location of existing CAB) the proposal suggests the construction of a 23-story building totaling 365,000 gross square feet containing a fitness center on the first few levels and approximately 245 workforce housing units above.
- On the location of the existing Parkade the Gerding proposal includes the construction of a 24-story building totaling 638,000 gross square feet comprised of 305 apartment units, 390,000 square feet of office space and a grocery store. A pocket park / courtyard is also suggested on this site.
- Below grade onsite parking is provided each proposed use.

Phase III

Upon completion of Phase II and at such time that market and economic conditions deem such development feasible, the proposal provides for the following private development in Phase III:

- On the site bounded by A and B Streets (location of the existing COB and fire station), the proposal provides for the construction of a new Fire Station #1 on the northern boundary of the site financed with Redevelopment Agency funds and the remainder of the site occupied by a new 30-story mixed-use tower totaling 826,000 gross square feet comprised of 415 units of market-rate and workforce/affordable housing, 375,000 gross square feet of office space, and 22,000 gross square feet of ground floor retail space.
- Below grade onsite parking is provided each proposed use.

Refer to Appendix A for a detailed site plan of each developer's proposal.

Financing Structures proposed by Hines and Gerding

Another distinguishing factor between each of the developer proposals was the suggested financing structures. The Hines proposal included seven different financing structures based on a 30-year term summarized as follows:

- Three tax-exempt structures using a Lease Revenue Bond financing. Each alternative structure would require the City to transfer the ownership of the site to a redevelopment agency (or City-controlled conduit agency) which would in turn issue bonds, own the facility, and lease-back the facility to the City until such time the bonds were retired. Upon retirement of the bonds, the City would own the facility.
- Two Credit Tenant Lease structures, one alternative wherein 100% of the improvement costs are financed before construction commences and one wherein 100% is financed upon completion of construction.
- One traditional joint venture structure that assumes developing the site with Hines and an equity partner.
- One using Hines REIT as the financing vehicle.

Gerding proposed three different financing options, two of which utilize IRS Revenue Ruling 63-20 tax-exempt bonds and one that uses Certificates of Participation (“COP”) tax-exempt bonds. Each of these financing solutions provides for a not-for-profit corporation or public facility financing authority to issue tax-exempt debt to finance a facility for government use and allows private development of public buildings. Under each alternative structure, the facility is owned by the financing entity until retirement of the debt, the government entity occupies the facilities under a long-term lease or use agreement and the facilities revert to governmental ownership at the retirement of the debt.

Methods used in the Financial Evaluation of Developer RFP Responses

The financial evaluation of the developer proposals was comprised of three major steps.

1. **Financial evaluation of the RFP responses** submitted by the developers. The main objective of this evaluation was to clearly understand and thoroughly analyze all financial assumptions and calculations contained in each submission for accuracy and reasonableness.
2. **Comparison of developer costs against non-redevelopment occupancy scenarios for the City.** A key aspect of the RFP evaluation is to compare each developer’s financial proposal on a Net Present Value (NPV) and annual cash flow basis against the non-redevelopment alternatives. A pre-condition for either developer’s proposal to be considered by the City is that it must demonstrate that the proposal is the lowest cost alternative for the City against all non-redevelopment alternatives. The non-redevelopment alternatives used the following foundational assumptions:
 - a. With the exception of Alternative 5, if a new City Hall is not developed through a public private partnership, the City will be required to make significant investments to cure deferred maintenance on City owned buildings in order to meet building codes related to safety, environmental remediation, and seismic. Alternative 5 assumed the City would not incur any costs for capital improvements to cure differed maintenance of City owned buildings.
 - b. The City continues to lease space for City staff that cannot be accommodated in the City owned buildings located within the Civic Center Complex.

After evaluating and validating each of the cost elements contained in the developer proposals, JLL compared the City’s costs forecast in each proposal against the lowest cost alternatives from the non-redevelopment scenarios. The following key tests were applied:

- a. Does the developer’s proposal result in lower costs to the City than the lowest non-redevelopment alternative on a 50-year NPV basis?
 - b. Does the developer’s proposal result in lower costs to the City than the lowest non-redevelopment alternative on a 15-year cash flow basis?
3. **Organize a side-by-side comparison of each developer’s response to key evaluation criteria contained in the RFP.** In addition to performing a detailed financial evaluation of the developer proposals, JLL organized the key financial, functional and programmatic response elements of each developer’s submission into a comparative matrix that allows key RFP evaluation criteria to be easily compared and contrasted.

To support this complex evaluation, JLL collaborated closely with a variety of highly qualified specialists to analyze the various elements of each developer’s financial proposals. (These professionals and the work they performed are detailed in Section II of this report.) JLL and the specialty consultants performed a detailed review of all costs and their underlying assumptions contained in the developers’ proposals. In addition, several meetings and/or conference calls were conducted directly with the

developers to clarify the validity of a proposed cost or an assumption. Costs and underlying assumptions deemed unsupported or inaccurate by JLL and its consultants were adjusted accordingly. Each adjustment is documented in Section IV of this report.

JLL's financial evaluation of the developer responses focused on the following key areas:

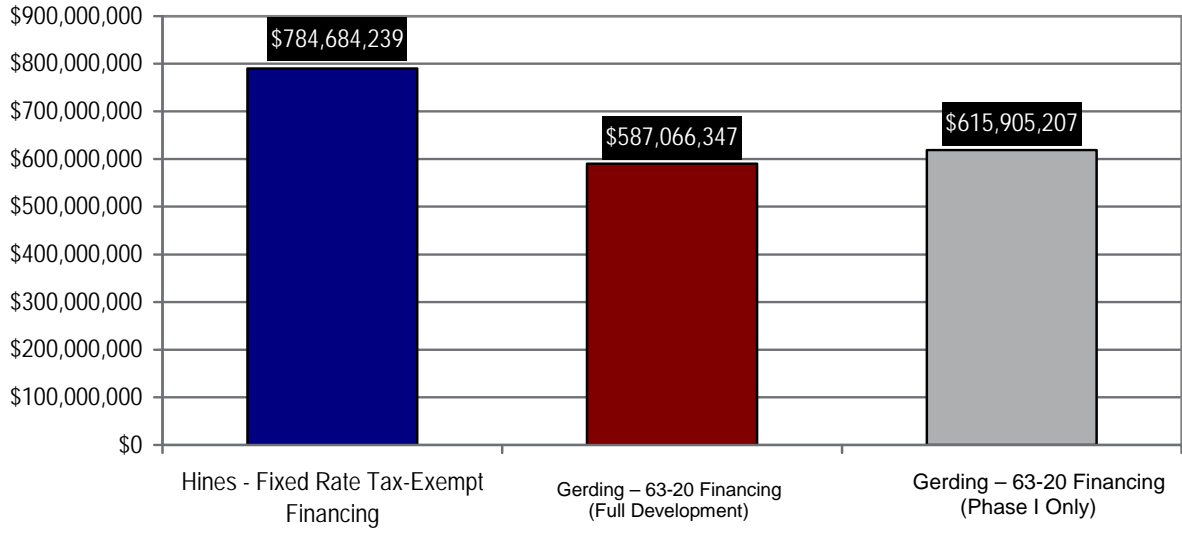
- a. Total direct and indirect construction cost estimates for the proposed development of each City facility, including the City administration building, Council Chambers building, parking structures, civic plaza and retail space.
- b. Demolition of existing structures including removal of hazardous materials
- c. Operating and maintenance costs, including capital replacement reserves
- d. Parking revenues and costs
- e. Retail space assumptions
- f. Financing alternatives and terms
- g. Value offered for surplus private development rights
- h. Economic and fiscal impact of private development
- i. Building efficiency to support new City workspace standards
- j. Capacity to support City expansion needs
- k. Impact and feasibility of project phasing and schedule
- l. Risk sharing
- m. Residual value of City Hall at the end of the loan period

Following evaluation of each parameter by JLL and its consultants, adjustments were made and incorporated in each developer's final analysis. From each developer's proposal, the financing structure resulting in the lowest cost and comparable risk to the City was selected for comparison with the non-redevelopment alternatives and the competing developer's proposal.

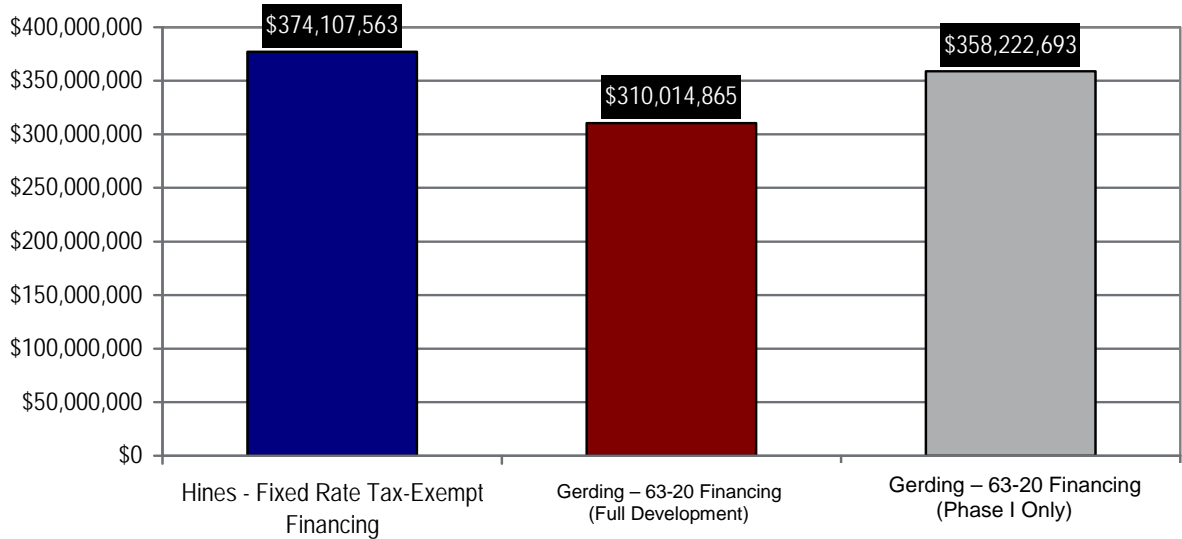
Financial Analysis Findings

Of the seven financing alternatives provided by Hines, the floating rate "Tax-Exempt B" financing structure results in the lowest cost to the City on a 50-year NPV basis. However, the variable interest rate structure creates a level of risk unacceptable to the City. The "Tax-Exempt A" financing structure provides a fixed-rate, lower risk to the City while only slightly increase the City's cost. Of the three financing structures included in the Gerding proposal, the IRS 63-20 full development option was the City's lowest cost alternative. When comparing the Hines "Tax-Exempt A" and Gerding's IRS 63-20 full development option, the Gerding proposal results in a lower cost to the City than the Hines proposal based on the 50-year NPV test. The Gerding proposal was projected to cost the City \$197.6 million less than the Hines proposal based on a 50-year NPV basis. Over the initial 15 years, the Gerding proposal was forecast to cost the City \$64 million less than the lowest Hines alternative ("Gerding 63-20 Full Development" illustrated in the table below). The Gerding 63-20 Full Development proposal represents Gerding's proposed development of the entire site completed in three phases including the proposed private mixed-use development. In order to analyze the City's potential risk in the event Gerding was unable to acquire the excess portions of the site from the City and develop all three phases, a more conservative analysis was conducted to determine the City's costs should only Phase I of the project be built. The Phase I only scenario also results in a cost savings to the City when compared to the Hines proposal and is reflected in the table below as "Phase I Only." The Gerding Phase I Only scenario is forecast to cost the City \$168.8 million less than the Hines proposal on a 50-year NPV basis and \$15.9 million less over the initial 15 years.

50-Year Present Value Cost Comparison (in 2013 dollars)



Initial 15-Year Cost Comparison

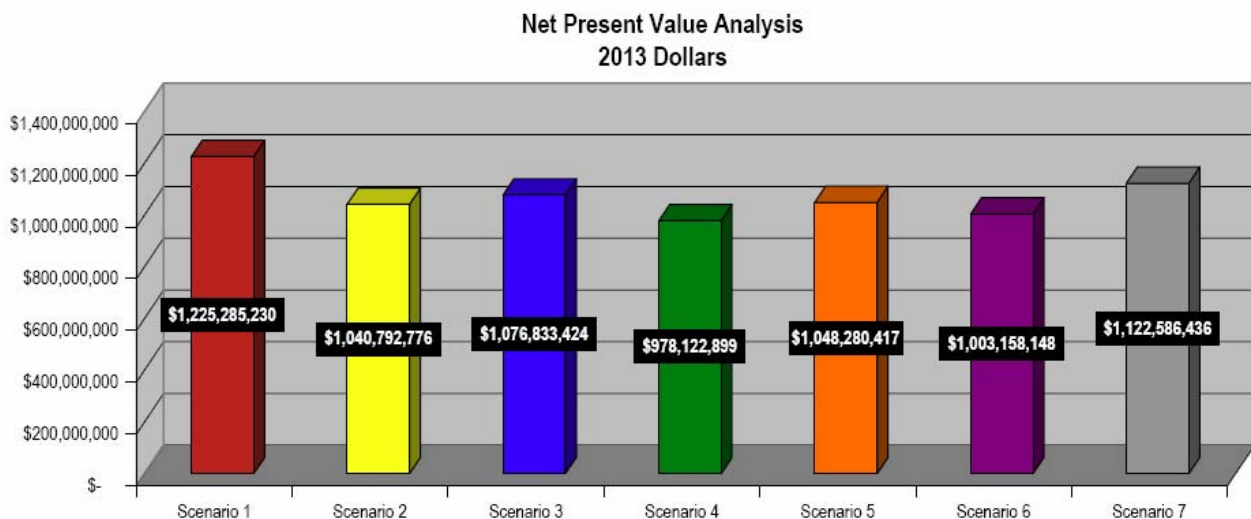


Comparison of Developer Costs against Base Line City Cost Scenarios

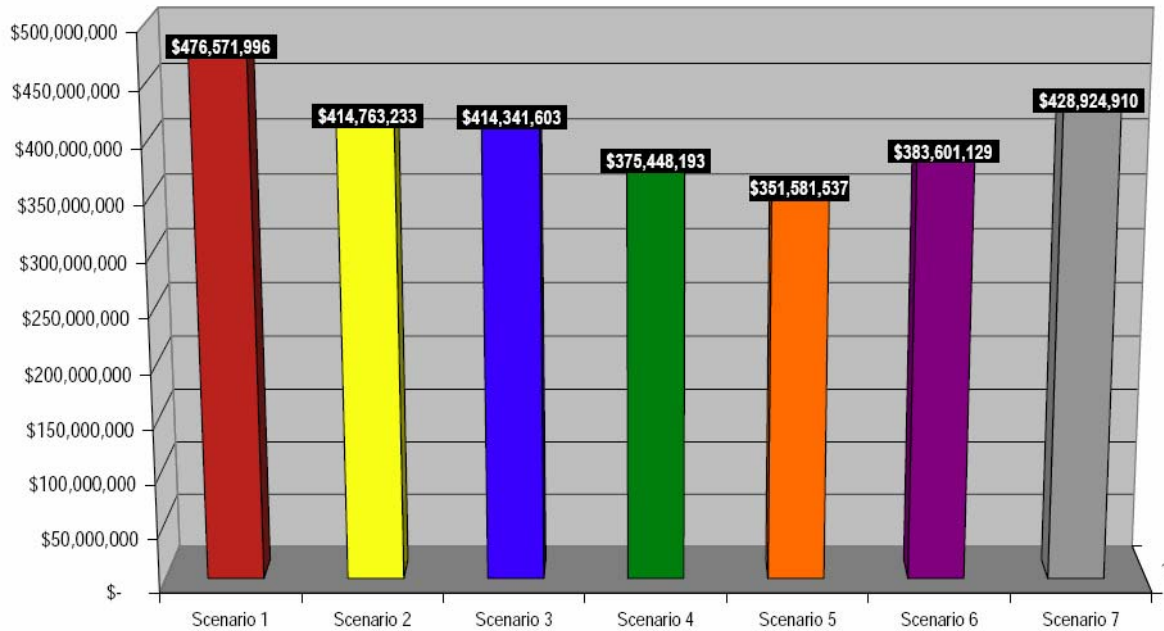
As previously mentioned, seven non-redevelopment alternatives were evaluated. JLL's analysis of these scenarios was reviewed by CCDC staff and reflects public comment collected during several public discussion meetings. A full description of the non-redevelopment alternatives and their respective projected costs to the City are included in the companion report to this document, "Alternative Scenarios to Redevelopment."

Each scenario forecasts the City's costs for a period of fifty (50) years beginning in the year 2008. The projected future cash flow of City costs was discounted to the year 2013 (the year in which major City leases begin to expire) using a discount rate of 5.25%. With one exception, the non-redevelopment scenarios assume the City must incur significant costs to rehabilitate to comply with current codes and standards and perform repairs to improve safety in its owned facilities. One scenario assumes the City-owned facilities undergo no rehabilitation or improvements and existing leases are renewed at rates and terms commensurate with market and space conditions.

The following tables illustrate the Net Present Value of each alternative and cash flow requirements of each alternative over the first 15 years.



Occupancy Costs - End of Term plus plus 10 Years



As reflected above, Alternative 4 is the City’s least costly alternative when the 50-year Net Present Value test is applied, and Alternative 5 is the least costly alternative based on projected costs over the initial 15 years. As the least costly non-redevelopment alternatives to the City, Alternative 4 and Alternative 5 were compared with the two developer proposals over the long-term (50-year) and near-term (15-year) analysis, respectively. The following is a brief description of each alternative:

Alternative 4 – Assumes the City rehabilitates its owned facilities according to the recommendations included in the Facilities Condition Assessment prepared by DMJM H&N, Inc. and seismically retrofits, to the extent possible, to comply with current building standards. Costs for temporary staff moves and swing space during the rehabilitation process are also included. Assumes interior improvements are installed which apply, to the extent possible, new efficient workspace standards to the City-owned and leased facilities. In addition, improvements to the City-owned Concourse building are assumed which convert its existing meeting spaces into City office space, thus greatly reducing the amount of required leased space. Finally, this alternative assumes the required remaining space to fully accommodate the City’s downtown operations is leased in the Executive Complex, or comparable space. Based on conclusions in the Condition Assessment Report, the improvements are assumed to extend the remaining useful life of the City-owned facilities for 30 years from the date of completion of the improvements. Accordingly, new facilities are assumed to be constructed, at the City’s expense, at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections outlined in the Needs Assessment Report prepared by Gensler Architects.

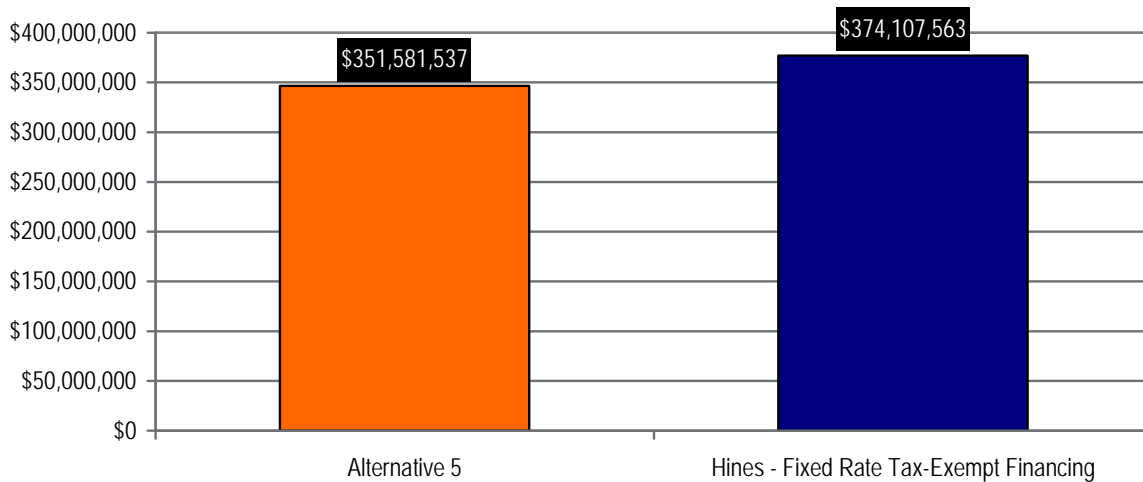
Alternative 5 – This alternative assumes the City does not incur any costs for capital improvements or workspace efficiencies in its owned or leased properties and performs NO rehabilitation, code improvements or other renovations to its owned facilities and continues to occupy those facilities for the next 30 years. Assumes the City accepts latent risks in building occupants’ health and safety by not rehabilitating these structures. Assumes minimal costs are incurred to modify interior spaces upon

renegotiation of existing leases (paint, carpet and minor renovations) and for swing space during these modifications. Assumes no costs are incurred to migrate to more efficient workspace standards in the owned or leased facilities. Although not estimated in the costs, it should be noted that it is highly likely that, without renovation, some of the major building systems will fail over the next 30 years resulting in costly repairs and disruption for City Staff. Assumes the facilities will require replacement at the end of the thirtieth year. Assumes the City leases additional space every ten years according to the growth projections in the Needs Assessment Report.

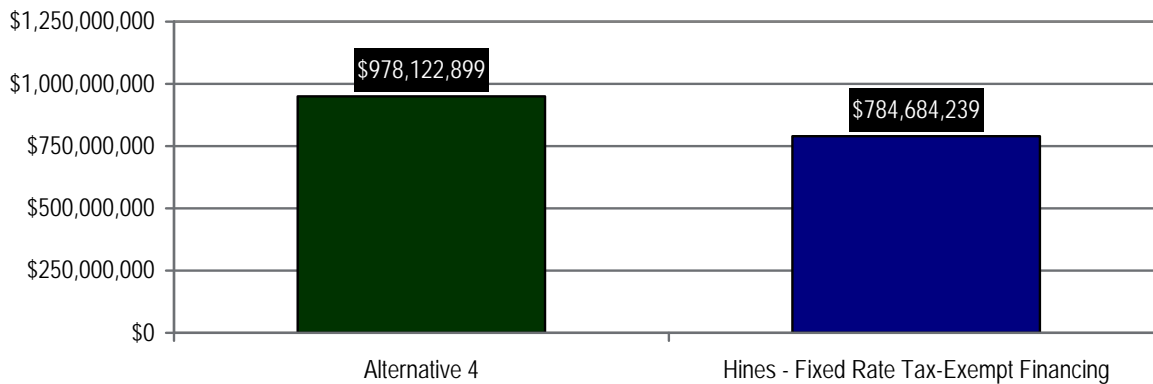
Hines Cost Comparison to Least Cost Alternatives

The City’s projected costs in Alternative 4 and Alternative 5 were compared to each developer’s financial pro forma on a long-term and near-term basis, respectively. The results are reflected below.

Initial 15-Year Cost Comparison

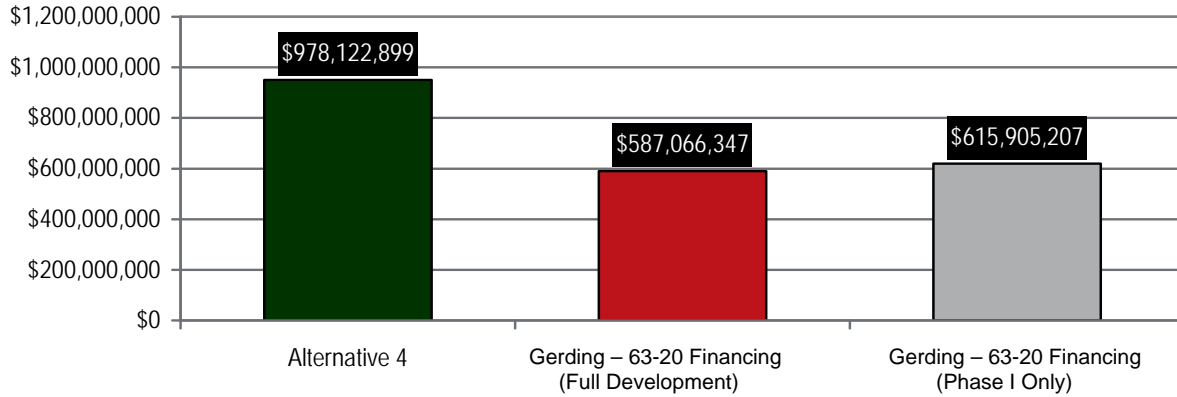


50-Year Present Value Cost Comparison
(in 2013 dollars)

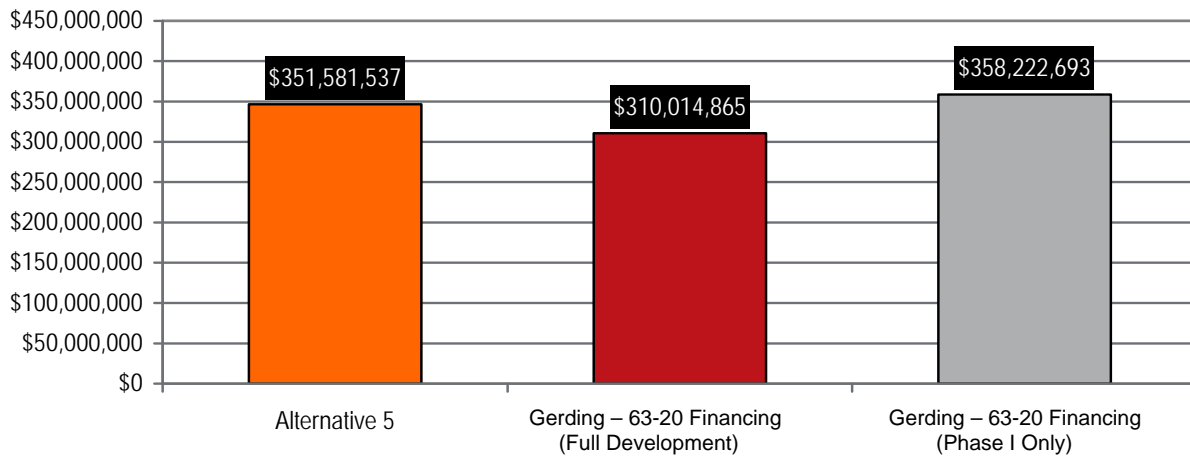


Gerding Edlen Cost Comparison to Least Cost Alternatives

50-Year Present Value Cost Comparison (in 2013 dollars)



Initial 15-Year Cost Comparison



Conclusions and Recommendations

The key conclusion from the analysis is that each developer proposal results in lower costs to the City over a 50-year period on an NPV basis and over the initial 15 years when compared to the non-redevelopment scenarios. Additionally, each developer proposal would result in a superior space solution for the City, including the consolidation of City operations, new modern workspace standards, more governmental transparency and a highly sustainable building with lower energy and water costs.

The main reasons that the developer proposals are less costly than the non-redevelopment alternatives include the following:

- A 30% reduction in the amount of office space required by the City through the proposed buildings' design based on a large and highly efficient floor plate and new workspace standards.
- The cost required to cure existing deferred maintenance on City-owned buildings and the eventual need for building replacement due to the buildings' limited useful life. A new modern facility is estimated to provide a minimum useful life of 50 years before significant capital improvements are required.
- The impact of rent escalations and increasingly larger amounts of leased space over time if the City continues to lease space. The developers' propose a new City Hall large enough to accommodate all downtown City staff in the year 2013 and the Gerding proposal accommodates all City staff for more than 50 years.
- The developers' proposals to more efficiently use City-owned real estate assets, and provide surplus land value through a sale or lease for the purpose of private development (Gerding proposal only).
- The potential generation of employment, property, sales and hotel tax revenue to the City from private development on the site.

Gerding's proposal offers the lowest costs occupancy strategy to the City. This cost advantage is primarily due to the value created for surplus development rights to construct private improvements on the site and the significantly larger City Hall facility which is capable of accommodating City growth projections for more than 50 years. The Gerding proposal also provides the opportunity for offsets to City costs through tax revenues generated by the proposed private development.

In addition to financial considerations, JLL believes that the City would derive significant functional and political benefits:

	Status Quo	New Civic Plaza
Risk Avoidance (seismic, fire & life safety, environmental)	The existing buildings present significant risk issues with respect to the following: owned assets do not comply with current seismic codes, fire and life safety systems are outdated or non-existent and buildings contain hazardous materials.	Construction to new code will eliminate all latent risk.
Employee Disruption	Renovating the existing buildings will require substantial relocation of employees to swing space during reconstruction period for up to 2 years.	Phasing will allow employees to remain in existing facilities until such time as new buildings are completed.

	Status Quo	New Civic Plaza
Efficient Use of Space	The existing buildings can be renovated in one of two ways: 1) to new employee workspace standards to gain some efficiency or 2) to a level that principally refreshes the space.	Construction of a new building will allow the City to employ new space standards. It is estimated that construction of a new facility with new workspace standards will reduce the space occupied by City functions by 30%.
LEED/Green Building	The older existing buildings will not meet sustainable building standards without significant expense.	New construction provides the opportunity for the City to be a steward in reducing consumption of San Diego's precious resources and be a model in sustainable development.
Economic Revitalization	The existing uses within the Civic Center Complex do not generate tax revenue or encourage new surrounding development.	Potential future tax revenues, employment and district revitalization may result from the developers' proposals.
Constituent Access/ Customer Service	Existing City Council Chambers are located on the top floor of the City Administration Building. Customer-oriented departments are not easily accessible to constituents.	The developer proposals provide for a highly accessible Council Chambers and "one-stop-shop" customer service area.
Consolidation of City-wide Functions	Today, primary City functions are housed in approximately 1.1 million square feet in six buildings. There is a loss of efficiency due to duplicate spaces, reception areas, conference rooms, etc. Employee productivity is diminished when commuting between departments/buildings.	The developer proposals include a more efficient use of public (meeting and reception) and support (IT) spaces. Employee productivity will improve due to improved workspace conditions and consolidation of functions.
Symbol of Civic Pride	The existing buildings are old and dilapidated. They no longer present an image of San Diego as a vibrant and vital urban center.	A new modern building provides San Diego with the opportunity to define itself as a City in tune with its citizens and the business community. It can present the "new face" of San Diego.
Incremental Tax Revenue	The existing buildings do not generate any material tax revenue to the City.	A redeveloped Civic Center will be a mix of uses including residential, retail, office and possibly hotel. These uses have the potential to generate millions of dollars of incremental tax revenue not realized today.
C Street Corridor/ B Street Opening	The existing buildings do little to enhance the C Street Corridor and B Street is closed to vehicle and pedestrian traffic.	Each developer proposes a design which will enhance and animate the C Street Corridor and B Street will become an open thoroughfare once again.

	Status Quo	New Civic Plaza
Ability to Upgrade Technology	Much of the City's technology is out of date.	The developers' proposals include a significant budget for state-of-the-art technology in a newly developed City Hall. Both infrastructure (Server Rooms, telephone switchgear, etc.) and workspace (desktop, phones, computers) improvements are proposed.

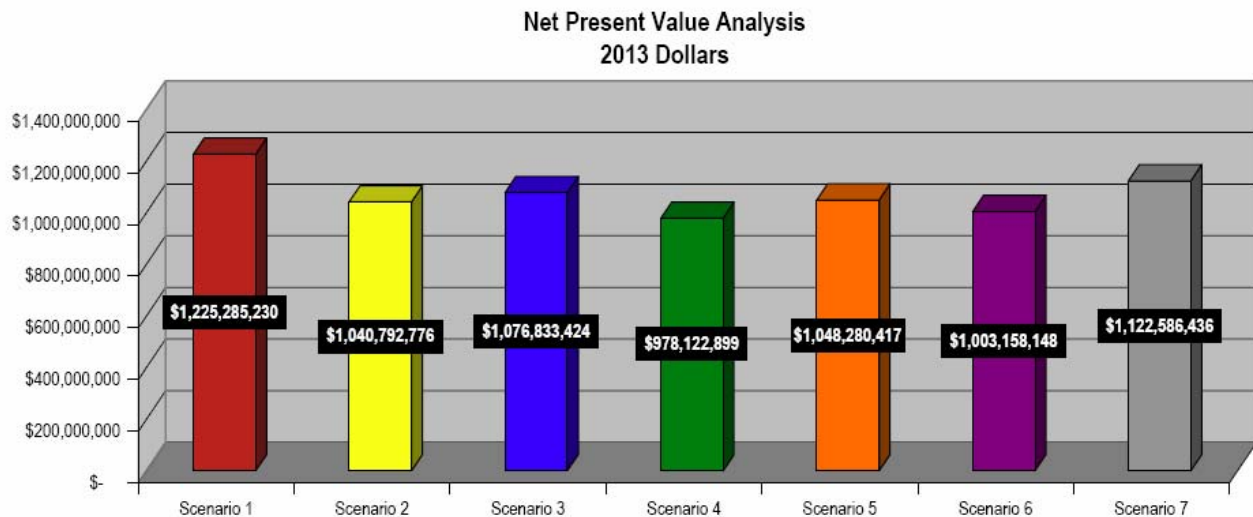
Based upon JLL's review and analysis of the financial components of the developer proposals, it is JLL's recommendation that the City pursue redevelopment of the site with Gerding Edlen according to the terms of the "63-20 Full Development" proposal. JLL's recommendation is a result of the following conclusions: 1) the proposal was found to be the lowest cost alternative to accommodate City operations in the near-term and long-term, 2) the new facility's construction may be financed at tax-exempt interest rates, 3) the proposed financing structure may preserve the City's debt capacity for other City capital improvement needs, 4) transfers the development and financing risk to the developer and third party financing entity, 5) the City maintains ownership of land under its new facility, 6) the City receives compensation for the site's surplus development rights, and 6) the City owns the facility debt-free upon retirement of the debt.

II. PROJECT METHODOLOGY

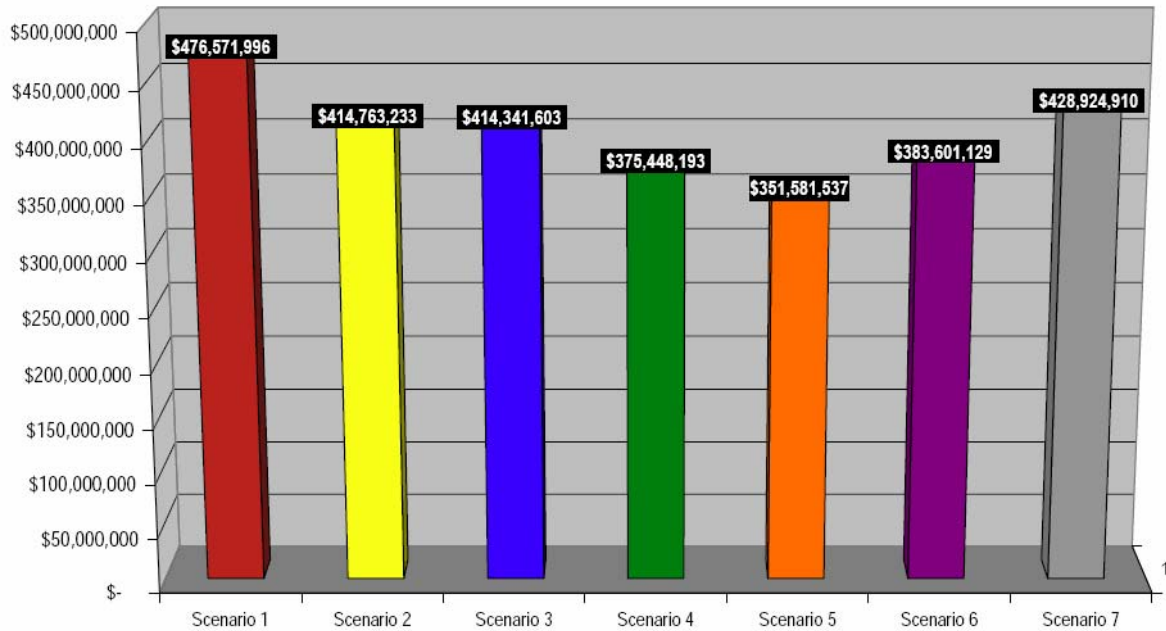
Overview

The main objective for the City is to select the lowest cost occupancy scenario to accommodate downtown City employees. To analyze that objective, the financial analyses for each of the developer proposals forecast the City's costs on a NPV basis over a 50-year period and the City's nominal costs over the initial 15 years, commencing in 2008. A 50-year projection period was deemed appropriate in order to fully reflect the value and benefit of a new facility (estimated to provide a minimum 50-year useful life prior to requiring significant capital investment). Because of the City's current financial challenges, a 15-year nominal value analysis was conducted to consider the near-term impacts on the City's annual general fund budget. The City's cost of funds, for purposes of the analyses, was assumed to be an annual rate of 5.25%.

Using the near-term and long-term metrics, the developers' proposals were compared to the lowest cost alternatives of the seven non-redevelopment alternatives described in the JLL companion report. Based on the 50-year long-term projections, Alternative 4 resulted in the lowest cost to the City. Based on the 15-year near-term projection, Alternative 5 was deemed the City's lowest cost alternative. The seven alternatives to redevelopment are detailed in the companion report titled "San Diego Civic Center Complex: Alternative Scenarios to Redevelopment." The full financial analysis of the Hines and Gerding proposals are attached hereto in Appendices B and C.



Occupancy Costs - End of Term plus plus 10 Years



Analysis Team

The financial evaluation of the two developers’ proposals is complex and requires thoughtful consideration, verification and analysis of the costs and assumptions contained within each respective proposal. To ensure the accurate evaluation of the complex issues impacting overall costs required the coordinated efforts of many specialty consultants and the assemblage of data and information from a variety of sources. In this study, the following parties were involved in supporting the analysis performed by JLL in this report:

Firm	Role
Gensler Architects (“Gensler”)	<ul style="list-style-type: none"> Provided projections, in ten-year increments, of the number of City staff by department and respective space requirements over the next 50 years. The space projections formed the basis of building design for the two developer proposals and for each of the seven non-redevelopment alternatives. Identified the baseline design criteria for the buildings, including optimum floor plate size, efficient workspace standards and tenant improvement costs. Performed a floor plate efficiency analysis on each developer’s proposed building design. The analysis was used to ensure each developer’s proposed design adequately accommodates the projected City staff levels.
Cumming Corporation (“Cumming”)	<ul style="list-style-type: none"> Comprehensively evaluated the cost assumptions made by each developer for their proposed redevelopment of the Civic Center. This included evaluating all cost estimates for the development, including site work and demolition, building shell and core construction, MEP, Interiors, professional fees and permitting. Evaluated the developers’ operating cost assumptions

Firm	Role
Economic Research Associates (“ERA”)	<ul style="list-style-type: none"> Evaluated the estimated fiscal and economic impacts of the private development proposed by each developer on the site including retail sales tax, employment, wages and property tax.
D.F. Davis Real Estate (“Davis”)	<ul style="list-style-type: none"> Provided an appraisal of the surplus land value for private development proposed by each developer. Also provided comparables for ground lease factors and analysis.
Bill Angle	<ul style="list-style-type: none"> Provided an overall analysis of the IRS 63-20 and Certificates of Participation tax-exempt financing structures proposed by Gerding.
Ace Parking	<ul style="list-style-type: none"> Provided market assumptions for parking revenue, occupancy rates, and visitor oversell for the proposed parking structures under each proposal.

Analysis Methodology

Although the analysis of each developer proposal is complex, the financial analysis can best be summarized as a forecast of the annual costs associated with each redevelopment proposal reduced by any projected offsetting revenues.



The projected net annual City costs were then evaluated using two approaches:

1. A 50-year annual cost forecast for the years 2008 through 2057 discounted to the year 2013 using a 5.25 % discount rate.
2. A 15-year annual cost forecast beginning in the year 2008 and ending in the year 2022.

The table below identifies the categories of cost and offsetting revenues considered in the analysis of the developers’ proposals. The detailed assumptions supporting each of these categories are described in the next section of this report.

Costs
<p>Existing City Occupancy Costs</p> <p>Includes the rent paid by the City for space in the existing leased facilities and the City’s operating and maintenance expenses for both the leased and owned facilities from the period of 2008 through 2014. These costs were added to the developers’ projections as they would be incurred prior to delivery of the proposed new facilities.</p>
<p>Relocation of City’s Library Book Distribution and Publishing Departments</p> <p>Includes costs to relocate and lease industrial/flex space outside of downtown for the two City departments currently located in the Concourse. The anticipated costs of relocating these departments to industrial/flex space in a suburban location are added to each developer’s proposal.</p>

Costs

Debt Service on City Buildings

Includes annual principal and interest payments for the financing of all direct and indirect costs for construction of the City buildings (core, shell, and tenant improvements), plaza and City-owned portion of parking; the cost of new furniture, fixtures and equipment; cost for new technology infrastructure; and an allowance for security. These costs are financed using the amortization period and interest rate provided for in each alternative submitted by the developers.

Operating Expenses for City Buildings

The RFP required the developers to include an estimate of all costs associated with operating and maintaining the buildings, including annual escalations over the entire 50-year timeline.

Cost for Offsite Leases in Privately-Owned Buildings

The Hines proposal assumed that City expansion space will be leased in third party office buildings in the downtown area. These leasing costs are included in the Hines analysis.

Costs for Capital Reserves

Includes costs to maintain the major building systems, common areas and potential modifications to the City workspaces through an annual contribution to a reserve account. Such costs were included in the costs projections for each developer proposal.

Revenues

Revenue from Surplus Development Rights (*sale or ground lease to developer of City land*)

Includes value offered by the developers to purchase or lease the excess land available on the Civic Center site for proposed private development.

Estimated Tax Revenue from Private Development (*retail sales tax, property tax*)

Includes estimated sales and property tax revenues generated from each developer's proposed private development within the site. JLL conservatively estimated such revenues by multiplying the forecasts by discount factor.

Retail and Surplus Office Space

Each developer proposal provided the City with ownership of retail space. The Gerding proposal also provided the City with ownership of excess office space at the end of the loan period. The leasing revenue to the City from this retail and office space is included in the analysis.

Revenue from Parking

Includes the estimated monthly operating cost per stall and an oversell rate on top of this figure. (An "oversell rate" is the percentage of revenue in addition to the monthly stall rentals that it is estimated can be derived from temporary parking for vacant spaces available at any given point in time) Based on market information provided by Ace Parking, each developer was asked to level-set the parking rates at \$170 per stall per month commencing 2008 with 4% annual increases.

JLL and their sub-consultant team closely evaluated the assumptions supporting the cost and revenue projections contained in each developer's proposal. Additionally, each developer was provided a copy of the other's financial projections and was provided the opportunity to challenge any aspect of the other developer's proposal. JLL and its team investigated all challenged assumptions and changes were made where warranted. Some changes were applied to both developers' proposals while others impacted only one. Both developers were involved in each requested modification to either of the proposals. A complete listing of all cost and revenue changes made to the developer's initial proposals is contained in Section III of this report.

After both developers' proposals had been fully analyzed and any proposed changes had been identified and reviewed with each developer and CCDC, the developers were asked to reissue their financial proposals with all the requested changes incorporated. The revised developer financial projections were then analyzed by JLL to forecast the City's occupancy costs for each proposal. The final financial forecasts of the development proposals were then compared to Alternatives 4 and 5, the lowest occupancy cost scenarios of the seven alternatives to redevelopment. Finally, the financial analyses were released to the public for review and comment via the CCDC website and a series of City-wide public outreach meetings and various stakeholder groups.

III. DEVELOPER FINANCIAL ANALYSIS

The general considerations, primary assumptions and explanation of each developer’s proposal including the respective key findings are detailed in this Section III. The complete financial analysis for the Hines and Gerding proposals are attached hereto in Appendix B.

A. GENERAL CONSIDERATIONS

The projections of total costs to the City resulting from each developer’s proposal are comprised of annual costs and offsetting revenues from each developer’s unique development plan and partnership structure. The primary assumptions are detailed below and organized under cost and revenue groupings. These assumptions were developed through the collaborative efforts of JLL, CCDC, City executive staff and the expert sub-consultants described in Section II of this report.

1. City Space Requirements

Gensler Architects (Gensler) was commissioned by CCDC to determine the City’s near-term and long-term facility space needs. As part of the study, Gensler forecast City staff growth, on a departmental basis, over a 50-year period and recommended new workspace standards for the City that would significantly improve space efficiency. Gensler estimated that the new recommended workspace standards, when combined with an optimal floor plate size of roughly 32,000 gross square feet, could decrease the City’s overall office space by as much as 30%. By shifting to a more open office environment in a new facility, Gensler estimated the average space per employee could be reduced from the current 310 gross square feet (GSF) to 225 GSF per person.

Gensler also projected City staff growth in ten year increments over the 50-year horizon at an average annual increase of 0.06%. The developer RFP required that the developers’ response provide solutions for staff and space growth according to minimum rentable square foot (RSF) full time equivalents (“FTE”) through the year 2057 as follows:

Year	RSF	FTE
2013	660,659	3,140
2023	700,351	3,362
2033	736,172	3,566
2043	764,634	3,725
2053	793,095	3,881

The Hines proposal included two buildings totaling 615,133 USF (excluding 10,249 USF of retail). The Hines proposal assumed the City’s expansion space would be accommodated in leased buildings in the downtown area. Commencing in the year 2024 the Hines proposal estimated the City would lease 49,082 RSF in privately owned office space increasing every 10 years to 214,797 RSF in the year 2054. Hines applied lease rate estimates provided by JLL which assume a 2014 starting rent of \$2.85 per square foot escalated by 2.5% annually and 20% resets every 10 years. The estimated lease rate includes a \$45 per square foot tenant improvement allowance to retrofit the space to the City’s proposed new workspace standards.

Gerding’s proposal included one 34-story building with an adjoining 2-story building to house the Council Chambers and the “One Stop Shop” services totaling approximately 983,816 GSF (approximately 852,235 USF of office space and 18,488 USF of retail), which provides the entire expansion space projected by Gensler. According to the Gerding proposal, in 2013 the City would only be obligated to occupy the 660,659 RSF it will require according to the Gensler forecasts. As time progresses, the City would expand into additional space within the City facility every 10

years according to the space needs forecast presented in the table above. The Gerding proposal provides for Gerding to assume the risk of leasing the excess office space within the City facility until such time that the City's growth dictates a need for the expansion space. Upon retirement of the facility's debt obligation the City would own the entire building free of financial encumbrances.

2. Building Efficiency Analysis

In order to compare the relative space efficiency of the City buildings depicted in the two developer proposals, Gensler conducted a test fit of each building's floor plates. Applying the recommended new City workspace standards Gensler determined the efficiency loss or gain as compared to the optimum floor plate described in the Facilities Needs Assessment. Gensler concluded that the 30,500 GSF rectangular shaped floor plate proposed by Hines was extremely efficient and would meet or even slightly surpass the 225 GSF per person benchmark established in the Facilities Needs Assessment. Whereas Hines proposed a similar floor plate size for all floors of their building, Gerding proposed a building with floor plates ranging in size from 26,000 to 30,000 GSF. To consider these differing floor plate sizes, Gensler conducted a test fit on floors 14 and 23 as representative floors to determine the relative efficiency as compared to the optimum floor plate established in the Facilities Needs Assessment. Gensler determined that the Gerding floor plate was 5% less efficient than the optimum and would require about 28,500 RSF additional space to meet the City's needs. However, because Gerding's proposal provides 659,792 USF initially it provides approximately 44,412 additional square feet over the 615,380 USF 2013 minimum requirement per Gensler's projections (including Council chambers, public meeting and transactional spaces) this additional space more than compensates for the lost efficiency. In summary, both developer proposals provide the minimum amount of space to accommodate all City staff in 2013 utilizing the new workplace standards. The Hines proposal failed to provide onsite expansion space for future City growth and was consequently deemed less responsive in this RFP criterion.

B. PRIMARY COST ASSUMPTIONS

The primary cost assumptions that were considered for each developer proposal are detailed below:

1. Existing Occupancy Costs

Each developer's financial pro forma commences in 2008 to fully reflect the City's current occupancy cost obligations and compare the City's near-term costs associated with the alternatives to redevelopment. The analysis of each developer's proposal forecasts the City's lease payments on the existing leased facilities and operating and maintenance expenses for both the leased and owned facilities for the period January 1, 2008 through July 23, 2014, the date of which the last lease expires.

2. Relocation of Library Book Distribution and Publishing Departments

Currently the Library Book Distribution and Publishing Services functions of the City are located on the ground floor of the existing Concourse building. The Gensler study determined that these uses would be more appropriately and cost effectively located in a suburban industrial/flex type of building in the event the Concourse were replaced with a new City facility. The \pm 40,000 square feet of space was located in this facility principally because the City had space available at no cost. A more appropriate location for this use would be in an industrial/flex facility in a suburban submarket and not part of the new City Hall. Therefore, for the purposes of this analysis, costs for these departments to be relocated were added to the costs contained in the developer proposals. Year 2008 market rent is estimated to be \$1.80 per square foot on a full service basis which includes \$1.20 triple net rent plus \$0.30 for triple net charges, \$0.25 for utilities, and \$0.05 for janitorial expenses. The rental rate includes a \$15 tenant improvement allowance for

flex/industrial space. The triple net rent is estimated to increase 2.5% per year and expenses are anticipated to increase 5% per year.

3. Debt Service

The total cost in each of the developer's proposals for the new City Hall to be debt financed includes the total development/construction costs for the building(s), associated parking, FF&E (required in 2013), technology and financing costs. Individual financing assumptions are to be found in Sections D and E wherein each of the developer proposals is described and analyzed in more detail.

4. Preliminary Project Costs

The total development costs to build the new City Hall buildings, plaza areas and associated parking structure is included in the developers' pro formas. Each developer's estimate of construction costs assumed prevailing wages for construction labor. A description of the City Hall building components and the development costs is summarized in the individual developer proposals below. JLL and Cumming Corporation thoroughly reviewed the redevelopment cost estimates for accuracy and reasonableness. This review resulted in cost modifications to each of the developer proposals, which are detailed further in this section. The RFP set forth the following values to be included in the developers' cost estimates:

a. Tenant Improvement Costs

The developer RFP required each developer to include a specific tenant improvement allowance for the City-occupied spaces in the new City facilities which included: \$60 per rentable square foot for general office and circulation spaces, \$125 per rentable square foot for meeting and training spaces (estimated at approximately 23,000 rentable square feet) and \$200 per rentable square foot for Council Chambers (estimated at approximately 15,500 rentable square feet). These estimates are in 2008 dollars and are escalated annually by 4.5% until the costs are actually incurred.

b. Furniture, Fixtures & Equipment (FF&E)

The RFP instructed the developers to include costs for new furniture and desktop technology to comply with Gensler's recommended efficient workspace standards for City employees. This allowance includes all desktop technology, furniture, private office desks and chairs and conference room furniture. A cost of \$5,000 per employee was applied for furniture in consideration of a large-volume discount. An additional \$2,000 per employee was assumed for the purchase of individual desktop computer equipment and phones. These costs were also assumed to include new reception area and conference room furniture and filing systems. The cost estimate was based in 2008 dollars and escalated at 3% per year to allow for increasing costs over the analysis horizon.

c. Technology Infrastructure

The developers were instructed, through the RFP, to include \$18.5 million in 2008 dollars for new technology infrastructure for the new City Hall building. This cost was estimated by the City's Chief Technology Officer and the detailed specifications included voice and data infrastructure, a new data center, and public safety wireless equipment.

5. Operating Expenses

The RFP required each developer to provide property management services for the new City Hall. Each developer proposed a detailed operating expense budget in their proposal. The Hines proposal included a preliminary operating expense estimate in 2008 dollars of \$7.00 per square foot per year. Based on historical data from their southern California buildings, Hines estimated

4% annual increases. The Gerding proposal included a budget of \$7.66 per square foot per year. Gerding estimated 4% annual increases to their budget. Both developers' budgets excluded property taxes and insurance expenses, reflecting the City's tax-exempt status and self insured position. Hines plans to build the buildings to LEED Gold standards and Gerding proposes to build to LEED Platinum standards, each reflecting expected lower utilities expenses.

6. Capital Reserves

The Hines proposal initially included a capital reserve budget in 2008 dollars of \$0.10 per RSF per year while Gerding initially included \$1.50 per RSF per year. Each developer was instructed to level-set the capital reserves account set-aside in their pro formas at \$0.75 per square foot per year. It is typical for high-rise office landlords in central business districts to budget \$0.10 to \$0.25 per square foot per year for capital repairs to major building systems and common areas of the building. Some landlords and owner-users that maintain their buildings to a higher quality budget for reserves ranging from \$0.50 to \$1.00 per square foot per year. To ensure that the City maintains the building, including the workspace areas, to a high quality standard, a \$0.75 per square foot per year budget was established in each developer's pro forma. While this amount is budgeted to occur throughout the 50-year timeline, this reserve can be adjusted at the discretion of the City at any time.

C. PRIMARY REVENUE ASSUMPTIONS

The primary revenue assumptions that were considered for each developer proposal are detailed below:

1. Value of Surplus Land

A significant difference between the two developer proposals was the amount of private development proposed. The Gerding proposal assumed the purchase of two of the City's 60,000 square foot blocks within the Civic Center Complex currently occupied by the Parkade and the City Operations Building, upon which they plan to construct approximately 1.8 million square feet of mixed-use development. Conversely, the Hines proposal includes no new private development on the site.

The Gerding proposal assumed all new City facilities would be constructed on the portion of the site currently occupied by the Concourse and the developer would purchase the land from the City at a price of approximately \$67 million, an estimate of its future fair market value. The estimated price was derived by assuming a 2008 value of \$32.50 per square foot of floor-to-area ratio ("FAR"), escalated 3% per year through the date of proposed acquisition, years 2012 and 2014, respectively for each block. JLL verified the estimated market value by retaining the advice of the appraisal firm D.F. Davis Real Estate ("D.F. Davis"). D.F. Davis' research forecast land values for mixed-use at the site ranging between \$550 and \$600 per square foot in 2012. Applying the \$550 per square foot price over 120,000 square feet of site area yields \$66 million, comparable with the Gerding proposed value. The D.F. Davis report is attached in Appendix D, Sub-consultant Reports.

As a condition of considering the developer's proposed land purchase payment in the analysis of the Gerding proposal, CCDC and JLL required that Gerding guarantee the purchase of these parcels with a ten percent non-refundable security deposit (a copy of which is attached in Appendix E, Additional Source Documents). The land purchase revenue, which was proposed to be paid in years 2012 and 2014, was included as an offset to the City's occupancy costs during the first few years of the analysis in each of the three Gerding alternatives analyzed. In the event Gerding did not acquire the City's excess land, the ten percent non-refundable deposit would be retained by the City and the City would preserve its ownership of the excess land, including the fully functioning Parkade and its associated revenue stream.

The Hines proposal identified two rectangular 11,000 square foot pads bordering the Parkade as potential sites for construction future expansion space for the City's anticipated growth. However, the limited size of each pad (approximately 55' x 200' each) does not provide sufficient depth for office use. Perhaps a more appropriate use for the pads is retail; however associated parking and street access for any proposed development was not identified in the proposal. Davis did not place a value on the parcels due to their inferior location and size.

2. Retail Sales Tax Revenue

Each of the developer's proposals provided a retail component. The Hines proposal provided 11,524 RSF of retail uses and the Gerding proposal included approximately 140,000 GSF of retail uses in multiple phases. The JLL analysis assumed the City receives sales tax revenue equal to 1% of total gross retail sales generated from the retail component, which was applied as offsetting revenue to the City's overall occupancy costs for the new facility. ERA estimated the amount of retail sales tax each developer's proposed development would generate. This estimate is detailed later in the individual analysis of each developer's proposal in Sections D and E below.

3. Surplus Office Space Revenue

The Gerding proposal provides for a new City Hall building which is slightly larger than the City's forecasted space requirement through the end of the fiftieth year. Therefore, Gerding's "63-20 Full Development" alternative assumed that upon retirement of the debt, the City would be responsible for the lease-up risk of the excess office space. The City was assumed to receive the net operating revenues generated from the excess office space. A very conservative vacancy rate of twenty percent was assumed through the end of the 50-year projections to account for lease-up downtime, rollover, tenant improvements and leasing costs. The Hines proposal did not include any surplus office space and, therefore, no offsetting revenue was included in the Hines analysis.

4. Surplus Retail Space Revenue

Each of the developer's proposals contains a small portion of retail space within the City Hall building. The Hines proposal provided 11,524 RSF and the Gerding proposal 18,488 RSF of ground floor retail space. JLL's analysis reflected the projected net operating revenue generated by the retail space as an offset to the City's occupancy costs. JLL analysis assumed a 100% occupancy rate for the retail space based on the anticipated appeal of each developer's proposed development plan and nearby abundance of office space.

5. Parking Revenue

Each developer's proposal supplied the minimum parking requirement set forth in the RFP of 1.5 stalls per 1,000 square foot of gross building area of the City Hall buildings to accommodate City staff, elected officials and visitors conducting business with the City. The Hines proposal included 1,337 parking stalls, 36 of which support the staff of Fire Station #1 and the Gerding proposal provides 1,574 stalls. Each developer was directed to level-set the parking rates at \$170 per stall per month commencing in 2008 with 4% annual increases. 100% occupancy is assumed as City employees and customers/visitors are anticipated to maximize the use of the parking structure. Because the parking facility is located in the downtown core district and parking is sparse in this location a visitor/oversell rate of 15% was applied to the Hines project and a 25% visitor/oversell rate applied to the Gerding project. The Gerding proposal warranted a slightly higher rate because it contemplates mixed use development which will increase parking demand. (An "oversell rate" is the percentage of revenue in addition to the monthly stall rentals that is estimated can be derived from temporary parking for vacant spaces available at any given point in

time.) Ace Parking, the managers of several downtown parking garages including the Civic Center Plaza, provided the parking assumptions for each developer's analysis.

As directed by City staff, each developer's proposal assumes that parking revenues generated by Civic Theatre patrons (received primarily during evenings and weekends) will continue to be received by the Civic Theatre to support theatre operations.

6. Property Tax Revenue

Property tax revenues were estimated by ERA based on the assessed value of the private development proposed by each developer. City-owned parcels and improvements are exempt from property tax revenue. Currently approximately 70% of the property tax increment generated from new development is received by the City of San Diego Redevelopment Agency, the remaining to a variety of other taxing authorities according to state statute. For purposes of this analysis it was assumed that beginning in the year 2025, the Centre City Redevelopment Project Area will have collected its maximum permitted property tax increment pursuant to its Redevelopment Plan and approximately 17% of the tax increment will revert to the City's general fund. The Gerding proposal assumes the City occupancy costs will be offset by property tax increment from its proposed approximate 1.8 million square feet of private development beginning in year 2025. The Hines proposal did not provide any private development, and, therefore, reflected no tax increment revenue to offset the City's future occupancy costs.

D. HINES DEVELOPMENT PROPOSAL ANALYSIS

The Hines proposal envisioned City Hall to consist of one four-story 121,481 GSF building with a roof garden to accommodate the Council Chambers and offices of the City Council and Mayor located on the portion of the site fronting C Street. The City administrative offices would be located in a separate 19-story building totaling 613,401 GSF to be located on the block between Front Street and First Avenue (location of the existing City Operations Building). Both City Hall and the City administrative offices would be designed to LEED™ Gold sustainability standards. The proposal also included 12,611 GSF of ground floor retail space within the two buildings and approximately 40,000 GSF of landscaped and terraced plaza areas. A new Fire Station #1 was proposed to be constructed on the northern boundary of the existing City Operations Building site. Also included were an additional 239 parking stalls to be added to the existing Parkade for a total of 1,337 parking stalls for the City's use. The project phasing would require that the existing occupants of the City Operations Building move to temporary swing space in the Concourse building during construction of the new administration buildings and the Mayor, Council and their staff would move into swing space in the new administrative building during the construction of the new City Hall building.

The Hines proposal included seven different financing structures, each based on a 30-year amortization period and summarized below. The allocation of risk between the developer and the City varies per financing structure and is detailed in Section F of the Hines proposal dated July 18, 2008.

- Three tax-exempt financing structures using a form of Lease Revenue Bond financing. Each of these structures would require the City to transfer the ownership of the buildings to a redevelopment agency (or City-controlled conduit agency) which would in turn issue bonds and lease-back the facility to the City. The underlying land ownership remains with the City.
 - **Tax-Exempt A:** a 30-year tax exempt Lease Revenue Bond at a fixed 5.25% (rate mandated by the City).
 - **Tax-Exempt B:** a 30-year tax exempt Lease Revenue Bond with two-thirds of the bonds issued at a fixed 5.25% (rate mandated by the City) and one-third issued at a floating rate of 3.00% (based on current pricing).

- **Tax-Exempt C:** a 30-year tax-exempt Lease Revenue Bond at a fixed 5.25% (rate mandated by the City). In this option the City retains liability for most risks as more clearly defined in Section F of the Hines proposal.)
- Two Credit Tenant Lease (CTL) financing structures that assume financing 100% of Project costs. In these structures using taxable debt, the City signs a ground lease with the development entity, which then leases the new City facilities back to the City at a net rental rate.
 - **Pre-Construction CTL:** a 30-year City lease is 100% financed before construction commencement based on the City's credit rating.
 - **Post-Construction CTL:** in this structure, the development of the project is financed through a traditional equity and construction loan structure. Upon completion, the 30-year City lease is 100% financed based on the City's credit rating.
- One **traditional joint venture** financing structure with two variations: (a) 100% of the total improvement costs are financed before construction commences and (b) 100% of costs are financed upon completion of construction. The construction assumes traditional financing provided by a combination of Hines and an equity partner and incorporates refinancing at Project stabilization into a traditional equity and debt ownership structure.
- One financing structure using a Hines-managed REIT as the financing vehicle.

Of the seven different financing structures proposed by Hines in their proposal dated July 18, 2008 (and prior to any cost adjustments by JLL) the Tax-Exempt B financing structure was the lowest cost alternative proposed by Hines on a 50-year NPV basis, at \$682 million in costs to the City. However, the variable interest rate structure creates a level of risk which is unacceptable to the City. The Tax-Exempt A financing structure provides a fixed-rate, lower risk to the City while only slightly increasing the City's cost to approximately \$700 million over the 50-year NPV. The non-tax-exempt financing structures proposed by Hines shifted the risk to the developer, but also increased the cost to the City to between \$818 million and \$896 million.

After completing the analysis of the Hines proposal, additional costs and offsetting revenue adjustments were made to these costs as deemed appropriate by JLL, CCDC, the City and the sub-consultants. These adjustments are detailed in the following section.

1. City Cost Component Adjustments

a. Existing Occupancy Costs

The costs of rent on the existing leased facilities and operating and maintenance expenses for both the leased and owned facilities for the period January 1, 2008 through July 23, 2014 (the date the last remaining lease expires) were added to the costs contained in Hines pro forma.

b. Cost to Relocate Library Book Distribution and Publishing Departments

The costs to relocate the City's library book distribution and publishing departments to a more flex/industrial market, and the leasing costs associated with the new space were added to Hines pro forma.

c. Project Budget

Hines' preliminary project budget for the City facilities was \$327,440,000 or \$469 per RSF in 2008 dollars. The estimated construction commencement date was April 2010 with a December 2012 completion date for the City office building and a November 2012 start date

for the City Hall building with an August 2014 completion date. Following review by JLL and Cumming of the Hines pro formas and the associated financial assumptions, JLL and CCDC directed Hines to add/subtract the following adjustments to the project budget:

Item	Cost
Install the green atria balcony areas in the City office building and the green roof on top of the City Hall building, both illustrated in the renderings submitted with the proposal.	\$3,860,000
New technology infrastructure as required in the RFP	\$18,500,000
Reduction in architectural fees which inadvertently included fees for the new fire station.	(\$1,070,000)
Escalate the furniture costs from their 2008 costs at 3% per year to 2013, the year of expected occupancy	\$2,480,000
Subtotal:	\$23,770,000

The modifications resulted in a revised project budget of \$352,240,000, or \$504 per RSF.

2. City Revenue Component Adjustments

a. Retail Sales Tax Revenue

Hines proposed 11,524 rentable square feet of retail uses. In consideration of the minimal amount of proposed retail space, JLL assumed that Hines would successfully lease the entire 11,524 rentable square feet by the project's scheduled completion date in 2013 and, therefore, applied 100% of the estimated retail sales tax generated from the retail space as an offset to the City's projected occupancy costs. ERA's study projected \$44,139 in annual retail sales tax would be generated from this space during the first year of occupancy. Three percent annual increases were forecast thereafter.

b. Parking Revenue

Hines proposed to renovate, re-ramp and slightly expand the existing Parkade, increasing the number of parking stalls for City use to 1,337 parking stalls (including 36 stalls for exclusive use by Fire Station #1 staff). Based on current market information provided by Ace Parking, each developer was instructed to level-set the parking rates at \$170 per stall per month commencing in 2008 and increased annually by 4%. 100% occupancy is assumed as City employees and customers/visitors are anticipated to maximize the use of the parking structure. Because the parking facility is located in the downtown core district and parking is sparse in this location a visitor/oversell rate of 15% to be applied to the Hines project. (An "oversell rate" is the percentage of revenue in addition to the monthly stall rentals that is estimated can be derived from temporary parking for vacant spaces available at any given point in time.)

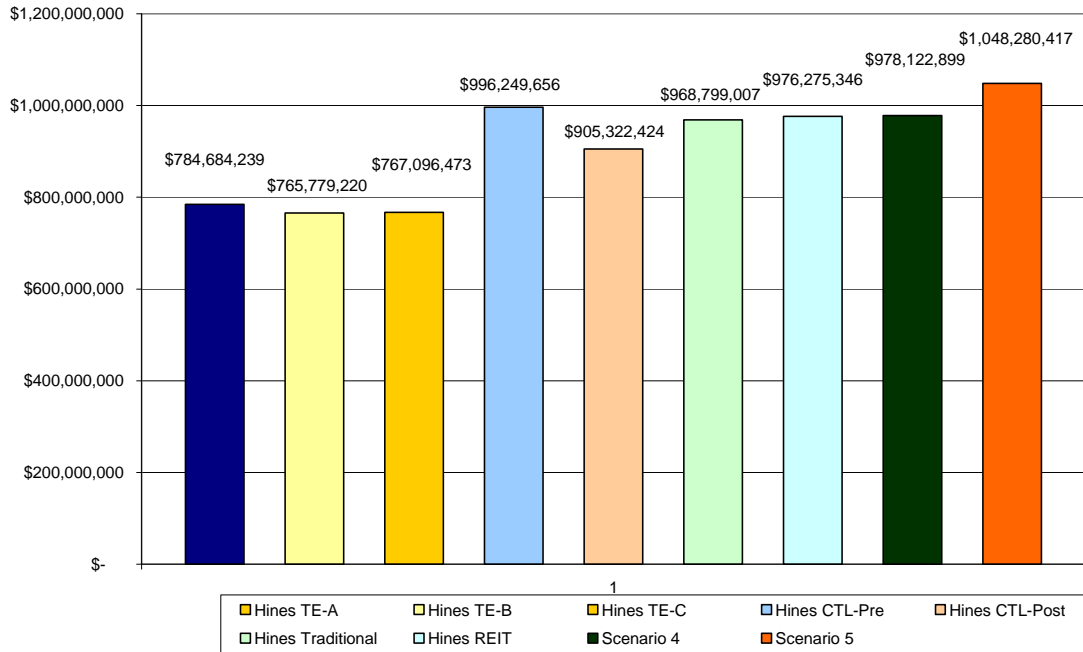
During JLL's review of the Hines-prepared pro forma, an error in the projected parking revenues was identified resulting in an increase of \$64 million in parking revenue over the 50-year forecast as an offset to the City's total occupancy costs.

3. Total Occupancy Costs for Hines Proposals

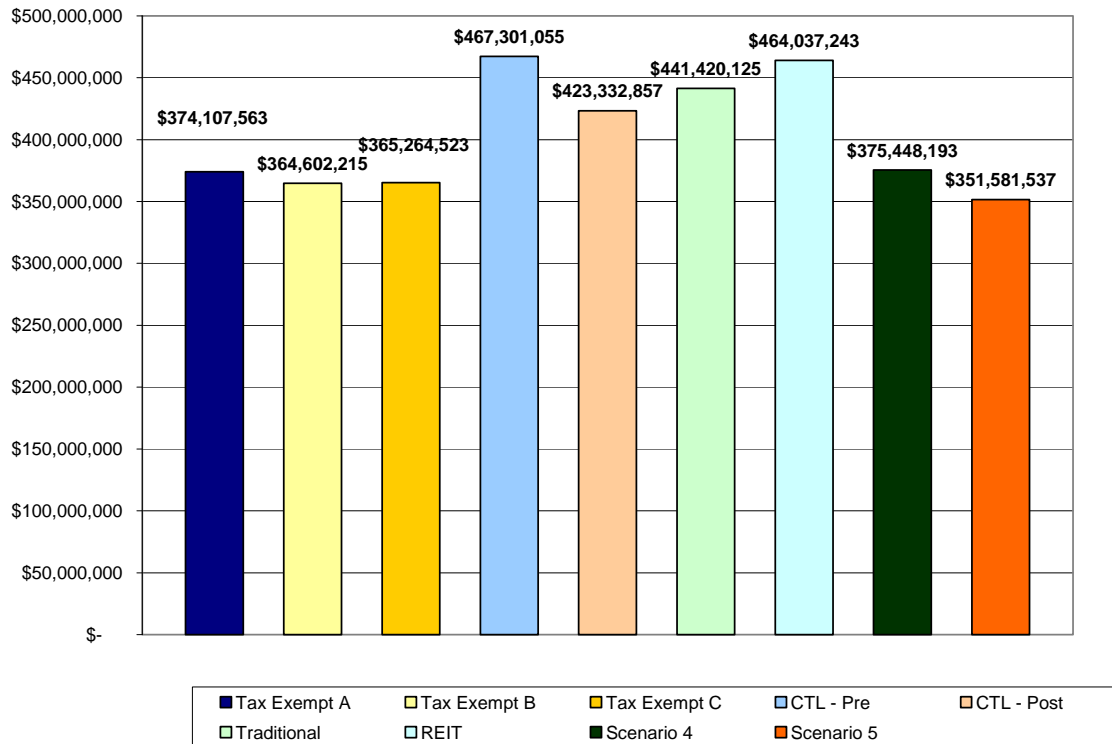
Following the adjustments described above, the total projected near-term and long-term occupancy costs to the City under each of the Hines seven financing alternatives are reflected in

the charts below. The charts also compare the Hines alternatives with the two lowest cost non-redevelopment options, Alternatives #4 and #5.

**Hines
50 Year Net Present Value Analysis (2013)**



Hines - 15 year cash flow



While the Tax-Exempt B financing structure was the lowest cost of the Hines alternatives on a 50-year NPV basis, at \$765.8 million and during the initial 15 years at \$364.6 million, this financing structure contained a variable interest rate which created a level of unacceptable risk to the City. The Tax-Exempt A fixed-rate financing structure provided a lower risk to the City while increasing the City's costs to approximately \$784.7 million over the 50-year horizon on an NPV basis and \$374 million during the initial 15 years.

4. Future Value of Building

To properly reflect the value of the new City facilities which would be owned by the City upon retirement of the debt (year 2044), a residual value of the City's improvements was forecasted. The estimated range of values was derived by capitalizing the revenue projected to be achieved on the office buildings and the parking structure. The approach assumes the buildings are 100% leased by the City at a market rent of \$3.00 per RSF per month on a full service gross basis in 2008 dollars, escalated at 3% per annum. Operating expenses were assumed to be \$7.00 per RSF in 2008 dollars and escalated at 4% per annum. The projected parking revenue is based on the same assumptions used in the Hines pro forma, detailed in Section D.2.b. A cap rate range of 7% - 9% was applied. It is important to note that these values would be impacted by actual vacancy and rents in place for actual negotiated rents in a sale-leaseback scenario.

Applying the assumptions resulted in an estimated value of \$709 million to \$912 million in the year 2044 when the debt is proposed to be retired.

E. GERDING EDLEN DEVELOPMENT PROPOSAL ANALYSIS

Gerding proposed a three-phased development plan, with 100% of the City's future space requirements being developed in phase I and private development occurring in subsequent phases. Phase I development consists of a 34-story City administration building fronting "C" Street and a small separate 2-story structure to house the Council Chambers and "one-stop-shop" customer service area that was recommended in the Gensler study. The proposed City administration building is comprised of about 983,816 gross square feet of office and retail space (approximately 871,295 USF of office and 18,488 USF of retail). Based on the Gensler space forecasts, the City will require roughly 660,659 RSF upon building occupancy in the year 2013 and expand into nearly all of the building's remaining space by the year 2057. The Gerding proposal also includes 1,574 parking stalls to be constructed under the new City administration building and Council Chambers for exclusive use by the City. Both the City administration building and Council Chambers are proposed to be designed and constructed to LEED™ Platinum standards.

The Gerding proposal included three alternative tax-exempt financing options, including two that utilize IRS Revenue Ruling 63-20 tax-exempt bonds and one that used Certificates of Participation ("COP") tax-exempt bonds. The graphic at the conclusion of this section provides an illustrative view of these financings structures and highlights the main benefits. In addition to JLL's analysis, Bill Angle, a third party consultant specializing in municipal financing structures, provided a written opinion on the benefits and detailed components of these structures. Mr. Angle's detailed report is attached in Appendix D, Sub-consultant Reports.

Option I: IRS 63-20 Full

One financing structure proposed by the developer is commonly referred to as an IRS 63-20 financing mechanism. This structure provides for a qualifying not-for-profit corporation contracts with a

developer to construct and financing the design and construction of a new public facility. In the case of the Civic Center Complex, the City would retain ownership of the land, the not-for-profit entity would own the improvements and issue tax-exempt bonds for the building's design and construction guaranteed by the City's long-term lease for its occupied space. Much of the financing and construction risk belongs to the not-for-profit. Schedule delays and cost overruns may be negotiated to be the burden of the developer supported by guarantees. The City's only obligation would be a long-term (30+ year) lease with the not-for-profit corporation for the entire building and the City's portion of the parking for the 30-year term of the bonds. The lease is typically structured net of all expenses and supports the debt service payments on the bonds. An advantage of this financing structure may be the City's ability to preserve its bonding capacity for other critically needed infrastructure or public facility uses. Upon retirement of the bonds, the City will obtain ownership of the entire building. Gerding has proposed to sublease the un-occupied space from the City, assuming the lease-up risk, until such time the City expands into the space or the bonds are retired. It should be noted that under the 63-20 financing, any excess space leased to non City entities must be leased to government or non-profit tenants.

Option II: IRS 63-20 660,000 RSF

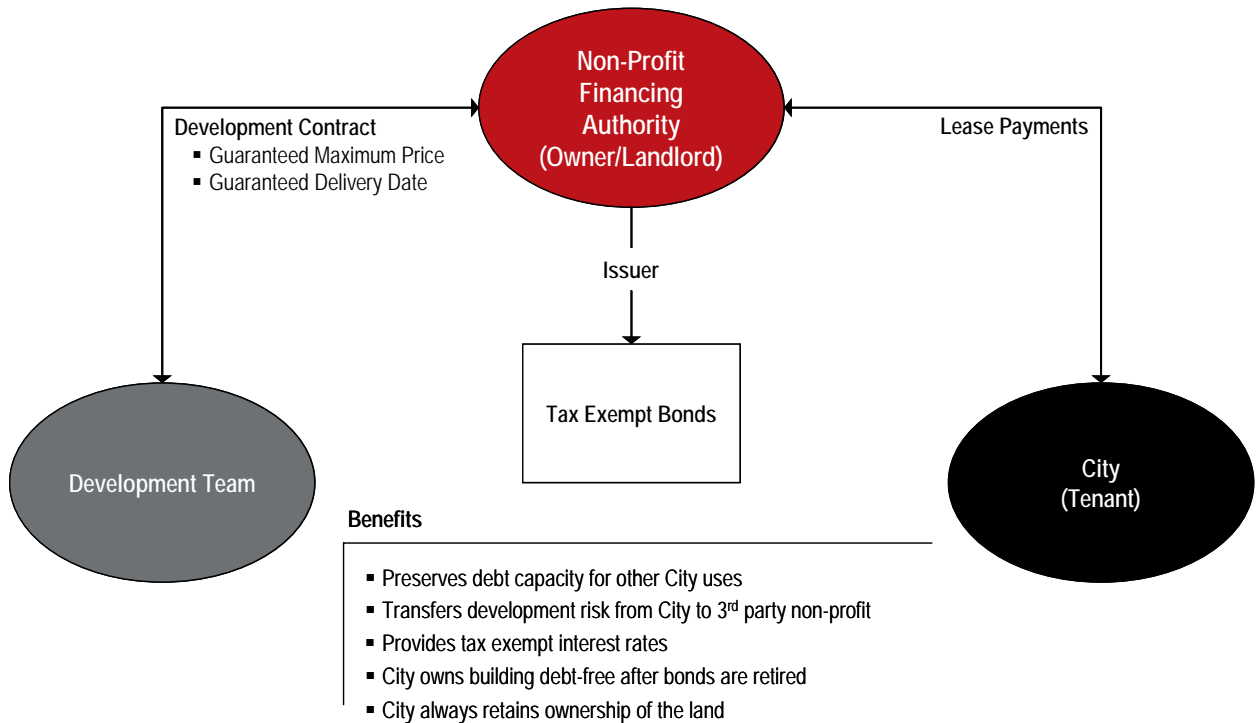
The Gerding proposal included a variation of the IRS 63-20 financing structure except only the City's initial space requirement of 660,000 RSF is funded through the IRS 63-20 tax-exempt debt vehicle as described in Option I. The balance of the office space, the retail space and parking component would be financed by Gerding through commercially available taxable debt and equity. A vertical parcel map is proposed to enable separate ownership of the City-occupied privately-occupied space. Gerding's proposal provides the City with an option to expand into the privately-occupied space in 10-year increments via purchase or sublease from developer. The City would retain ownership of the land in this scenario.

Option III: Certificates of Participation (COP)

The third financing alternative proposed by Gerding is a traditional Certificate of Participation (COP) transaction. The alternative assumes the construction of the initial City-occupied space, its expansion space, the retail space and all associated parking will be financed with taxable commercial debt and equity. Upon building occupancy, a COP would be issued through a public facility financing authority to refinance the City-occupied portions of the building, excluding the parking, with tax exempt debt. The ownership of these improvements will transfer to the City upon retirement of the bonds. A vertical parcel map is proposed to legally separate the building's publicly-occupied elements from the privately-occupied space. Gerding has proposed to pay the City approximately \$6 million for the surplus development rights associated with the expansion and retail spaces and parking facilities. This approach results in higher projected costs since construction is proposed to be financed using taxable private debt and equity.

The following is a summary of this financing alternative:

- The City contracts with Gerding to construct the City buildings and related parking
- The City enters into a lease with Gerding for the entire building for the 30-year term of the debt.
- Gerding constructs the building financed by private equity and debt.
- After 10 years, an independent public facility financing authority (e.g. San Diego Public Building Corporation) issues tax-exempt financing obtained through Certificates of Participation.
- The lease is typically structured net of all expenses and supports the debt service payments for the loan obtained on behalf of the City. Upon retirement of the debt the City obtains ownership of the entire building.



The costs to the City, on a 50-year NPV basis in 2013 dollars, for each financing alternative were \$650.5 million for Option I, the 63-20 Full Development alternative; \$731 million for Option II, the 63-20 based on 660,000 RSF alternative, and \$883.7 million for Option III, the Certificates of Participation alternative.

After completing analysis of the Gerding proposal, additional costs and offsetting revenue adjustments were applied as deemed appropriate by JLL, CCDC, the City and the sub-consultants. These adjustments are detailed in the following section.

1. City Cost Components

a. Existing Occupancy Costs

The cost of rent on the existing leased facilities and the operating and maintenance expenses for leased and owned facilities for the period January 1, 2008 through July 23, 2014 (the date the last remaining lease expires) were added to the costs contained in the Gerding pro forma.

b. Cost to Relocate Library Book Distribution and Publishing Departments

The costs to relocate the City's library book distribution and publishing departments to a more flex/industrial market, and the leasing costs associated with the new space were added to Gerding pro forma.

c. Project Budget

The Gerding proposal contained a preliminary project budget, before financing costs, for the City facilities of \$426,862,000 or \$525 per USF (including office and retail components). After thorough review of Gerding's construction budget and supporting assumptions, Cumming concluded that the Gerding proposal had underestimated the demolition costs for

the site. Gerding was requested to increase the demolition allowance from \$650,000 to \$10,560,000 increasing the total project budget before financing costs to \$440,053,000, or \$542 per USF. Subsequent to this review process Gerding submitted a revised proposal dated September 15, 2008 (attached hereto as Appendix E, Additional Source Documents). One of the refinements to their original proposal included a refined measurement of the building plans by the architect. While the GSF for the building decreased from 1 million GSF to approximately 984 million GSF, the USF increased from 811,595 USF to 852, 235 USF. The corrected measurement resulted in total project costs before financing of \$439 million or \$515 per USF.

2. City Revenue Component Adjustments

a. Retail Sales Tax Revenue

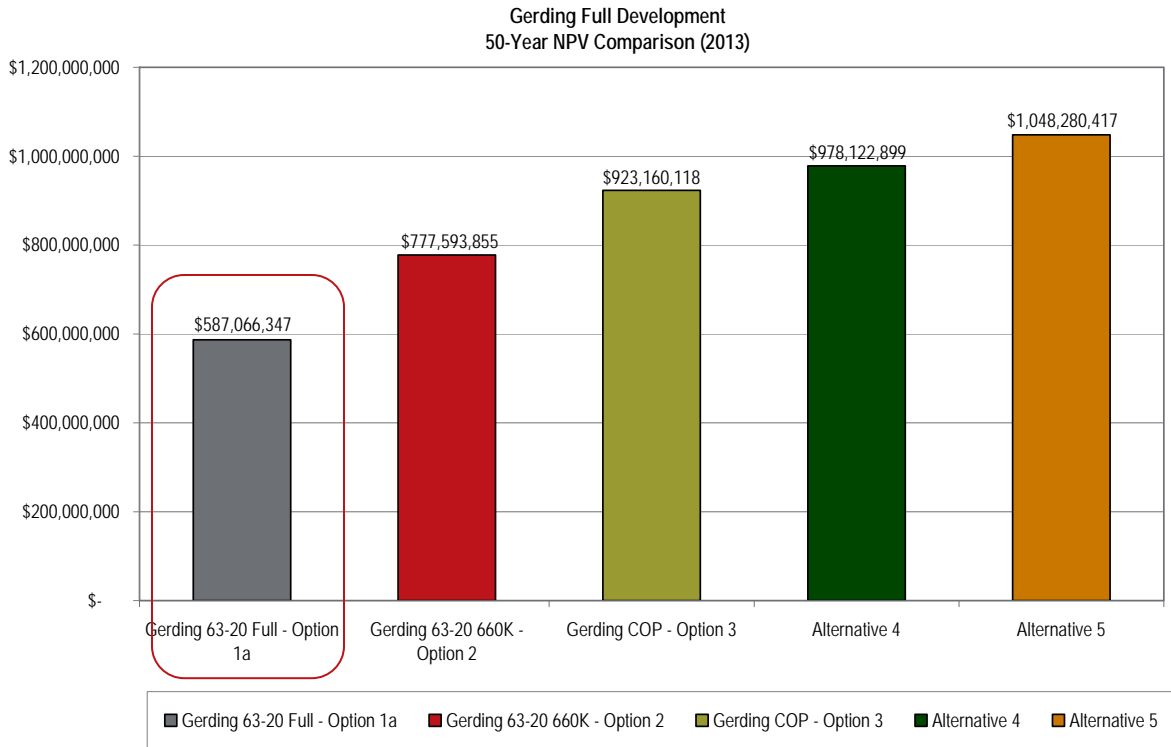
Gerding proposed 141,041 GSF of retail space in a three-phased private development project. ERA analyzed the anticipated sales tax benefits to be derived by the City based on the amount and type of private development Gerding proposed, estimating \$493,644 in retail sales tax would likely be generated the first year, escalating at 3% annually thereafter. JLL's analysis of the Gerding proposal applied an offset to the City's occupancy costs equal to 100% of the estimated sales tax revenue generated from the 18,500 GSF of retail space in Phase I. The Phase II retail space is scheduled for occupancy beginning in year 2018 with 60% of the retail pre-leased. The occupancy rate is assumed to increase to 91% by year 2021. The JLL analysis assumes the retail space remains 91% leased through the end of the analysis period. JLL discounted the Phase II retail sales tax offsets by a factor of 50%. The discount is applied as a conservative approach.

b. Property Tax Revenue

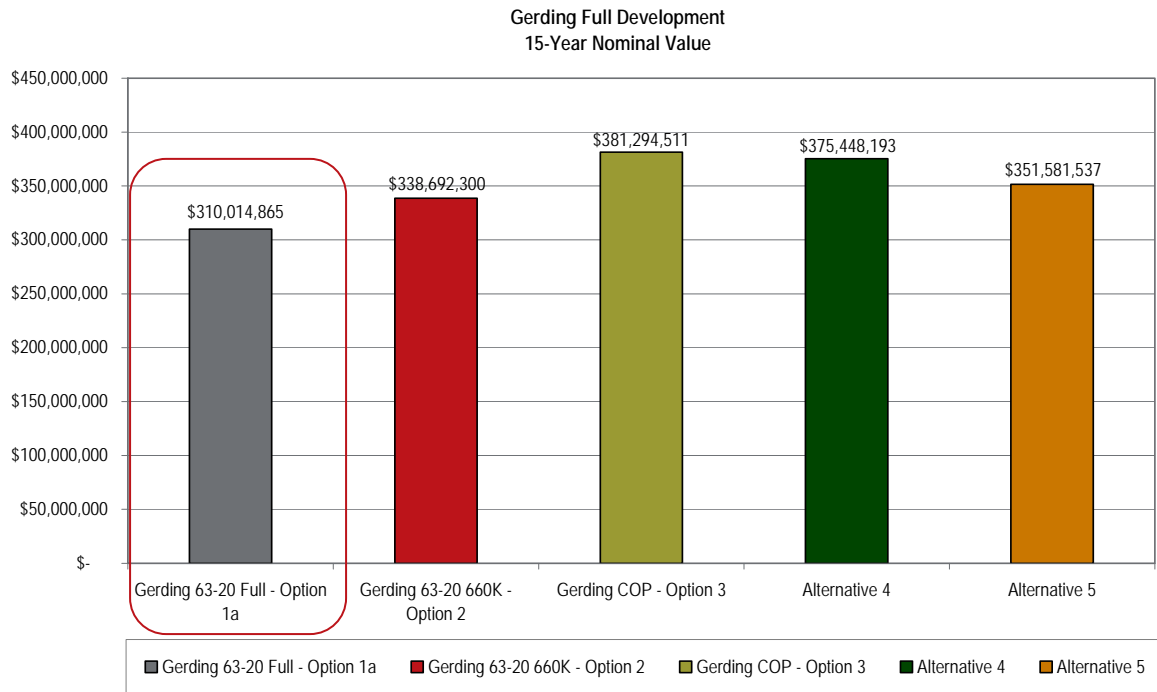
Property tax revenue generated from approximately 1.8 million square feet of proposed private development was included in the Gerding pro forma.. ERA estimated the property tax revenues of the Gerding proposed private development to be \$3,666,640 commencing 2013, with 2% annual increases thereafter. In 2025 the City is estimated to begin receiving 17% of total property tax increment. To be conservative (in the event Gerding doesn't build the entire 1.8 million square feet of private development) JLL estimated only 50% of said property tax revenue would be realized and offset against the City's future occupancy costs.

3. Total Occupancy Costs for Gerding's Proposals

After applying the adjustments described above, the City's total projected occupancy costs under each of the three financing alternatives were as follows:



As illustrated above, Gerding’s proposed IRS 63-20 Full financing structure is the lowest cost of the Gerding alternatives based on a 50-year NPV of \$587 million in total costs.



The IRS 63-20 Full alternative is also the lowest cost of the Gerding alternatives based on the 15-year initial cost basis with an estimated \$310 million in total costs.

4. Additional Analysis of Gerding Edlen Proposal

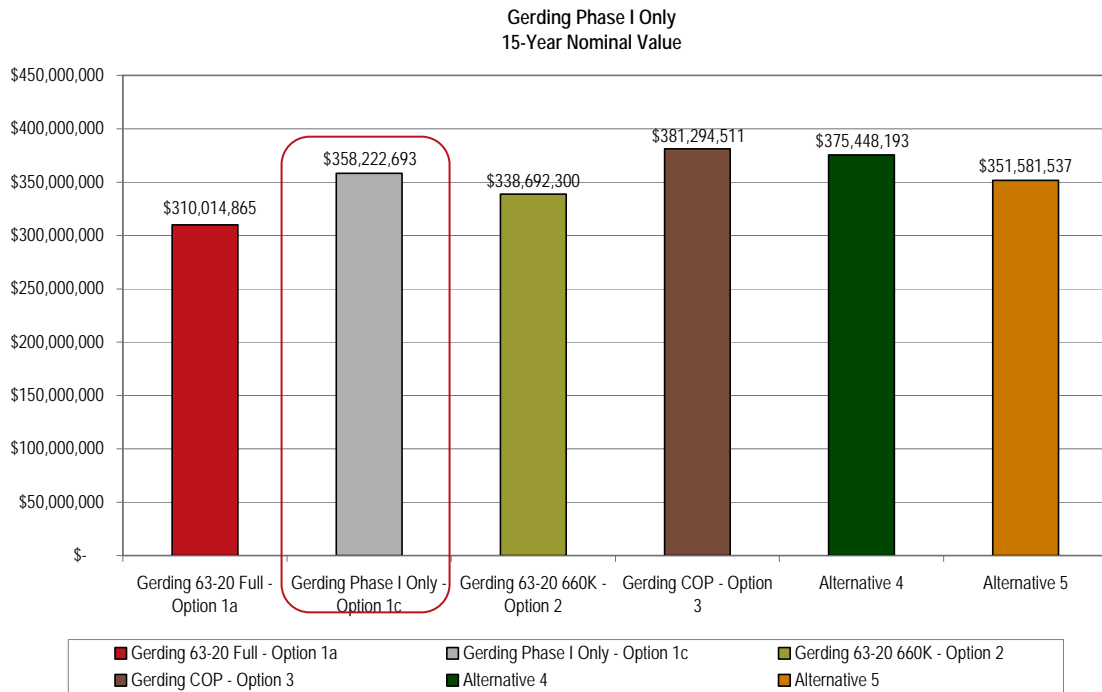
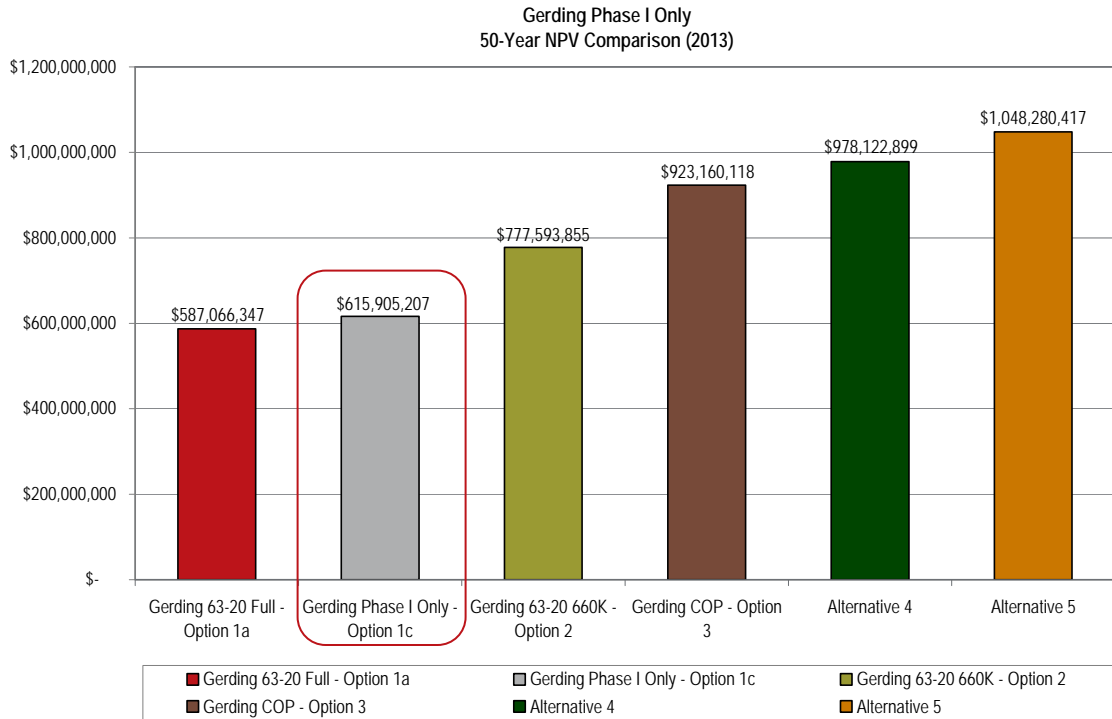
In consideration of the significant amount of private development included in the Gerding proposal and the inclusion of roughly \$67 million in offsetting revenue from the sale of surplus development rights, CCDC requested JLL to perform two additional analyses. The first alternative estimated the City's total costs under the Gerding proposal if Gerding failed to purchase the surplus land from the City and not construct the 1.8 million square feet of private development outlined in their proposal. In other words, what would the costs to the City be if only Phase I were constructed (the "Phase I Only" analysis)? The second alternative estimated the City's total costs under the Gerding proposal should Gerding agree to lease the surplus land from the City rather than a purchase. The assumptions and results for each of the additional alternatives are as follows:

a. Phase I Only Development Analysis

This alternative analysis uses the Gerding's "Full Development" scenario as its basis and then applies the following adjustments:

- Assumes Gerding does not acquire the surplus land and does not pay the City \$67 million for its purchase. The City retains the 10% (\$6.7 million) non-refundable deposit that Gerding has agreed to pay. A copy of the letter agreement from Gerding is attached in Appendix E.
- As a consequence of no private development, the retail sales tax revenue is reduced and based solely on the 19,060 GSF retail component located in the City Hall building. The 122,000 GSF of private retail development Gerding proposed to build in Phases 2 and 3 of the project is assumed to not occur. (The detailed analysis of the retail sales tax revenue estimated from this development is described earlier in Section C.2.)
- As a consequence of no private development, the forecast property tax revenue is eliminated (a detailed analysis of the property tax revenue is outlined in Section C.2.b).
- As a consequence of no private development in Phases 2 and 3, the Evans Jones Parkade would remain operational and provide an additional source of revenue from its operations. The operating assumptions used to forecast the parking revenue are outlined in Section C.5. The projected net parking revenue is added to this analysis as an offset to the City's occupancy costs.

The charts below illustrate the financial impact of this alternative as compared to the lowest non-redevelopment scenarios based on the 50-year NPV comparison and the initial 15-year cash flow comparison. Absent the funds from the sale of the property and the anticipated tax revenues from the private development, the Gerding proposal remains the City's lowest cost alternative when compared to the non-redevelopment scenarios. It is also important to note that this scenario results in the City retaining ownership of the two surplus underdeveloped blocks which may be sold or leased to other parties for future development.

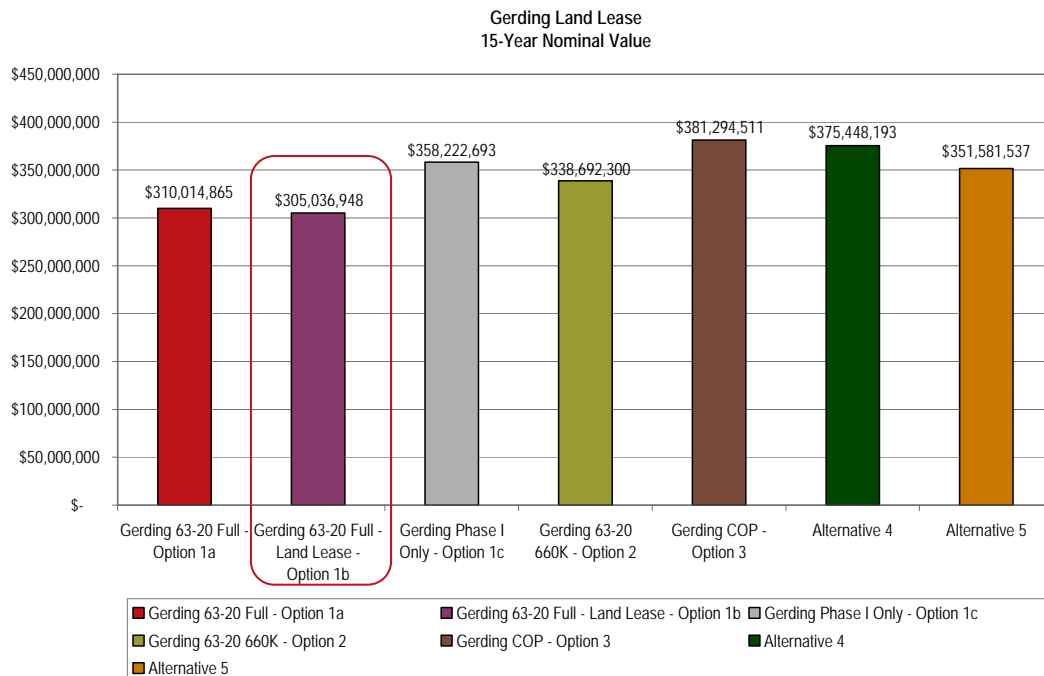
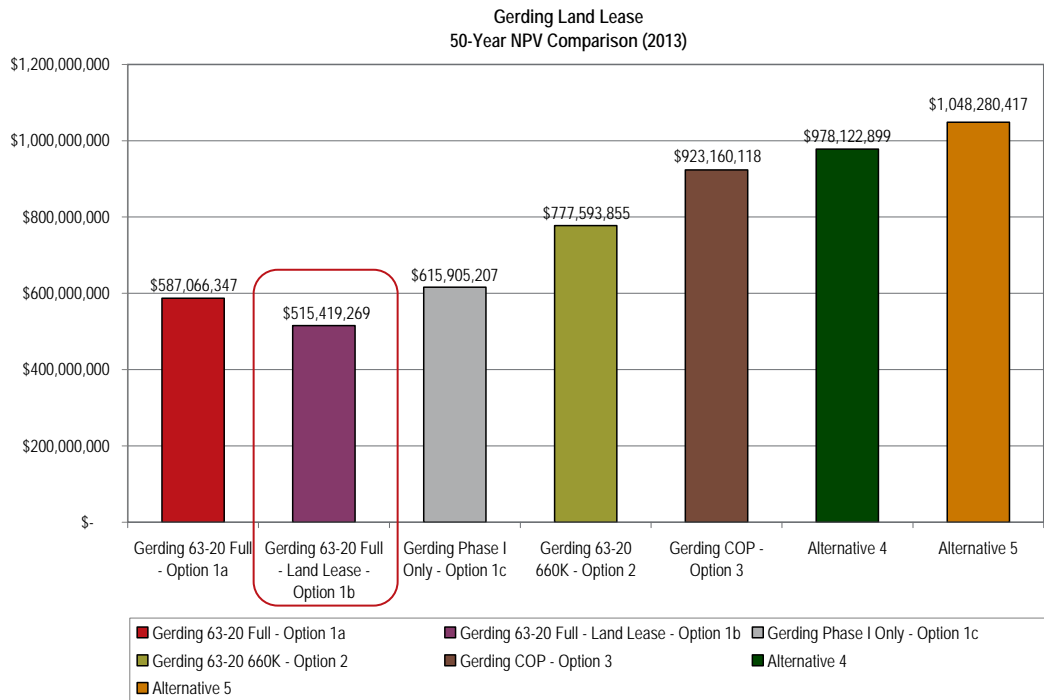


b. Lease of Surplus Land Alternative

While Gerding has proposed to purchase the surplus land on the site for private development, the City may prefer to maintain ownership of land. Therefore CCDC requested JLL to analyze a potential long-term ground lease transaction. In this scenario, the annual ground lease revenue to the City was forecast based on an initial ground rent factor of 7% of land value with fixed increases of 10% every five years. This rent factor conservatively represents

the lower end of market, with 8% potentially being achievable for this type of transaction in the downtown market.

The ground lease structure results in slightly higher offsetting revenues to the City, and thus lower net occupancy costs, as compared to the land sale alternative, during the initial 15 years (\$62.5M vs. \$56.9M in total costs). The savings to the City are greater in the longer term (\$172.7M vs. \$250.3 of costs in the initial 25 years). As shown in the table below, City occupancy costs on a 50-year NPV basis are projected to be significantly less than a land sale structure.



5. Future Value of Building

To properly reflect the value of the new City facilities which would be owned by the City upon retirement of the debt (year 2044), a residual value of the City's improvements was forecast. The estimated range of values was derived by capitalizing the revenue projected to be achieved on the office building and associated parking structure. The approach assumes the building is 95% leased at a market rent of \$3.00 per square foot per month on a full service gross basis in 2008 dollars, escalated at 3% per annum. Operating expenses were assumed to be \$7.66 per RSF in 2008 dollars and escalated at 4% per annum. The projected parking revenue is based on the same assumptions used in the Gerding pro forma, detailed in Section D.2.b. A cap rate range of 7% - 9% was applied. It is important to note that these values would be impacted by actual vacancy and rents under contract in a sale-leaseback scenario.

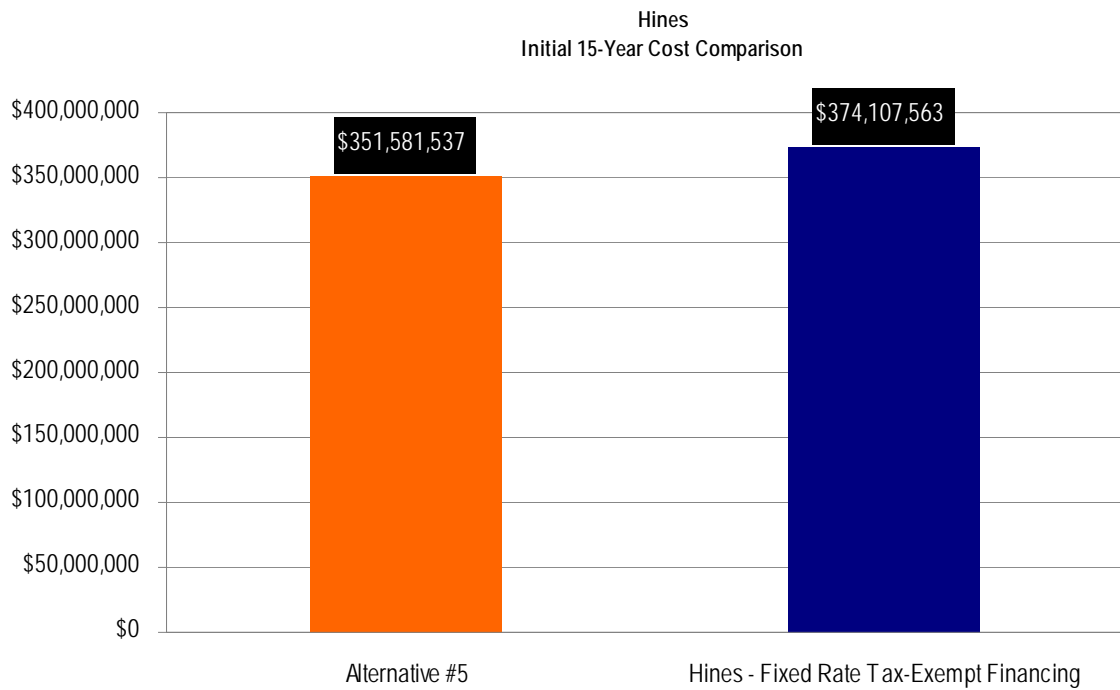
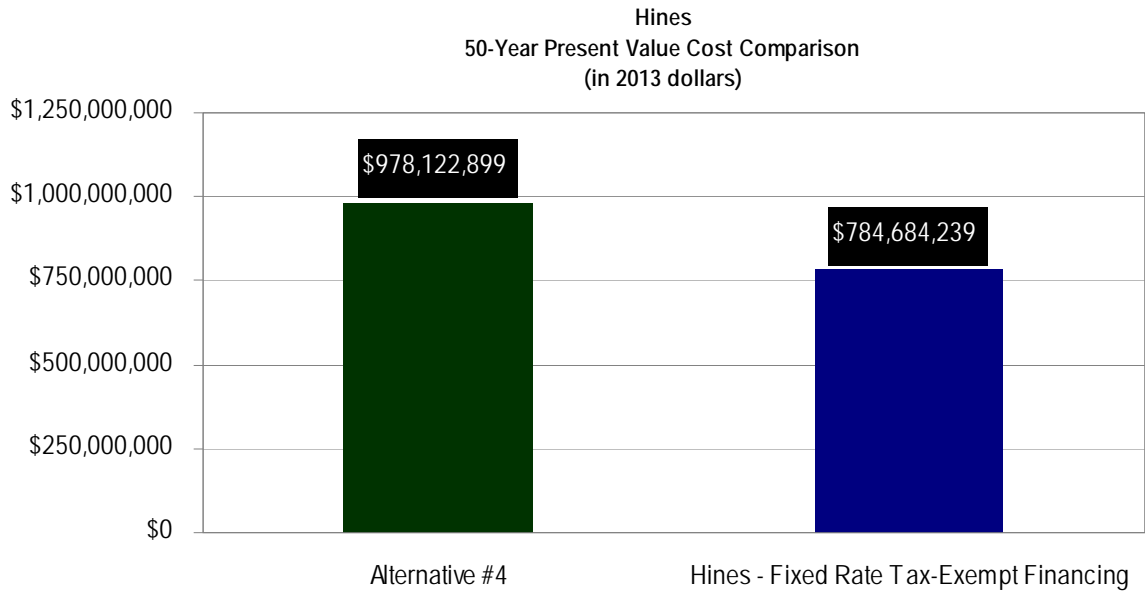
JLL estimates the facility's residual value at \$0.8 billion to \$1.0 billion in the year 2044 and \$1.15 billion and \$1.5 billion in the year 2057.

F. KEY FINDINGS

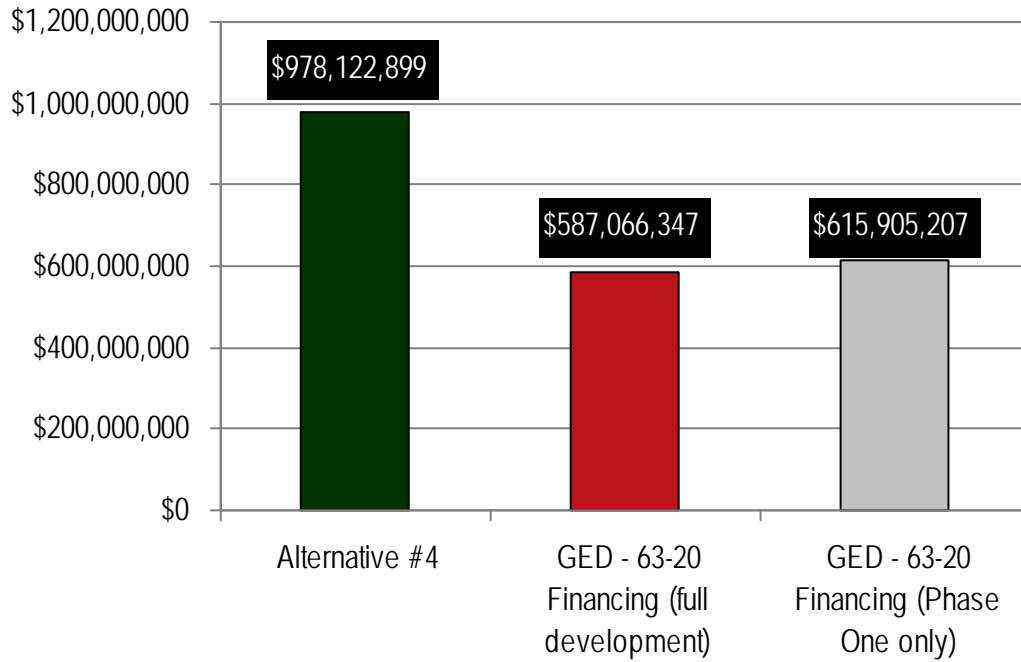
The financial analyses resulted in the following key findings about the proposed redevelopment scenarios:

1. Each of the developers provided redevelopment options that were less expensive to the City than the lowest of the seven occupancy alternatives to redevelopment, on a 50-year NPV basis. On a 15-year initial cost basis, Gerding provided two viable redevelopment options that were less expensive to the City than the lowest of the seven occupancy alternatives to redevelopment, while the lowest cost Hines option is more expensive by \$23 million than the lowest cost non-redevelopment alternative. Each developer's lowest cost options were significantly lower than the non-redevelopment alternatives on the 50-year NPV basis.
2. A variety of financing alternatives were provided by each developer. Of these, the most cost-effective financing alternative for the City of the Hines proposals was the Tax Exempt B and the most cost-effective financing alternative of the Gerding proposals was the IRS 63-20 Full Development.
3. Of the two developer proposals, the Gerding IRS 63-20 Full provides the lowest cost to the City. In the 50-year NPV basis this remains true even if future private development anticipated in the Gerding proposal fails to occur. During the initial 15 years, the lone scenario that is more expensive is the Gerding Phase I Only as it compares to the Alternative #5 (no renovation). In the event all private development included in the Gerding IRS 63-20 scenario were to occur, the Gerding proposal is forecast to result in even greater cost savings to the City.
4. The Gerding proposal provides for future expansion of the City's space needs through year 2053 on the site without obligating the City to pay for any of this space unless required prior to 2043. The Hines proposal only provides the City with enough space to meet the City's projected requirements through 2023, after which the City would be required to lease expansion space in the downtown market.
5. While the Gerding proposal assumes the site's surplus land is purchased by Gerding from the City, JLL's analysis concludes that a long term ground lease may be a preferable option because:
 - a. A ground lease allows the City to maintain ownership of the land; and
 - b. A ground lease provides a greater long term cash flow to the City on an NPV basis as compared to a purchase.
6. The developer proposals provided a number of additional benefits in comparison to the 7 non-redevelopment alternatives as outlined in the executive summary.

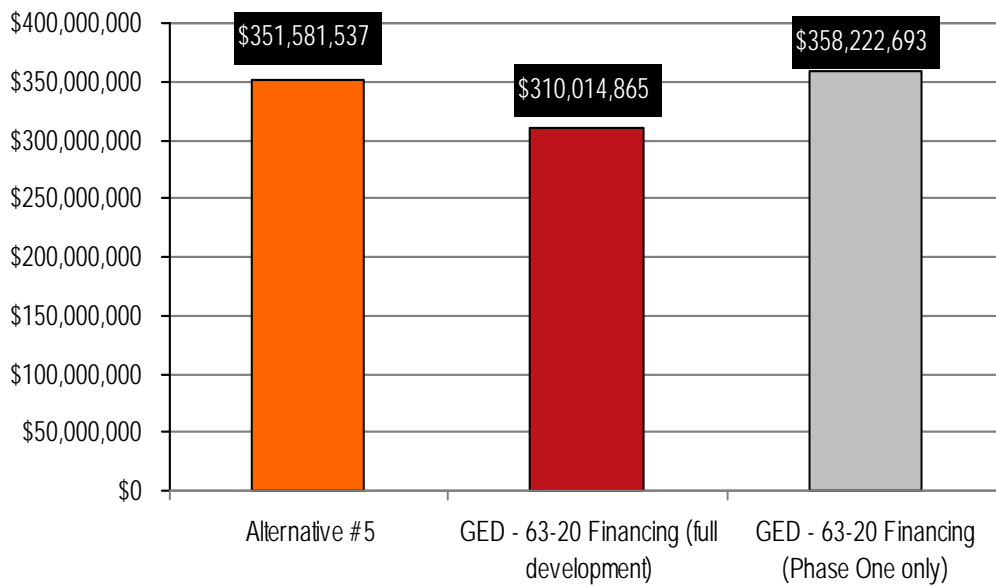
A comparison of each developer's proposal compared to the non-redevelopment alternatives #4 and #5 are summarized as follows:



**Gerding Edlen
50-Year Present Value Cost Comparison
(in 2013 dollars)**



**Gerding Edlen
Initial 15-Year Cost Comparison**



IV. DEVELOPER EVALUATION CRITERIA

Developer Evaluation Criteria Matrix

Category	Specific	Principal in Charge	Questions/Issues	GED	Hines
Proposal & Development Team Characteristics 15 POINTS MAXIMUM GED Score _____ Hines Score _____	Quality of Proposal	CCDC	<ul style="list-style-type: none"> ▶ Thoroughness of response to RFP submittal requirements ▶ Organization and clarity of proposal ▶ Adherence to RFP terms, conditions and specs ▶ Degree of specificity of partnership structure, financial terms and development program 		
	Demonstrated Commitment of Resources, Experience & Capability	CCDC	<ul style="list-style-type: none"> ▶ Commitment to appropriate level of project staffing & management ▶ Experience of key project staff ▶ Work plan to create effective and efficient partnership with City 		
	Demonstrated Commitment to Comply with City/CCDC Equal Opportunity Program	CCDC	<ul style="list-style-type: none"> ▶ Relative similarity of Developer's workforce as compared to the local population ▶ Developer's written equal opportunity policy and its inclusion in the employee handbook or posted in a location available for all to review ▶ Developer's internal mechanisms or resources available for employees to address workplace issues without fear of retaliation ▶ Diversification of proposed methods or media outlets that will be used to advertise employment/business opportunities other than standard media 		
Financial Resources & Structure 35 POINTS MAXIMUM GED Score _____ Hines Score _____	Well-Defined Financial Structure	Staubach/JLL	<ul style="list-style-type: none"> ▶ Financial Structure should outline: <ul style="list-style-type: none"> ✓ Each partner's share of capital and operating costs, revenues, profits and risks ✓ ownership of land and improvements; ground and/or building lease terms ✓ a minimal risk to the City ✓ allocation of common area maintenance costs ✓ sources and amounts of all equity and debt required for the development program 		

Developer Evaluation Criteria Matrix

Category	Specific	Principal in Charge	Questions/Issues	GED	Hines
	Demonstrated Ability to Secure Funding Required for the Entire Development Program	Staubach/JLL	<ul style="list-style-type: none"> ▶ Demonstrated interest and/or commitment and availability of required equity from equity partners ▶ Demonstrated commitment and availability of required pre-development equity from Developer ▶ Demonstrated financial strength of debt sources and reasonable assumptions related to debt financing ▶ Past experience and working relationship with proposed equity and debt sources ▶ Project's financial viability is not dependent upon the award of discretionary federal/state funds 		
	Financing Plan	Staubach/JLL	<ul style="list-style-type: none"> ▶ Proposes a legal and financial structure which: <ul style="list-style-type: none"> ✓ requires no pre-development funding from the City ✓ accesses favorable sources of funding based on cost of funds and risks ▶ Type of financing: COP's, IRS-6-20, private? 		
	Efficient Operations and Maintenance for New City Hall	Staubach/JLL	<ul style="list-style-type: none"> ▶ Does Developer provide a reasonable estimate of operating expenses when compared to industry standards and their proposed design? ▶ How much? 		
	Operating/Management Agreements	Staubach/JLL	<ul style="list-style-type: none"> ▶ How will property management of City Hall occur? ▶ Are the capital replacement reserves in Developer's proformas? ▶ How are costs apportioned between City and Developer on shared use facilities? 		
	Additional Revenues/Credits (Land Value/Development Rights)	Staubach/JLL	<ul style="list-style-type: none"> ▶ Will the Developer pay additional funds for land or development rights? ▶ Fee simple? ▶ Land Lease? ▶ If so, how much? ▶ When paid? ▶ Is there downstream participation in private development? 		
	Penalty for Delay/Non Performance	Staubach/JLL	<ul style="list-style-type: none"> ▶ What is Developer's recommended approach to penalty for delay or non-performance? ▶ Are there penalties to the City for similar? 		

Developer Evaluation Criteria Matrix

Category	Specific	Principal in Charge	Questions/Issues	GED	Hines
Conceptual Project Planning Design & Architecture 30 POINTS MAXIMUM GED Score _____ Hines Score _____	Architectural Significance of New City Hall that Accommodates City's Future Operation and Parking Needs	CCDC Architectural & Design Panel	<ul style="list-style-type: none"> ▶ A design which inspires, evokes civic pride, is authentic to the character of San Diego and is inviting and accessible to all. Is efficient, flexible and durable ▶ Poses opportunities to integrate a public art program within the facility's design ▶ Extent to which the proposed design specs meet or exceed minimum code standards & optimize aesthetic quality, durability, low maintenance requirements and flexibility 		
	Integrates City Hall, Civic Theatre, Public Spaces & Private Development	CCDC Architectural & Design Panel	<ul style="list-style-type: none"> ▶ Provides high quality public spaces which are accessible, comfortable, interesting, flexible and provide a seamless connection between the Site's buildings and the adjacent land uses ▶ Proposes buildings which complement each other in the form of mass, size, spatial relationship, land use, and distinguished architectural style ▶ Integrates the Civic Center master plan with the Courts Master Plan if deemed feasible 		
	Connectivity With and Activation of C Street	CCDC Architectural & Design Panel	<ul style="list-style-type: none"> ▶ Active ground floor uses facing C Street ▶ Integration with proposed Transit Station ▶ Streetscape and hardscape which integrate the new Civic Center with the transit corridor 		
	Re-Establish Pedestrian and/or Vehicular Traffic to B Street	CCDC Architectural & Design Panel	<ul style="list-style-type: none"> ▶ Re-establish the view corridor westward to the waterfront ▶ Ensure vehicular traffic incorporates design consideration of Civic Theatre operations and outdoor gathering areas 		
	Minimum LEED-Silver Certification	TBD	<ul style="list-style-type: none"> ▶ What level of LEED Certification is achieved? ▶ How does it address: water consumption, energy consumption, use of recycled materials, carbon emissions, fuel consumption, opportunities for eco-roofs, waste reduction 		

Developer Evaluation Criteria Matrix

Category	Specific	Principal in Charge	Questions/Issues	GED	Hines
	Minimum Performance Specifications	CCDC Architectural & Design Panel Gensler to conduct test fit on floor plates	<ul style="list-style-type: none"> ▶ Do the building materials and specifications meet the minimum performance specifications contained in attachment "D" of the RFP? ▶ Identify where they either exceed or fall short of these specifications ▶ Is this a 50 year structure? 		
	Community Relations Plan	CCDC	▶ Is there an effective plan to reach out to the community for design input and general participation in process?		
	Parking	CCDC	▶ What is the proposed parking plan?		
Financial Viability & Economic Stimulation 55 POINTS MAXIMUM GED Score _____ Hines Score _____	Responses Inclusive of All Financial Elements Described in RFP	Staubach/JLL	▶ Does the response include all the costs identified in the RFP to be considered?		
	Cost Savings to City When Compared to Baseline City Costs	Staubach/JLL	<ul style="list-style-type: none"> ▶ Does the project reduce the City's total costs over 50 years on a present value basis? ▶ Does it reduce City's annual occupancy cost during the initial 10 years of occupancy? 		
	Cost Savings to City Compared to Each Developer Proposal	Staubach/JLL			
	Potential for Significant Positive Impact on Surrounding Area	Staubach/JLL ERA	<ul style="list-style-type: none"> ▶ What is the expected spillover economic benefit from the new City Hall in the surrounding community? ▶ A catalyst of adjacent redevelopment activity ▶ A stimulus for downtown job creation, retention or enhancement ▶ A catalyst for an increase in adjacent property values ▶ A catalyst for an increase in existing downtown business revenue 		
	Tax Increment	Staubach/JLL ERA	▶ How much is anticipated incremental tax revenue to be gained from non municipal development on the site?		

Developer Evaluation Criteria Matrix

Category	Specific	Principal in Charge	Questions/Issues	GED	Hines
	Generation of New Employment within Downtown and Increases Personal and Business Income	Staubach/JLL			
	City Hall Construction Cost	Staubach/JLL	<ul style="list-style-type: none"> ▶ What is the cost to develop the various elements of the project? ▶ City Hall and Council Chambers? ▶ Open Spaces/Plazas? 		
	Parking	Staubach/JLL	<ul style="list-style-type: none"> ▶ What is the cost and/or economic benefit to the City for the proposed ▶ Parking? 		
	Risk Factors	Staubach/JLL	<ul style="list-style-type: none"> ▶ Does the Developer explain in detail what the risks to the City are? ▶ Can those risks be mitigated? ▶ How? 		
	Data	Staubach/JLL	<ul style="list-style-type: none"> ▶ Has the cost to replace outdated voice and data equipment been included in budget? 		
	Firehouse 1	Staubach/JLL	<ul style="list-style-type: none"> ▶ Will the Developer construct a new Firehouse No. 1? ▶ If so, where will the funds for this development come from? ▶ Apply credits, as applicable, from City of San Diego Facilities Financing Program. 		
	Furniture Fixtures & Equipment	Staubach/JLL	<ul style="list-style-type: none"> ▶ Is it included in Developer's cost estimates? ▶ How much? 		
	Moving Costs	Staubach/JLL	<ul style="list-style-type: none"> ▶ Are they included in Developer's cost estimates? ▶ How much? 		
	Developer Fees	Staubach/JLL	<ul style="list-style-type: none"> ▶ What are the total fees to be paid to Developer for Overhead & Profit? ▶ Development Management? Etc.? 		
	Finance Fees	Staubach/JLL	<ul style="list-style-type: none"> ▶ What are the total fees to be paid to the underwriter for placement of debt? 		
	Economic Impact of Development	Staubach/JLL ERA	<ul style="list-style-type: none"> ▶ What is the total economic impact benefit expected to be in connection with the Developer's proposal? 		

Developer Evaluation Criteria Matrix

Category	Specific	Principal in Charge	Questions/Issues	GED	Hines
	Library & Publishing	Staubach/JLL	▶ Include cost to relocate in Developer proposals		
Development Program & Project Implementation 30 POINTS MAXIMUM GED Score _____ Hines Score _____	Phasing and Implementation Plan	CCDC	<ul style="list-style-type: none"> ▶ Does the schedule meet the needs of the City with respect to pending lease expirations in 2013 and 2014? ▶ When does the balance of the project come on line? ▶ Who bears delivery risk for later phases? ▶ Provides flexibility as future City space requirements expand or contract 		
	Minimal Disruption to City	CCDC	<ul style="list-style-type: none"> ▶ Adequately addresses hazmat abatement without harm to people ▶ Requires little or no temporary relocation of City staff, work environment, or services 		
	Parking During Construction	CCDC	▶ Does the Developer propose reasonable temporary parking during construction?		
	Full Development of Site	CCDC	▶ Does the proposed plan fully develop the Site in an expeditious manner, yet according to market conditions, with public and provide uses to deliver Site activation at the earliest possible date?		
	Physical Plant	CCDC	▶ What is solution for potential interruption of heating and cooling during construction period?		

V. APPENDIX

- A. Summary Matrix of Developer Proposals
- B. Financial Analysis – Hines
- C. Financial Analysis – Gerding Edlen Development
- D. Sub-Consultant Reports
- E. Additional Source Documents

APPENDIX A

Summary Matrix of Developer Proposals

San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes
<p>A. Project Concept Summary</p>	<p>The following are examples of how Hines believes the Project promotes the social welfare for the City and its citizens:</p> <ul style="list-style-type: none"> • By improving the accessibility and transparency of City government, the Project will help ensure the stability and effectiveness of the municipal leadership for years to come. • By renewing its civic core, the Project will aid the revitalization of civic pride in San Diego. • By providing affordable, available space for community gatherings (interior space adjacent to C Street, City Commons Plaza, B Street), the Project will encourage job fairs, job training, roundtable discussions, community outreach, cultural events, farmers markets and many other important gatherings of healthy community life the Project encourages sustainable modes of transit. • By not relying on significant speculative private development in order to fund the new development, the Project prudently protects the City from taking irresponsible and uncontrollable risks. 	<p>Gerding Edlen’s (“GED’s”) vision for the new Civic Center:</p> <ul style="list-style-type: none"> • A place for the people • The Heart of the City • A place to celebrate and gather • Transparent Government • Intelligent Design • Financially sensible • Accessible • Sustainable Design • Water is Our Life • Supporting Ourselves • Embracing Climate • Evoking Wellness • Family-Friendly • Casual and Relaxed • Intrinsic to San Diego • Celebrate the Arts • An Original Place • America’s Finest City • A New Standard 	

San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes
<p>B. Project Component Description</p>	<p>Hines proposes to build a 5 story City Hall for the Council Chambers, City Council and Mayor on the site currently occupied by the CAB fronting “C” street and a 25 story Administrative building located on the site currently occupied by the COB. The fire station will be kept and adjoining the Administrative building. Hines will keep and renovate the existing Parkade with new ramping, renovate the façade of the Civic Theatre and renovate the Plaza. Other than some supporting ground level retail, Hines does not propose any private development on the site.</p>	<p>Their project is proposed in 4 phases, which are listed sequentially below:</p> <ul style="list-style-type: none"> • Block 14 - To house all City functions to accommodate 2013 s.f. needs and estimated expansion, GED proposes to build a 34 story building fronting C Street just to the West of the current City Administration Building (CAB). • Block 15 - The Civic Theatre will be renovated and retail will be incorporated at ground level. On the southwest corner of the site (where CAB is currently located) they propose a building of 23 stories containing a fitness center on the first few levels and workforce housing above it. • Block 13 -The current Parkade will be demolished and replaced with underground parking that encompasses most of the overall site. On the current location of parking garage, bounded by First and Second Avenues, and A and B Streets, they propose the site’s retail anchor, a healthy food market / grocery store. The mixed-use development on this block will include a 24 story building for hotel or housing and leasable office space. They will also place a pocket park / courtyard on this site. • Block 1 - The site currently housing the City Operations Building (COB), bounded by A and B Streets, will house the new Fire Station One to the north, with the remainder of the site housing a new 30 story mixed-use tower with both market-rate and workforce affordable housing and office space. The ground floor will have active uses such as retail spaces. 	<p>Gerding Edlen is open to discussing moving the construction of the new Fire Station to earlier phases</p>
<p>City Hall Building</p>	<ul style="list-style-type: none"> • 4 story City Hall with Circular glass enclosed design feature that originates from the circular City Council Chambers on the ground floor. That central shape carries vertically through the building and to the roof. • 19 Story City Office building with tunnel connectivity between City Hall and City Office building. Building contains mechanical space, storage, data center space and 56 secure parking spaces; 36 for the adjoining Fire Station #1, and 20 for senior/elected City officials. The ground floor contains a One-Stop-Shop” for access to City 	<p>Developer proposes to construct a 34 story City Hall on the Southwest corner of the site fronting C street. The building contains floor plates ranging from 30,000 SF to between 26,000 SF – 28,000 SF tapering towards the top of the building, with several floors at the top reserved for expansion. The building contains a four-story lobby with entrances on First Avenue, B and C Streets. Level 1 contains a “One Stop Shop” for easy public access to City services. Adjacent to the tower is “The Mesa” which will house the Council Chambers.</p> <p>The building and site orientation are meant to reinforce a north-</p>	

San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes
	<p>services</p> <p>22,000 sf of site area available for future development for private or public use. 260,000 sf could be rationally built on the sites (North and South of Parkade)</p>	<p>south connection from A Street to Horton Plaza.</p>	
Building(s) size/SF	<p>113,191 GSF / 105,770 RSF 4 story City Hall and 630,990 GSF / 597,904 RSF / 547,463 USF 19 story Administrative building*</p> <p>Total GSF: 734,883 Total RSF: 686,886</p> <p>*Doesn't include lower level, fire station, retail or pavilion, parking. Fire Station: Estimates total development to be \$21,300,000; City has funding for \$42MM to cover these costs.</p>	<p>City Hall – initial (gsf) 831,461 Expansion space (gsf) 174,955 Retail/Restaurant (gsf) 19,060 Total Gross Bldg Area (gsf) 1,025,476</p> <p>Parking – New Below Grade (stalls) 1,576 (includes 39 private stalls for Mayor & Council)</p>	
Efficiency	<p>Gensler completed test fits on Hines' floor plates using new City space standards, concluding the floor plates are 2% more efficient than the City's space standards.</p>	<p>Gensler completed a test fit on the 14th floor using new City space standards. The exercise concluded that GED's SF provided approximately 20,735 RSF more than the City's estimated requirement for 2013.</p>	
Provide for City expansion space on site	<p>None on-site, assumes expansion space to be leased in the downtown office market.</p>	<p>Yes. In the case of the Option I: 63-20 Full, the City, as the master lessee, will control the sublease and, subject to market demand for the private space, be able to dictate expiration dates in a fashion to accommodate the City's needs. GED will assume the leasing risk for the balance of the office space, guaranteeing the rent on approximately 133,000 NSF in 2013, and continue to backstop the expansion space rent obligation until the City either 1) retires the debt obligation and owns the building outright or 2) takes possession and leases the entire building. This method sheds the risk of leasing the expansion space while providing the City the lowest cost for the initial and expansion space.</p>	
Parking	<p>Renovate Existing Parkade. Existing Parkade w/ ADA re-stripe 1,098 Additional Spaces in Re-Ramped Parkade 183</p>	<p>Demolish existing Parkade and build all new below grade parking Phase I: 1,576 (for City Hall) Phase II: 1,294</p>	

San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes
	Parking Under City Office Building Total Parking Stalls 56 1,337 <i>Excess parking stalls above requirement 186</i> Parking will not be impacted during the renovation of the Parkade.	Phase III: <u>1,250</u> Total: 4,120 <i>Meets 1.5 parking stalls/1,000 GSF requirement in RFP.</i> The quantity of parking at the Civic Theatre will not be altered during the development of the Civic Complex. The Parkade, which includes parking for city employees and theatre patrons, will remain operational year-round for the construction of Phase One. Once Phase One is completed, the Parkade will then be demolished. This seamless “switch” from parking at the Parkade to Block 14 will ensure that employee and patron parking will never be displaced.	
Civic Theatre	Remains as-is with 22,000 gsf of site area allowed for future expansion (88,000 gsf if constructed four stories tall)	Remains as-is, with optional proposal to renovate and add 36,517 GSF of expansion space.	Civic Theatre improvements to be funded by Civic Theatre.
Plaza	40,000 gsf landscaped and terraced plaza	The Plaza will consist of 29,440 GSF when B street is open. Significantly larger open space (approx 2 acres) when B Street is closed for events and 3.3 acres when both B Street and 2 nd Avenue are closed to traffic.	Currently there is 1.5 acres of open space.
Fire Station	New 36,000 SF 2 story fire station adjoining Administration building on “A” street	34,000 GSF 2-story Fire Station fronting “A” street, on site which currently houses the COB.	
Other Development	Retail City Hall 5,000 USF 5,736 RSF Retail City Office 1,353 USF 1,503 RSF Pavilion Retail 3,896 USF 4,286 RSF Total Retail 10,249 USF 11,524 RSF	Block 14: 19,060 GSF of ground floor retail Block 15: 317,710 GSF 23 story residential tower with 46,475 GSF of ground floor retail; optional expansion of Civic Theatre (36,517 GSF) Block 13: 24 story tower containing 390,808 GSF of office and 194,463 GSF of hotel or residential (305 units); 53,529 GSF of retail/restaurant Block 1: 30 story tower containing 375,514 GSF of office and 394,834 GSF of residential (415 units); and 21,977 GSF of retail Total office: Total residential/hotel: 760,720 760,720 GSF	

San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes
		Total retail: Total SF: 148,043 170 GSF	
Physical Plant		<p>The GED proposal contains a complex and multi-faceted approach to providing water, heating and cooling to the site. Some of these elements contain:</p> <p>A partnership with NRG Energy Inc. (NRG), the downtown district chilled water system operator, with a twofold plan:</p> <ul style="list-style-type: none"> • Connect to the existing NRG chilled water network adjacent to the development site • Provide a satellite NRG chilled / hot water plant to be located on the premises <p>A central heating plant is also included in the NRG central plant. This may be produced through a number of sources, including heat rejection from chilled water plant, heat pumps, boilers, and / or cogeneration. An electricity generation plant is also under consideration for a potential NRG central plant. The plant will be used for emergency back up generation requirements and for peak electricity demand reduction. When in normal operation (i.e. not during emergency back up) the waste heat from the generators will be reclaimed for heating and cooling through absorption chillers. This plant will have dual-fuel generators which use diesel fuel in emergency generation mode and natural gas during regular operation.</p>	
Sustainability commitment	LEED Gold, with LEED Platinum as an option for additional cost.	<p>Developer proposes to take the Civic Center beyond LEED® Silver through a combination of the proposed strategies. The total energy consumption of the San Diego Civic Center would be reduced by an additional 38% beyond a LEED® Silver project.</p> <p>LEED Platinum for the City development and LEED Gold for the private development. The goal is to build a water neutral development, meaning the project produces an equal, if not a greater, amount of water than it consumes.</p>	
C Street	The proposal's design for C Street reflects the C Street Master Plan for improvement of the light rail corridor, including the relocation of the LRT tracks, the provision of medians, and the use	C Street serves as the front door to the Civic Complex. The developer has placed the Civic Plaza as well as infill retail along much of its frontage in order to re-activate the street. Developer	

San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes
	<p>of Washingtonia palms. The C Street Master Plan improvements, in conjunction with those proposed herein, will contribute to making the City Commons stop an attractive transit hub that celebrates transit as a mode of choice.</p>	<p>proposes placing a fitness center above ground floor retail, south of the Civic Theatre to provide further life along C Street.</p> <p><u>Landscaping</u> Developer has proposed substantial landscape and streetscape elements including Sycamores at the C Street edge of the City Hall Plaza, announcing the civic blocks and Carrot trees lining the balance of the street along the site.</p>	
B Street	<p>Two blocks between First & Third Avenues re-opened</p> <p>The new B Street is envisioned as a managed street, which could accommodate vehicular traffic or be closed for pedestrians and emergency vehicle access only during special events. Hydraulic bollards can be installed to allow for traffic control when events take place. The existing steps on the north side of the between 2nd and 3rd Avenues will be demolished to allow for an accessible sidewalk. Within the standard 80-foot right of way for downtown streets and a 26-foot carriageway most of the sidewalks on either side of the street will be 27 feet. The streetscape plan uses Jacaranda trees on both sides of the street to create continuity along B Street.</p>	<p>Two blocks between First & Third Avenues are re-opened.</p>	
C. Development Implementation Strategy	<ul style="list-style-type: none"> • The development plan for the City elements requires a 2-phased move for the occupants of the COB building into the Concourse and then subsequently into the new City Office building. All other City employees will remain in their current location during construction. • There will be no impact on parking during the renovation of the Parkade • 1 yr temporary relocation of Fire Station #1 <p>2009</p> <ul style="list-style-type: none"> • City agreement documentation • Citizen and stakeholder involvement in design refinement • Entitlement processing • Construction drawing completion • Bidding and contracting • Project finance implementation 	<ul style="list-style-type: none"> • The development plan is organized to allow City employees to remain in their current location during construction • Developer provides two options for the fire station: one considers keeping the fire station on site during construction and the other assumes that the existing fire station function temporarily at a new fire station at Cedar / Kettner that will be completed in 2011. Alternatively, fire station one can be located at one or two temporary sites downtown until the new fire station is complete (2 ½ years) • City Parking will not be adversely impacted during construction <p>Phase One: City Hall On Block 14</p> <p>Step 1: Assess existing conditions Step 2: Demolish Golden Hall Step 3: Build underground parking on Block 14; Build City Hall and move-in employees</p>	

San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes
	<p>2010</p> <ul style="list-style-type: none"> • Temporarily relocate Fire Station #1 (approx. 1 year) • Improve temporary swing space in Concourse/Golden Hall • Relocate City Operations Building staff into temporary swing space in the Concourse • Abate and demolish City Operations Building • Begin construction of new City Office Building • Begin Parkade renovation and re-ramping/expansion <p>2011</p> <ul style="list-style-type: none"> • Construction of new City Office Building • Complete Parkade renovation and ex- <p>2012</p> <ul style="list-style-type: none"> • Complete construction of new City Office Building • Relocate 90% of City staff from owned and leased space to new City Office Building <p>2013</p> <ul style="list-style-type: none"> • Demolish City Administration Building and Concourse • Construct City Hall, Pavilion and Plaza <p>2014</p> <ul style="list-style-type: none"> • Complete new City Hall, Pavilion and City Commons Plaza • Complete site work and B-Street • Relocate Mayor and Council to new City Hall • Open B Street for vehicular traffic 	<p>Step 4: Demolish the City Administration Building (CAB)</p> <p>Step 5: Build plaza and open B Street to vehicular traffic; Build solar shade canopy over plaza</p> <p>Phase Two: Mixed-Use On Block 13, Theatre Renovation, and Mixed-Use On Block 15</p> <p>Step 6: Renovate theatre; Build retail and housing on Block 15</p> <p>Step 7: Demolish Parkade</p> <p>Step 8: Build underground parking on Block 13 and connect to Block 14 parking; Build retail, hotel or housing, and office uses; Open Second Avenue from A Street to B Street for vehicular traffic</p> <p>Phase Three: Fire Station and Mixed-Use On Block 1</p> <p>Step 9: Move Fire Station to a temporary location and demolish City Operations Building (COB)</p> <p>Step 10: Build underground parking on Block 1 and connect to Block 13 parking; Build fire station, retail, housing and office uses</p>	<p>Fire station is at risk if Phase 3 is delayed, consider making part of Phase I.</p>
Financial Impact of phasing on City and Civic Theatre	<ul style="list-style-type: none"> • Cost of double move of City staff in COB and mayor and council into swing space prior to final move to new facilities. Single move for all other City staff • Cost of temporary relocation of Fire Station #1 	<ul style="list-style-type: none"> • Potential cost of temporarily relocating the fire station for 2 ½ years to the Cedar / Kettner Station (completed in 2011) • Cost of single move of City staff to new City Hall • Seamless switch from parking at the Parkade to underground parking on Block 14 will ensure employee and theatre patron parking will never be displaced 	Note cost differential in financial comparison
Phasing from existing Physical Plant to new solution	The current plan is to operate the central plant during construction of Phase I (City Office Building). A new energy-efficient central plant will be built in the City Office Building to replace the existing	Two options were analyzed: Option A, the more conservative, was factored in the budget included temporary cooling towers while NRG builds a new district central plant on site; In Option B, the	

San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes																																																																								
	<p>central plant and provide heating, cooling and electrical service to the new City Office Building, Pavilion and City Hall. Costs associated with operating the existing plant during Phase I construction will not be significantly different from current operating costs. Heating, cooling and electrical loads will, however, decrease with the elimination of the existing City Operations Building.</p>	<p>cooling needs are addressed by connecting into the existing downtown district cooling loop owned by NRG Energy, Inc. Option A is as follows:</p> <ul style="list-style-type: none"> Step 1: Construct temporary cooling towers for the existing central plant Step 2: Protect the existing central plant to service the COB, CAB and Civic Theatre Step 3: Demolish Golden Hall including the existing cooling towers Step 4: Start construction on City Hall and a new central plant Step 5: Connect the new central plant to the COB, CAB and Civic Theatre Step 6: Connect the new central plant to City Hall Step 7: Move the CAB and COB employees into City Hall Step 8: Demolish the CAB and the existing central plant 																																																																									
<p>E. Preliminary Project Budget</p>	<p>Propose seven options for financing</p> <p>Budget for City Space*</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Community outreach and entitlement:</td> <td style="text-align: right;">300,000</td> </tr> <tr> <td>Due diligence and legal:</td> <td></td> </tr> <tr> <td>A/E fees:</td> <td style="text-align: right;">1,330,000</td> </tr> <tr> <td>Buildings and Site Hard Costs:</td> <td style="text-align: right;">198,192,000</td> </tr> <tr> <td>Artwork</td> <td style="text-align: right;">3,940,000</td> </tr> <tr> <td>Temporary moves and swing space:</td> <td style="text-align: right;">2,860,000</td> </tr> <tr> <td>TI's in new facilities :</td> <td style="text-align: right;">45,640,000**</td> </tr> <tr> <td>Furniture and move costs:</td> <td style="text-align: right;">23,080,000**</td> </tr> <tr> <td>Permits:</td> <td></td> </tr> <tr> <td>G&A:</td> <td style="text-align: right;">4,630,000</td> </tr> <tr> <td>Contingency:</td> <td style="text-align: right;">17,320,000</td> </tr> <tr> <td>Total before Financing fees:</td> <td style="text-align: right;">\$ 328,380,000</td> </tr> </table> <p>* Budget details found on page 98 ** based on costs provided in RFP Note: Network infrastructure cost is not included</p> <p>Elective Options:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">23,240,000</td> </tr> <tr> <td></td> <td style="text-align: right;">\$ 351,620,000</td> </tr> </table>	Community outreach and entitlement:	300,000	Due diligence and legal:		A/E fees:	1,330,000	Buildings and Site Hard Costs:	198,192,000	Artwork	3,940,000	Temporary moves and swing space:	2,860,000	TI's in new facilities :	45,640,000**	Furniture and move costs:	23,080,000**	Permits:		G&A:	4,630,000	Contingency:	17,320,000	Total before Financing fees:	\$ 328,380,000		23,240,000		\$ 351,620,000	<p>Budget for City Space</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Entitlement Cost:</td> <td></td> </tr> <tr> <td>Demolition</td> <td style="text-align: right;">8,022,722</td> </tr> <tr> <td>Site improvements:</td> <td style="text-align: right;">637,919 571,141</td> </tr> <tr> <td>Hard cost parking:</td> <td style="text-align: right;">38,645,469</td> </tr> <tr> <td>Hard cost civic shell & core:</td> <td style="text-align: right;">184,677,336</td> </tr> <tr> <td>Hard cost plaza:</td> <td></td> </tr> <tr> <td>Sustainable contingency & green roof:</td> <td style="text-align: right;">3,380,459</td> </tr> <tr> <td>Courtyard canopy & shade structures:</td> <td style="text-align: right;">3,009,074 503,074</td> </tr> <tr> <td>Civic TI's:</td> <td style="text-align: right;">42,942,835</td> </tr> <tr> <td>Furniture:</td> <td style="text-align: right;">21,980,000 **</td> </tr> <tr> <td>Data Center:</td> <td></td> </tr> <tr> <td>Voice & data infrastructure:</td> <td style="text-align: right;">3,500,000 15,000,000</td> </tr> <tr> <td>Civic Art (2% of bldg permit value)</td> <td style="text-align: right;">2,734,948</td> </tr> <tr> <td>Fountain relocation</td> <td style="text-align: right;">147,212</td> </tr> <tr> <td>Utility upgrade</td> <td></td> </tr> <tr> <td>Temp cooling towers</td> <td style="text-align: right;">736,060</td> </tr> <tr> <td>Security system</td> <td style="text-align: right;">662,454</td> </tr> <tr> <td>Signage</td> <td></td> </tr> <tr> <td>Soft Costs:</td> <td style="text-align: right;">147,312</td> </tr> <tr> <td>Contingency:</td> <td style="text-align: right;">19,413,234 ***</td> </tr> <tr> <td>Developer fee:</td> <td style="text-align: right;">52,737,438 ****</td> </tr> <tr> <td>Total before financing fees:</td> <td style="text-align: right;">\$ 412,574,295</td> </tr> </table>	Entitlement Cost:		Demolition	8,022,722	Site improvements:	637,919 571,141	Hard cost parking:	38,645,469	Hard cost civic shell & core:	184,677,336	Hard cost plaza:		Sustainable contingency & green roof:	3,380,459	Courtyard canopy & shade structures:	3,009,074 503,074	Civic TI's:	42,942,835	Furniture:	21,980,000 **	Data Center:		Voice & data infrastructure:	3,500,000 15,000,000	Civic Art (2% of bldg permit value)	2,734,948	Fountain relocation	147,212	Utility upgrade		Temp cooling towers	736,060	Security system	662,454	Signage		Soft Costs:	147,312	Contingency:	19,413,234 ***	Developer fee:	52,737,438 ****	Total before financing fees:	\$ 412,574,295	<p>Cumming Corp., a 3rd party cost estimator, reviewed construction budget in detail and concluded GED's demolition budget was insufficient and instructed them to increase it by \$10MM. GED's revised budget totaled \$440MM.</p> <p>Hines was instructed to include \$18,500,000 in technology costs to their budget for apples to apples comparison and \$8.2MM of the Elective Options to reflect items shown in their renderings. Hines revised budget totaled _____.</p>
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San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes																					
		* Budget details found on pages E-25 – E28 ** \$7,000 per employee *** Only includes architect and engineering construction documents. Does not include cost from concept through design development. **** includes development and escalation contingency.																						
Projected Operating Expenses	\$7.00 per SF (see Section E, page 6) and \$0.10/SF per year for Capital Reserves.	\$7.66 per SF (see page E-30 for detailed breakdown) and \$1.50/SF per year for Capital Reserves.	Developers were instructed to level set Capital Reserves to \$0.75/SF per year.																					
Developer Fee	4.5% of hard and soft costs.	2% of entitlement hard and soft costs.																						
Commencement Date	Office building complete 4Q 12, City Hall complete 3Q 13.	City building complete 5/1/2013 assuming that demolition begins in 1 st Quarter 2010.																						
Building System Features	CCDC to review against baseline criteria in RFP.	CCDC to review against baseline criteria in RFP.																						
F. Financial Proposals Basic Description	Hines provided seven options for financing <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="font-size: 8px;">Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)</th> <th style="font-size: 8px;">Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)</th> <th style="font-size: 8px;">Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)</th> <th style="font-size: 8px;">Pre-Construction Credit Tenant Lease (CTL)</th> <th style="font-size: 8px;">Post-Construction Credit Tenant Lease (CTL)</th> <th style="font-size: 8px;">Private JV</th> <th style="font-size: 8px;">Hines REIT</th> </tr> </thead> <tbody> <tr> <td style="font-size: 8px;">City signs lease with Redevelopment Agency (RA). R.A. issues tax exempt bonds based on lease revenue. R.A. uses proceeds to pay for development cost</td> <td style="font-size: 8px;"></td> <td style="font-size: 8px;"></td> <td style="font-size: 8px;">City signs lease with Developer. Developer issues taxable bonds based on lease revenue. Proceeds cover the development cost</td> <td style="font-size: 8px;">City signs lease with Developer. Developer forms JV with equity partner and traditional construction loan. Completed asset is refinanced under a Credit Tenant Lease</td> <td style="font-size: 8px;">City signs lease with Developer. Developer forms JV with equity partner and traditional construction loan. Completed asset is refinanced under permanent financing.</td> <td style="font-size: 8px;">City signs lease with Hines REIT. Hines REIT funds development and owns after completion</td> </tr> <tr> <td style="font-size: 8px;">Land transferred to the Redevelopment Agency; can be transferred back after bond expiration.</td> <td colspan="5" style="font-size: 8px;">Land ground leased to Developer for specific term. City maintains ownership.</td> <td style="font-size: 8px;"></td> </tr> </tbody> </table>	Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)	Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)	Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)	Pre-Construction Credit Tenant Lease (CTL)	Post-Construction Credit Tenant Lease (CTL)	Private JV	Hines REIT	City signs lease with Redevelopment Agency (RA). R.A. issues tax exempt bonds based on lease revenue. R.A. uses proceeds to pay for development cost			City signs lease with Developer. Developer issues taxable bonds based on lease revenue. Proceeds cover the development cost	City signs lease with Developer. Developer forms JV with equity partner and traditional construction loan. Completed asset is refinanced under a Credit Tenant Lease	City signs lease with Developer. Developer forms JV with equity partner and traditional construction loan. Completed asset is refinanced under permanent financing.	City signs lease with Hines REIT. Hines REIT funds development and owns after completion	Land transferred to the Redevelopment Agency; can be transferred back after bond expiration.	Land ground leased to Developer for specific term. City maintains ownership.						GED provided 3 financing options: 1) Full program (entire building), financed with 63-20 bonds; 2) Partial program (660,000 RSF of building) financed with 63-20 bonds. The balance of the building condominiumized and financed by GED; 3) Commercial financing with Certificates of Participation. Their “preferred option” is to finance the entire City Hall Building with 63-20 Bonds. With this approach, a non-profit corporation issues a tax-exempt and taxable debt to fund the development and construction of the entire City Hall Building (public and private space) and associated parking. In the case of Option I: 63-20 Full, the City, as the master lessee, will control the sublease and, subject to market demand for the private space, be able to dictate expiration dates in a fashion to accommodate the City’s needs. GED will assume the leasing risk for the balance of the office space, guaranteeing the rent on approximately 133,000 NSF in 2013, and continue to backstop the expansion space until the City either 1) retires the debt obligation and owns the building outright or 2) takes possession and leases the expansion space. This	
Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)	Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)	Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)	Pre-Construction Credit Tenant Lease (CTL)	Post-Construction Credit Tenant Lease (CTL)	Private JV	Hines REIT																		
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San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes														
		<p>method sheds the risk of leasing the expansion space while providing the City the lowest cost for the initial and expansion space.</p> <p>Land Ownership: In the Option I: 63-20 Full, the non-profit corporation (SD Civic Center Properties), would enter into a Development Agreement with GED for the design and construction of the City Hall building. In addition, SD Civic Center Properties would enter into a long-term Lease Agreement with the City of San Diego, under which the City's rental payments would 1) commence solely upon the Developer's successful performance under the Development Agreement and 2) would be sufficient to pay the debt service on 63-20 Bonds issued by SD Civic Center Properties. The Bonds will be a combination of tax-exempt debt, which will be used for government portion of the City Hall building and the associated parking that space, and taxable debt, which will be used for the private development.</p> <p>The City would bear financial responsibility for making payments on the portion of the City Hall building it occupies, the portion of the building that is Master Leased to GED, and the per stall parking revenue that is underwritten. The bond debt service, minus the GED's Master Lease rent and parking revenue, will net the City's effective 'rent' payments. The payment plan for the term of the bonds will be established up-front. Upon retirement of the SD Civic Properties Bonds, ownership of the building will transfer to the City without cost or encumbrances.</p>															
a) Equity contributions	<table border="1"> <thead> <tr> <th>Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)</th> <th>Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)</th> <th>Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)</th> <th>Pre-Construction Credit Tenant Lease (CTL)</th> <th>Post-Construction Credit Tenant Lease (CTL)</th> <th>Private JV</th> <th>Hines REIT Basic Description</th> </tr> </thead> <tbody> <tr> <td>None</td> <td>None</td> <td>None</td> <td>Hines, potentially with an equity partner</td> <td>Hines with an equity partner</td> <td>Hines with an equity partner</td> <td>Hines REIT</td> </tr> </tbody> </table>	Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)	Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)	Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)	Pre-Construction Credit Tenant Lease (CTL)	Post-Construction Credit Tenant Lease (CTL)	Private JV	Hines REIT Basic Description	None	None	None	Hines, potentially with an equity partner	Hines with an equity partner	Hines with an equity partner	Hines REIT	None on City Development.	
Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)	Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)	Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)	Pre-Construction Credit Tenant Lease (CTL)	Post-Construction Credit Tenant Lease (CTL)	Private JV	Hines REIT Basic Description											
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b) Debt structure (source)	<table border="1"> <thead> <tr> <th>Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)</th> <th>Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)</th> <th>Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)</th> <th>Pre-Construction Credit Tenant Lease (CTL)</th> <th>Post-Construction Credit Tenant Lease (CTL)</th> <th>Private JV</th> <th>Hines REIT Basic Description</th> </tr> </thead> <tbody> <tr> <td>Public tax-exempt securities</td> <td>Public tax – exempt securities</td> <td>Public tax-exempt securities</td> <td>Private taxable securities</td> <td>Commercial private market</td> <td>Commercial private market</td> <td>Commercial private market</td> </tr> </tbody> </table>	Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)	Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)	Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)	Pre-Construction Credit Tenant Lease (CTL)	Post-Construction Credit Tenant Lease (CTL)	Private JV	Hines REIT Basic Description	Public tax-exempt securities	Public tax – exempt securities	Public tax-exempt securities	Private taxable securities	Commercial private market	Commercial private market	Commercial private market	Public tax exempt debt in all scenarios. 63-30 financing in options #1 & #2 and COPS on option #3.	
Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)	Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)	Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)	Pre-Construction Credit Tenant Lease (CTL)	Post-Construction Credit Tenant Lease (CTL)	Private JV	Hines REIT Basic Description											
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San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes																																																																																							
c) Risk	<p>Financing Structure Options: Risk Allocation</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #333; color: white;"> <th colspan="2"></th> <th style="font-size: 8px;">Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)</th> <th style="font-size: 8px;">Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)</th> <th style="font-size: 8px;">Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)</th> <th style="font-size: 8px;">Pre-Construction CTL</th> <th style="font-size: 8px;">Post-Construction CTL</th> <th style="font-size: 8px;">Private JV</th> <th style="font-size: 8px;">Hines REIT</th> </tr> </thead> <tbody> <tr> <td rowspan="3" style="font-size: 8px; vertical-align: middle;">Fluctuating Cost of Capital</td> <td style="font-size: 8px;">Pre-Construction</td> <td>City</td> <td>City</td> <td>City</td> <td>Shared (City & Hines)</td> <td>Shared (City & Hines)</td> <td>Shared (City & Hines)</td> <td>Hines REIT</td> </tr> <tr> <td style="font-size: 8px;">During Construction</td> <td>Bond holders</td> <td>Bond holders and limited City</td> <td>Bond holders</td> <td>Bond holders</td> <td>Shared (City & Hines)</td> <td>Shared (City & Hines)</td> <td>Hines REIT</td> </tr> <tr> <td style="font-size: 8px;">At Completion</td> <td>Bond holders</td> <td>Bond holders and limited City</td> <td>Bond holders</td> <td>Bond holders</td> <td>Bond holders</td> <td>Hines Equity JV</td> <td>Hines REIT</td> </tr> <tr> <td colspan="2" style="font-size: 8px;">Scope Changes & Schedule Delays (Approvals)</td> <td>City</td> <td>City</td> <td>City</td> <td>City</td> <td>City</td> <td>City</td> <td>City</td> </tr> <tr> <td colspan="2" style="font-size: 8px;">Schedule Delays (Field Coordination)</td> <td>Hines</td> <td>Hines</td> <td>Shared (City & Hines)</td> <td>Hines</td> <td>Hines</td> <td>Hines</td> <td>Hines</td> </tr> <tr> <td rowspan="2" style="font-size: 8px; 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		Tax-Exempt A: (Fixed Rate, Mitigated Cost Risk)	Tax-Exempt B: (Floating Rate, Mitigated Cost Risk)	Tax-Exempt C: (Fixed Rate, Unmitigated Cost Risk)	Pre-Construction CTL	Post-Construction CTL	Private JV	Hines REIT																																																																																		
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Casualty & Condemnation		City	City	City	City	City	City	Hines REIT																																																																																		
d) Payments for excess land and development rights	None assumed.	<p>All three financing options assume the City retains land ownership of the block on which the new City Hall building will reside and assume that the two adjacent blocks (Block 1 and 13) are purchased by GED at fair market value in Phase Two and Phase Three. The proceeds of this purchase are intended to help offset the City's increased cash flow requirements during the first 15 years as a result of construction.</p> <p>The value of Block 1 and 13 are based upon fair market value per square foot of buildable area, with inflation adjusted to account for when the blocks are purchased by GED.</p>	Ground lease scenarios are also being considered in lieu of selling the land outright.																																																																																							

San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes
		Price based on \$32.50 FAR SF - Value in 2008 3% Annual Growth rate <u>Option #1</u> Receive \$36,709,251 in 2012 Receive \$30,742,210 in 2014 Total: \$67,451,461 <u>Options #2 & #3</u> Receive \$6,687,697 in 2010 Receive \$36,709,251 in 2012 Receive \$30,742,210 in 2014 Total: \$74,139,158	
e) Parking	Assumes average revenue per stall of \$170.00 on 1281 stalls with an annual escalation of 4.3% and 15% visitor oversell.	Assumes revenue of \$152 month/stall on 1,576 stalls with a 3% annual escalation and no visitor oversell.	Developers were instructed to level set the revenue and escalation assumptions to: \$170/stall with 4% annual increases; 15% visitor oversell for City Hall; and 25% visitor oversell for mixed-use site.
f) Other revenues	All revenues from the limited private uses on the site (i.e, 12,000 rsf of retail leases and annual parking revenue) will go directly to the City.	GED is proposing to master lease all the City Retail for the term of the debt as a rate equivalent to the City's debt service (estimated at \$3.50 NNN/MO). If GED develops the private development as envisioned, there is significant economic benefit provided to the City from sales tax revenues. These estimated revenues were discounted at 50% in our analysis.	
G. Schedule	Phase 1 Site Acquisition or Ground Lease Commencement 4Q 09 <ul style="list-style-type: none"> • Begin Demolition 2Q 10 • Begin Construction 3Q 10 • End Demolition 3Q 10 • End Construction 4Q 12 	Phase 1 – Block 14: City Hall Site Acquisition or Ground Lease Commencement 1Q 09 <ul style="list-style-type: none"> • Design Phase 1Q 2009 – 2Q 2010 • Entitlement/Permitting 2Q 2010 • Begin Demolition 1Q 10 • Begin Construction 2Q 10 • End Construction May 31, 2013 (dependent execution of an ENA by January 2009) 	

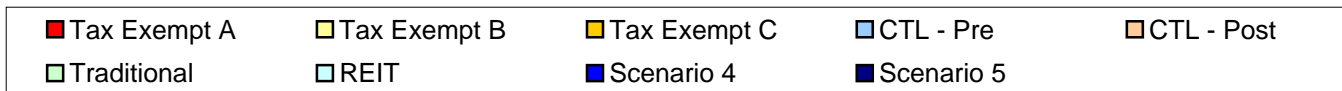
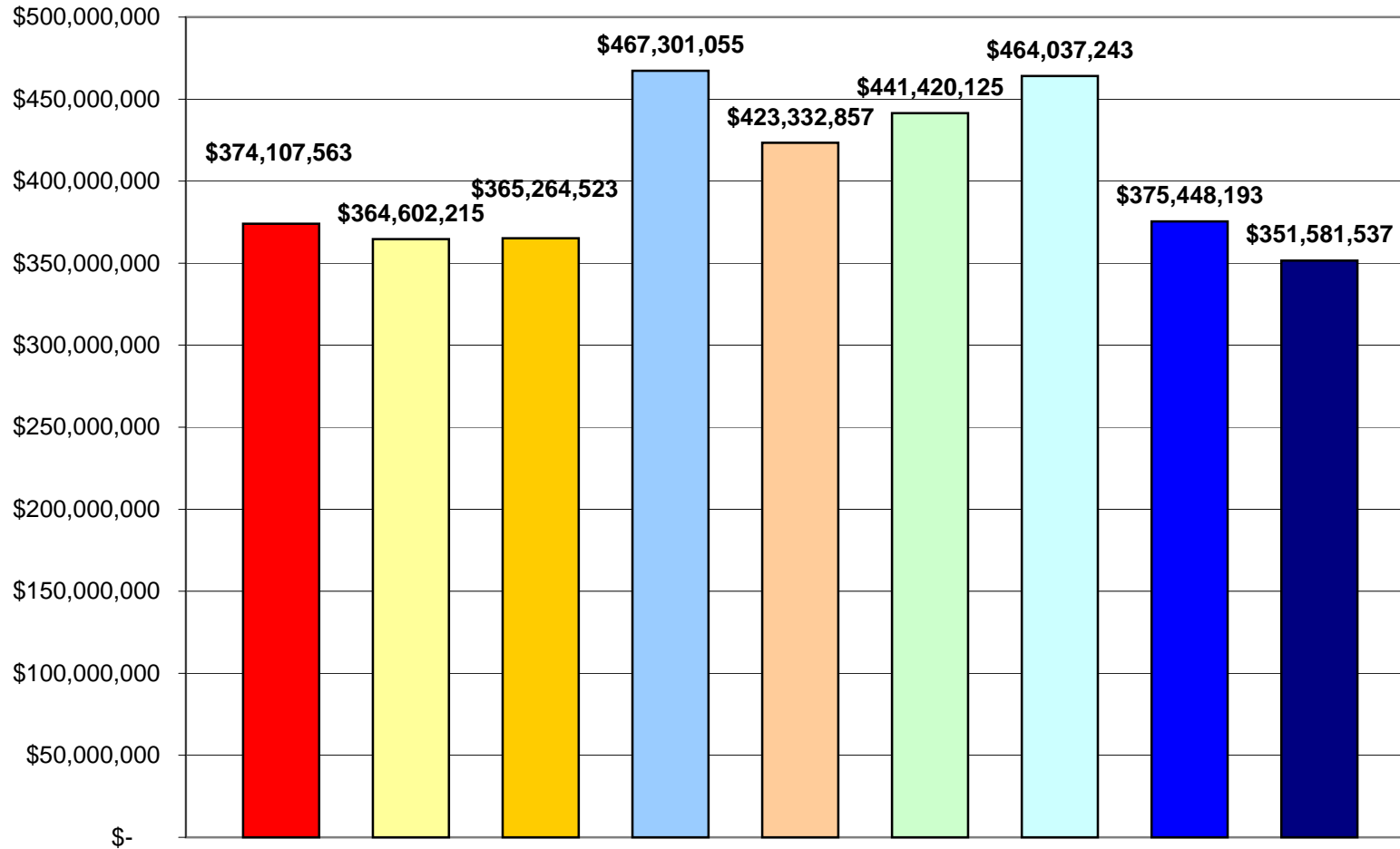
San Diego Civic Center – Developer Responses to RFP

Response Category	Hines	Gerding Edlen	Notes
	Total Gross Bldg. Area (gsf) 670,990 City Office Building 633,402 Fire Station 36,000 Retail / Restaurant 1,588 Parking, New Below Grade (stalls) 56 Parking, New Above Grade (stalls) 183 Parking, Existing (stalls) <u>1,098</u> Total Parking: 1,337 Phase 2 <ul style="list-style-type: none"> • Begin Demolition 4Q 12 • End Demolition 2Q 13 • Begin Construction 3Q 13 • End Construction 3Q 13 Total Gross Bldg. Area (gsf) 134,027 City Hall 128,004 Pavilion Retail 11,023	Total Gross Bldg Area (gsf) 1,025,476 City Hall – initial (gsf) Expansion space (gsf) 831,461 Retail/Restaurant (gsf) 174,955 19,060 Parking, New Below Grade (stalls) (includes 39 private stalls for Mayor & Council) 1,576 <ul style="list-style-type: none"> • Design Phase 2Q 2014 – 3Q 2015 • Entitlement/Permitting 2Q 2012 – 3Q 2013 • Site Acquisition or 2Q 12 Ground Lease Commencement • Demolition 4Q 13 • Begin Construction 4Q 10 • End Construction (15) 4Q 13 • End Construction (13) 2Q 16 <u>Block 15</u> Total Gross Bldg. Area – if no theatre expansion (gsf) 364,185 Residential – 245 units (gsf) 317,710 Retail 46,475 <u>Block 13</u> Total Gross Bldg. Area (gsf) 638,800 Hotel/Residential – 244 units (gsf) 194,463 Office (gsf) 390,808 Retail (gsf) 53,529 Parking, New Below Grade (stalls) 1,294	

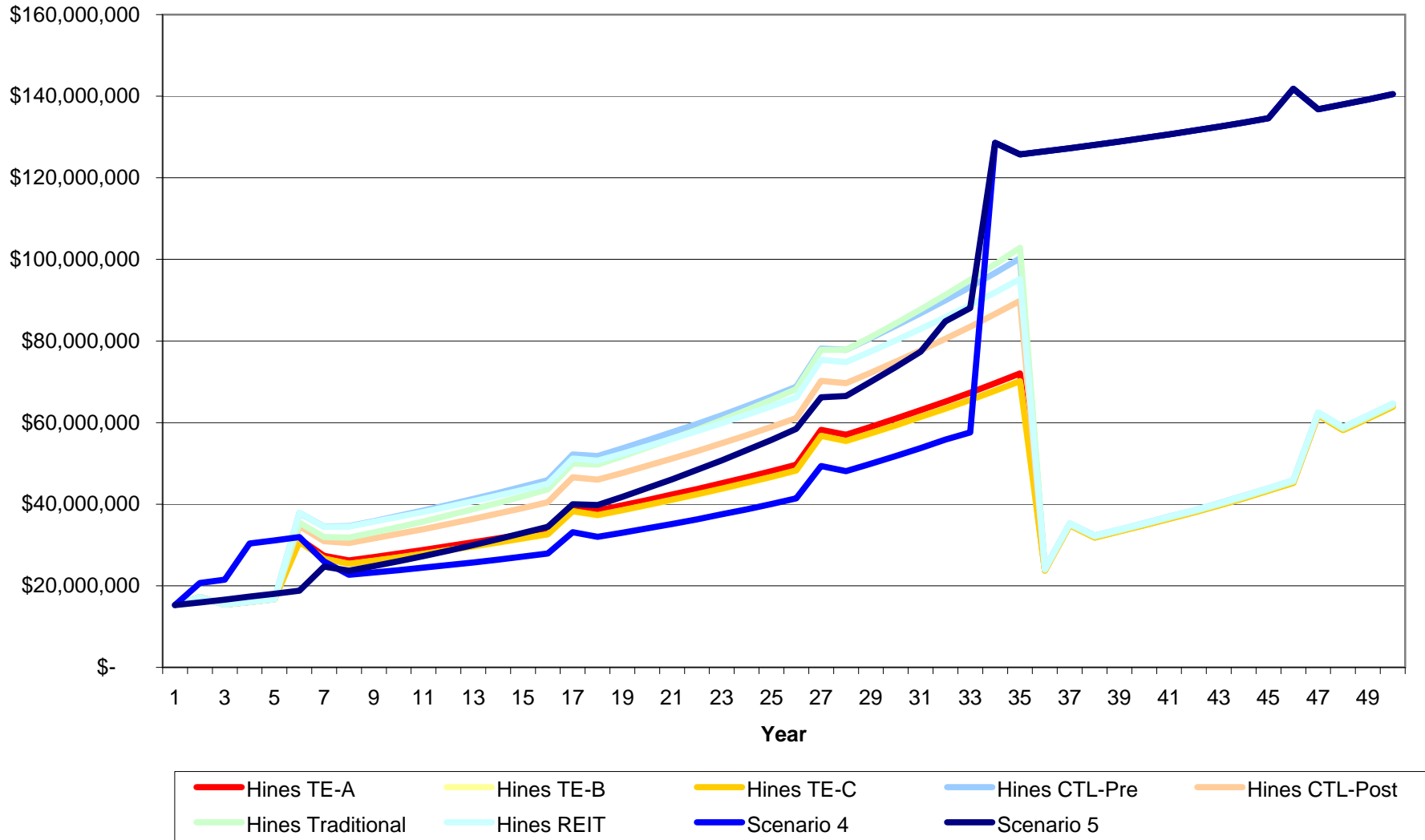
APPENDIX B

Financial Analysis – Hines

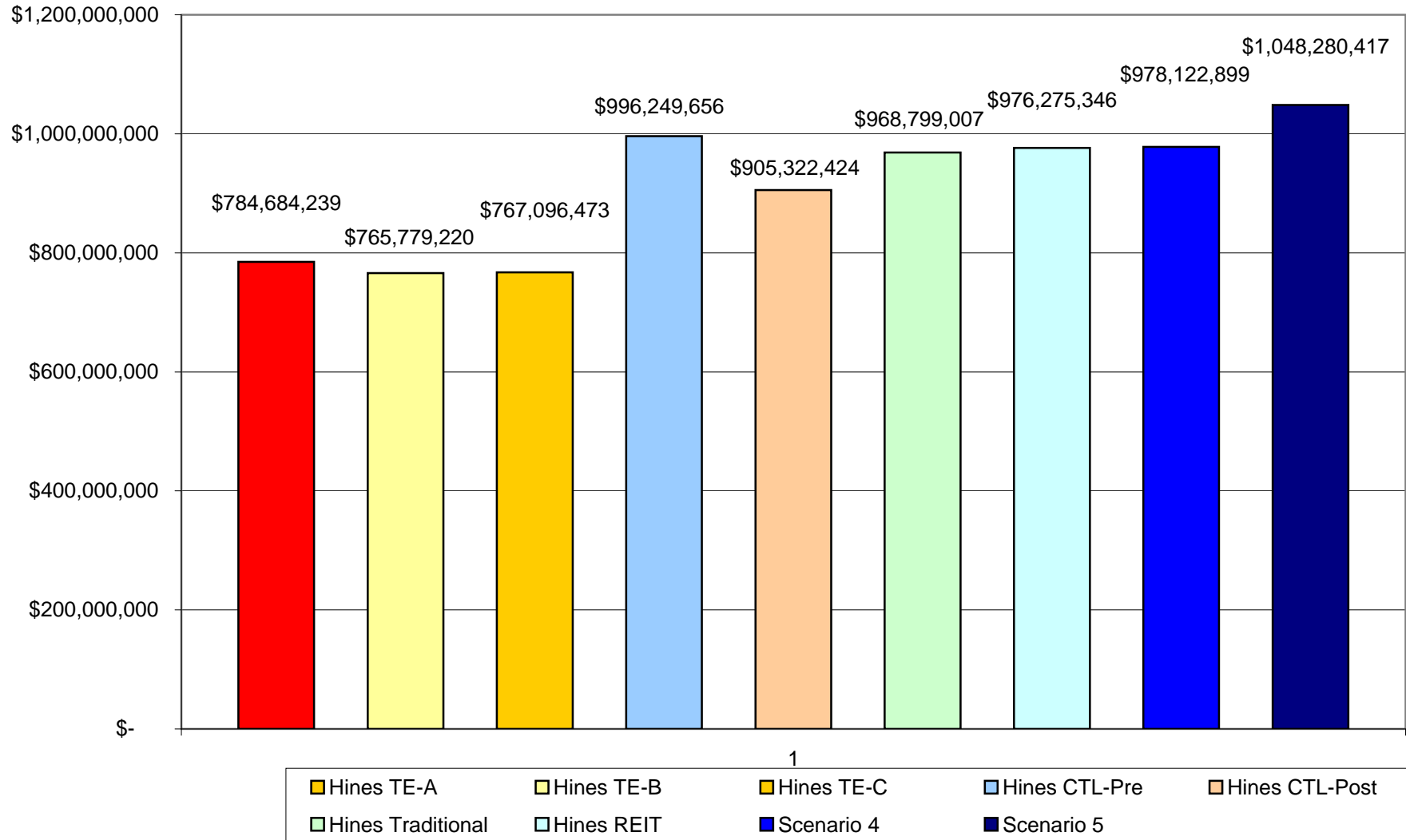
Hines - 15 year cash flow



Hines Cash Flow Analysis



Hines 50 Year Net Present Value Analysis (2013)



Hines Tax Exempt "A"

Year		Existing Occupancy Costs	Relocate Library & Publishing	Retail Sales Tax			Probability Quotient	Revenue Credit	12/15/08 Adjustments - Meeting Revenue (A)	Total
				Hines Tax Exempt "A"	Generated (escalating) 3.0%					
1	2008	\$ 15,283,648	\$ -	\$ -	\$ -				\$ 15,283,648	
2	2009	\$ 15,928,002	\$ 1,292,800	\$ -	\$ -				\$ 17,220,802	
3	2010	\$ 14,485,517	\$ 922,680	\$ -	\$ -				\$ 15,408,197	
4	2011	\$ 15,093,221	\$ 953,685	\$ -	\$ -				\$ 16,046,906	
5	2012	\$ 15,723,132	\$ 985,862	\$ -	\$ -				\$ 16,708,994	
6	2013	\$ 10,909,370	\$ 1,019,260	\$ 19,589,837	\$ (44,139)	100.0%	\$ (44,139)	\$ -	\$ 31,474,328	
7	2014	\$ 5,018,303	\$ 1,053,931	\$ 21,379,491	\$ (45,463)	100.0%	\$ (45,463)	\$ (48,215)	\$ 27,358,047	
8	2015	\$ -	\$ 1,089,928	\$ 25,312,426	\$ (46,827)	100.0%	\$ (46,827)	\$ (148,984)	\$ 26,206,543	
9	2016	\$ -	\$ 1,127,307	\$ 26,109,288	\$ (48,232)	100.0%	\$ (48,232)	\$ (153,454)	\$ 27,034,909	
10	2017	\$ -	\$ 1,166,128	\$ 26,931,524	\$ (49,679)	100.0%	\$ (49,679)	\$ (158,057)	\$ 27,889,916	
11	2018	\$ -	\$ 1,206,450	\$ 27,779,954	\$ (51,169)	100.0%	\$ (51,169)	\$ (162,799)	\$ 28,772,436	
12	2019	\$ -	\$ 1,248,340	\$ 28,704,857	\$ (52,704)	100.0%	\$ (52,704)	\$ (167,683)	\$ 29,732,810	
13	2020	\$ -	\$ 1,291,863	\$ 29,609,477	\$ (54,285)	100.0%	\$ (54,285)	\$ (172,713)	\$ 30,674,341	
14	2021	\$ -	\$ 1,337,089	\$ 30,542,944	\$ (55,914)	100.0%	\$ (55,914)	\$ (177,895)	\$ 31,646,225	
15	2022	\$ -	\$ 1,384,093	\$ 31,506,191	\$ (57,591)	100.0%	\$ (57,591)	\$ (183,232)	\$ 32,649,462	
16	2023	\$ -	\$ 1,432,951	\$ 32,500,183	\$ (59,319)	100.0%	\$ (59,319)	\$ (188,728)	\$ 33,685,086	
17	2024	\$ -	\$ 1,483,743	\$ 38,178,266	\$ (61,099)	100.0%	\$ (61,099)	\$ (194,390)	\$ 39,406,520	
18	2025	\$ -	\$ 1,536,553	\$ 37,172,838	\$ (62,932)	100.0%	\$ (62,932)	\$ (200,222)	\$ 38,446,238	
19	2026	\$ -	\$ 1,591,470	\$ 38,384,649	\$ (64,820)	100.0%	\$ (64,820)	\$ (206,229)	\$ 39,705,070	
20	2027	\$ -	\$ 1,648,584	\$ 39,635,776	\$ (66,764)	100.0%	\$ (66,764)	\$ (212,416)	\$ 41,005,180	
21	2028	\$ -	\$ 1,707,993	\$ 40,927,532	\$ (68,767)	100.0%	\$ (68,767)	\$ (218,788)	\$ 42,347,969	
22	2029	\$ -	\$ 1,769,796	\$ 42,208,773	\$ (70,830)	100.0%	\$ (70,830)	\$ (225,352)	\$ 43,682,388	
23	2030	\$ -	\$ 1,834,100	\$ 43,584,598	\$ (72,955)	100.0%	\$ (72,955)	\$ (232,112)	\$ 45,113,631	
24	2031	\$ -	\$ 1,901,015	\$ 45,005,238	\$ (75,144)	100.0%	\$ (75,144)	\$ (239,076)	\$ 46,592,033	
25	2032	\$ -	\$ 1,970,655	\$ 46,472,196	\$ (77,398)	100.0%	\$ (77,398)	\$ (246,248)	\$ 48,119,205	
26	2033	\$ -	\$ 2,043,142	\$ 47,987,029	\$ (79,720)	100.0%	\$ (79,720)	\$ (253,635)	\$ 49,696,816	
27	2034	\$ -	\$ 2,118,602	\$ 56,442,559	\$ (82,112)	100.0%	\$ (82,112)	\$ (261,244)	\$ 58,217,806	
28	2035	\$ -	\$ 2,197,168	\$ 55,167,013	\$ (84,575)	100.0%	\$ (84,575)	\$ (269,082)	\$ 57,010,525	
29	2036	\$ -	\$ 2,278,978	\$ 57,046,443	\$ (87,112)	100.0%	\$ (87,112)	\$ (277,154)	\$ 58,961,155	
30	2037	\$ -	\$ 2,364,178	\$ 58,988,225	\$ (89,725)	100.0%	\$ (89,725)	\$ (285,469)	\$ 60,977,209	
31	2038	\$ -	\$ 2,452,918	\$ 60,994,521	\$ (92,417)	100.0%	\$ (92,417)	\$ (294,033)	\$ 63,060,989	
32	2039	\$ -	\$ 2,545,359	\$ 62,987,273	\$ (95,190)	100.0%	\$ (95,190)	\$ (302,854)	\$ 65,134,588	
33	2040	\$ -	\$ 2,641,667	\$ 65,127,385	\$ (98,045)	100.0%	\$ (98,045)	\$ (311,939)	\$ 67,359,067	
34	2041	\$ -	\$ 2,742,016	\$ 67,338,925	\$ (100,987)	100.0%	\$ (100,987)	\$ (321,298)	\$ 69,658,657	
35	2042	\$ -	\$ 2,846,590	\$ 69,624,386	\$ (104,016)	100.0%	\$ (104,016)	\$ (330,937)	\$ 72,036,022	
36	2043	\$ -	\$ 2,955,579	\$ 21,242,816	\$ (107,137)	100.0%	\$ (107,137)	\$ (340,865)	\$ 23,750,393	
37	2044	\$ -	\$ 3,069,183	\$ 32,276,837	\$ (110,351)	100.0%	\$ (110,351)	\$ (351,091)	\$ 34,884,579	
38	2045	\$ -	\$ 3,187,614	\$ 29,167,118	\$ (113,662)	100.0%	\$ (113,662)	\$ (361,623)	\$ 31,879,447	
39	2046	\$ -	\$ 3,311,091	\$ 30,530,902	\$ (117,071)	100.0%	\$ (117,071)	\$ (372,472)	\$ 33,352,449	
40	2047	\$ -	\$ 3,439,843	\$ 31,947,514	\$ (120,584)	100.0%	\$ (120,584)	\$ (383,646)	\$ 34,883,127	
41	2048	\$ -	\$ 3,574,114	\$ 33,419,142	\$ (124,201)	100.0%	\$ (124,201)	\$ (395,156)	\$ 36,473,899	
42	2049	\$ -	\$ 3,714,154	\$ 34,825,271	\$ (127,927)	100.0%	\$ (127,927)	\$ (407,010)	\$ 38,004,488	
43	2050	\$ -	\$ 3,860,230	\$ 36,410,812	\$ (131,765)	100.0%	\$ (131,765)	\$ (419,221)	\$ 39,720,057	
44	2051	\$ -	\$ 4,012,620	\$ 38,058,447	\$ (135,718)	100.0%	\$ (135,718)	\$ (431,797)	\$ 41,503,551	
45	2052	\$ -	\$ 4,171,613	\$ 39,770,770	\$ (139,789)	100.0%	\$ (139,789)	\$ (444,751)	\$ 43,357,842	
46	2053	\$ -	\$ 4,337,515	\$ 41,550,490	\$ (143,983)	100.0%	\$ (143,983)	\$ (458,094)	\$ 45,285,928	
47	2054	\$ -	\$ 4,510,644	\$ 57,955,109	\$ (148,303)	100.0%	\$ (148,303)	\$ (471,836)	\$ 61,845,615	
48	2055	\$ -	\$ 4,691,337	\$ 54,176,381	\$ (152,752)	100.0%	\$ (152,752)	\$ (485,991)	\$ 58,228,975	
49	2056	\$ -	\$ 4,879,944	\$ 56,821,958	\$ (157,334)	100.0%	\$ (157,334)	\$ (500,571)	\$ 61,043,996	
50	2057	\$ -	\$ 5,076,831	\$ 59,570,413	\$ (162,054)	100.0%	\$ (162,054)	\$ (515,588)	\$ 63,969,602	
Nominal Sum		\$ 92,441,192	\$ 115,979,208	\$ 1,870,963,775	\$ (4,092,562)			\$ (12,783,949)	\$ 2,062,507,664	
NPV @ 5.25%		\$ 92,190,873	\$ 37,224,756	\$ 660,405,369	\$ (1,283,920)			\$ (3,852,840)	\$ 784,684,239	

(A) For the New City Hall, meeting space revenue is based on a percentage of revenue in the existing Concourse by applying the 9,200 SF of meeting space in Gensler's space projections divided by the 45,568 SF of meeting space in the existing Concourse. Please see the worksheet herein for the calculations and Appendix A, Financial Analysis Source Documents, for detailed information. Meeting space revenue starts 9/1/14, concurrent with occupancy of the City Hall Building (assumes the meeting space is in that building, rather than the City Office Facility which would be completed 1/1/13).

Hines Tax Exempt "B"

Year	Existing Occupancy Costs	Relocate Library & Publishing	Hines Tax Exempt "B"	Retail Sales Tax Generated (escalating) 3.0%	Probability Quotient	Revenue Credit	12/15/08 Adjustments - Meeting Revenue (A)	Total
1	2008	\$ 15,283,648	\$ -	\$ -	-	\$ -	\$ -	\$ 15,283,648
2	2009	\$ 15,928,002	\$ 1,292,800	\$ -	-	\$ -	\$ -	\$ 17,220,802
3	2010	\$ 14,485,517	\$ 922,680	\$ -	-	\$ -	\$ -	\$ 15,408,197
4	2011	\$ 15,093,221	\$ 953,685	\$ -	-	\$ -	\$ -	\$ 16,046,906
5	2012	\$ 15,723,132	\$ 985,862	\$ -	-	\$ -	\$ -	\$ 16,708,994
6	2013	\$ 10,909,370	\$ 1,019,260	\$ 18,882,565	\$ (44,139)	100.0%	\$ (44,139)	\$ 30,767,056
7	2014	\$ 5,018,303	\$ 1,053,931	\$ 20,602,083	\$ (45,463)	100.0%	\$ (45,463)	\$ 26,580,639
8	2015	\$ -	\$ 1,089,928	\$ 24,411,022	\$ (46,827)	100.0%	\$ (46,827)	\$ 25,305,139
9	2016	\$ -	\$ 1,127,307	\$ 25,180,684	\$ (48,232)	100.0%	\$ (48,232)	\$ 26,106,306
10	2017	\$ -	\$ 1,166,128	\$ 25,974,898	\$ (49,679)	100.0%	\$ (49,679)	\$ 26,933,290
11	2018	\$ -	\$ 1,206,450	\$ 26,794,459	\$ (51,169)	100.0%	\$ (51,169)	\$ 27,786,941
12	2019	\$ -	\$ 1,248,340	\$ 27,689,619	\$ (52,704)	100.0%	\$ (52,704)	\$ 28,717,571
13	2020	\$ -	\$ 1,291,863	\$ 28,563,597	\$ (54,285)	100.0%	\$ (54,285)	\$ 29,628,461
14	2021	\$ -	\$ 1,337,089	\$ 29,465,495	\$ (55,914)	100.0%	\$ (55,914)	\$ 30,568,776
15	2022	\$ -	\$ 1,384,093	\$ 30,396,219	\$ (57,591)	100.0%	\$ (57,591)	\$ 31,539,490
16	2023	\$ -	\$ 1,432,951	\$ 31,356,704	\$ (59,319)	100.0%	\$ (59,319)	\$ 32,541,607
17	2024	\$ -	\$ 1,483,743	\$ 32,348,267	\$ (61,099)	100.0%	\$ (61,099)	\$ 33,228,521
18	2025	\$ -	\$ 1,536,553	\$ 33,379,274	\$ (62,932)	100.0%	\$ (62,932)	\$ 34,222,674
19	2026	\$ -	\$ 1,591,470	\$ 34,449,444	\$ (64,820)	100.0%	\$ (64,820)	\$ 35,253,865
20	2027	\$ -	\$ 1,648,584	\$ 35,560,821	\$ (66,764)	100.0%	\$ (66,764)	\$ 36,317,226
21	2028	\$ -	\$ 1,707,993	\$ 36,715,686	\$ (68,767)	100.0%	\$ (68,767)	\$ 37,404,124
22	2029	\$ -	\$ 1,769,796	\$ 37,912,859	\$ (70,830)	100.0%	\$ (70,830)	\$ 38,515,474
23	2030	\$ -	\$ 1,834,100	\$ 39,160,403	\$ (72,955)	100.0%	\$ (72,955)	\$ 39,645,436
24	2031	\$ -	\$ 1,901,015	\$ 40,460,513	\$ (75,144)	100.0%	\$ (75,144)	\$ 40,795,369
25	2032	\$ -	\$ 1,970,655	\$ 41,813,653	\$ (77,398)	100.0%	\$ (77,398)	\$ 41,967,961
26	2033	\$ -	\$ 2,043,142	\$ 43,220,342	\$ (79,720)	100.0%	\$ (79,720)	\$ 43,168,242
27	2034	\$ -	\$ 2,118,602	\$ 44,684,362	\$ (82,112)	100.0%	\$ (82,112)	\$ 44,386,130
28	2035	\$ -	\$ 2,197,168	\$ 46,200,897	\$ (84,575)	100.0%	\$ (84,575)	\$ 45,628,455
29	2036	\$ -	\$ 2,278,978	\$ 47,774,958	\$ (87,112)	100.0%	\$ (87,112)	\$ 46,887,846
30	2037	\$ -	\$ 2,364,178	\$ 49,404,876	\$ (89,725)	100.0%	\$ (89,725)	\$ 48,157,129
31	2038	\$ -	\$ 2,452,918	\$ 51,097,766	\$ (92,417)	100.0%	\$ (92,417)	\$ 49,442,354
32	2039	\$ -	\$ 2,545,359	\$ 52,853,526	\$ (95,190)	100.0%	\$ (95,190)	\$ 50,737,334
33	2040	\$ -	\$ 2,641,667	\$ 54,672,673	\$ (98,045)	100.0%	\$ (98,045)	\$ 52,049,388
34	2041	\$ -	\$ 2,742,016	\$ 56,555,240	\$ (100,987)	100.0%	\$ (100,987)	\$ 53,378,351
35	2042	\$ -	\$ 2,846,590	\$ 58,502,651	\$ (104,016)	100.0%	\$ (104,016)	\$ 54,724,335
36	2043	\$ -	\$ 2,955,579	\$ 60,516,658	\$ (107,137)	100.0%	\$ (107,137)	\$ 56,097,228
37	2044	\$ -	\$ 3,069,183	\$ 62,600,004	\$ (110,351)	100.0%	\$ (110,351)	\$ 57,496,653
38	2045	\$ -	\$ 3,187,614	\$ 64,765,658	\$ (113,662)	100.0%	\$ (113,662)	\$ 58,923,011
39	2046	\$ -	\$ 3,311,091	\$ 67,016,799	\$ (117,071)	100.0%	\$ (117,071)	\$ 60,376,720
40	2047	\$ -	\$ 3,439,843	\$ 69,357,682	\$ (120,584)	100.0%	\$ (120,584)	\$ 61,856,096
41	2048	\$ -	\$ 3,574,114	\$ 71,793,158	\$ (124,201)	100.0%	\$ (124,201)	\$ 63,351,955
42	2049	\$ -	\$ 3,714,154	\$ 74,328,777	\$ (127,927)	100.0%	\$ (127,927)	\$ 64,874,052
43	2050	\$ -	\$ 3,860,230	\$ 76,969,991	\$ (131,765)	100.0%	\$ (131,765)	\$ 66,422,287
44	2051	\$ -	\$ 4,012,620	\$ 79,722,153	\$ (135,718)	100.0%	\$ (135,718)	\$ 67,996,569
45	2052	\$ -	\$ 4,171,613	\$ 82,591,734	\$ (139,789)	100.0%	\$ (139,789)	\$ 69,596,945
46	2053	\$ -	\$ 4,337,515	\$ 85,584,811	\$ (143,983)	100.0%	\$ (143,983)	\$ 71,212,962
47	2054	\$ -	\$ 4,510,644	\$ 88,708,803	\$ (148,303)	100.0%	\$ (148,303)	\$ 72,844,500
48	2055	\$ -	\$ 4,691,337	\$ 91,970,559	\$ (152,752)	100.0%	\$ (152,752)	\$ 74,491,800
49	2056	\$ -	\$ 4,879,944	\$ 95,378,842	\$ (157,334)	100.0%	\$ (157,334)	\$ 76,154,500
50	2057	\$ -	\$ 5,076,831	\$ 98,932,403	\$ (162,054)	100.0%	\$ (162,054)	\$ 77,832,346
Nominal Sum	\$	92,441,192	115,979,208	1,829,721,588	(4,092,562)		(12,783,949)	2,021,265,477
NPV @ 5.25%	\$	92,190,873	37,224,756	641,500,350	(1,283,920)		(3,852,840)	765,779,220

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Hines Tax Exempt "C"

Year	Existing Occupancy Costs	Relocate Library & Publishing	Hines Tax Exempt "C"	Retail Sales Tax Generated (escalating) 3.0%	Probability Quotient	Revenue Credit	12/15/08 Adjustments - Meeting Revenue (A)	Total
1	2008	\$ 15,283,648	\$ -	\$ -	-	\$ -	\$ -	\$ 15,283,648
2	2009	\$ 15,928,002	\$ 1,292,800	\$ -	-	\$ -	\$ -	\$ 17,220,802
3	2010	\$ 14,485,517	\$ 922,680	\$ -	-	\$ -	\$ -	\$ 15,408,197
4	2011	\$ 15,093,221	\$ 953,685	\$ -	-	\$ -	\$ -	\$ 16,046,906
5	2012	\$ 15,723,132	\$ 985,862	\$ -	-	\$ -	\$ -	\$ 16,708,994
6	2013	\$ 10,909,370	\$ 1,019,260	\$ 18,931,846	\$ (44,139)	100.0%	\$ (44,139)	\$ 30,816,337
7	2014	\$ 5,018,303	\$ 1,053,931	\$ 20,656,251	\$ (45,463)	100.0%	\$ (45,463)	\$ 26,634,807
8	2015	\$ -	\$ 1,089,928	\$ 24,473,830	\$ (46,827)	100.0%	\$ (46,827)	\$ 25,367,947
9	2016	\$ -	\$ 1,127,307	\$ 25,245,387	\$ (48,232)	100.0%	\$ (48,232)	\$ 26,171,008
10	2017	\$ -	\$ 1,166,128	\$ 26,041,553	\$ (49,679)	100.0%	\$ (49,679)	\$ 26,999,945
11	2018	\$ -	\$ 1,206,450	\$ 26,863,125	\$ (51,169)	100.0%	\$ (51,169)	\$ 27,855,608
12	2019	\$ -	\$ 1,248,340	\$ 27,760,358	\$ (52,704)	100.0%	\$ (52,704)	\$ 28,788,311
13	2020	\$ -	\$ 1,291,863	\$ 28,636,471	\$ (54,285)	100.0%	\$ (54,285)	\$ 29,701,335
14	2021	\$ -	\$ 1,337,089	\$ 29,540,569	\$ (55,914)	100.0%	\$ (55,914)	\$ 30,643,850
15	2022	\$ -	\$ 1,384,093	\$ 30,473,559	\$ (57,591)	100.0%	\$ (57,591)	\$ 31,616,830
16	2023	\$ -	\$ 1,432,951	\$ 31,436,379	\$ (59,319)	100.0%	\$ (59,319)	\$ 32,621,282
17	2024	\$ -	\$ 1,483,743	\$ 32,432,347	\$ (61,099)	100.0%	\$ (61,099)	\$ 33,310,601
18	2025	\$ -	\$ 1,536,553	\$ 33,464,832	\$ (62,932)	100.0%	\$ (62,932)	\$ 34,043,232
19	2026	\$ -	\$ 1,591,470	\$ 34,539,555	\$ (64,820)	100.0%	\$ (64,820)	\$ 34,817,976
20	2027	\$ -	\$ 1,648,584	\$ 35,663,563	\$ (66,764)	100.0%	\$ (66,764)	\$ 35,626,563
21	2028	\$ -	\$ 1,707,993	\$ 36,836,137	\$ (68,767)	100.0%	\$ (68,767)	\$ 36,477,613
22	2029	\$ -	\$ 1,769,796	\$ 38,063,102	\$ (70,830)	100.0%	\$ (70,830)	\$ 37,366,272
23	2030	\$ -	\$ 1,834,100	\$ 39,341,522	\$ (72,955)	100.0%	\$ (72,955)	\$ 38,293,567
24	2031	\$ -	\$ 1,901,015	\$ 40,679,595	\$ (75,144)	100.0%	\$ (75,144)	\$ 39,253,453
25	2032	\$ -	\$ 1,970,655	\$ 42,075,789	\$ (77,398)	100.0%	\$ (77,398)	\$ 40,245,391
26	2033	\$ -	\$ 2,043,142	\$ 43,527,624	\$ (79,720)	100.0%	\$ (79,720)	\$ 41,275,604
27	2034	\$ -	\$ 2,118,602	\$ 45,043,885	\$ (82,112)	100.0%	\$ (82,112)	\$ 42,341,670
28	2035	\$ -	\$ 2,197,168	\$ 46,624,758	\$ (84,575)	100.0%	\$ (84,575)	\$ 43,450,175
29	2036	\$ -	\$ 2,278,978	\$ 48,272,259	\$ (87,112)	100.0%	\$ (87,112)	\$ 44,605,143
30	2037	\$ -	\$ 2,364,178	\$ 49,987,721	\$ (89,725)	100.0%	\$ (89,725)	\$ 45,807,396
31	2038	\$ -	\$ 2,452,918	\$ 51,772,263	\$ (92,417)	100.0%	\$ (92,417)	\$ 47,056,846
32	2039	\$ -	\$ 2,545,359	\$ 53,628,146	\$ (95,190)	100.0%	\$ (95,190)	\$ 48,358,605
33	2040	\$ -	\$ 2,641,667	\$ 55,556,366	\$ (98,045)	100.0%	\$ (98,045)	\$ 49,709,626
34	2041	\$ -	\$ 2,742,016	\$ 57,558,367	\$ (100,987)	100.0%	\$ (100,987)	\$ 51,108,602
35	2042	\$ -	\$ 2,846,590	\$ 59,636,894	\$ (104,016)	100.0%	\$ (104,016)	\$ 52,550,882
36	2043	\$ -	\$ 2,955,579	\$ 61,793,757	\$ (107,137)	100.0%	\$ (107,137)	\$ 54,046,618
37	2044	\$ -	\$ 3,069,183	\$ 64,031,016	\$ (110,351)	100.0%	\$ (110,351)	\$ 55,597,316
38	2045	\$ -	\$ 3,187,614	\$ 66,351,464	\$ (113,662)	100.0%	\$ (113,662)	\$ 57,203,754
39	2046	\$ -	\$ 3,311,091	\$ 68,766,342	\$ (117,071)	100.0%	\$ (117,071)	\$ 58,866,683
40	2047	\$ -	\$ 3,439,843	\$ 71,269,971	\$ (120,584)	100.0%	\$ (120,584)	\$ 60,586,389
41	2048	\$ -	\$ 3,574,114	\$ 73,865,538	\$ (124,201)	100.0%	\$ (124,201)	\$ 62,362,188
42	2049	\$ -	\$ 3,714,154	\$ 76,558,522	\$ (127,927)	100.0%	\$ (127,927)	\$ 64,194,191
43	2050	\$ -	\$ 3,860,230	\$ 79,354,833	\$ (131,765)	100.0%	\$ (131,765)	\$ 66,072,426
44	2051	\$ -	\$ 4,012,620	\$ 82,260,149	\$ (135,718)	100.0%	\$ (135,718)	\$ 67,996,708
45	2052	\$ -	\$ 4,171,613	\$ 85,281,061	\$ (139,789)	100.0%	\$ (139,789)	\$ 69,966,271
46	2053	\$ -	\$ 4,337,515	\$ 88,423,272	\$ (143,983)	100.0%	\$ (143,983)	\$ 71,982,288
47	2054	\$ -	\$ 4,510,644	\$ 91,693,283	\$ (148,303)	100.0%	\$ (148,303)	\$ 74,043,985
48	2055	\$ -	\$ 4,691,337	\$ 95,098,842	\$ (152,752)	100.0%	\$ (152,752)	\$ 76,151,090
49	2056	\$ -	\$ 4,879,944	\$ 98,645,597	\$ (157,334)	100.0%	\$ (157,334)	\$ 78,303,256
50	2057	\$ -	\$ 5,076,831	\$ 102,341,117	\$ (162,054)	100.0%	\$ (162,054)	\$ 80,507,202
Nominal Sum		\$ 92,441,192	\$ 115,979,208	\$ 1,832,595,237	\$ (4,092,562)		\$ (12,783,949)	\$ 2,024,139,126
NPV @ 5.25%		\$ 92,190,873	\$ 37,224,756	\$ 642,817,603	\$ (1,283,920)		\$ (3,852,840)	\$ 767,096,473

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Hines Credit Tenant Lease (CTL) - Pre Construction

Year	Existing Occupancy Costs	Relocate Library & Publishing	Hines CTL Pre Const.	Retail Sales Tax Generated (escalating) 3.0%	Probability Quotient	Revenue Credit	12/15/08 Adjustments - Meeting Revenue (A)	Total
1	2008	\$ 15,283,648	\$ -	\$ -	-	\$ -	-	\$ 15,283,648
2	2009	\$ 15,928,002	\$ 1,292,800	\$ -	-	\$ -	-	\$ 17,220,802
3	2010	\$ 14,485,517	\$ 922,680	\$ -	-	\$ -	-	\$ 15,408,197
4	2011	\$ 15,093,221	\$ 953,685	\$ -	-	\$ -	-	\$ 16,046,906
5	2012	\$ 15,723,132	\$ 985,862	\$ -	-	\$ -	-	\$ 16,708,994
6	2013	\$ 10,909,370	\$ 1,019,260	\$ 25,959,793	\$ (44,139)	100.0%	\$ (44,139)	\$ 37,844,284
7	2014	\$ 5,018,303	\$ 1,053,931	\$ 28,507,340	\$ (45,463)	100.0%	\$ (45,463)	\$ 34,485,895
8	2015	\$ -	\$ 1,089,928	\$ 33,724,163	\$ (46,827)	100.0%	\$ (46,827)	\$ 34,618,280
9	2016	\$ -	\$ 1,127,307	\$ 34,926,978	\$ (48,232)	100.0%	\$ (48,232)	\$ 35,852,600
10	2017	\$ -	\$ 1,166,128	\$ 36,172,728	\$ (49,679)	100.0%	\$ (49,679)	\$ 37,131,120
11	2018	\$ -	\$ 1,206,450	\$ 37,462,949	\$ (51,169)	100.0%	\$ (51,169)	\$ 38,455,431
12	2019	\$ -	\$ 1,248,340	\$ 38,848,662	\$ (52,704)	100.0%	\$ (52,704)	\$ 39,876,615
13	2020	\$ -	\$ 1,291,863	\$ 40,233,886	\$ (54,285)	100.0%	\$ (54,285)	\$ 41,298,750
14	2021	\$ -	\$ 1,337,089	\$ 41,668,552	\$ (55,914)	100.0%	\$ (55,914)	\$ 42,771,833
15	2022	\$ -	\$ 1,384,093	\$ 43,154,429	\$ (57,591)	100.0%	\$ (57,591)	\$ 44,297,699
16	2023	\$ -	\$ 1,432,951	\$ 44,693,347	\$ (59,319)	100.0%	\$ (59,319)	\$ 45,878,251
17	2024	\$ -	\$ 1,483,743	\$ 50,939,555	\$ (61,099)	100.0%	\$ (61,099)	\$ 52,167,809
18	2025	\$ -	\$ 1,536,553	\$ 50,526,387	\$ (62,932)	100.0%	\$ (62,932)	\$ 51,799,786
19	2026	\$ -	\$ 1,591,470	\$ 52,355,563	\$ (64,820)	100.0%	\$ (64,820)	\$ 53,675,984
20	2027	\$ -	\$ 1,648,584	\$ 54,250,172	\$ (66,764)	100.0%	\$ (66,764)	\$ 55,619,577
21	2028	\$ -	\$ 1,707,993	\$ 56,212,578	\$ (68,767)	100.0%	\$ (68,767)	\$ 57,633,016
22	2029	\$ -	\$ 1,769,796	\$ 58,192,727	\$ (70,830)	100.0%	\$ (70,830)	\$ 59,666,341
23	2030	\$ -	\$ 1,834,100	\$ 60,296,849	\$ (72,955)	100.0%	\$ (72,955)	\$ 61,825,882
24	2031	\$ -	\$ 1,901,015	\$ 62,476,354	\$ (75,144)	100.0%	\$ (75,144)	\$ 64,063,150
25	2032	\$ -	\$ 1,970,655	\$ 64,733,968	\$ (77,398)	100.0%	\$ (77,398)	\$ 66,380,977
26	2033	\$ -	\$ 2,043,142	\$ 67,072,516	\$ (79,720)	100.0%	\$ (79,720)	\$ 68,782,303
27	2034	\$ -	\$ 2,118,602	\$ 76,386,141	\$ (82,112)	100.0%	\$ (82,112)	\$ 78,161,387
28	2035	\$ -	\$ 2,197,168	\$ 76,004,438	\$ (84,575)	100.0%	\$ (84,575)	\$ 77,847,950
29	2036	\$ -	\$ 2,278,978	\$ 78,814,885	\$ (87,112)	100.0%	\$ (87,112)	\$ 80,729,597
30	2037	\$ -	\$ 2,364,178	\$ 81,726,335	\$ (89,725)	100.0%	\$ (89,725)	\$ 83,715,318
31	2038	\$ -	\$ 2,452,918	\$ 84,742,484	\$ (92,417)	100.0%	\$ (92,417)	\$ 86,808,953
32	2039	\$ -	\$ 2,545,359	\$ 87,786,871	\$ (95,190)	100.0%	\$ (95,190)	\$ 89,934,187
33	2040	\$ -	\$ 2,641,667	\$ 91,022,055	\$ (98,045)	100.0%	\$ (98,045)	\$ 93,253,738
34	2041	\$ -	\$ 2,742,016	\$ 94,373,824	\$ (100,987)	100.0%	\$ (100,987)	\$ 96,693,556
35	2042	\$ -	\$ 2,846,590	\$ 97,846,455	\$ (104,016)	100.0%	\$ (104,016)	\$ 100,258,092
36	2043	\$ -	\$ 2,955,579	\$ 21,631,416	\$ (107,137)	100.0%	\$ (107,137)	\$ 24,138,993
37	2044	\$ -	\$ 3,069,183	\$ 32,680,981	\$ (110,351)	100.0%	\$ (110,351)	\$ 35,288,723
38	2045	\$ -	\$ 3,187,614	\$ 29,587,428	\$ (113,662)	100.0%	\$ (113,662)	\$ 32,299,757
39	2046	\$ -	\$ 3,311,091	\$ 30,968,024	\$ (117,071)	100.0%	\$ (117,071)	\$ 33,789,571
40	2047	\$ -	\$ 3,439,843	\$ 32,402,121	\$ (120,584)	100.0%	\$ (120,584)	\$ 35,337,734
41	2048	\$ -	\$ 3,574,114	\$ 33,891,933	\$ (124,201)	100.0%	\$ (124,201)	\$ 36,946,690
42	2049	\$ -	\$ 3,714,154	\$ 35,316,974	\$ (127,927)	100.0%	\$ (127,927)	\$ 38,496,191
43	2050	\$ -	\$ 3,860,230	\$ 36,922,183	\$ (131,765)	100.0%	\$ (131,765)	\$ 40,231,428
44	2051	\$ -	\$ 4,012,620	\$ 38,590,273	\$ (135,718)	100.0%	\$ (135,718)	\$ 42,035,377
45	2052	\$ -	\$ 4,171,613	\$ 40,323,869	\$ (139,789)	100.0%	\$ (139,789)	\$ 43,910,941
46	2053	\$ -	\$ 4,337,515	\$ 42,125,713	\$ (143,983)	100.0%	\$ (143,983)	\$ 45,861,151
47	2054	\$ -	\$ 4,510,644	\$ 58,553,341	\$ (148,303)	100.0%	\$ (148,303)	\$ 62,443,847
48	2055	\$ -	\$ 4,691,337	\$ 54,798,542	\$ (152,752)	100.0%	\$ (152,752)	\$ 58,851,136
49	2056	\$ -	\$ 4,879,944	\$ 57,469,005	\$ (157,334)	100.0%	\$ (157,334)	\$ 61,691,044
50	2057	\$ -	\$ 5,076,831	\$ 60,243,342	\$ (162,054)	100.0%	\$ (162,054)	\$ 64,642,531
Nominal Sum	\$	92,441,192	115,979,208	2,356,618,133	(4,092,562)		(12,783,949)	2,548,162,022
NPV @ 5.25%	\$	92,190,873	37,224,756	871,970,787	(1,283,920)		(3,852,840)	996,249,656

(A) For the New City Hall, meeting space revenue is based on a percentage of revenue in the existing Concourse by applying the 9,200 SF of meeting space in Gensler's space projections divided by the 45,568 SF of meeting space in the existing Concourse. Please see the worksheet herein for the calculations and Appendix A, Financial Analysis Source Documents, for detailed information. Meeting space revenue starts 9/1/14, concurrent with occupancy of the City Hall Building (assumes the meeting space is in that building, rather than the City Office Facility which would be completed 1/1/13).

Hines Credit Tenant Lease (CTL) - Post Construction

Year	Existing Occupancy Costs	Relocate Library & Publishing	Hines CTL Post Const.	Retail Sales Tax Generated (escalating) 3.0%	Probability Quotient	Revenue Credit	12/15/08 Adjustments - Meeting Revenue (A)	Total
1	2008	\$ 15,283,648	\$ -	\$ -	-	\$ -	\$ -	\$ 15,283,648
2	2009	\$ 15,928,002	\$ 1,292,800	\$ -	-	\$ -	\$ -	\$ 17,220,802
3	2010	\$ 14,485,517	\$ 922,680	\$ -	-	\$ -	\$ -	\$ 15,408,197
4	2011	\$ 15,093,221	\$ 953,685	\$ -	-	\$ -	\$ -	\$ 16,046,906
5	2012	\$ 15,723,132	\$ 985,862	\$ -	-	\$ -	\$ -	\$ 16,708,994
6	2013	\$ 10,909,370	\$ 1,019,260	\$ 22,763,130	\$ (44,139)	100.0%	\$ (44,139)	\$ 34,647,621
7	2014	\$ 5,018,303	\$ 1,053,931	\$ 24,976,926	\$ (45,463)	100.0%	\$ (45,463)	\$ 30,955,482
8	2015	\$ -	\$ 1,089,928	\$ 29,611,141	\$ (46,827)	100.0%	\$ (46,827)	\$ 30,505,258
9	2016	\$ -	\$ 1,127,307	\$ 30,669,651	\$ (48,232)	100.0%	\$ (48,232)	\$ 31,595,273
10	2017	\$ -	\$ 1,166,128	\$ 31,766,033	\$ (49,679)	100.0%	\$ (49,679)	\$ 32,724,424
11	2018	\$ -	\$ 1,206,450	\$ 32,901,642	\$ (51,169)	100.0%	\$ (51,169)	\$ 33,894,124
12	2019	\$ -	\$ 1,248,340	\$ 34,127,318	\$ (52,704)	100.0%	\$ (52,704)	\$ 35,155,270
13	2020	\$ -	\$ 1,291,863	\$ 35,346,886	\$ (54,285)	100.0%	\$ (54,285)	\$ 36,411,750
14	2021	\$ -	\$ 1,337,089	\$ 36,610,084	\$ (55,914)	100.0%	\$ (55,914)	\$ 37,713,364
15	2022	\$ -	\$ 1,384,093	\$ 37,918,473	\$ (57,591)	100.0%	\$ (57,591)	\$ 39,061,744
16	2023	\$ -	\$ 1,432,951	\$ 39,273,674	\$ (59,319)	100.0%	\$ (59,319)	\$ 40,458,578
17	2024	\$ -	\$ 1,483,743	\$ 40,677,917	\$ (61,099)	100.0%	\$ (61,099)	\$ 41,917,917
18	2025	\$ -	\$ 1,536,553	\$ 42,134,470	\$ (62,932)	100.0%	\$ (62,932)	\$ 43,441,540
19	2026	\$ -	\$ 1,591,470	\$ 43,645,940	\$ (64,820)	100.0%	\$ (64,820)	\$ 45,020,120
20	2027	\$ -	\$ 1,648,584	\$ 45,214,524	\$ (66,764)	100.0%	\$ (66,764)	\$ 46,666,760
21	2028	\$ -	\$ 1,707,993	\$ 46,842,517	\$ (68,767)	100.0%	\$ (68,767)	\$ 48,384,750
22	2029	\$ -	\$ 1,769,796	\$ 48,532,313	\$ (70,830)	100.0%	\$ (70,830)	\$ 50,183,483
23	2030	\$ -	\$ 1,834,100	\$ 50,284,413	\$ (72,955)	100.0%	\$ (72,955)	\$ 52,070,428
24	2031	\$ -	\$ 1,901,015	\$ 52,099,828	\$ (75,144)	100.0%	\$ (75,144)	\$ 54,068,684
25	2032	\$ -	\$ 1,970,655	\$ 53,980,683	\$ (77,398)	100.0%	\$ (77,398)	\$ 56,178,285
26	2033	\$ -	\$ 2,043,142	\$ 55,928,088	\$ (79,720)	100.0%	\$ (79,720)	\$ 58,400,368
27	2034	\$ -	\$ 2,118,602	\$ 57,942,790	\$ (82,112)	100.0%	\$ (82,112)	\$ 60,740,676
28	2035	\$ -	\$ 2,197,168	\$ 59,029,928	\$ (84,575)	100.0%	\$ (84,575)	\$ 63,207,353
29	2036	\$ -	\$ 2,278,978	\$ 60,288,907	\$ (87,112)	100.0%	\$ (87,112)	\$ 65,817,895
30	2037	\$ -	\$ 2,364,178	\$ 61,723,085	\$ (89,725)	100.0%	\$ (89,725)	\$ 68,573,360
31	2038	\$ -	\$ 2,452,918	\$ 63,336,003	\$ (92,417)	100.0%	\$ (92,417)	\$ 71,476,586
32	2039	\$ -	\$ 2,545,359	\$ 65,129,362	\$ (95,190)	100.0%	\$ (95,190)	\$ 74,531,172
33	2040	\$ -	\$ 2,641,667	\$ 67,115,149	\$ (98,045)	100.0%	\$ (98,045)	\$ 78,158,104
34	2041	\$ -	\$ 2,742,016	\$ 69,305,365	\$ (100,987)	100.0%	\$ (100,987)	\$ 82,396,377
35	2042	\$ -	\$ 2,846,590	\$ 71,711,955	\$ (104,016)	100.0%	\$ (104,016)	\$ 87,252,941
36	2043	\$ -	\$ 2,955,579	\$ 74,348,534	\$ (107,137)	100.0%	\$ (107,137)	\$ 92,745,397
37	2044	\$ -	\$ 3,069,183	\$ 77,229,717	\$ (110,351)	100.0%	\$ (110,351)	\$ 98,894,366
38	2045	\$ -	\$ 3,187,614	\$ 80,368,301	\$ (113,662)	100.0%	\$ (113,662)	\$ 105,730,634
39	2046	\$ -	\$ 3,311,091	\$ 83,777,292	\$ (117,071)	100.0%	\$ (117,071)	\$ 113,322,613
40	2047	\$ -	\$ 3,439,843	\$ 87,469,635	\$ (120,584)	100.0%	\$ (120,584)	\$ 121,782,051
41	2048	\$ -	\$ 3,574,114	\$ 91,458,329	\$ (124,201)	100.0%	\$ (124,201)	\$ 131,138,124
42	2049	\$ -	\$ 3,714,154	\$ 95,756,483	\$ (127,927)	100.0%	\$ (127,927)	\$ 141,520,557
43	2050	\$ -	\$ 3,860,230	\$ 100,378,713	\$ (131,765)	100.0%	\$ (131,765)	\$ 152,948,947
44	2051	\$ -	\$ 4,012,620	\$ 105,336,333	\$ (135,718)	100.0%	\$ (135,718)	\$ 165,500,507
45	2052	\$ -	\$ 4,171,613	\$ 110,644,946	\$ (139,789)	100.0%	\$ (139,789)	\$ 179,255,157
46	2053	\$ -	\$ 4,337,515	\$ 116,408,461	\$ (143,983)	100.0%	\$ (143,983)	\$ 194,327,674
47	2054	\$ -	\$ 4,510,644	\$ 122,644,805	\$ (148,303)	100.0%	\$ (148,303)	\$ 210,819,101
48	2055	\$ -	\$ 4,691,337	\$ 129,371,142	\$ (152,752)	100.0%	\$ (152,752)	\$ 228,768,390
49	2056	\$ -	\$ 4,879,944	\$ 136,607,486	\$ (157,334)	100.0%	\$ (157,334)	\$ 248,230,442
50	2057	\$ -	\$ 5,076,831	\$ 144,363,717	\$ (162,054)	100.0%	\$ (162,054)	\$ 269,737,111
Nominal Sum		\$ 92,441,192	\$ 115,979,208	\$ 2,155,055,203	\$ (4,092,562)		\$ (12,783,949)	\$ 2,346,599,093
NPV @ 5.25%		\$ 92,190,873	\$ 37,224,756	\$ 781,043,554	\$ (1,283,920)		\$ (3,852,840)	\$ 905,322,424

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Hines - Traditional Financing

Year	Existing Occupancy Costs	Relocate Library & Publishing	Hines Traditional	Retail Sales Tax Generated (escalating) 3.0%	Probability Quotient	Revenue Credit	12/15/08 Adjustments - Meeting Revenue (A)	Total
1	2008	\$ 15,283,648	\$ -	\$ -	-	\$ -	-	\$ 15,283,648
2	2009	\$ 15,928,002	\$ 1,292,800	\$ -	-	\$ -	-	\$ 17,220,802
3	2010	\$ 14,485,517	\$ 922,680	\$ -	-	\$ -	-	\$ 15,408,197
4	2011	\$ 15,093,221	\$ 953,685	\$ -	-	\$ -	-	\$ 16,046,906
5	2012	\$ 15,723,132	\$ 985,862	\$ -	-	\$ -	-	\$ 16,708,994
6	2013	\$ 10,909,370	\$ 1,019,260	\$ 23,567,659	\$ (44,139)	100.0%	\$ (44,139)	\$ 35,452,150
7	2014	\$ 5,018,303	\$ 1,053,931	\$ 25,979,226	\$ (45,463)	100.0%	\$ (45,463)	\$ 31,957,782
8	2015	\$ -	\$ 1,089,928	\$ 30,912,013	\$ (46,827)	100.0%	\$ (46,827)	\$ 31,806,130
9	2016	\$ -	\$ 1,127,307	\$ 32,154,646	\$ (48,232)	100.0%	\$ (48,232)	\$ 33,080,268
10	2017	\$ -	\$ 1,166,128	\$ 33,447,139	\$ (49,679)	100.0%	\$ (49,679)	\$ 34,405,530
11	2018	\$ -	\$ 1,206,450	\$ 34,791,489	\$ (51,169)	100.0%	\$ (51,169)	\$ 35,783,971
12	2019	\$ -	\$ 1,248,340	\$ 36,239,207	\$ (52,704)	100.0%	\$ (52,704)	\$ 37,267,159
13	2020	\$ -	\$ 1,291,863	\$ 37,694,825	\$ (54,285)	100.0%	\$ (54,285)	\$ 38,759,689
14	2021	\$ -	\$ 1,337,089	\$ 39,208,819	\$ (55,914)	100.0%	\$ (55,914)	\$ 40,312,100
15	2022	\$ -	\$ 1,384,093	\$ 40,783,529	\$ (57,591)	100.0%	\$ (57,591)	\$ 41,926,799
16	2023	\$ -	\$ 1,432,951	\$ 42,421,385	\$ (59,319)	100.0%	\$ (59,319)	\$ 43,606,288
17	2024	\$ -	\$ 1,483,743	\$ 44,121,271	\$ (61,099)	100.0%	\$ (61,099)	\$ 45,366,270
18	2025	\$ -	\$ 1,536,553	\$ 45,885,187	\$ (62,932)	100.0%	\$ (62,932)	\$ 47,197,255
19	2026	\$ -	\$ 1,591,470	\$ 47,703,756	\$ (64,820)	100.0%	\$ (64,820)	\$ 49,097,936
20	2027	\$ -	\$ 1,648,584	\$ 49,583,240	\$ (66,764)	100.0%	\$ (66,764)	\$ 51,063,476
21	2028	\$ -	\$ 1,707,993	\$ 51,523,753	\$ (68,767)	100.0%	\$ (68,767)	\$ 53,095,986
22	2029	\$ -	\$ 1,769,796	\$ 53,535,509	\$ (70,830)	100.0%	\$ (70,830)	\$ 55,195,679
23	2030	\$ -	\$ 1,834,100	\$ 55,619,619	\$ (72,955)	100.0%	\$ (72,955)	\$ 57,366,669
24	2031	\$ -	\$ 1,901,015	\$ 57,777,184	\$ (75,144)	100.0%	\$ (75,144)	\$ 59,601,040
25	2032	\$ -	\$ 1,970,655	\$ 60,009,239	\$ (77,398)	100.0%	\$ (77,398)	\$ 61,903,642
26	2033	\$ -	\$ 2,043,142	\$ 62,327,881	\$ (79,720)	100.0%	\$ (79,720)	\$ 64,278,161
27	2034	\$ -	\$ 2,118,602	\$ 64,733,113	\$ (82,112)	100.0%	\$ (82,112)	\$ 66,723,001
28	2035	\$ -	\$ 2,197,168	\$ 67,226,041	\$ (84,575)	100.0%	\$ (84,575)	\$ 69,248,466
29	2036	\$ -	\$ 2,278,978	\$ 69,807,569	\$ (87,112)	100.0%	\$ (87,112)	\$ 71,850,457
30	2037	\$ -	\$ 2,364,178	\$ 72,477,707	\$ (89,725)	100.0%	\$ (89,725)	\$ 74,527,982
31	2038	\$ -	\$ 2,452,918	\$ 75,237,625	\$ (92,417)	100.0%	\$ (92,417)	\$ 77,275,208
32	2039	\$ -	\$ 2,545,359	\$ 78,087,934	\$ (95,190)	100.0%	\$ (95,190)	\$ 80,092,744
33	2040	\$ -	\$ 2,641,667	\$ 81,029,641	\$ (98,045)	100.0%	\$ (98,045)	\$ 82,971,596
34	2041	\$ -	\$ 2,742,016	\$ 84,063,757	\$ (100,987)	100.0%	\$ (100,987)	\$ 85,912,770
35	2042	\$ -	\$ 2,846,590	\$ 87,190,283	\$ (104,016)	100.0%	\$ (104,016)	\$ 88,918,764
36	2043	\$ -	\$ 2,955,579	\$ 90,411,212	\$ (107,137)	100.0%	\$ (107,137)	\$ 91,984,075
37	2044	\$ -	\$ 3,069,183	\$ 93,727,645	\$ (110,351)	100.0%	\$ (110,351)	\$ 95,103,294
38	2045	\$ -	\$ 3,187,614	\$ 97,140,089	\$ (113,662)	100.0%	\$ (113,662)	\$ 98,286,427
39	2046	\$ -	\$ 3,311,091	\$ 100,659,552	\$ (117,071)	100.0%	\$ (117,071)	\$ 101,522,481
40	2047	\$ -	\$ 3,439,843	\$ 104,286,045	\$ (120,584)	100.0%	\$ (120,584)	\$ 104,811,901
41	2048	\$ -	\$ 3,574,114	\$ 108,020,569	\$ (124,201)	100.0%	\$ (124,201)	\$ 108,167,368
42	2049	\$ -	\$ 3,714,154	\$ 111,863,134	\$ (127,927)	100.0%	\$ (127,927)	\$ 111,589,441
43	2050	\$ -	\$ 3,860,230	\$ 115,814,850	\$ (131,765)	100.0%	\$ (131,765)	\$ 115,077,086
44	2051	\$ -	\$ 4,012,620	\$ 120,877,620	\$ (135,718)	100.0%	\$ (135,718)	\$ 118,711,368
45	2052	\$ -	\$ 4,171,613	\$ 126,053,453	\$ (139,789)	100.0%	\$ (139,789)	\$ 122,403,664
46	2053	\$ -	\$ 4,337,515	\$ 131,345,268	\$ (143,983)	100.0%	\$ (143,983)	\$ 126,151,281
47	2054	\$ -	\$ 4,510,644	\$ 136,756,072	\$ (148,303)	100.0%	\$ (148,303)	\$ 130,052,978
48	2055	\$ -	\$ 4,691,337	\$ 142,286,865	\$ (152,752)	100.0%	\$ (152,752)	\$ 134,004,113
49	2056	\$ -	\$ 4,879,944	\$ 147,936,809	\$ (157,334)	100.0%	\$ (157,334)	\$ 138,009,479
50	2057	\$ -	\$ 5,076,831	\$ 153,706,000	\$ (162,054)	100.0%	\$ (162,054)	\$ 142,063,745
Nominal Sum		\$ 92,441,192	\$ 115,979,208	\$ 2,319,388,258	\$ (4,092,562)		\$ (12,783,949)	\$ 2,510,932,147
NPV @ 5.25%		\$ 92,190,873	\$ 37,224,756	\$ 844,520,137	\$ (1,283,920)		\$ (3,852,840)	\$ 968,799,007

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Hines - REIT

Year	Existing Occupancy Costs	Relocate Library & Publishing	Hines REIT	Retail Sales Tax Generated (escalating) 3.0%	Probability Quotient	Revenue Credit	12/15/08 Adjustments - Meeting Revenue (A)	Total
1	2008	\$ 15,283,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,283,648
2	2009	\$ 15,928,002	\$ 1,292,800	\$ -	\$ -	\$ -	\$ -	\$ 17,220,802
3	2010	\$ 14,485,517	\$ 922,680	\$ -	\$ -	\$ -	\$ -	\$ 15,408,197
4	2011	\$ 15,093,221	\$ 953,685	\$ -	\$ -	\$ -	\$ -	\$ 16,046,906
5	2012	\$ 15,723,132	\$ 985,862	\$ -	\$ -	\$ -	\$ -	\$ 16,708,994
6	2013	\$ 10,909,370	\$ 1,019,260	\$ 26,000,586	\$ (44,139)	\$ (44,139)	\$ -	\$ 37,885,077
7	2014	\$ 5,018,303	\$ 1,053,931	\$ 28,489,163	\$ (45,463)	\$ (45,463)	\$ (48,215)	\$ 34,467,719
8	2015	\$ -	\$ 1,089,928	\$ 33,629,515	\$ (46,827)	\$ (46,827)	\$ (148,984)	\$ 34,523,632
9	2016	\$ -	\$ 1,127,307	\$ 34,753,155	\$ (48,232)	\$ (48,232)	\$ (153,454)	\$ 35,678,777
10	2017	\$ -	\$ 1,166,128	\$ 35,914,494	\$ (49,679)	\$ (49,679)	\$ (158,057)	\$ 36,872,886
11	2018	\$ -	\$ 1,206,450	\$ 37,114,804	\$ (51,169)	\$ (51,169)	\$ (162,799)	\$ 38,107,286
12	2019	\$ -	\$ 1,248,340	\$ 38,404,832	\$ (52,704)	\$ (52,704)	\$ (167,683)	\$ 39,432,784
13	2020	\$ -	\$ 1,291,863	\$ 39,688,307	\$ (54,285)	\$ (54,285)	\$ (172,713)	\$ 40,753,171
14	2021	\$ -	\$ 1,337,089	\$ 41,014,862	\$ (55,914)	\$ (55,914)	\$ (177,895)	\$ 42,118,143
15	2022	\$ -	\$ 1,384,093	\$ 42,385,952	\$ (57,591)	\$ (57,591)	\$ (183,232)	\$ 43,529,222
16	2023	\$ -	\$ 1,432,951	\$ 43,803,078	\$ (59,319)	\$ (59,319)	\$ (188,728)	\$ 44,987,982
17	2024	\$ -	\$ 1,483,743	\$ 49,220,148	\$ (61,099)	\$ (61,099)	\$ (194,390)	\$ 51,148,402
18	2025	\$ -	\$ 1,536,553	\$ 49,370,137	\$ (62,932)	\$ (62,932)	\$ (200,222)	\$ 50,643,537
19	2026	\$ -	\$ 1,591,470	\$ 51,054,394	\$ (64,820)	\$ (64,820)	\$ (206,229)	\$ 52,374,816
20	2027	\$ -	\$ 1,648,584	\$ 52,795,619	\$ (66,764)	\$ (66,764)	\$ (212,416)	\$ 54,165,023
21	2028	\$ -	\$ 1,707,993	\$ 54,595,766	\$ (68,767)	\$ (68,767)	\$ (218,788)	\$ 56,016,204
22	2029	\$ -	\$ 1,769,796	\$ 56,404,359	\$ (70,830)	\$ (70,830)	\$ (225,352)	\$ 57,877,974
23	2030	\$ -	\$ 1,834,100	\$ 58,327,185	\$ (72,955)	\$ (72,955)	\$ (232,112)	\$ 59,856,218
24	2031	\$ -	\$ 1,901,015	\$ 60,315,191	\$ (75,144)	\$ (75,144)	\$ (239,076)	\$ 61,901,987
25	2032	\$ -	\$ 1,970,655	\$ 62,370,621	\$ (77,398)	\$ (77,398)	\$ (246,248)	\$ 64,017,630
26	2033	\$ -	\$ 2,043,142	\$ 64,495,796	\$ (79,720)	\$ (79,720)	\$ (253,635)	\$ 66,205,583
27	2034	\$ -	\$ 2,118,602	\$ 73,584,334	\$ (82,112)	\$ (82,112)	\$ (261,244)	\$ 75,359,581
28	2035	\$ -	\$ 2,197,168	\$ 72,965,283	\$ (84,575)	\$ (84,575)	\$ (269,082)	\$ 74,808,795
29	2036	\$ -	\$ 2,278,978	\$ 75,525,548	\$ (87,112)	\$ (87,112)	\$ (277,154)	\$ 77,440,260
30	2037	\$ -	\$ 2,364,178	\$ 78,173,387	\$ (89,725)	\$ (89,725)	\$ (285,469)	\$ 80,162,370
31	2038	\$ -	\$ 2,452,918	\$ 80,911,873	\$ (92,417)	\$ (92,417)	\$ (294,033)	\$ 82,978,341
32	2039	\$ -	\$ 2,545,359	\$ 83,663,897	\$ (95,190)	\$ (95,190)	\$ (302,854)	\$ 85,811,213
33	2040	\$ -	\$ 2,641,667	\$ 86,591,342	\$ (98,045)	\$ (98,045)	\$ (311,939)	\$ 88,823,024
34	2041	\$ -	\$ 2,742,016	\$ 89,619,289	\$ (100,987)	\$ (100,987)	\$ (321,298)	\$ 91,939,021
35	2042	\$ -	\$ 2,846,590	\$ 92,751,281	\$ (104,016)	\$ (104,016)	\$ (330,937)	\$ 95,162,918
36	2043	\$ -	\$ 2,955,579	\$ 21,652,946	\$ (107,137)	\$ (107,137)	\$ (340,865)	\$ 24,160,523
37	2044	\$ -	\$ 3,069,183	\$ 32,703,372	\$ (110,351)	\$ (110,351)	\$ (351,091)	\$ 35,311,113
38	2045	\$ -	\$ 3,187,614	\$ 29,610,714	\$ (113,662)	\$ (113,662)	\$ (361,623)	\$ 32,323,043
39	2046	\$ -	\$ 3,311,091	\$ 30,992,242	\$ (117,071)	\$ (117,071)	\$ (372,472)	\$ 33,813,789
40	2047	\$ -	\$ 3,439,843	\$ 32,427,307	\$ (120,584)	\$ (120,584)	\$ (383,646)	\$ 35,362,921
41	2048	\$ -	\$ 3,574,114	\$ 33,918,127	\$ (124,201)	\$ (124,201)	\$ (395,156)	\$ 36,972,884
42	2049	\$ -	\$ 3,714,154	\$ 35,344,215	\$ (127,927)	\$ (127,927)	\$ (407,010)	\$ 38,523,432
43	2050	\$ -	\$ 3,860,230	\$ 36,950,514	\$ (131,765)	\$ (131,765)	\$ (419,221)	\$ 40,259,759
44	2051	\$ -	\$ 4,012,620	\$ 38,619,737	\$ (135,718)	\$ (135,718)	\$ (431,797)	\$ 42,064,842
45	2052	\$ -	\$ 4,171,613	\$ 40,354,512	\$ (139,789)	\$ (139,789)	\$ (444,751)	\$ 43,941,585
46	2053	\$ -	\$ 4,337,515	\$ 42,157,582	\$ (143,983)	\$ (143,983)	\$ (458,094)	\$ 45,893,020
47	2054	\$ -	\$ 4,510,644	\$ 58,586,485	\$ (148,303)	\$ (148,303)	\$ (471,836)	\$ 62,476,990
48	2055	\$ -	\$ 4,691,337	\$ 54,833,012	\$ (152,752)	\$ (152,752)	\$ (485,991)	\$ 58,885,606
49	2056	\$ -	\$ 4,879,944	\$ 57,504,854	\$ (157,334)	\$ (157,334)	\$ (500,571)	\$ 61,726,892
50	2057	\$ -	\$ 5,076,831	\$ 60,280,624	\$ (162,054)	\$ (162,054)	\$ (515,588)	\$ 64,679,813
Nominal Sum		\$ 92,441,192	\$ 115,979,208	\$ 2,300,570,443	\$ (4,092,562)		\$ (12,783,949)	\$ 2,492,114,332
NPV @ 5.25%		\$ 92,190,873	\$ 37,224,756	\$ 851,996,477	\$ (1,283,920)		\$ (3,852,840)	\$ 976,275,346

(A) For the New City Hall, meeting space revenue is based on a percentage of revenue in the existing Concourse by applying the 9,200 SF of meeting space in Gensler's space projections divided by the 45,568 SF of meeting space in the existing Concourse. Please see the worksheet herein for the calculations and Appendix A, Financial Analysis Source Documents, for detailed information. Meeting space revenue starts 9/1/14, concurrent with occupancy of the City Hall Building (assumes the meeting space is in that building, rather than the City Office Facility which would be completed 1/1/13).

Developer: **Hines** **698,410**
 Annual Escalation - Market Rent **3.0%**
 Annual Escalation - Operating Expenses **4.0%**

Valuation Summary	9.0%	7.0%
Future Value Office Building - 2044	\$ 586,745,819	\$ 754,387,481
Parking Structure - 2044	\$ 122,434,125	\$
	\$ 709,179,943	\$ 911,802,784

Hines Project Cost - 2013-2014 Completion (including financing) \$ 375,467,586 (excludes existing Parkade cost)

Office & Retail Space									
Year	Full Service Rent		Expense		Rent NNN	Capitalized Value @			
	Monthly	Annual	Monthly	Annual		9.0%	7.0%		
1 2008	\$ 3.00	\$ 36.00	\$ 0.58	\$ 7.00	\$ 29.00	\$ 225,043,222	\$ 289,341,286		
2 2009	\$ 3.09	\$ 37.08	\$ 0.61	\$ 7.28	\$ 29.80	\$ 231,251,311	\$ 297,323,114		
3 2010	\$ 3.18	\$ 38.19	\$ 0.63	\$ 7.57	\$ 30.62	\$ 237,623,914	\$ 305,516,461		
4 2011	\$ 3.28	\$ 39.34	\$ 0.66	\$ 7.87	\$ 31.46	\$ 244,165,098	\$ 313,926,555		
5 2012	\$ 3.38	\$ 40.52	\$ 0.68	\$ 8.19	\$ 32.33	\$ 250,879,016	\$ 322,558,735		
6 2013	\$ 3.48	\$ 41.73	\$ 0.71	\$ 8.52	\$ 33.22	\$ 257,769,911	\$ 331,418,456		
7 2014	\$ 3.58	\$ 42.99	\$ 0.74	\$ 8.86	\$ 34.13	\$ 264,842,113	\$ 340,511,288		
8 2015	\$ 3.69	\$ 44.28	\$ 0.77	\$ 9.21	\$ 35.06	\$ 272,100,045	\$ 349,842,915		
9 2016	\$ 3.80	\$ 45.60	\$ 0.80	\$ 9.58	\$ 36.02	\$ 279,548,222	\$ 359,419,142		
10 2017	\$ 3.91	\$ 46.97	\$ 0.83	\$ 9.96	\$ 37.01	\$ 287,191,251	\$ 369,245,894		
11 2018	\$ 4.03	\$ 48.38	\$ 0.86	\$ 10.36	\$ 38.02	\$ 295,033,835	\$ 379,329,216		
12 2019	\$ 4.15	\$ 49.83	\$ 0.90	\$ 10.78	\$ 39.06	\$ 303,080,769	\$ 389,675,275		
13 2020	\$ 4.28	\$ 51.33	\$ 0.93	\$ 11.21	\$ 40.12	\$ 311,336,949	\$ 400,290,363		
14 2021	\$ 4.41	\$ 52.87	\$ 0.97	\$ 11.66	\$ 41.21	\$ 319,807,364	\$ 411,180,897		
15 2022	\$ 4.54	\$ 54.45	\$ 1.01	\$ 12.12	\$ 42.33	\$ 328,497,104	\$ 422,353,420		
16 2023	\$ 4.67	\$ 56.09	\$ 1.05	\$ 12.61	\$ 43.48	\$ 337,411,357	\$ 433,814,602		
17 2024	\$ 4.81	\$ 57.77	\$ 1.09	\$ 13.11	\$ 44.66	\$ 346,555,412	\$ 445,571,244		
18 2025	\$ 4.96	\$ 59.50	\$ 1.14	\$ 13.64	\$ 45.87	\$ 355,934,656	\$ 457,630,272		
19 2026	\$ 5.11	\$ 61.29	\$ 1.18	\$ 14.18	\$ 47.11	\$ 365,554,581	\$ 469,998,747		
20 2027	\$ 5.26	\$ 63.13	\$ 1.23	\$ 14.75	\$ 48.38	\$ 375,420,779	\$ 482,683,859		
21 2028	\$ 5.42	\$ 65.02	\$ 1.28	\$ 15.34	\$ 49.68	\$ 385,538,946	\$ 495,692,930		
22 2029	\$ 5.58	\$ 66.97	\$ 1.33	\$ 15.95	\$ 51.02	\$ 395,914,879	\$ 509,033,416		
23 2030	\$ 5.75	\$ 68.98	\$ 1.38	\$ 16.59	\$ 52.39	\$ 406,554,481	\$ 522,712,904		
24 2031	\$ 5.92	\$ 71.05	\$ 1.44	\$ 17.25	\$ 53.80	\$ 417,463,757	\$ 536,739,116		
25 2032	\$ 6.10	\$ 73.18	\$ 1.50	\$ 17.94	\$ 55.24	\$ 428,648,817	\$ 551,119,907		
26 2033	\$ 6.28	\$ 75.38	\$ 1.56	\$ 18.66	\$ 56.72	\$ 440,115,875	\$ 565,863,267		
27 2034	\$ 6.47	\$ 77.64	\$ 1.62	\$ 19.41	\$ 58.23	\$ 451,871,248	\$ 580,977,319		
28 2035	\$ 6.66	\$ 79.97	\$ 1.68	\$ 20.18	\$ 59.78	\$ 463,921,358	\$ 596,470,318		
29 2036	\$ 6.86	\$ 82.37	\$ 1.75	\$ 20.99	\$ 61.37	\$ 476,272,731	\$ 612,350,654		
30 2037	\$ 7.07	\$ 84.84	\$ 1.82	\$ 21.83	\$ 63.01	\$ 488,931,994	\$ 628,626,849		
31 2038	\$ 7.28	\$ 87.38	\$ 1.89	\$ 22.70	\$ 64.68	\$ 501,905,878	\$ 645,307,557		
32 2039	\$ 7.50	\$ 90.00	\$ 1.97	\$ 23.61	\$ 66.39	\$ 515,201,215	\$ 662,401,562		
33 2040	\$ 7.73	\$ 92.70	\$ 2.05	\$ 24.56	\$ 68.15	\$ 528,824,939	\$ 679,917,779		
34 2041	\$ 7.96	\$ 95.48	\$ 2.13	\$ 25.54	\$ 69.95	\$ 542,784,083	\$ 697,865,249		
35 2042	\$ 8.20	\$ 98.35	\$ 2.21	\$ 26.56	\$ 71.79	\$ 557,085,776	\$ 716,253,141		
36 2043	\$ 8.44	\$ 101.30	\$ 2.30	\$ 27.62	\$ 73.68	\$ 571,737,247	\$ 735,090,747		
37 2044	\$ 8.69	\$ 104.34	\$ 2.39	\$ 28.73	\$ 75.61	\$ 586,745,819	\$ 754,387,481		
38 2045	\$ 8.96	\$ 107.47	\$ 2.49	\$ 29.88	\$ 77.59	\$ 602,118,905	\$ 774,152,878		
39 2046	\$ 9.22	\$ 110.69	\$ 2.59	\$ 31.07	\$ 79.62	\$ 617,864,013	\$ 794,396,588		
40 2047	\$ 9.50	\$ 114.01	\$ 2.69	\$ 32.31	\$ 81.70	\$ 633,988,735	\$ 815,128,374		
41 2048	\$ 9.79	\$ 117.43	\$ 2.80	\$ 33.61	\$ 83.83	\$ 650,500,751	\$ 836,358,109		
42 2049	\$ 10.08	\$ 120.96	\$ 2.91	\$ 34.95	\$ 86.00	\$ 667,407,822	\$ 858,095,771		
43 2050	\$ 10.38	\$ 124.59	\$ 3.03	\$ 36.35	\$ 88.24	\$ 684,717,787	\$ 880,351,440		
44 2051	\$ 10.69	\$ 128.32	\$ 3.15	\$ 37.80	\$ 90.52	\$ 702,438,560	\$ 903,135,291		
45 2052	\$ 11.01	\$ 132.17	\$ 3.28	\$ 39.32	\$ 92.86	\$ 720,578,125	\$ 926,457,590		
46 2053	\$ 11.34	\$ 136.14	\$ 3.41	\$ 40.89	\$ 95.25	\$ 739,144,535	\$ 950,328,687		
47 2054	\$ 11.69	\$ 140.22	\$ 3.54	\$ 42.52	\$ 97.70	\$ 758,145,899	\$ 974,759,012		
48 2055	\$ 12.04	\$ 144.43	\$ 3.69	\$ 44.22	\$ 100.20	\$ 777,590,385	\$ 999,759,066		
49 2056	\$ 12.40	\$ 148.76	\$ 3.83	\$ 45.99	\$ 102.77	\$ 797,486,209	\$ 1,025,339,412		
50 2057	\$ 12.77	\$ 153.22	\$ 3.99	\$ 47.83	\$ 105.39	\$ 817,841,634	\$ 1,051,510,672		

Parking Facility										
Year	Revenue/Space		Annual	Annual Income	Oversell	Total Income	Operating Expense Escalating		Capitalized Value @	
	Escalated	Annual					4.0%	NOI	9.0%	7.0%
1 2008	\$ 170.00	\$ 2,040	\$ 2,613,240	15%	\$ 3,005,226	\$ 320,223	\$ 2,685,003	\$ 29,833,367	\$ 38,357,186	
2 2009	\$ 176.80	\$ 2,122	\$ 2,717,770	15%	\$ 3,125,435	\$ 333,032	\$ 2,792,403	\$ 31,026,701	\$ 39,891,473	
3 2010	\$ 183.87	\$ 2,206	\$ 2,826,480	15%	\$ 3,250,452	\$ 346,353	\$ 2,904,099	\$ 32,267,769	\$ 41,487,132	
4 2011	\$ 191.23	\$ 2,295	\$ 2,939,540	15%	\$ 3,380,471	\$ 360,207	\$ 3,020,263	\$ 33,558,480	\$ 43,146,617	
5 2012	\$ 198.88	\$ 2,387	\$ 3,057,121	15%	\$ 3,515,689	\$ 374,616	\$ 3,141,074	\$ 34,900,819	\$ 44,872,482	
6 2013	\$ 206.83	\$ 2,482	\$ 3,179,406	15%	\$ 3,656,317	\$ 389,600	\$ 3,266,717	\$ 36,296,852	\$ 46,667,381	
7 2014	\$ 215.10	\$ 2,581	\$ 3,306,582	15%	\$ 3,802,570	\$ 405,184	\$ 3,397,385	\$ 37,748,726	\$ 48,534,077	
8 2015	\$ 223.71	\$ 2,685	\$ 3,438,846	15%	\$ 3,954,672	\$ 421,392	\$ 3,533,281	\$ 39,258,675	\$ 50,475,440	
9 2016	\$ 232.66	\$ 2,792	\$ 3,576,399	15%	\$ 4,112,859	\$ 438,247	\$ 3,674,612	\$ 40,829,022	\$ 52,494,457	
10 2017	\$ 241.96	\$ 2,904	\$ 3,719,455	15%	\$ 4,277,374	\$ 455,777	\$ 3,821,596	\$ 42,462,183	\$ 54,594,236	
11 2018	\$ 251.64	\$ 3,020	\$ 3,868,234	15%	\$ 4,448,469	\$ 474,008	\$ 3,974,460	\$ 44,160,671	\$ 56,778,005	
12 2019	\$ 261.71	\$ 3,140	\$ 4,022,963	15%	\$ 4,626,407	\$ 492,969	\$ 4,133,439	\$ 45,927,097	\$ 59,049,125	
13 2020	\$ 272.18	\$ 3,266	\$ 4,183,881	15%	\$ 4,811,464	\$ 512,687	\$ 4,298,776	\$ 47,764,181	\$ 61,411,090	
14 2021	\$ 283.06	\$ 3,397	\$ 4,351,237	15%	\$ 5,003,922	\$ 533,195	\$ 4,470,727	\$ 49,674,748	\$ 63,867,534	
15 2022	\$ 294.38	\$ 3,533	\$ 4,525,286	15%	\$ 5,204,079	\$ 554,523	\$ 4,649,556	\$ 51,661,738	\$ 66,422,235	
16 2023	\$ 306.16	\$ 3,674	\$ 4,706,298	15%	\$ 5,412,242	\$ 576,704	\$ 4,835,539	\$ 53,728,208	\$ 69,079,125	
17 2024	\$ 318.41	\$ 3,821	\$ 4,894,550	15%	\$ 5,628,732	\$ 599,772	\$ 5,028,960	\$ 55,877,336	\$ 71,842,289	
18 2025	\$ 331.14	\$ 3,974	\$ 5,090,331	15%	\$ 5,853,881	\$ 623,763	\$ 5,230,119	\$ 58,112,430	\$ 74,715,981	
19 2026	\$ 344.39	\$ 4,133	\$ 5,293,945	15%	\$ 6,088,036	\$ 648,713	\$ 5,439,323	\$ 60,436,927	\$ 77,704,620	
20 2027	\$ 358.16	\$ 4,298	\$ 5,505,703	15%	\$ 6,331,558	\$ 674,662	\$ 5,656,896	\$ 62,854,404	\$ 80,812,805	
21 2028	\$ 372.49	\$ 4,470	\$ 5,725,931	15%	\$ 6,584,820	\$ 701,648	\$ 5,883,172	\$ 65,368,580	\$ 84,045,317	
22 2029	\$ 387.39	\$ 4,649	\$ 5,954,968	15%	\$ 6,848,213	\$ 729,714	\$ 6,118,499	\$ 67,983,323	\$ 87,407,130	
23 2030	\$ 402.89	\$ 4,835	\$ 6,193,167	15%	\$ 7,122,142	\$ 758,903	\$ 6,363,239	\$ 70,702,656	\$ 90,903,415	
24 2031	\$ 419.00	\$ 5,028	\$ 6,440,893	15%	\$ 7,407,027	\$ 789,259	\$ 6,617,769	\$ 73,530,763	\$ 94,539,552	
25 2032	\$ 435.76	\$ 5,229	\$ 6,698,529	15%	\$ 7,703,308	\$ 820,829	\$ 6,882,479	\$ 76,471,993	\$ 98,321,134	
26 2033	\$ 453.19	\$ 5,438	\$ 6,966,470	15%	\$ 8,011,441	\$ 853,662	\$ 7,157,779	\$ 79,530,873	\$ 102,253,979	
27 2034	\$ 471.32	\$ 5,656	\$ 7,245,129	15%	\$ 8,331,898	\$ 887,809	\$ 7,444,090	\$ 82,712,108	\$ 106,344,138	
28 2035	\$ 490.17	\$ 5,882	\$ 7,534,934	15%	\$ 8,665,174	\$ 923,321	\$ 7,741,853	\$ 86,020,592	\$ 110,597,904	
29 2036	\$ 509.78	\$ 6,117	\$ 7,836,331	15%	\$ 9,011,781	\$ 960,254	\$ 8,051,527	\$ 89,461,416	\$ 115,021,820	
30 2037	\$ 530.17	\$ 6,362	\$ 8,149,785	15%	\$ 9,372,252	\$ 998,664	\$ 8,373,589	\$ 93,039,872	\$ 119,622,693	
31 2038	\$ 551.38	\$ 6,617	\$ 8,475,776	15%	\$ 9,747,143	\$ 1,038,610	\$ 8,708,532	\$ 96,761,467	\$ 124,407,601	
32 2039	\$ 573.43	\$ 6,881	\$ 8,814,807	15%	\$ 10,137,028	\$ 1,080,155	\$ 9,056,873	\$ 100,631,926	\$ 129,383,905	
33 2040	\$ 596.37	\$ 7,156	\$ 9,167,399	15%	\$ 10,542,509	\$ 1,123,361	\$ 9,419,148	\$ 104,657,203	\$ 134,559,261	
34 2041	\$ 620.22	\$ 7,443	\$ 9,534,095	15%	\$ 10,964,210	\$ 1,168,296	\$ 9,795,914	\$ 108,843,491	\$ 139,941,631	
35 2042	\$ 645.03	\$ 7,740	\$ 9,915,459	15%	\$ 11,402,778	\$ 1,215,027	\$ 10,187,751	\$ 113,197,231	\$ 145,539,297	
36 2043	\$ 670.84	\$ 8,050	\$ 10,312,078	15%	\$ 11,858,889	\$ 1,263,628	\$ 10,595,261	\$ 117,725,120	\$ 151,360,868	
37 2044	\$ 697.67	\$ 8,372	\$ 10,724,561	15%	\$ 12,333,245	\$ 1,314,174	\$ 11,019,071	\$ 122,434,125	\$ 157,415,303	
38 2045	\$ 725.58	\$ 8,707	\$ 11,153,543	15%	\$ 12,826,575	\$ 1,366,741	\$ 11,459,834	\$ 127,331,490	\$ 163,711,915	
39 2046	\$ 754.60	\$ 9,055	\$ 11,599,685	15%	\$ 13,339,638	\$ 1,421,410	\$ 11,918,227	\$ 132,424,749	\$ 170,260,392	
40 2047	\$ 784.78	\$ 9,417	\$ 12,063,672	15%	\$ 13,873,223	\$ 1,478,267	\$ 12,394,957	\$ 137,721,739	\$ 177,070,808	
41 2048	\$ 816.17	\$ 9,794	\$ 12,546,219	15%	\$ 14,428,152	\$ 1,537,397	\$ 12,890,755	\$ 143,230,609	\$ 184,153,640	
42 2049	\$ 848.82	\$ 10,186	\$ 13,048,068	15%	\$ 15,005,278	\$ 1,598,893	\$ 13,406,385	\$ 148,959,833	\$ 191,519,785	
43 2050	\$ 882.77	\$ 10,593	\$ 13,569,991	15%	\$ 15,605,489	\$ 1,662,849	\$ 13,942,640	\$		

**Library & Publishing, Offsite, Kearny Mesa
Relocation in 2009**

Primary Assumptions	
Rentable Square Feet	40,000 (1)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	2.5%

Operating Expense Calculation				
Estimated Annual Increase Operating Expense 5.00%				
	GSF	PSF	Base	Pass Through
1 2002	\$ -	\$ -	\$ -	\$ -
2 2003	\$ -	\$ -	\$ -	\$ -
3 2004	\$ -	\$ -	\$ -	\$ -
4 2005	\$ -	\$ -	\$ -	\$ -
5 2006	\$ -	\$ -	\$ -	\$ -
6 2007	\$ -	\$ -	\$ -	\$ -
7 2008	\$ -	40,000	\$ 7.20	\$ -

Year No.	Year Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Relocation Costs	Total Occupancy Costs
1	2008	40,000	\$ 1.20 (3)	\$ 14.40	\$ 7.20	\$ -	\$ 7.20	\$ 21.60	\$ -	\$ -	\$ -
2	2009	40,000	\$ 1.23	\$ 14.76	\$ 7.56	\$ -	\$ 7.56	\$ 22.32	\$ 892,800	\$ 400,000	\$ 1,292,800
3	2010	40,000	\$ 1.26	\$ 15.13	\$ 7.94	\$ -	\$ 7.94	\$ 23.07	\$ 922,680	\$ -	\$ 922,680
4	2011	40,000	\$ 1.29	\$ 15.51	\$ 8.33	\$ -	\$ 8.33	\$ 23.84	\$ 953,685	\$ -	\$ 953,685
5	2012	40,000	\$ 1.32	\$ 15.89	\$ 8.75	\$ -	\$ 8.75	\$ 24.65	\$ 985,862	\$ -	\$ 985,862
6	2013	40,000	\$ 1.36	\$ 16.29	\$ 9.19	\$ -	\$ 9.19	\$ 25.48	\$ 1,019,260	\$ -	\$ 1,019,260
7	2014	40,000	\$ 1.39	\$ 16.70	\$ 9.65	\$ -	\$ 9.65	\$ 26.35	\$ 1,053,931	\$ -	\$ 1,053,931
8	2015	40,000	\$ 1.43	\$ 17.12	\$ 10.13	\$ -	\$ 10.13	\$ 27.25	\$ 1,089,928	\$ -	\$ 1,089,928
9	2016	40,000	\$ 1.46	\$ 17.55	\$ 10.64	\$ -	\$ 10.64	\$ 28.18	\$ 1,127,307	\$ -	\$ 1,127,307
10	2017	40,000	\$ 1.50	\$ 17.98	\$ 11.17	\$ -	\$ 11.17	\$ 29.15	\$ 1,166,128	\$ -	\$ 1,166,128
11	2018	40,000	\$ 1.54	\$ 18.43	\$ 11.73	\$ -	\$ 11.73	\$ 30.16	\$ 1,206,450	\$ -	\$ 1,206,450
12	2019	40,000	\$ 1.57	\$ 18.89	\$ 12.31	\$ -	\$ 12.31	\$ 31.21	\$ 1,248,340	\$ -	\$ 1,248,340
13	2020	40,000	\$ 1.61	\$ 19.37	\$ 12.93	\$ -	\$ 12.93	\$ 32.30	\$ 1,291,863	\$ -	\$ 1,291,863
14	2021	40,000	\$ 1.65	\$ 19.85	\$ 13.58	\$ -	\$ 13.58	\$ 33.43	\$ 1,337,089	\$ -	\$ 1,337,089
15	2022	40,000	\$ 1.70	\$ 20.35	\$ 14.26	\$ -	\$ 14.26	\$ 34.60	\$ 1,384,093	\$ -	\$ 1,384,093
16	2023	40,000	\$ 1.74	\$ 20.86	\$ 14.97	\$ -	\$ 14.97	\$ 35.82	\$ 1,432,951	\$ -	\$ 1,432,951
17	2024	40,000	\$ 1.78	\$ 21.38	\$ 15.72	\$ -	\$ 15.72	\$ 37.09	\$ 1,483,743	\$ -	\$ 1,483,743
18	2025	40,000	\$ 1.83	\$ 21.91	\$ 16.50	\$ -	\$ 16.50	\$ 38.41	\$ 1,536,553	\$ -	\$ 1,536,553
19	2026	40,000	\$ 1.87	\$ 22.46	\$ 17.33	\$ -	\$ 17.33	\$ 39.79	\$ 1,591,470	\$ -	\$ 1,591,470
20	2027	40,000	\$ 1.92	\$ 23.02	\$ 18.19	\$ -	\$ 18.19	\$ 41.21	\$ 1,648,584	\$ -	\$ 1,648,584
21	2028	40,000	\$ 1.97	\$ 23.60	\$ 19.10	\$ -	\$ 19.10	\$ 42.70	\$ 1,707,993	\$ -	\$ 1,707,993
22	2029	40,000	\$ 2.02	\$ 24.19	\$ 20.06	\$ -	\$ 20.06	\$ 44.24	\$ 1,769,796	\$ -	\$ 1,769,796
23	2030	40,000	\$ 2.07	\$ 24.79	\$ 21.06	\$ -	\$ 21.06	\$ 45.85	\$ 1,834,100	\$ -	\$ 1,834,100
24	2031	40,000	\$ 2.12	\$ 25.41	\$ 22.11	\$ -	\$ 22.11	\$ 47.53	\$ 1,901,015	\$ -	\$ 1,901,015
25	2032	40,000	\$ 2.17	\$ 26.05	\$ 23.22	\$ -	\$ 23.22	\$ 49.27	\$ 1,970,655	\$ -	\$ 1,970,655
26	2033	40,000	\$ 2.22	\$ 26.70	\$ 24.38	\$ -	\$ 24.38	\$ 51.08	\$ 2,043,142	\$ -	\$ 2,043,142
27	2034	40,000	\$ 2.28	\$ 27.36	\$ 25.60	\$ -	\$ 25.60	\$ 52.97	\$ 2,118,602	\$ -	\$ 2,118,602
28	2035	40,000	\$ 2.34	\$ 28.05	\$ 26.88	\$ -	\$ 26.88	\$ 54.93	\$ 2,197,168	\$ -	\$ 2,197,168
29	2036	40,000	\$ 2.40	\$ 28.75	\$ 28.22	\$ -	\$ 28.22	\$ 56.97	\$ 2,278,978	\$ -	\$ 2,278,978
30	2037	40,000	\$ 2.46	\$ 29.47	\$ 29.64	\$ -	\$ 29.64	\$ 59.10	\$ 2,364,178	\$ -	\$ 2,364,178
31	2038	40,000	\$ 2.52	\$ 30.20	\$ 31.12	\$ -	\$ 31.12	\$ 61.32	\$ 2,452,918	\$ -	\$ 2,452,918
32	2039	40,000	\$ 2.58	\$ 30.96	\$ 32.67	\$ -	\$ 32.67	\$ 63.63	\$ 2,545,359	\$ -	\$ 2,545,359
33	2040	40,000	\$ 2.64	\$ 31.73	\$ 34.31	\$ -	\$ 34.31	\$ 66.04	\$ 2,641,667	\$ -	\$ 2,641,667
34	2041	40,000	\$ 2.71	\$ 32.53	\$ 36.02	\$ -	\$ 36.02	\$ 68.55	\$ 2,742,016	\$ -	\$ 2,742,016
35	2042	40,000	\$ 2.78	\$ 33.34	\$ 37.82	\$ -	\$ 37.82	\$ 71.16	\$ 2,846,590	\$ -	\$ 2,846,590
36	2043	40,000	\$ 2.85	\$ 34.17	\$ 39.72	\$ -	\$ 39.72	\$ 73.89	\$ 2,955,579	\$ -	\$ 2,955,579
37	2044	40,000	\$ 2.92	\$ 35.03	\$ 41.70	\$ -	\$ 41.70	\$ 76.73	\$ 3,069,183	\$ -	\$ 3,069,183
38	2045	40,000	\$ 2.99	\$ 35.90	\$ 43.79	\$ -	\$ 43.79	\$ 79.69	\$ 3,187,614	\$ -	\$ 3,187,614
39	2046	40,000	\$ 3.07	\$ 36.80	\$ 45.98	\$ -	\$ 45.98	\$ 82.78	\$ 3,311,091	\$ -	\$ 3,311,091
40	2047	40,000	\$ 3.14	\$ 37.72	\$ 48.27	\$ -	\$ 48.27	\$ 86.00	\$ 3,439,843	\$ -	\$ 3,439,843
41	2048	40,000	\$ 3.22	\$ 38.66	\$ 50.69	\$ -	\$ 50.69	\$ 89.35	\$ 3,574,114	\$ -	\$ 3,574,114
42	2049	40,000	\$ 3.30	\$ 39.63	\$ 53.22	\$ -	\$ 53.22	\$ 92.85	\$ 3,714,154	\$ -	\$ 3,714,154
43	2050	40,000	\$ 3.39	\$ 40.62	\$ 55.88	\$ -	\$ 55.88	\$ 96.51	\$ 3,860,230	\$ -	\$ 3,860,230
44	2051	40,000	\$ 3.47	\$ 41.64	\$ 58.68	\$ -	\$ 58.68	\$ 100.32	\$ 4,012,620	\$ -	\$ 4,012,620
45	2052	40,000	\$ 3.56	\$ 42.68	\$ 61.61	\$ -	\$ 61.61	\$ 104.29	\$ 4,171,613	\$ -	\$ 4,171,613
46	2053	40,000	\$ 3.65	\$ 43.75	\$ 64.69	\$ -	\$ 64.69	\$ 108.44	\$ 4,337,515	\$ -	\$ 4,337,515
47	2054	40,000	\$ 3.74	\$ 44.84	\$ 67.93	\$ -	\$ 67.93	\$ 112.77	\$ 4,510,644	\$ -	\$ 4,510,644
48	2055	40,000	\$ 3.83	\$ 45.96	\$ 71.32	\$ -	\$ 71.32	\$ 117.28	\$ 4,691,337	\$ -	\$ 4,691,337
49	2056	40,000	\$ 3.93	\$ 47.11	\$ 74.89	\$ -	\$ 74.89	\$ 122.00	\$ 4,879,944	\$ -	\$ 4,879,944
50	2057	40,000	\$ 4.02	\$ 48.29	\$ 78.63	\$ -	\$ 78.63	\$ 126.92	\$ 5,076,831	\$ -	\$ 5,076,831

Nominal Sum		\$ 115,979,208
NPV (2013)	5.25%	\$ 37,224,756

Compilation Notes	
(1)	Square Footage Requirements per Gensler Facilities Needs Assessment.
(2)	Estimated triple net expenses for 2008. For details refer to Appendix B, Market Study, Section 8.
(3)	Estimated triple net market rent. For details refer to Appendix B, Market Study, Section 8.

600 B Street
Existing Lease Occupancy Costs

Primary Assumptions		
Rentable Square Feet	(13)	153,265
Projected Annual Rent Escalation		2.5%
Forecast Rental Resets (10 Years)		20%

Operating Expense Calculation		
Estimated Annual Increase Operating Expense		5.00%
		GSF PSF Base Pass Through
1	2002	\$ 2,400,005 (14) (15) 337,123 \$ 7.12 \$ 7.12 \$ -
2	2003	\$ 7.12
3	2004	\$ 7.12
4	2005	\$ 7.12
5	2006	\$ 7.12
6	2007	\$ 7.12
7	2008	\$ 3,026,483 (14) 337,123 \$ 8.98 \$ 7.12 \$ 1.86

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Parking	Total Occupancy Costs
1	2008	153,265	(15) \$ 2.00	\$ 24.01	\$ 8.98	\$ 7.12	\$ 1.86	\$ 25.87	\$ 3,964,706		\$ 3,964,706
2	2009	153,265	\$ 2.07	\$ 24.85	\$ 9.43	\$ 7.12	\$ 2.31	\$ 27.16	\$ 4,162,245		\$ 4,162,245
3	2010	153,265	\$ 2.15	\$ 25.76	\$ 9.90	\$ 7.12	\$ 2.78	\$ 28.54	\$ 4,373,951		\$ 4,373,951
4	2011	153,265	\$ 2.23	\$ 26.72	\$ 10.39	\$ 7.12	\$ 3.27	\$ 29.99	\$ 4,596,933		\$ 4,596,933
5	2012	153,265	\$ 2.31	\$ 27.68	\$ 10.91	\$ 7.12	\$ 3.79	\$ 31.47	\$ 4,823,708		\$ 4,823,708
6	2013	153,265	(A) \$ 2.34	\$ 28.08	\$ 11.46	\$ 7.12	\$ 4.34	\$ 32.42	\$ 2,070,265		\$ 2,070,265
7	2014	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
8	2015	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
9	2016	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
10	2017	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
11	2018	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
12	2019	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
13	2020	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
14	2021	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
15	2022	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
16	2023	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
17	2024	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
18	2025	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
19	2026	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
20	2027	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
21	2028	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
22	2029	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
23	2030	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
24	2031	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
25	2032	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
26	2033	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
27	2034	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
28	2035	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
29	2036	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
30	2037	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
31	2038	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
32	2039	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
33	2040	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
34	2041	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
35	2042	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
36	2043	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
37	2044	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
38	2045	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
39	2046	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
40	2047	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
41	2048	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
42	2049	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
43	2050	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
44	2051	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
45	2052	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
46	2053	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
47	2054	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
48	2055	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
49	2056	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
50	2057	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -

Nominal Sum		\$ 23,991,808
NPV (2013)	5.25%	\$ 23,991,808

Compilation Notes	
(13)	Per City of San Diego letter dated September 29, 2006
(14)	Estimated 2008 Operating Expenses provided by landlord, Legacy Partners
(15)	GSF per Article 4 of the 7th Amendment to Lease, rental rate per Article 3 of the 7th Amendment to Lease.
(A)	Lease expires 5/31/13

Executive Complex
Existing Lease Occupancy Costs

Primary Assumptions		
Rentable Square Feet	136,321	(27)
Projected Annual Rent Escalation	2.5%	
Forecast Rental Resets (10 Years)	20%	

Operating Expense Calculation					
Estimated Annual Increase Operating Expense					
5.00%					
		GSF	PSF	Base	Pass Through
1	2002	\$ -	\$ -	\$ -	\$ -
2	2003	\$ -	\$ -	\$ -	\$ -
3	2004	\$ -	\$ -	\$ -	\$ -
4	2005	\$ -	136,321 (28)	\$ 10.44	\$ 9.41
5	2006	\$ -	136,321	\$ 10.96	\$ 9.41
6	2007	\$ -	136,321	\$ 11.51	\$ 9.41
7	2008	\$ -	136,321	\$ 12.09	\$ 9.41

Swing Space Calculations			
Year	SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7		\$ 39.40	\$ -
8		\$ 40.59	\$ -

Year	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	One Time Furniture Expense	Swing Space for Renovation	Parking	Total Occupancy Costs
1	2008	136,321	\$ 1.55 (27)	\$ 18.54	\$ 12.09	\$ 9.41	\$ 2.68	\$ 21.22	\$ -	\$ -	\$ -	\$ 2,892,132
2	2009	136,321	\$ 1.57	\$ 18.78	\$ 12.69	\$ 9.41	\$ 3.28	\$ 22.06	\$ -	\$ -	\$ -	\$ 3,007,226
3	2010	136,321	\$ 1.59	\$ 19.02	\$ 13.32	\$ 9.41	\$ 3.91	\$ 22.93	\$ -	\$ -	\$ -	\$ 3,126,438
4	2011	136,321	\$ 1.61	\$ 19.26	\$ 13.99	\$ 9.41	\$ 4.58	\$ 23.84	\$ -	\$ -	\$ -	\$ 3,249,974
5	2012	136,321	\$ 1.63	\$ 19.50	\$ 14.69	\$ 9.41	\$ 5.28	\$ 24.78	\$ -	\$ -	\$ -	\$ 3,378,052
6	2013	136,321	\$ 1.65	\$ 19.74	\$ 15.42	\$ 9.41	\$ 6.01	\$ 25.75	\$ -	\$ -	\$ -	\$ 3,510,898
7	2014	136,321	\$ 1.65 (A)	\$ 19.80	\$ 16.20	\$ 9.41	\$ 6.79	\$ 26.59	\$ -	\$ -	\$ -	\$ 906,053
8	2015	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	2016	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	2017	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	2018	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	2019	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	2020	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	2021	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	2022	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	2023	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	2024	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	2025	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	2026	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	2027	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	2028	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	2029	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	2030	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	2031	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	2032	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	2033	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	2034	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	2035	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	2036	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	2037	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	2038	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	2039	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	2040	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	2041	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	2042	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	2043	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	2044	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	2045	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	2046	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	2047	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	2048	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	2049	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	2050	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	2051	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	2052	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	2053	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	2054	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	2055	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	2056	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	2057	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Nominal Sum		\$ 20,070,772
NPV (2013)	5.25%	\$ 20,025,577

Compilation Notes	
(27)	Square Footage contained in Article 2 of the 5th amendment to lease dated July 16, 2002. Rent confirmation in article 3 of the 5th amendment to lease
(28)	2005 Operating Expense Budget submitted by Landlord.
(A)	Lease expires 3/31/14

Parkade

Total Square Feet: 580,076

Renovation to Code/Standard		
Estimated Renovation Costs		\$ -
Furniture	-	\$ -
Technology		\$ -
Security		\$ -
Other 1		\$ -
Other 2		\$ -
Other 3		\$ -
Total Project Budget		\$ -

Debt Service Calculations	
Amount	\$ -
Term	30
Interest Rate	5.25%
Debt Service	\$ -

Operating Expense Calculations	
2007 Operating Costs	\$ 304,974 (49)
Estimated Annual Increases	5.0%

Year	Debt Service	Operating Expenses	Parking Income	Less: Parking Subsidy	Total Occupancy
1 2008	\$ -	\$ 320,223	\$ (2,000,000)	\$ 1,000,000	\$ (679,777)
2 2009	\$ -	\$ 336,234	\$ (2,080,000)	\$ 1,040,000	\$ (703,766)
3 2010	\$ 1	\$ 353,046	\$ (2,163,200)	\$ 1,081,600	\$ (728,554)
4 2011	\$ 2	\$ 370,698	\$ (2,249,728)	\$ 1,124,864	\$ (754,166)
5 2012	\$ 3	\$ 389,233	\$ (2,339,717)	\$ 1,169,859	\$ (780,626)
6 2013	\$ 4	\$ -	\$ -	\$ -	\$ -
7 2014	\$ 5	\$ -	\$ -	\$ -	\$ -
8 2015	\$ 6	\$ -	\$ -	\$ -	\$ -
9 2016	\$ 7	\$ -	\$ -	\$ -	\$ -
10 2017	\$ 8	\$ -	\$ -	\$ -	\$ -
11 2018	\$ 9	\$ -	\$ -	\$ -	\$ -
12 2019	\$ 10	\$ -	\$ -	\$ -	\$ -
13 2020	\$ 11	\$ -	\$ -	\$ -	\$ -
14 2021	\$ 12	\$ -	\$ -	\$ -	\$ -
15 2022	\$ 13	\$ -	\$ -	\$ -	\$ -
16 2023	\$ 14	\$ -	\$ -	\$ -	\$ -
17 2024	\$ 15	\$ -	\$ -	\$ -	\$ -
18 2025	\$ 16	\$ -	\$ -	\$ -	\$ -
19 2026	\$ 17	\$ -	\$ -	\$ -	\$ -
20 2027	\$ 18	\$ -	\$ -	\$ -	\$ -
21 2028	\$ 19	\$ -	\$ -	\$ -	\$ -
22 2029	\$ 20	\$ -	\$ -	\$ -	\$ -
23 2030	\$ 21	\$ -	\$ -	\$ -	\$ -
24 2031	\$ 22	\$ -	\$ -	\$ -	\$ -
25 2032	\$ 23	\$ -	\$ -	\$ -	\$ -
26 2033	\$ 24	\$ -	\$ -	\$ -	\$ -
27 2034	\$ 25	\$ -	\$ -	\$ -	\$ -
28 2035	\$ 26	\$ -	\$ -	\$ -	\$ -
29 2036	\$ 27	\$ -	\$ -	\$ -	\$ -
30 2037	\$ 28	\$ -	\$ -	\$ -	\$ -
31 2038	\$ 29	\$ -	\$ -	\$ -	\$ -
32 2039	\$ 30	\$ -	\$ -	\$ -	\$ -
33 2040	\$ -	\$ -	\$ -	\$ -	\$ -
34 2041	\$ -	\$ -	\$ -	\$ -	\$ -
35 2042	\$ -	\$ -	\$ -	\$ -	\$ -
36 2043	\$ -	\$ -	\$ -	\$ -	\$ -
37 2044	\$ -	\$ -	\$ -	\$ -	\$ -
38 2045	\$ -	\$ -	\$ -	\$ -	\$ -
39 2046	\$ -	\$ -	\$ -	\$ -	\$ -
40 2047	\$ -	\$ -	\$ -	\$ -	\$ -
41 2048	\$ -	\$ -	\$ -	\$ -	\$ -
42 2049	\$ -	\$ -	\$ -	\$ -	\$ -
43 2050	\$ -	\$ -	\$ -	\$ -	\$ -
44 2051	\$ -	\$ -	\$ -	\$ -	\$ -
45 2052	\$ -	\$ -	\$ -	\$ -	\$ -
46 2053	\$ -	\$ -	\$ -	\$ -	\$ -
47 2054	\$ -	\$ -	\$ -	\$ -	\$ -
48 2055	\$ -	\$ -	\$ -	\$ -	\$ -
49 2056	\$ -	\$ -	\$ -	\$ -	\$ -
50 2057	\$ -	\$ -	\$ -	\$ -	\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 1,769,433	\$ (5,416,323)	\$ (3,646,890)
NPV 2013	5.25%	\$ 1,769,433	\$ (5,416,323)	\$ (3,646,890)

Compilation Notes

(49) Operating expenses per statement provided by the City's Real Estate Assets Department

(A) Parking income provided by READ. Refer to Appendix A, Financial Analysis Source Documents.
Current employee parking subsidy equal to 50% of market rate is assumed through 2040 for the Parkade.

Concourse Building (as Meeting Space)

Total Square Feet: 158,119

Renovation to Code/Standard			
Estimated Renovation Costs			
Furniture	\$	-	\$ -
Technology	\$	-	-
Security	\$	-	-
Seismic Retrofit	\$	-	-
Other 1			-
Other 2			-
Total Project Budget			\$ -

Debt Service Calculations			
Amount	\$		-
Term			30
Interest Rate			5.25%
Debt Service	\$		-

Operating Expense Calculations			
Current Operating Costs PSF	\$		9.00
Estimated Annual Increases			5.0%

		(B)			
Year		Debt Service	Operating Expenses	Meeting Space Revenue	Total Occupancy
1	2008		\$ 1,423,071	\$ (600,000)	\$ 823,071
2	2009		\$ 1,494,225	\$ (618,000)	\$ 876,225
3	2010		\$ 1,568,936	\$ (636,540)	\$ 932,396
4	2011	1 \$	\$ 1,647,383	\$ (655,636)	\$ 991,746
5	2012	2 \$	\$ 1,729,752	\$ (675,305)	\$ 1,054,446
6	2013	3 \$	-	(A)	-
7	2014	4 \$	-		-
8	2015	5 \$	-		-
9	2016	6 \$	-		-
10	2017	7 \$	-		-
11	2018	8 \$	-		-
12	2019	9 \$	-		-
13	2020	10 \$	-		-
14	2021	11 \$	-		-
15	2022	12 \$	-		-
16	2023	13 \$	-		-
17	2024	14 \$	-		-
18	2025	15 \$	-		-
19	2026	16 \$	-		-
20	2027	17 \$	-		-
21	2028	18 \$	-		-
22	2029	19 \$	-		-
23	2030	20 \$	-		-
24	2031	21 \$	-		-
25	2032	22 \$	-		-
26	2033	23 \$	-		-
27	2034	24 \$	-		-
28	2035	25 \$	-		-
29	2036	26 \$	-		-
30	2037	27 \$	-		-
31	2038	28 \$	-		-
32	2039	29 \$	-		-
33	2040	30 \$	-		-
34	2041				-
35	2042				-
36	2043				-
37	2044				-
38	2045				-
39	2046				-
40	2047				-
41	2048				-
42	2049				-
43	2050				-
44	2051				-
45	2052				-
46	2053				-
47	2054				-
48	2055				-
49	2056				-
50	2057				-

		Capital	Operating 1	Operating 2	Total
Nominal Sum		\$ -	\$ 7,863,366	\$ (3,185,481)	\$ 4,677,884
NPV 2013	5.25%	\$ -	\$ 7,863,366	\$ (3,185,481)	\$ 4,677,884

Compilation Notes	
(A)	Building demolished 1Q 2013
(B)	Meeting space revenue for 2008 is based on the City's fiscal year 2009 budget projection. Annual increases of 3% are assumed thereafter. Please refer to the historical revenue information and assumptions in this workbook and Appendix A, Financial Analysis Source Documents for further information.

Concourse Meeting Revenue Summary

	Current Concourse	New City Hall / Developer Proposals
Golden Hall	23,707	
Main Lobby	10,000	
Copper Room 227-228	4,559	
Silver Room 250	2,966	
Glass Room 202	629	
N. Terrace Rooms 206-209	2,888	
Staff Rooms 216-220	819	
Total Square Feet	45,568	9,200
New City Hall % Relative to Current		20.19%

(B)

Year	Historical Revenues
FY-06	\$279,550
FY-07	\$637,310
FY-08	\$673,002
FY-09 YTD	\$236,074
FY-09 Budget	\$600,000
Estimate for Analysis Purposes - 2008	\$600,000
Annual Increases	3.00%

(A)

Year		RSF - Current Concourse	Meeting Space Revenue - Current Concourse	RSF - New City Hall	Meeting Space Revenue Potential - New City Hall
1	2008	45,568	\$600,000	9,200	\$121,138
2	2009	45,568	\$618,000	9,200	\$124,772
3	2010	45,568	\$636,540	9,200	\$128,515
4	2011	45,568	\$655,636	9,200	\$132,370
5	2012	45,568	\$675,305	9,200	\$136,341
6	2013	45,568	\$695,564	9,200	\$140,432
7	2014	45,568	\$716,431	9,200	\$144,645
8	2015	45,568	\$737,924	9,200	\$148,984
9	2016	45,568	\$760,062	9,200	\$153,454
10	2017	45,568	\$782,864	9,200	\$158,057
11	2018	45,568	\$806,350	9,200	\$162,799
12	2019	45,568	\$830,540	9,200	\$167,683
13	2020	45,568	\$855,457	9,200	\$172,713
14	2021	45,568	\$881,120	9,200	\$177,895
15	2022	45,568	\$907,554	9,200	\$183,232
16	2023	45,568	\$934,780	9,200	\$188,728
17	2024	45,568	\$962,824	9,200	\$194,390
18	2025	45,568	\$991,709	9,200	\$200,222
19	2026	45,568	\$1,021,460	9,200	\$206,229
20	2027	45,568	\$1,052,104	9,200	\$212,416
21	2028	45,568	\$1,083,667	9,200	\$218,788
22	2029	45,568	\$1,116,177	9,200	\$225,352
23	2030	45,568	\$1,149,662	9,200	\$232,112
24	2031	45,568	\$1,184,152	9,200	\$239,076
25	2032	45,568	\$1,219,676	9,200	\$246,248
26	2033	45,568	\$1,256,267	9,200	\$253,635
27	2034	45,568	\$1,293,955	9,200	\$261,244
28	2035	45,568	\$1,332,773	9,200	\$269,082
29	2036	45,568	\$1,372,757	9,200	\$277,154
30	2037	45,568	\$1,413,939	9,200	\$285,469
31	2038	45,568	\$1,456,357	9,200	\$294,033
32	2039	45,568	\$1,500,048	9,200	\$302,854
33	2040	45,568	\$1,545,050	9,200	\$311,939
34	2041	45,568	\$1,591,401	9,200	\$321,298
35	2042	45,568	\$1,639,143	9,200	\$330,937
36	2043	45,568	\$1,688,317	9,200	\$340,865
37	2044	45,568	\$1,738,967	9,200	\$351,091
38	2045	45,568	\$1,791,136	9,200	\$361,623
39	2046	45,568	\$1,844,870	9,200	\$372,472
40	2047	45,568	\$1,900,216	9,200	\$383,646
41	2048	45,568	\$1,957,223	9,200	\$395,156
42	2049	45,568	\$2,015,939	9,200	\$407,010
43	2050	45,568	\$2,076,418	9,200	\$419,221
44	2051	45,568	\$2,138,710	9,200	\$431,797
45	2052	45,568	\$2,202,871	9,200	\$444,751
46	2053	45,568	\$2,268,958	9,200	\$458,094
47	2054	45,568	\$2,337,026	9,200	\$471,836
48	2055	45,568	\$2,407,137	9,200	\$485,991
49	2056	45,568	\$2,479,351	9,200	\$500,571
50	2057	45,568	\$2,553,732	9,200	\$515,588

Compilation Notes

- (A) Meeting space revenue for 2008 is based on the City's fiscal year 2009 budget projection. Annual increases of 3% are assumed thereafter. Please refer to the historical revenue information and assumptions in this workbook and Appendix A, Financial Analysis Source Documents for further information.
- (B) For the New City Hall, meeting space revenue is based on a percentage of revenue in the existing Concourse by applying the 9,200 SF of meeting space in Gensler's space projections divided by the 45,568 SF of meeting space in the existing Concourse. Please see the worksheet herein for the calculations and Appendix A, Financial Analysis Source Documents, for detailed information.

City Operations Building (COB)

Total Square Feet: 213,905

Renovation to Code/Standard			
Estimated Renovation Costs			\$ -
Seismic Retrofit	\$	-	\$ -
Furniture	\$	-	\$ -
Technology	\$	-	\$ -
Security	\$	-	\$ -
Temp Move 1 1st half	\$	-	\$ -
Temp Move 2 2nd half	\$	-	\$ -
Permanent Move(s)	\$	-	\$ -
Total Project Budget			\$ -

Swing Space Calculations			
Year	SF	Rate	Total
1	-	\$ -	\$ -
2	-	\$ -	\$ -
3	-	\$ -	\$ -
4	-	\$ -	\$ -
5	-	\$ -	\$ -

Debt Service Calculations		
Amount	\$	-
Term		30
Interest Rate		5.25%
Debt Service	\$	-

Operating Expense Calculations		
Current Operating Costs PSF	\$	9.00
Estimated Annual Increases		5.0%

Year	Debt Service	Operating Expenses	Swing Space	Total Occupancy
1 2008		\$ 1,925,145		\$ 1,925,145
2 2009		\$ 2,021,402	\$ -	\$ 2,021,402
3 2010			(A) \$ -	\$ -
4 2011	1 \$	-		\$ -
5 2012	2 \$	-		\$ -
6 2013	3 \$	-		\$ -
7 2014	4 \$	-		\$ -
8 2015	5 \$	-		\$ -
9 2016	6 \$	-		\$ -
10 2017	7 \$	-		\$ -
11 2018	8 \$	-		\$ -
12 2019	9 \$	-		\$ -
13 2020	10 \$	-		\$ -
14 2021	11 \$	-		\$ -
15 2022	12 \$	-		\$ -
16 2023	13 \$	-		\$ -
17 2024	14 \$	-		\$ -
18 2025	15 \$	-		\$ -
19 2026	16 \$	-		\$ -
20 2027	17 \$	-		\$ -
21 2028	18 \$	-		\$ -
22 2029	19 \$	-		\$ -
23 2030	20 \$	-		\$ -
24 2031	21 \$	-		\$ -
25 2032	22 \$	-		\$ -
26 2033	23 \$	-		\$ -
27 2034	24 \$	-		\$ -
28 2035	25 \$	-		\$ -
29 2036	26 \$	-		\$ -
30 2037	27 \$	-		\$ -
31 2038	28 \$	-		\$ -
32 2039	29 \$	-		\$ -
33 2040	30 \$	-		\$ -
34 2041				\$ -
35 2042				\$ -
36 2043				\$ -
37 2044				\$ -
38 2045				\$ -
39 2046				\$ -
40 2047				\$ -
41 2048				\$ -
42 2049				\$ -
43 2050				\$ -
44 2051				\$ -
45 2052				\$ -
46 2053				\$ -
47 2054				\$ -
48 2055				\$ -
49 2056				\$ -
50 2057				\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 3,946,547	\$ -	\$ 3,946,547
NPV 2013	5.25%	\$ 3,946,547	\$ -	\$ 3,946,547

Compilation Notes

(A) Building demolished in 2010.

City Administration Building (CAB)

Total Square Feet:

188,926

Renovation to Code/Standard			
Estimated Renovation Costs			\$ -
Seismic Retrofit	\$	-	\$ -
Furniture	-	\$	\$ -
Technology	-	0	\$ -
Security	-	\$	\$ -
Temp Move 1	-	\$	\$ -
Permanent Move	-	\$	\$ -
Other 1			\$ -
Total Project Budget			\$ -

Year	Swing Space Calculations SF	Rate	Total
1	-	\$	\$ -
2	-	\$	\$ -
3		\$	\$ -
4		\$	\$ -
5		\$	\$ -

Debt Service Calculations	
Amount	\$ -
Term	30
Interest Rate	5.25%
Debt Service	\$ -

Operating Expense Calculations	
Current Operating Costs PSF	\$ 9.00
Estimated Annual Increases	5.0%

Year	Debt Service	Operating Expenses	Swing Space	Total Occupancy
1 2008	\$ -	\$ 1,700,334	\$ -	\$ 1,700,334
2 2009	\$ -	\$ 1,785,351	\$ -	\$ 1,785,351
3 2010	\$ -	\$ 1,874,618	\$ -	\$ 1,874,618
4 2011	1 \$	\$ 1,968,349	\$ -	\$ 1,968,349
5 2012	2 \$	(A) \$ 2,066,767	\$ -	\$ 2,066,767
6 2013	3 \$	\$ -	\$ -	\$ -
7 2014	4 \$	\$ -	\$ -	\$ -
8 2015	5 \$	\$ -	\$ -	\$ -
9 2016	6 \$	\$ -	\$ -	\$ -
10 2017	7 \$	\$ -	\$ -	\$ -
11 2018	8 \$	\$ -	\$ -	\$ -
12 2019	9 \$	\$ -	\$ -	\$ -
13 2020	10 \$	\$ -	\$ -	\$ -
14 2021	11 \$	\$ -	\$ -	\$ -
15 2022	12 \$	\$ -	\$ -	\$ -
16 2023	13 \$	\$ -	\$ -	\$ -
17 2024	14 \$	\$ -	\$ -	\$ -
18 2025	15 \$	\$ -	\$ -	\$ -
19 2026	16 \$	\$ -	\$ -	\$ -
20 2027	17 \$	\$ -	\$ -	\$ -
21 2028	18 \$	\$ -	\$ -	\$ -
22 2029	19 \$	\$ -	\$ -	\$ -
23 2030	20 \$	\$ -	\$ -	\$ -
24 2031	21 \$	\$ -	\$ -	\$ -
25 2032	22 \$	\$ -	\$ -	\$ -
26 2033	23 \$	\$ -	\$ -	\$ -
27 2034	24 \$	\$ -	\$ -	\$ -
28 2035	25 \$	\$ -	\$ -	\$ -
29 2036	26 \$	\$ -	\$ -	\$ -
30 2037	27 \$	\$ -	\$ -	\$ -
31 2038	28 \$	\$ -	\$ -	\$ -
32 2039	29 \$	\$ -	\$ -	\$ -
33 2040	30 \$	\$ -	\$ -	\$ -
34 2041	\$	\$ -	\$ -	\$ -
35 2042	\$	\$ -	\$ -	\$ -
36 2043	\$	\$ -	\$ -	\$ -
37 2044	\$	\$ -	\$ -	\$ -
38 2045	\$	\$ -	\$ -	\$ -
39 2046	\$	\$ -	\$ -	\$ -
40 2047	\$	\$ -	\$ -	\$ -
41 2048	\$	\$ -	\$ -	\$ -
42 2049	\$	\$ -	\$ -	\$ -
43 2050	\$	\$ -	\$ -	\$ -
44 2051	\$	\$ -	\$ -	\$ -
45 2052	\$	\$ -	\$ -	\$ -
46 2053	\$	\$ -	\$ -	\$ -
47 2054	\$	\$ -	\$ -	\$ -
48 2055	\$	\$ -	\$ -	\$ -
49 2056	\$	\$ -	\$ -	\$ -
50 2057	\$	\$ -	\$ -	\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 9,395,419	\$ -	\$ 9,395,419
NPV 2013	5.25%	\$ 9,395,419	\$ -	\$ 9,395,419

Compilation Notes	
(A)	Building demolished in 2012

Summary of Existing Occupancy Costs (Through Relocations on 1/1/13 and 9/1/14)

	CAB	COB	Concourse as Meeting	Parkade	New "Owned" 30 Years	Lease Civic Plaza S 5	Lease Executive Complex S5	Lease 600 B	Total	
2008	1	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ 4,658,036	\$ 2,892,132	\$ 3,964,706	\$ 15,283,648
2009	2	\$ 1,785,351	\$ 2,021,402	\$ 876,225	\$ (703,766)	\$ -	\$ 4,779,320	\$ 3,007,226	\$ 4,162,245	\$ 15,928,002
2010	3	\$ 1,874,618	\$ -	\$ 932,396	\$ (728,554)	\$ -	\$ 4,906,669	\$ 3,126,438	\$ 4,373,951	\$ 14,485,517
2011	4	\$ 1,968,349	\$ -	\$ 991,746	\$ (754,166)	\$ -	\$ 5,040,384	\$ 3,249,974	\$ 4,596,933	\$ 15,093,221
2012	5	\$ 2,066,767	\$ -	\$ 1,054,446	\$ (780,626)	\$ -	\$ 5,180,786	\$ 3,378,052	\$ 4,823,708	\$ 15,723,132
2013	6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,328,207	\$ 3,510,898	\$ 2,070,265	\$ 10,909,370
2014	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,112,250	\$ 906,053	\$ -	\$ 5,018,303
2015	8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	44	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	49	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nominal Sum		\$ 9,395,419	\$ 3,946,547	\$ 4,677,884	\$ (3,646,890)	\$ -	\$ 34,005,652	\$ 20,070,772	\$ 23,991,808	\$ 92,441,192
NPV	5.25%	\$ 9,395,419	\$ 3,946,547	\$ 4,677,884	\$ (3,646,890)	\$ -	\$ 33,800,528	\$ 20,025,577	\$ 23,991,808	\$ 92,190,873

Scenario 4 (Retrofit Concourse as Office)

Renovate and Retrofit Owned buildings with new City office standards
 Retrofit Concourse from meeting facility to office space (fill in atrium area to gain 20,000 usable sf)
 Lease less amount of space downtown and retrofit to new City office standards
 Construct new facility in 30 years (end of useful life - CAB, COB, Parkade)
 Added \$17,500,000 to accommodate technology needs as systems become obsolete

		CAB	COB	Concourse as Office	Parkade	New "Owned" 30 Years	Lease 600 B	Lease Executive Complex or Generic B	Lease Civic Plaza	New Lease Library	Total
						End of Useful Life	EOT	EOT		Publishing	
2008	1	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ 3,964,706	\$ 2,892,132	\$ 4,658,036	\$ -	\$ 15,283,648
2009	2	\$ 4,277,135	\$ 2,376,901	\$ 1,494,225	\$ (703,766)	\$ -	\$ 4,162,245	\$ 3,007,226	\$ 4,779,320	\$ 1,292,800	\$ 20,686,085
2010	3	\$ 4,409,020	\$ 2,468,422	\$ 1,568,936	\$ (304,191)	\$ -	\$ 4,373,951	\$ 3,126,438	\$ 4,906,669	\$ 922,680	\$ 21,471,925
2011	4	\$ 5,445,419	\$ 6,037,908	\$ 5,347,535	\$ (329,802)	\$ -	\$ 4,596,933	\$ 3,249,974	\$ 5,040,384	\$ 953,685	\$ 30,342,036
2012	5	\$ 5,543,836	\$ 6,149,338	\$ 5,440,323	\$ (356,262)	\$ -	\$ 4,823,708	\$ 3,378,052	\$ 5,180,786	\$ 985,862	\$ 31,145,642
2013	6	\$ 5,647,175	\$ 6,266,339	\$ 5,537,750	\$ (383,595)	\$ -	\$ 5,009,888	\$ 3,510,898	\$ 5,328,207	\$ 1,019,260	\$ 31,935,921
2014	7	\$ 5,755,680	\$ 6,389,190	\$ 5,640,048	\$ (411,826)	\$ -	\$ -	\$ 906,053	\$ 6,636,901	\$ 1,053,931	\$ 25,969,977
2015	8	\$ 5,869,610	\$ 6,518,184	\$ 5,747,462	\$ (440,983)	\$ -	\$ -	\$ -	\$ 6,930,679	\$ 1,089,928	\$ 22,714,881
2016	9	\$ 5,989,237	\$ 6,653,628	\$ 5,860,246	\$ (471,091)	\$ -	\$ -	\$ -	\$ 7,243,421	\$ 1,127,307	\$ 23,264,748
2017	10	\$ 6,114,846	\$ 6,795,844	\$ 5,978,669	\$ (502,178)	\$ -	\$ -	\$ -	\$ 7,538,462	\$ 1,166,128	\$ 23,839,771
2018	11	\$ 6,246,735	\$ 6,945,170	\$ 6,103,014	\$ (534,272)	\$ -	\$ -	\$ -	\$ 7,833,085	\$ 1,206,450	\$ 24,441,183
2019	12	\$ 6,385,218	\$ 7,101,963	\$ 6,233,575	\$ (567,401)	\$ -	\$ -	\$ -	\$ 8,128,558	\$ 1,248,340	\$ 25,070,253
2020	13	\$ 6,530,625	\$ 7,266,596	\$ 6,370,665	\$ (601,595)	\$ -	\$ -	\$ -	\$ 8,423,158	\$ 1,291,863	\$ 25,728,312
2021	14	\$ 6,683,303	\$ 7,439,460	\$ 6,514,609	\$ (636,882)	\$ -	\$ -	\$ -	\$ 8,718,178	\$ 1,337,089	\$ 26,416,758
2022	15	\$ 6,843,615	\$ 7,620,967	\$ 6,665,751	\$ (673,294)	\$ -	\$ -	\$ -	\$ 9,013,233	\$ 1,384,093	\$ 27,137,055
2023	16	\$ 7,011,942	\$ 7,811,550	\$ 6,824,449	\$ (710,860)	\$ -	\$ -	\$ -	\$ 9,307,709	\$ 1,432,951	\$ 27,890,742
2024	17	\$ 7,188,685	\$ 8,011,662	\$ 6,991,083	\$ (749,612)	\$ -	\$ -	\$ -	\$ 9,602,634	\$ 1,483,743	\$ 28,644,539
2025	18	\$ 7,374,266	\$ 8,221,780	\$ 7,166,048	\$ (789,580)	\$ -	\$ -	\$ -	\$ 9,907,590	\$ 1,536,553	\$ 29,400,856
2026	19	\$ 7,569,126	\$ 8,442,403	\$ 7,349,761	\$ (830,799)	\$ -	\$ -	\$ -	\$ 10,212,485	\$ 1,591,470	\$ 30,157,446
2027	20	\$ 7,773,729	\$ 8,674,057	\$ 7,542,660	\$ (873,299)	\$ -	\$ -	\$ -	\$ 10,517,564	\$ 1,648,584	\$ 30,914,297
2028	21	\$ 7,988,562	\$ 8,917,295	\$ 7,745,204	\$ (917,113)	\$ -	\$ -	\$ -	\$ 10,823,617	\$ 1,707,993	\$ 31,671,558
2029	22	\$ 8,214,137	\$ 9,172,694	\$ 7,957,876	\$ (962,276)	\$ -	\$ -	\$ -	\$ 11,130,259	\$ 1,769,796	\$ 32,428,815
2030	23	\$ 8,450,990	\$ 9,440,863	\$ 8,181,180	\$ (1,008,820)	\$ -	\$ -	\$ -	\$ 11,437,432	\$ 1,834,100	\$ 33,186,074
2031	24	\$ 8,699,686	\$ 9,722,441	\$ 8,415,651	\$ (1,056,780)	\$ -	\$ -	\$ -	\$ 11,744,605	\$ 1,901,015	\$ 33,945,333
2032	25	\$ 8,960,817	\$ 10,018,097	\$ 8,661,844	\$ (1,106,190)	\$ -	\$ -	\$ -	\$ 12,051,778	\$ 1,970,655	\$ 34,704,592
2033	26	\$ 9,235,004	\$ 10,328,536	\$ 8,920,347	\$ (1,157,085)	\$ -	\$ -	\$ -	\$ 12,358,951	\$ 2,043,142	\$ 35,464,851
2034	27	\$ 9,522,901	\$ 10,654,497	\$ 9,191,776	\$ (1,209,499)	\$ -	\$ -	\$ -	\$ 12,666,124	\$ 2,118,602	\$ 36,225,110
2035	28	\$ 9,825,192	\$ 10,996,757	\$ 9,476,775	\$ (1,263,467)	\$ -	\$ -	\$ -	\$ 12,973,297	\$ 2,197,168	\$ 37,000,369
2036	29	\$ 10,142,598	\$ 11,356,129	\$ 9,776,025	\$ (1,319,025)	\$ -	\$ -	\$ -	\$ 13,280,470	\$ 2,278,978	\$ 37,775,628
2037	30	\$ 10,475,875	\$ 11,733,470	\$ 10,090,237	\$ (1,376,208)	\$ -	\$ -	\$ -	\$ 13,587,643	\$ 2,364,178	\$ 38,550,887
2038	31	\$ 10,825,815	\$ 12,129,678	\$ 10,420,160	\$ (1,435,050)	\$ -	\$ -	\$ -	\$ 13,894,816	\$ 2,452,918	\$ 39,326,146
2039	32	\$ 11,193,252	\$ 12,545,696	\$ 10,766,579	\$ (1,495,586)	\$ -	\$ -	\$ -	\$ 14,201,989	\$ 2,545,359	\$ 40,101,405
2040	33	\$ 11,579,062	\$ 12,982,515	\$ 11,130,319	\$ (1,982,216)	\$ -	\$ -	\$ -	\$ 14,509,162	\$ 2,641,667	\$ 40,876,664
2041	34	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712	\$ -	\$ -	\$ -	\$ 2,742,016	\$ 128,551,728
2042	35	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529	\$ -	\$ -	\$ -	\$ 2,846,590	\$ 125,768,119
2043	36	\$ -	\$ -	\$ -	\$ -	\$ 123,545,111	\$ -	\$ -	\$ -	\$ 2,955,579	\$ 126,500,689
2044	37	\$ -	\$ -	\$ -	\$ -	\$ 124,193,735	\$ -	\$ -	\$ -	\$ 3,069,183	\$ 127,262,919
2045	38	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407	\$ -	\$ -	\$ -	\$ 3,187,614	\$ 128,056,021
2046	39	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171	\$ -	\$ -	\$ -	\$ 3,311,091	\$ 128,881,261
2047	40	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114	\$ -	\$ -	\$ -	\$ 3,439,843	\$ 129,739,957
2048	41	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366	\$ -	\$ -	\$ -	\$ 3,574,114	\$ 130,633,480
2049	42	\$ -	\$ -	\$ -	\$ -	\$ 127,849,104	\$ -	\$ -	\$ -	\$ 3,714,154	\$ 131,563,258
2050	43	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549	\$ -	\$ -	\$ -	\$ 3,860,230	\$ 132,530,780
2051	44	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975	\$ -	\$ -	\$ -	\$ 4,012,620	\$ 133,537,595
2052	45	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703	\$ -	\$ -	\$ -	\$ 4,171,613	\$ 134,585,316
2053	46	\$ -	\$ -	\$ -	\$ -	\$ 131,347,422	\$ -	\$ -	\$ -	\$ 4,337,515	\$ 141,816,937
2054	47	\$ -	\$ -	\$ -	\$ -	\$ 132,299,627	\$ -	\$ -	\$ -	\$ 4,510,644	\$ 136,810,272
2055	48	\$ -	\$ -	\$ -	\$ -	\$ 133,299,742	\$ -	\$ -	\$ -	\$ 4,691,337	\$ 137,991,079
2056	49	\$ -	\$ -	\$ -	\$ -	\$ 134,340,003	\$ -	\$ -	\$ -	\$ 4,879,944	\$ 139,219,947
2057	50	\$ -	\$ -	\$ -	\$ -	\$ 135,422,020	\$ -	\$ -	\$ -	\$ 5,076,831	\$ 140,498,852
Nominal Sum		\$ 245,473,425	\$ 269,115,175	\$ 231,933,855	\$ (27,840,379)	\$ 2,189,567,291	\$ 26,931,431	\$ 20,070,772	\$ 313,918,866	\$ 115,979,208	\$ 3,385,149,644
NPV	5.25%	\$ 133,300,396	\$ 143,734,822	\$ 123,456,680	\$ (14,046,468)	\$ 355,363,740	\$ 26,931,431	\$ 20,025,577	\$ 152,131,966	\$ 37,224,756	\$ 978,122,899

Scenario 5 - No Renovation

Do not renovate owned buildings (Concourse remains a meeting facility)
 Lease existing space at market rates

		CAB	COB	Concourse as Meeting	Parkade	New "Owned" 30 Years	Library and Publishing	Lease Civic Plaza \$ 5	Lease Executive Complex or Generic B \$5	Lease 600 B	Total
2008	1	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ -	\$ 4,658,036	\$ 2,892,132	\$ 3,964,706	\$ 15,283,648
2009	2	\$ 1,785,351	\$ 2,021,402	\$ 876,225	\$ (703,766)	\$ -	\$ -	\$ 4,779,320	\$ 3,007,226	\$ 4,162,245	\$ 15,928,002
2010	3	\$ 1,874,618	\$ 2,122,472	\$ 932,396	\$ (728,554)	\$ -	\$ -	\$ 4,906,669	\$ 3,126,438	\$ 4,373,951	\$ 16,607,989
2011	4	\$ 1,968,349	\$ 2,228,596	\$ 991,746	\$ (754,166)	\$ -	\$ -	\$ 5,040,384	\$ 3,249,974	\$ 4,596,933	\$ 17,321,817
2012	5	\$ 2,066,767	\$ 2,340,026	\$ 1,054,446	\$ (780,626)	\$ -	\$ -	\$ 5,180,786	\$ 3,378,052	\$ 4,823,708	\$ 18,063,158
2013	6	\$ 2,170,105	\$ 2,457,027	\$ 1,120,675	\$ (807,959)	\$ -	\$ -	\$ 5,328,207	\$ 3,510,898	\$ 5,009,888	\$ 18,788,840
2014	7	\$ 2,278,610	\$ 2,579,878	\$ 1,190,620	\$ (836,190)	\$ -	\$ -	\$ 8,925,438	\$ 10,586,974	\$ -	\$ 24,725,330
2015	8	\$ 2,392,541	\$ 2,708,872	\$ 1,264,479	\$ (865,346)	\$ -	\$ -	\$ 8,241,447	\$ 9,934,622	\$ -	\$ 23,676,615
2016	9	\$ 2,512,168	\$ 2,844,316	\$ 1,342,462	\$ (895,454)	\$ -	\$ -	\$ 8,614,079	\$ 10,423,355	\$ -	\$ 24,840,925
2017	10	\$ 2,637,776	\$ 2,986,532	\$ 1,424,786	\$ (926,541)	\$ -	\$ -	\$ 9,000,292	\$ 10,930,462	\$ -	\$ 26,053,308
2018	11	\$ 2,769,665	\$ 3,135,858	\$ 1,511,683	\$ (958,635)	\$ -	\$ -	\$ 9,400,642	\$ 11,456,711	\$ -	\$ 27,315,923
2019	12	\$ 2,908,148	\$ 3,292,651	\$ 1,603,394	\$ (991,765)	\$ -	\$ -	\$ 9,815,703	\$ 12,002,902	\$ -	\$ 28,631,034
2020	13	\$ 3,053,556	\$ 3,457,284	\$ 1,700,175	\$ (1,025,958)	\$ -	\$ -	\$ 10,246,080	\$ 12,569,874	\$ -	\$ 30,001,010
2021	14	\$ 3,206,233	\$ 3,630,148	\$ 1,802,292	\$ (1,061,246)	\$ -	\$ -	\$ 10,692,403	\$ 13,158,503	\$ -	\$ 31,428,333
2022	15	\$ 3,366,545	\$ 3,811,655	\$ 1,910,029	\$ (1,097,657)	\$ -	\$ -	\$ 11,155,328	\$ 13,769,703	\$ -	\$ 32,915,604
2023	16	\$ 3,534,872	\$ 4,002,238	\$ 2,023,682	\$ (1,135,224)	\$ -	\$ -	\$ 11,635,545	\$ 14,404,434	\$ -	\$ 34,465,547
2024	17	\$ 3,711,616	\$ 4,202,350	\$ 2,143,562	\$ (1,173,975)	\$ -	\$ -	\$ 11,812,048	\$ 19,290,944	\$ -	\$ 39,986,544
2025	18	\$ 3,897,197	\$ 4,412,468	\$ 2,269,996	\$ (1,213,944)	\$ -	\$ -	\$ 12,372,097	\$ 18,067,197	\$ -	\$ 39,805,010
2026	19	\$ 4,092,057	\$ 4,633,091	\$ 2,403,330	\$ (1,255,162)	\$ -	\$ -	\$ 12,952,766	\$ 18,993,033	\$ -	\$ 41,819,114
2027	20	\$ 4,296,659	\$ 4,864,746	\$ 2,543,926	\$ (1,297,662)	\$ -	\$ -	\$ 13,554,901	\$ 19,954,159	\$ -	\$ 43,916,728
2028	21	\$ 4,511,492	\$ 5,107,983	\$ 2,692,164	\$ (1,341,477)	\$ -	\$ -	\$ 14,179,387	\$ 20,952,063	\$ -	\$ 46,101,612
2029	22	\$ 4,737,067	\$ 5,363,382	\$ 2,848,446	\$ (1,386,640)	\$ -	\$ -	\$ 14,827,147	\$ 21,988,302	\$ -	\$ 48,377,703
2030	23	\$ 4,973,920	\$ 5,631,551	\$ 3,013,192	\$ (1,433,184)	\$ -	\$ -	\$ 15,499,146	\$ 23,064,504	\$ -	\$ 50,749,129
2031	24	\$ 5,222,616	\$ 5,913,129	\$ 3,186,844	\$ (1,481,144)	\$ -	\$ -	\$ 16,196,392	\$ 24,182,371	\$ -	\$ 53,220,208
2032	25	\$ 5,483,747	\$ 6,208,785	\$ 3,369,870	\$ (1,530,554)	\$ -	\$ -	\$ 16,919,939	\$ 25,343,683	\$ -	\$ 55,795,470
2033	26	\$ 5,757,934	\$ 6,519,224	\$ 3,562,757	\$ (1,581,449)	\$ -	\$ -	\$ 17,670,888	\$ 26,550,300	\$ -	\$ 58,479,655
2034	27	\$ 6,045,831	\$ 6,845,185	\$ 3,766,020	\$ (1,633,863)	\$ -	\$ -	\$ 17,701,955	\$ 33,483,468	\$ -	\$ 66,208,596
2035	28	\$ 6,348,123	\$ 7,187,445	\$ 3,980,200	\$ (1,687,831)	\$ -	\$ -	\$ 18,575,750	\$ 32,133,130	\$ -	\$ 66,536,816
2036	29	\$ 6,665,529	\$ 7,546,817	\$ 4,205,865	\$ (1,743,389)	\$ -	\$ -	\$ 19,482,171	\$ 33,851,025	\$ -	\$ 70,008,018
2037	30	\$ 6,998,805	\$ 7,924,158	\$ 4,443,614	\$ (1,800,571)	\$ -	\$ -	\$ 20,422,573	\$ 35,635,290	\$ -	\$ 73,623,868
2038	31	\$ 7,348,746	\$ 8,320,366	\$ 4,694,073	\$ (1,859,413)	\$ -	\$ -	\$ 21,398,371	\$ 37,488,754	\$ -	\$ 77,390,897
2039	32	\$ 7,716,183	\$ 8,736,384	\$ 4,957,904	\$ (1,919,950)	\$ -	\$ 3,516,264	\$ 22,411,045	\$ 39,414,378	\$ -	\$ 84,832,208
2040	33	\$ 8,101,992	\$ 9,173,203	\$ 5,235,800	\$ (1,982,216)	\$ -	\$ 2,641,667	\$ 23,462,140	\$ 41,415,255	\$ -	\$ 88,047,842
2041	34	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712	\$ 2,742,016	\$ -	\$ -	\$ -	\$ 128,551,728
2042	35	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529	\$ 2,846,590	\$ -	\$ -	\$ -	\$ 125,768,119
2043	36	\$ -	\$ -	\$ -	\$ -	\$ 123,545,111	\$ 2,955,579	\$ -	\$ -	\$ -	\$ 126,500,689
2044	37	\$ -	\$ -	\$ -	\$ -	\$ 124,193,735	\$ 3,069,183	\$ -	\$ -	\$ -	\$ 127,262,919
2045	38	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407	\$ 3,187,614	\$ -	\$ -	\$ -	\$ 128,056,021
2046	39	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171	\$ 3,311,091	\$ -	\$ -	\$ -	\$ 128,881,261
2047	40	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114	\$ 3,439,843	\$ -	\$ -	\$ -	\$ 129,739,957
2048	41	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366	\$ 3,574,114	\$ -	\$ -	\$ -	\$ 130,633,480
2049	42	\$ -	\$ -	\$ -	\$ -	\$ 127,849,104	\$ 3,714,154	\$ -	\$ -	\$ -	\$ 131,563,258
2050	43	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549	\$ 3,860,230	\$ -	\$ -	\$ -	\$ 132,530,780
2051	44	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975	\$ 4,012,620	\$ -	\$ -	\$ -	\$ 133,537,595
2052	45	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703	\$ 4,171,613	\$ -	\$ -	\$ -	\$ 134,585,316
2053	46	\$ -	\$ -	\$ -	\$ -	\$ 131,347,422	\$ 4,337,515	\$ -	\$ -	\$ -	\$ 141,816,937
2054	47	\$ -	\$ -	\$ -	\$ -	\$ 132,329,627	\$ 4,510,644	\$ -	\$ -	\$ -	\$ 136,810,272
2055	48	\$ -	\$ -	\$ -	\$ -	\$ 133,359,742	\$ 4,691,337	\$ -	\$ -	\$ -	\$ 137,991,079
2056	49	\$ -	\$ -	\$ -	\$ -	\$ 134,440,003	\$ 4,879,944	\$ -	\$ -	\$ -	\$ 139,219,947
2057	50	\$ -	\$ -	\$ -	\$ -	\$ 135,572,020	\$ 5,076,831	\$ -	\$ -	\$ -	\$ 140,498,852
Nominal Sum		\$ 136,135,152	\$ 154,134,368	\$ 80,889,726	\$ (40,571,291)	\$ 2,189,567,291		\$ 417,059,072	\$ 610,210,113	\$ 26,931,431	\$ 3,644,894,711
NPV	5.25%	\$ 68,249,424	\$ 77,273,075	\$ 39,164,406	\$ (21,690,043)	\$ 355,363,740		\$ 210,660,082	\$ 280,691,499	\$ 26,931,431	\$ 1,048,280,417

Primary Assumptions

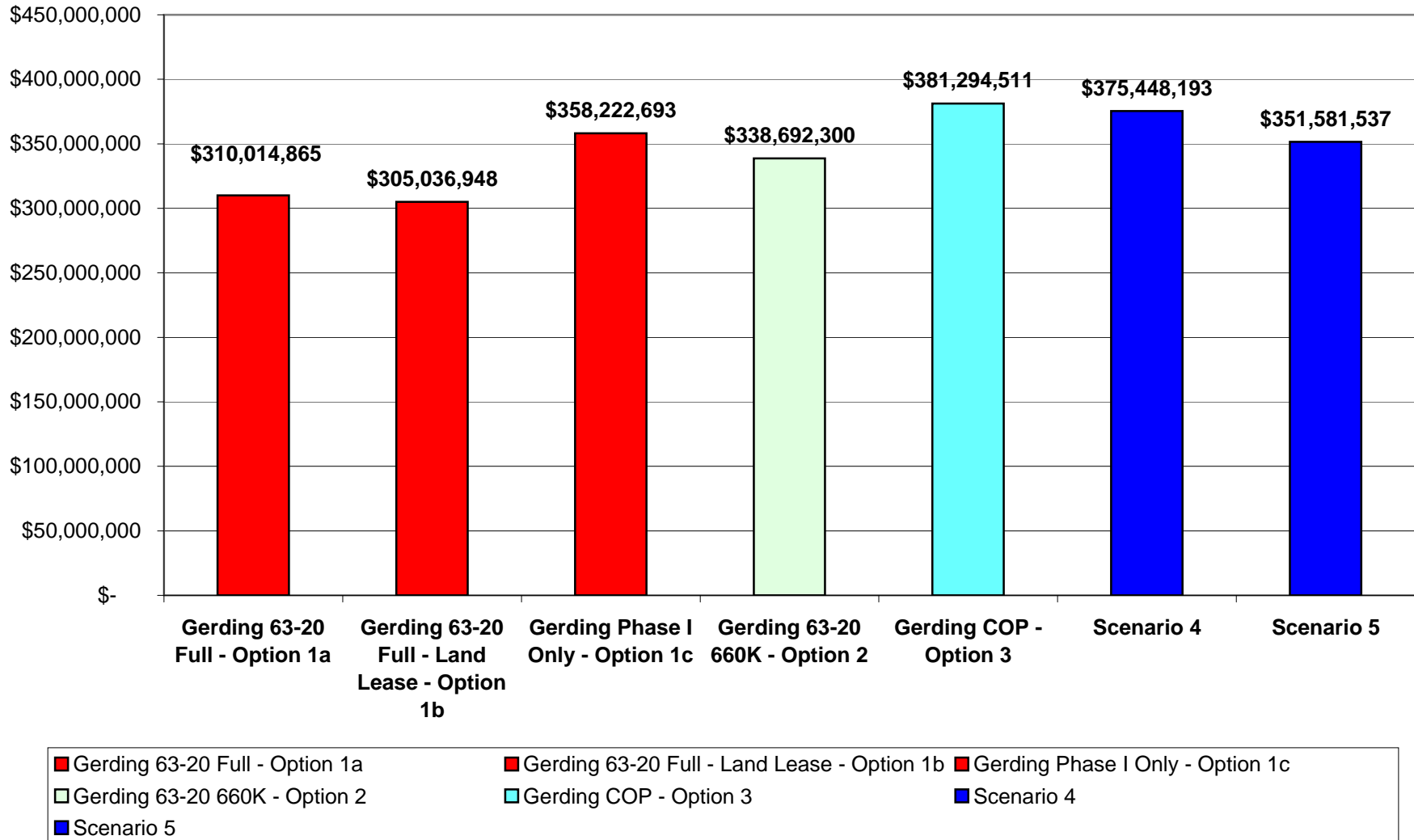
FF&E			
Unit Cost \$5,000 (Furniture), \$2,000 (Voice & Data) - at desk	\$	7,000	Estimate per employee Staubach/JLL
Security	\$	7.50	Estimate PSF Cumming
Seismic Retrofit (estimate only)	\$	35.00	Estimate PSF DMJM
Existing Space/FTE		315	
Move Related			
Estimated move costs Per Person	\$	350	Estimate per employee Staubach/JLL
Estimated Cost Swing Space	\$	33.00	Estimate PSF Staubach/JLL
Library & Publishing Relocation			
Estimated Relocation Costs (moving, voice and data)		\$10.00	Estimate PSF Staubach/JLL
Finance			
City Cost of Capital		5.25%	Estimate City
Term of Loan (New Debt)		30	Estimate City
Discount Rate for Present Value Analysis		5.25%	Estimate Staubach/JLL/City
Leasing			
Market Escalations for New Lease Space		2.50%	Estimate Staubach/JLL
Estimated Rental Rate Resets (10 years)		20.00%	Estimate Staubach/JLL
Estimated Rental Rate Resets (10 years) - NNN Leases		2.50%	Estimate Staubach/JLL
Operating Expenses			
Actual Operating Expenses (Owned Buildings)	\$	9.00	Estimate PSF Staubach/JLL/City
Projected Operating Expenses (New Development)	\$	8.00	Estimate PSF Staubach/City/Gensler
Estimated Annual Increases in Operating Expenses - Existing Bldgs.		5.00%	Estimate Staubach/JLL
Estimated Annual Increases in Operating Expenses - New Construction		5.00%	Estimate Staubach/JLL

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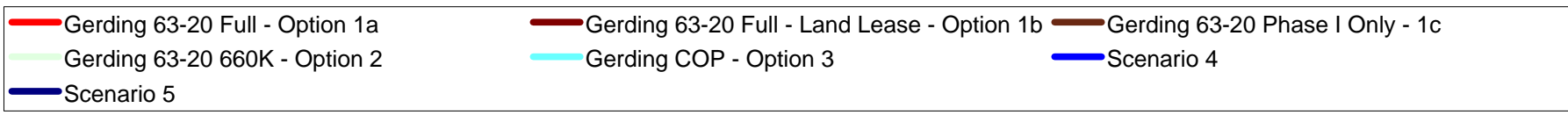
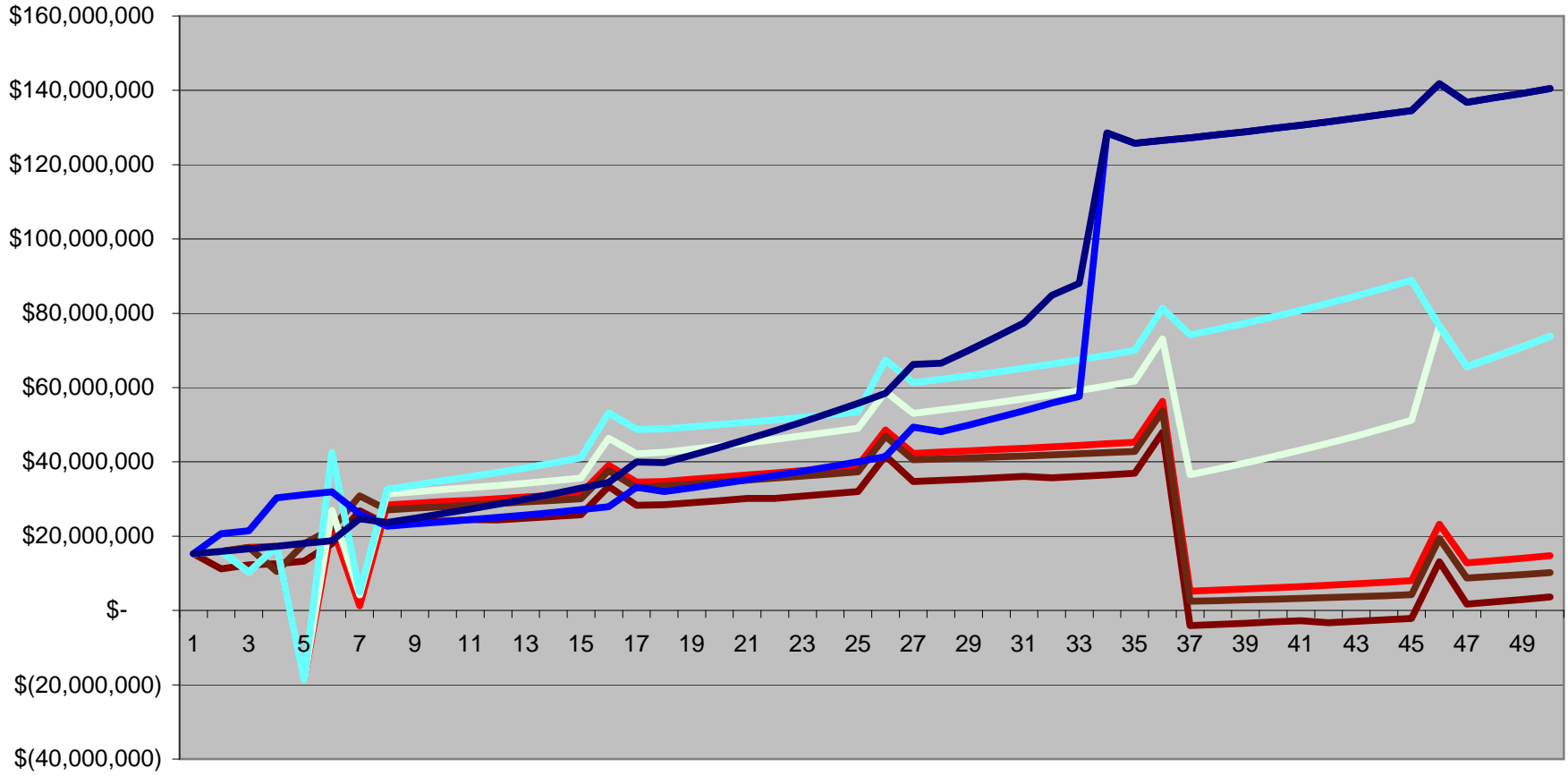
APPENDIX C

Financial Analysis – Gerding Edlen Development

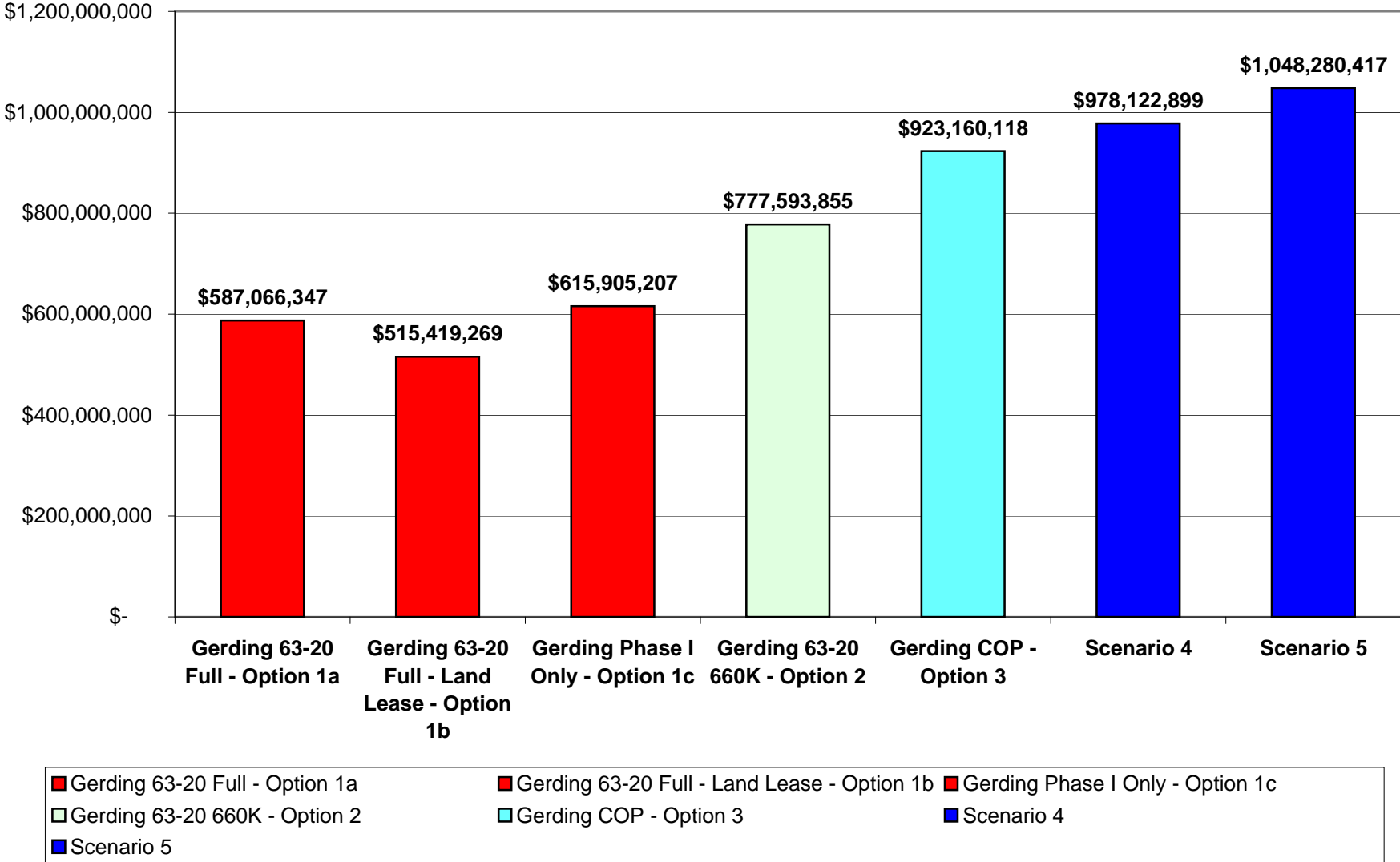
Gerding Edlen 15 Year Nominal Value



Gerding Edlen Cash Flow Analysis



Gerding Full Development 50 Year NPV Comparison (2013)



**Gerding Edlen
Option 1a
63-20 Full**

Year	Existing Occupancy Costs	Relocate Library & Publishing	Gerding 63-20 Full	Adjustments to Gerding Model	Retail Sales Tax Generated (escalating)	Probability Quotient	Revenue Credit	Surplus Office Space	NNN Rent PSF (escalated) 3.0%	Office Income	Probability Quotient	Revenue Credit	Surplus Retail Space	NNN Rent PSF (escalated) 3.0%	Retail Income	Probability Quotient	Revenue Credit	Estimated Property Tax (escalated) 2.0%	Property Tax Phase In 17.0%	Probability Quotient	Revenue Credit	Total				
1	2008	\$ 15,283,648	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ 2.30	\$ -	\$ -	\$ -	\$ -	\$ 3.00	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 15,283,648					
2	2009	\$ 15,928,002	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ 2.37	\$ -	\$ -	\$ -	\$ -	\$ 3.09	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 15,928,002					
3	2010	\$ 15,675,594	\$ 1,322,680	\$ -	\$ -	0.0%	\$ -	\$ -	\$ 2.44	\$ -	\$ -	\$ -	\$ -	\$ 3.18	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 16,998,274					
4	2011	\$ 16,330,071	\$ 953,685	\$ -	\$ -	0.0%	\$ -	\$ -	\$ 2.51	\$ -	\$ -	\$ 18,500	\$ -	\$ 3.28	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 17,283,756					
5	2012	\$ 17,008,712	\$ 985,862	\$ (36,709,251)	\$ -	0.0%	\$ -	\$ -	\$ 2.59	\$ -	\$ -	\$ -	\$ 18,500	\$ 3.38	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ (18,714,677)					
6	2013	\$ 12,500,692	\$ 1,019,260	\$ 8,913,824	\$ 283,987	100.0%	\$ (16,188)	\$ -	\$ 2.67	\$ -	\$ -	\$ -	\$ 18,500	\$ 3.48	\$ -	\$ -	\$ 3,666,640	\$ -	0.0%	\$ -	\$ 22,701,576					
7	2014	\$ 4,104,469	\$ 1,053,931	\$ (3,664,582)	\$ (144,645)	100.0%	\$ (63,358)	\$ -	\$ 2.75	\$ -	\$ -	\$ -	\$ 18,500	\$ 3.58	\$ -	\$ -	\$ 3,739,973	\$ -	0.0%	\$ -	\$ 1,285,816					
8	2015	\$ -	\$ 1,089,928	\$ 27,490,991	\$ (148,984)	100.0%	\$ (65,259)	\$ -	\$ 2.83	\$ -	\$ -	\$ 18,500	\$ -	\$ 3.69	\$ -	\$ -	\$ 3,814,772	\$ -	0.0%	\$ -	\$ 28,366,676					
9	2016	\$ -	\$ 1,127,307	\$ 27,913,409	\$ (153,454)	100.0%	\$ (67,216)	\$ -	\$ 2.91	\$ -	\$ -	\$ -	\$ -	\$ 3.80	\$ -	\$ -	\$ 3,891,068	\$ -	0.0%	\$ -	\$ 28,820,046					
10	2017	\$ -	\$ 1,166,128	\$ 28,343,127	\$ (158,057)	100.0%	\$ (69,233)	\$ -	\$ 3.00	\$ -	\$ -	\$ 18,500	\$ -	\$ 3.91	\$ -	\$ -	\$ 3,968,889	\$ -	0.0%	\$ -	\$ 29,281,965					
11	2018	\$ -	\$ 1,206,450	\$ 28,778,396	\$ (162,799)	50.0%	\$ (171,986)	\$ -	\$ 3.09	\$ -	\$ -	\$ 18,500	\$ -	\$ 4.03	\$ -	\$ -	\$ 4,048,267	\$ -	0.0%	\$ -	\$ 29,650,061					
12	2019	\$ -	\$ 1,248,340	\$ 29,222,509	\$ (167,683)	50.0%	\$ (227,296)	\$ -	\$ 3.18	\$ -	\$ -	\$ 18,500	\$ -	\$ 4.15	\$ -	\$ -	\$ 4,129,232	\$ -	0.0%	\$ -	\$ 30,075,870					
13	2020	\$ -	\$ 1,291,863	\$ 29,678,495	\$ (172,713)	50.0%	\$ (531,506)	\$ -	\$ 3.28	\$ -	\$ -	\$ 18,500	\$ -	\$ 4.28	\$ -	\$ -	\$ 4,211,817	\$ -	0.0%	\$ -	\$ 30,531,891					
14	2021	\$ -	\$ 1,337,089	\$ 30,139,042	\$ (177,895)	50.0%	\$ (570,728)	\$ -	\$ 3.38	\$ -	\$ -	\$ -	\$ -	\$ 4.41	\$ -	\$ -	\$ 4,296,053	\$ -	0.0%	\$ -	\$ 31,012,872					
15	2022	\$ -	\$ 1,384,093	\$ 30,602,154	\$ (183,232)	50.0%	\$ (587,850)	\$ -	\$ 3.48	\$ -	\$ -	\$ 18,500	\$ -	\$ 4.54	\$ -	\$ -	\$ 4,381,974	\$ -	0.0%	\$ -	\$ 31,509,091					
16	2023	\$ -	\$ 1,432,951	\$ 36,524,575	\$ 1,473,505	50.0%	\$ (605,485)	\$ -	\$ 3.58	\$ -	\$ -	\$ 18,500	\$ -	\$ 4.67	\$ -	\$ -	\$ 4,469,614	\$ -	0.0%	\$ -	\$ 39,128,288					
17	2024	\$ -	\$ 1,483,743	\$ 33,594,954	\$ (194,390)	50.0%	\$ (623,650)	\$ -	\$ 3.69	\$ -	\$ -	\$ 18,500	\$ -	\$ 4.81	\$ -	\$ -	\$ 4,559,006	\$ -	0.0%	\$ -	\$ 34,572,481					
18	2025	\$ -	\$ 1,536,553	\$ 34,113,619	\$ (200,222)	50.0%	\$ (642,359)	\$ -	\$ 3.80	\$ -	\$ -	\$ 18,500	\$ -	\$ 4.96	\$ -	\$ -	\$ 4,650,186	\$ 790,532	50.0%	\$ (395,266)	\$ 34,733,505					
19	2026	\$ -	\$ 1,591,470	\$ 34,642,475	\$ (206,229)	50.0%	\$ (661,630)	\$ -	\$ 3.92	\$ -	\$ -	\$ 18,500	\$ -	\$ 5.11	\$ -	\$ -	\$ 4,743,190	\$ 806,342	50.0%	\$ (403,171)	\$ 35,293,730					
20	2027	\$ -	\$ 1,648,584	\$ 35,182,541	\$ (212,416)	50.0%	\$ (681,479)	\$ -	\$ 4.03	\$ -	\$ -	\$ 18,500	\$ -	\$ 5.26	\$ -	\$ -	\$ 4,838,054	\$ 822,469	50.0%	\$ (411,235)	\$ 35,866,736					
21	2028	\$ -	\$ 1,707,993	\$ 35,730,186	\$ (218,788)	50.0%	\$ (701,923)	\$ -	\$ 4.15	\$ -	\$ -	\$ 18,500	\$ -	\$ 5.42	\$ -	\$ -	\$ 4,934,815	\$ 838,918	50.0%	\$ (419,459)	\$ 36,448,970					
22	2029	\$ -	\$ 1,769,796	\$ 36,294,991	\$ (225,352)	50.0%	\$ (722,981)	\$ -	\$ 4.28	\$ -	\$ -	\$ 18,500	\$ -	\$ 5.58	\$ -	\$ -	\$ 5,033,511	\$ 855,697	50.0%	\$ (427,848)	\$ 37,050,097					
23	2030	\$ -	\$ 1,834,100	\$ 36,863,900	\$ (232,112)	50.0%	\$ (744,671)	\$ -	\$ 4.41	\$ -	\$ -	\$ 18,500	\$ -	\$ 5.75	\$ -	\$ -	\$ 5,134,181	\$ 872,811	50.0%	\$ (436,405)	\$ 37,657,147					
24	2031	\$ -	\$ 1,901,015	\$ 37,449,560	\$ (239,076)	50.0%	\$ (767,011)	\$ -	\$ 4.54	\$ -	\$ -	\$ 18,500	\$ -	\$ 5.92	\$ -	\$ -	\$ 5,236,865	\$ 890,267	50.0%	\$ (445,134)	\$ 38,282,860					
25	2032	\$ -	\$ 1,970,655	\$ 38,043,725	\$ (246,248)	50.0%	\$ (790,021)	\$ -	\$ 4.68	\$ -	\$ -	\$ 18,500	\$ -	\$ 6.10	\$ -	\$ -	\$ 5,341,602	\$ 908,072	50.0%	\$ (454,036)	\$ 38,919,085					
26	2033	\$ -	\$ 2,043,142	\$ 44,765,443	\$ 2,661,311	50.0%	\$ (813,722)	\$ -	\$ 4.82	\$ -	\$ -	\$ 18,500	\$ -	\$ 6.28	\$ -	\$ -	\$ 5,448,434	\$ 926,234	50.0%	\$ (463,117)	\$ 48,599,918					
27	2034	\$ -	\$ 2,118,602	\$ 41,336,765	\$ (261,244)	50.0%	\$ (838,133)	\$ -	\$ 4.96	\$ -	\$ -	\$ 18,500	\$ -	\$ 6.47	\$ -	\$ -	\$ 5,557,403	\$ 944,758	50.0%	\$ (472,379)	\$ 42,302,677					
28	2035	\$ -	\$ 2,197,168	\$ 41,613,045	\$ (269,082)	50.0%	\$ (863,277)	\$ -	\$ 5.11	\$ -	\$ -	\$ 18,500	\$ -	\$ 6.66	\$ -	\$ -	\$ 5,668,551	\$ 963,654	50.0%	\$ (481,827)	\$ 42,627,666					
29	2036	\$ -	\$ 2,278,978	\$ 41,900,315	\$ (277,154)	50.0%	\$ (889,176)	\$ -	\$ 5.26	\$ -	\$ -	\$ 18,500	\$ -	\$ 6.86	\$ -	\$ -	\$ 5,781,922	\$ 982,927	50.0%	\$ (491,463)	\$ 42,966,088					
30	2037	\$ -	\$ 2,364,178	\$ 42,195,993	\$ (285,469)	50.0%	\$ (915,851)	\$ -	\$ 5.42	\$ -	\$ -	\$ 18,500	\$ -	\$ 7.07	\$ -	\$ -	\$ 5,897,560	\$ 1,002,585	50.0%	\$ (501,293)	\$ 43,315,483					
31	2038	\$ -	\$ 2,452,918	\$ 42,502,550	\$ (294,033)	50.0%	\$ (943,326)	\$ -	\$ 5.58	\$ -	\$ -	\$ 18,500	\$ -	\$ 7.28	\$ -	\$ -	\$ 6,015,512	\$ 1,022,637	50.0%	\$ (511,318)	\$ 43,678,454					
32	2039	\$ -	\$ 2,545,359	\$ 42,827,265	\$ (302,854)	50.0%	\$ (971,626)	\$ -	\$ 5.75	\$ -	\$ -	\$ 18,500	\$ -	\$ 7.50	\$ -	\$ -	\$ 6,135,822	\$ 1,043,090	50.0%	\$ (521,545)	\$ 44,062,412					
33	2040	\$ -	\$ 2,641,667	\$ 43,161,814	\$ (311,939)	50.0%	\$ (1,000,775)	\$ -	\$ 5.92	\$ -	\$ -	\$ 18,500	\$ -	\$ 7.73	\$ -	\$ -	\$ 6,258,538	\$ 1,063,951	50.0%	\$ (531,976)	\$ 44,459,178					
34	2041	\$ -	\$ 2,742,016	\$ 43,508,224	\$ (321,298)	50.0%	\$ (1,030,798)	\$ -	\$ 6.10	\$ -	\$ -	\$ 18,500	\$ -	\$ 7.96	\$ -	\$ -	\$ 6,383,709	\$ 1,085,231	50.0%	\$ (542,615)	\$ 44,870,928					
35	2042	\$ -	\$ 2,846,590	\$ 43,868,288	\$ (330,937)	50.0%	\$ (1,061,722)	\$ -	\$ 6.28	\$ -	\$ -	\$ 18,500	\$ -	\$ 8.20	\$ -	\$ -	\$ 6,511,383	\$ 1,106,935	50.0%	\$ (553,468)	\$ 45,299,613					
36	2043	\$ -	\$ 2,955,579	\$ 50,521,995	\$ 3,934,152	50.0%	\$ (1,093,574)	\$ -	\$ 6.47	\$ -	\$ -	\$ 18,500	\$ -	\$ 8.44	\$ -	\$ -	\$ 6,641,611	\$ 1,129,074	50.0%	\$ (564,537)	\$ 56,300,402					
37	2044	\$ -	\$ 3,069,183	\$ 11,150,435	\$ (351,091)	50.0%	\$ (1,126,381)	\$ -	\$ 6.67	\$ (7,053,257)	80.0%	\$ (5,642,606)	\$ 18,500	\$ 8.69	\$ (1,930,253)	100.0%	\$ (1,930,253)	\$ 6,774,443	\$ 1,151,655	50.0%	\$ (575,828)	\$ 5,156,650				
38	2045	\$ -	\$ 3,187,614	\$ 11,596,452	\$ (361,623)	50.0%	\$ (1,160,173)	\$ -	\$ 6.87	\$ (7,264,855)	80.0%	\$ (5,811,884)	\$ 18,500	\$ 8.96	\$ (1,988,161)	100.0%	\$ (1,988,161)	\$ 6,909,932	\$ 1,174,688	50.0%	\$ (587,344)	\$ 4,554,968				
39	2046	\$ -	\$ 3,311,091	\$ 12,060,310	\$ (372,472)	50.0%	\$ (1,194,978)	\$ (597,489)	88,174	\$ 7.07	\$ (7,482,800)	80.0%	\$ (5,986,240)	\$ 18,500	\$ 9.22	\$ (2,047,806)	100.0%	\$ (2,047,806)	\$ 7,048,131	\$ 1,198,182	50.0%	\$ (599,091)	\$ 5,768,303			
40	2047	\$ -	\$ 3,439,843	\$ 12,542,723	\$ (383,646)	50.0%	\$ (1,230,827)	\$ (615,414)	88,174	\$ 7.28	\$ (7,707,284)	80.0%	\$ (6,165,828)	\$ 18,500	\$ 9.50	\$ (2,109,240)	100.0%	\$ (2,109,240)	\$ 7,189,093	\$ 1,222,146	50.0%	\$ (611,073)	\$ 6,097,366			
41	2048	\$ -	\$ 3,574,114	\$ 13,044,432	\$ (395,156)	50.0%	\$ (1,267,752)	\$ (633,876)	88,174	\$ 7.50	\$ (7,938,503)	80.0%	\$ (6,350,802)	\$ 18,500	\$ 9.79	\$ (2,172,517)	100.0%	\$ (2,172,517)	\$ 7,332,875	\$ 1,246,589	50.0%	\$ (623,294)	\$ 6,442,900			
42	2049	\$ -	\$ 3,714,154	\$ 13,566,209	\$ (407,010)	50.0%	\$ (1,305,784)	\$ (652,892)	88,174	\$ 7.73	\$ (8,176,658)	80.0%	\$ (6,541,326)	\$ 18,500	\$ 10.08	\$ (2,237,693)	100.0%	\$ (2,237,693)	\$ 7,479,533	\$ 1,271,521	50.0%	\$ (635,760)	\$ 6,805,681			
43	2050	\$ -	\$ 3,860,230	\$ 14,108,857	\$ (419,221)	50.0%	\$ (1,344,958)	\$ (672,479)	88,174	\$ 7.96	\$ (8,421,958)	80.0%	\$ (6,737,566)	\$ 18,500	\$ 10.38	\$ (2,304,823)	100.0%	\$ (2,304,823)	\$ 7,629,123	\$ 1,296,951	50.0%	\$ (648,475)	\$ 7,186,523			
44	2051	\$ -	\$ 4,012,620	\$ 14,673,212	\$ (431,797)	50.0%	\$ (1,385,307)	\$ (692,653)	88,174	\$ 8.20	\$ (8,674,617)	80.0%	\$ (6,939,693)	\$ 18,500	\$ 10.69	\$ (2,373,968)	100.0%	\$ (2,373,968)	\$ 7,781,706	\$ 1,322,890	50.0%	\$ (661,445)	\$ 7,586,274			
45	2052	\$ -	\$ 4,171,613	\$ 15,260,140	\$ (444,751)	50.0%	\$ (1,426,866)	\$ (713,433)	88,174	\$ 8.44	\$ (8,934,855)	80.0%	\$ (7,147,884)	\$ 18,500	\$ 11.01	\$ (2,445,187)	100.0%	\$ (2,445,187)	\$ 7,937,340	\$ 1,349,348	50.0%	\$ (674,674)	\$ 8,005,824			
46	2053	\$ -	\$ 4,337,515	\$ 23,127,561	\$ 7,092,023	50.0%	\$ (1,469,672)	\$ (734,836)	88,174	\$ 8.70	\$ (9,202,901)	80.0%	\$ (7,362,321)	\$ 18,500	\$ 11.34	\$ (2,518,543)	100.0%	\$ (2,518,543)	\$ 8,096,087	\$ 1,376,335	50.0%	\$ (688,167)	\$ 23,253,232			
47	2054	\$ -	\$ 4,510,644	\$ 17,959,419	\$ (471,836)	50.0%	\$ (1,513,762)	\$ (756,881)	88,174	\$ 8.96	\$ (9,419,339)	80.0%	\$ (7,513,471)	\$ 18,500	\$ 11.69	\$ (2,594,099)	100.0%	\$ (2,594,099)	\$ 8,258,008	\$ 1,403,861	50.0%	\$ (701,931)	\$ 12,809,845			
48	2055	\$ -	\$ 4,691,337	\$ 18,677,796	\$ (485,991)	50.0%	\$ (1,559,175)	\$ (779,587)	88,174	\$ 9.23	\$ (9,611,919)	80.0%	\$ (7,589,535)	\$ 18,500	\$ 12.04	\$ (2,671,922)	100.0%	\$ (2,671,922)	\$ 8,423,168	\$ 1,431,939	50.0%	\$ (715,969)	\$ 13,426,127			
49	2056	\$ -	\$ 4,879,944	\$ 19,424,907	\$ (500,571)	50.0%	\$ (1,605,950)	\$ (802,975)	59,713	\$ 9.50	\$ (9,810,277)	80.0%	\$ (7,648,221)	\$ 18,500	\$ 12.40	\$ (2,752,080)	100.0%	\$ (2,752,080)	\$ 8,591,632	\$ 1,460,577	50.0%	\$ (730,289)	\$ 14,070,715			
50	2057	\$ -	\$ 5,076,831	\$ 20,201,904	\$ (515,588)	50.0%	\$ (1,654,129)	\$ (827,064)	59,713	\$ 9.79	\$ (10,014,585)	80.0%	\$ (7,714,668)	\$ 18,500	\$ 12.77	\$ (2,834,642)	100.0%	\$ (2,834,642)	\$ 8,763,464	\$ 1,489,789	50.0%	\$ (744,894)	\$ 14,744,878			
								59,713									18,500									(

Gerding Edlen
Option 1b - Land Lease
63-20 Full

Year	Existing Occupancy Costs	Relocate Library & Publishing	Gerding 63-20 Full	Land Lease Payment escalating 10% 7.00%	Adjustments to Gerding Model	Retail Sales Tax Generated (escalating)	Probability Quotient	Revenue Credit	Surplus Office Space	NNN Rent PSF (escalated) 3.0%	Office Income	Probability Quotient	Revenue Credit	Surplus Retail Space	NNN Rent PSF (escalated) 3.0%	Retail Income	Probability Quotient	Revenue Credit	Estimated Property Tax (escalated) 2.0%	Property Tax Phase In 17.0%	Probability Quotient	Revenue Credit	Total
				\$ 7.00%																			
1	2008	\$ 15,283,648	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ 2.30	\$ -	\$ -	\$ -	\$ -	\$ 3.00	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 15,283,648
2	2009	\$ 15,928,002	\$ -	\$ -	\$ (4,721,602)	\$ -	0.0%	\$ -	\$ -	\$ 2.37	\$ -	\$ -	\$ -	\$ -	\$ 3.09	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 11,206,400
3	2010	\$ 15,675,594	\$ 1,322,680	\$ -	\$ (4,721,602)	\$ -	0.0%	\$ -	\$ -	\$ 2.44	\$ -	\$ -	\$ -	\$ -	\$ 3.18	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 12,276,671
4	2011	\$ 16,330,071	\$ 953,685	\$ -	\$ (4,721,602)	\$ -	0.0%	\$ -	\$ -	\$ 2.51	\$ -	\$ -	\$ -	\$ 18,500	\$ 3.28	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 12,562,154
5	2012	\$ 17,008,712	\$ 985,862	\$ -	\$ (4,721,602)	\$ -	0.0%	\$ -	\$ -	\$ 2.59	\$ -	\$ -	\$ -	\$ 18,500	\$ 3.38	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 13,272,972
6	2013	\$ 12,500,692	\$ 1,019,260	\$ 8,913,824	\$ (4,721,602)	\$ 283,987	100.0%	\$ (16,188)	\$ -	\$ 2.67	\$ -	\$ -	\$ -	\$ 18,500	\$ -	\$ -	\$ -	\$ -	\$ 3,666,640	\$ -	0.0%	\$ -	\$ 17,979,974
7	2014	\$ 4,104,469	\$ 1,053,931	\$ 27,077,628	\$ (5,193,762)	\$ (144,645)	100.0%	\$ (63,358)	\$ -	\$ 2.75	\$ -	\$ -	\$ -	\$ 18,500	\$ -	\$ -	\$ -	\$ -	\$ 3,739,973	\$ -	0.0%	\$ -	\$ 26,834,263
8	2015	\$ -	\$ 1,089,928	\$ 27,490,991	\$ (5,193,762)	\$ (148,984)	100.0%	\$ (65,259)	\$ -	\$ 2.83	\$ -	\$ -	\$ -	\$ 18,500	\$ 3.48	\$ -	\$ -	\$ -	\$ 3,814,772	\$ -	0.0%	\$ -	\$ 23,172,913
9	2016	\$ -	\$ 1,127,307	\$ 27,913,409	\$ (5,193,762)	\$ (153,454)	100.0%	\$ (67,216)	\$ -	\$ 2.91	\$ -	\$ -	\$ -	\$ 18,500	\$ 3.69	\$ -	\$ -	\$ -	\$ 3,891,068	\$ -	0.0%	\$ -	\$ 23,626,284
10	2017	\$ -	\$ 1,166,128	\$ 28,343,127	\$ (5,193,762)	\$ (158,057)	100.0%	\$ (69,233)	\$ -	\$ 3.00	\$ -	\$ -	\$ -	\$ 18,500	\$ 3.80	\$ -	\$ -	\$ -	\$ 3,968,889	\$ -	0.0%	\$ -	\$ 24,088,202
11	2018	\$ -	\$ 1,206,450	\$ 28,778,396	\$ (5,193,762)	\$ (162,799)	50.0%	\$ (171,986)	\$ -	\$ 3.09	\$ -	\$ -	\$ -	\$ 18,500	\$ 3.91	\$ -	\$ -	\$ -	\$ 4,048,267	\$ -	0.0%	\$ -	\$ 24,456,299
12	2019	\$ -	\$ 1,248,340	\$ 29,222,509	\$ (5,713,139)	\$ (167,683)	50.0%	\$ (227,296)	\$ -	\$ 3.18	\$ -	\$ -	\$ -	\$ 18,500	\$ 4.03	\$ -	\$ -	\$ -	\$ 4,129,232	\$ -	0.0%	\$ -	\$ 24,362,731
13	2020	\$ -	\$ 1,291,863	\$ 29,678,495	\$ (5,713,139)	\$ (172,713)	50.0%	\$ (265,753)	\$ -	\$ 3.28	\$ -	\$ -	\$ -	\$ 18,500	\$ 4.15	\$ -	\$ -	\$ -	\$ 4,211,817	\$ -	0.0%	\$ -	\$ 24,818,752
14	2021	\$ -	\$ 1,337,089	\$ 30,139,042	\$ (5,713,139)	\$ (177,895)	50.0%	\$ (285,364)	\$ -	\$ 3.38	\$ -	\$ -	\$ -	\$ 18,500	\$ 4.28	\$ -	\$ -	\$ -	\$ 4,296,053	\$ -	0.0%	\$ -	\$ 25,299,734
15	2022	\$ -	\$ 1,384,093	\$ 30,602,154	\$ (5,713,139)	\$ (183,232)	50.0%	\$ (293,925)	\$ -	\$ 3.48	\$ -	\$ -	\$ -	\$ 18,500	\$ 4.41	\$ -	\$ -	\$ -	\$ 4,381,974	\$ -	0.0%	\$ -	\$ 25,795,952
16	2023	\$ -	\$ 1,432,951	\$ 36,524,575	\$ (5,713,139)	\$ 1,473,505	50.0%	\$ (302,743)	\$ -	\$ 3.58	\$ -	\$ -	\$ -	\$ 18,500	\$ 4.54	\$ -	\$ -	\$ -	\$ 4,469,614	\$ -	0.0%	\$ -	\$ 33,415,150
17	2024	\$ -	\$ 1,483,743	\$ 33,594,954	\$ (6,284,453)	\$ (194,390)	50.0%	\$ (311,825)	\$ -	\$ 3.69	\$ -	\$ -	\$ -	\$ 18,500	\$ 4.67	\$ -	\$ -	\$ -	\$ 4,559,006	\$ -	0.0%	\$ -	\$ 28,288,029
18	2025	\$ -	\$ 1,536,553	\$ 34,113,619	\$ (6,284,453)	\$ (200,222)	50.0%	\$ (321,180)	\$ -	\$ 3.80	\$ -	\$ -	\$ -	\$ 18,500	\$ 4.81	\$ -	\$ -	\$ -	\$ 4,650,186	\$ 790,532	50.0%	\$ (395,266)	\$ 28,449,053
19	2026	\$ -	\$ 1,591,470	\$ 34,642,475	\$ (6,284,453)	\$ (206,229)	50.0%	\$ (330,815)	\$ -	\$ 3.92	\$ -	\$ -	\$ -	\$ 18,500	\$ 4.96	\$ -	\$ -	\$ -	\$ 4,743,190	\$ 806,342	50.0%	\$ (403,171)	\$ 29,009,277
20	2027	\$ -	\$ 1,648,584	\$ 35,182,541	\$ (6,284,453)	\$ (212,416)	50.0%	\$ (340,740)	\$ -	\$ 4.03	\$ -	\$ -	\$ -	\$ 18,500	\$ 5.11	\$ -	\$ -	\$ -	\$ 4,838,054	\$ 822,469	50.0%	\$ (411,235)	\$ 29,582,283
21	2028	\$ -	\$ 1,707,993	\$ 35,730,186	\$ (6,284,453)	\$ (218,788)	50.0%	\$ (350,962)	\$ -	\$ 4.15	\$ -	\$ -	\$ -	\$ 18,500	\$ 5.26	\$ -	\$ -	\$ -	\$ 4,934,815	\$ 838,918	50.0%	\$ (419,459)	\$ 30,164,518
22	2029	\$ -	\$ 1,769,796	\$ 36,294,991	\$ (6,912,898)	\$ (225,352)	50.0%	\$ (361,491)	\$ -	\$ 4.28	\$ -	\$ -	\$ -	\$ 18,500	\$ 5.42	\$ -	\$ -	\$ -	\$ 5,033,511	\$ 855,697	50.0%	\$ (427,848)	\$ 30,137,199
23	2030	\$ -	\$ 1,834,100	\$ 36,863,900	\$ (6,912,898)	\$ (232,112)	50.0%	\$ (372,335)	\$ -	\$ 4.41	\$ -	\$ -	\$ -	\$ 18,500	\$ 5.58	\$ -	\$ -	\$ -	\$ 5,134,181	\$ 872,811	50.0%	\$ (436,405)	\$ 30,744,250
24	2031	\$ -	\$ 1,901,015	\$ 37,449,560	\$ (6,912,898)	\$ (239,076)	50.0%	\$ (383,505)	\$ -	\$ 4.54	\$ -	\$ -	\$ -	\$ 18,500	\$ 5.75	\$ -	\$ -	\$ -	\$ 5,236,865	\$ 890,267	50.0%	\$ (445,134)	\$ 31,369,962
25	2032	\$ -	\$ 1,970,655	\$ 38,043,725	\$ (6,912,898)	\$ (246,248)	50.0%	\$ (395,011)	\$ -	\$ 4.68	\$ -	\$ -	\$ -	\$ 18,500	\$ 5.92	\$ -	\$ -	\$ -	\$ 5,341,602	\$ 908,072	50.0%	\$ (454,036)	\$ 32,006,187
26	2033	\$ -	\$ 2,043,142	\$ 44,765,443	\$ (6,912,898)	\$ 2,661,311	50.0%	\$ (406,861)	\$ -	\$ 4.82	\$ -	\$ -	\$ -	\$ 18,500	\$ 6.10	\$ -	\$ -	\$ -	\$ 5,448,434	\$ 926,234	50.0%	\$ (463,117)	\$ 41,687,020
27	2034	\$ -	\$ 2,118,602	\$ 41,336,765	\$ (7,604,188)	\$ (261,244)	50.0%	\$ (419,067)	\$ -	\$ 4.96	\$ -	\$ -	\$ -	\$ 18,500	\$ 6.28	\$ -	\$ -	\$ -	\$ 5,557,403	\$ 944,758	50.0%	\$ (472,379)	\$ 34,698,490
28	2035	\$ -	\$ 2,197,168	\$ 41,613,045	\$ (7,604,188)	\$ (269,082)	50.0%	\$ (431,639)	\$ -	\$ 5.11	\$ -	\$ -	\$ -	\$ 18,500	\$ 6.47	\$ -	\$ -	\$ -	\$ 5,668,551	\$ 963,654	50.0%	\$ (481,827)	\$ 35,023,478
29	2036	\$ -	\$ 2,278,978	\$ 41,900,315	\$ (7,604,188)	\$ (277,154)	50.0%	\$ (444,588)	\$ -	\$ 5.26	\$ -	\$ -	\$ -	\$ 18,500	\$ 6.66	\$ -	\$ -	\$ -	\$ 5,781,922	\$ 982,927	50.0%	\$ (491,463)	\$ 35,361,900
30	2037	\$ -	\$ 2,364,178	\$ 42,195,993	\$ (7,604,188)	\$ (285,469)	50.0%	\$ (457,925)	\$ -	\$ 5.42	\$ -	\$ -	\$ -	\$ 18,500	\$ 6.86	\$ -	\$ -	\$ -	\$ 5,897,560	\$ 1,002,585	50.0%	\$ (501,293)	\$ 35,711,296
31	2038	\$ -	\$ 2,452,918	\$ 42,502,550	\$ (7,604,188)	\$ (294,033)	50.0%	\$ (463,326)	\$ -	\$ 5.58	\$ -	\$ -	\$ -	\$ 18,500	\$ 7.07	\$ -	\$ -	\$ -	\$ 6,015,512	\$ 1,022,637	50.0%	\$ (511,318)	\$ 36,074,266
32	2039	\$ -	\$ 2,545,359	\$ 42,827,265	\$ (8,364,606)	\$ (302,854)	50.0%	\$ (485,813)	\$ -	\$ 5.75	\$ -	\$ -	\$ -	\$ 18,500	\$ 7.28	\$ -	\$ -	\$ -	\$ 6,135,822	\$ 1,043,090	50.0%	\$ (521,545)	\$ 35,697,806
33	2040	\$ -	\$ 2,641,667	\$ 43,161,814	\$ (8,364,606)	\$ (311,939)	50.0%	\$ (500,388)	\$ -	\$ 5.92	\$ -	\$ -	\$ -	\$ 18,500	\$ 7.50	\$ -	\$ -	\$ -	\$ 6,258,538	\$ 1,063,951	50.0%	\$ (531,976)	\$ 36,094,572
34	2041	\$ -	\$ 2,742,016	\$ 43,508,224	\$ (8,364,606)	\$ (321,298)	50.0%	\$ (515,399)	\$ -	\$ 6.10	\$ -	\$ -	\$ -	\$ 18,500	\$ 7.73	\$ -	\$ -	\$ -	\$ 6,383,709	\$ 1,085,231	50.0%	\$ (542,615)	\$ 36,506,322
35	2042	\$ -	\$ 2,846,590	\$ 43,868,288	\$ (8,364,606)	\$ (330,937)	50.0%	\$ (530,861)	\$ -	\$ 6.28	\$ -	\$ -	\$ -	\$ 18,500	\$ 7.96	\$ -	\$ -	\$ -	\$ 6,511,383	\$ 1,106,935	50.0%	\$ (553,468)	\$ 36,935,006
36	2043	\$ -	\$ 2,955,579	\$ 50,521,995	\$ (8,364,606)	\$ 3,934,152	50.0%	\$ (546,787)	\$ -	\$ 6.47	\$ -	\$ -	\$ -	\$ 18,500	\$ 8.20	\$ -	\$ -	\$ -	\$ 6,641,611	\$ 1,129,074	50.0%	\$ (564,537)	\$ 47,935,795
37	2044	\$ -	\$ 3,069,183	\$ 11,150,435	\$ (9,201,067)	\$ (351,091)	50.0%	\$ (563,191)	\$ -	\$ 6.67	\$ (7,053,257)	80.0%	\$ (5,642,606)	\$ 18,500	\$ 8.44	\$ (1,930,253)	100.0%	\$ (1,930,253)	\$ 6,774,443	\$ 1,151,655	50.0%	\$ (575,828)	\$ (4,044,417)
38	2045	\$ -	\$ 3,187,614	\$ 11,596,452	\$ (9,201,067)	\$ (361,623)	50.0%	\$ (580,086)	\$ -	\$ 6.87	\$ (7,264,855)	80.0%	\$ (5,811,884)	\$ 18,500	\$ 8.96	\$ (1,988,161)	100.0%	\$ (1,988,161)	\$ 6,909,932	\$ 1,174,688	50.0%	\$ (587,344)	\$ (3,746,099)
39	2046	\$ -	\$ 3,311,091	\$ 12,060,310	\$ (9,201,067)	\$ (372,472)	50.0%	\$ (597,489)	\$ 88,174	\$ 7.07	\$ (7,482,800)	80.0%	\$ (5,986,240)	\$ 18,500	\$ 9.22	\$ (2,047,806)	100.0%	\$ (2,047,806)	\$ 7,048,131	\$ 1,198,182	50.0%	\$ (599,091)	\$ (3,432,764)
40	2047	\$ -	\$ 3,439,843	\$ 12,542,723	\$ (9,201,067)	\$ (383,646)	50.0%	\$ (615,414)	\$ 88,174	\$ 7.28	\$ (7,707,284)	80.0%	\$ (6,165,828)	\$ 18,500	\$ 9.50	\$ (2,109,240)	100.0%	\$ (2,109,240)	\$ 7,189,093	\$ 1,222,146	50.0%	\$ (611,073)	\$ (3,103,701)
41	2048	\$ -	\$ 3,574,114	\$ 13,044,432	\$ (9,201,067)	\$ (395,156)	50.0%	\$ (633,876)	\$ 88,174	\$ 7.50	\$ (7,938,503)	80.0%	\$ (6,350,802)	\$ 18,500	\$ 9.79	\$ (2,172,517)	100.0%	\$ (2,172,517)	\$ 7,332,875	\$ 1,246,589	50.0%	\$ (623,294)	\$ (2,768,167)
42	2049	\$ -	\$ 3,714,154	\$ 13,566,209	\$ (10,121,174)	\$ (407,010)	50.0%	\$ (652,892)	\$ 88,174	\$ 7.73	\$ (8,176,658)	80.0%	\$ (6,541,326)	\$ 18,500	\$ 10.08	\$ (2,237,693)	100.0%	\$ (2,237,693)	\$ 7,479,533	\$ 1,271,521	50.0%	\$ (635,760)	\$ (3,315,492)
43	2050	\$ -	\$ 3,860,230	\$ 14,108,857	\$ (10,121,174)	\$ (419,221)	50.0%	\$ (672,479)	\$ 88,174	\$ 7.96	\$ (8,421,958)	80.0%	\$ (6,737,566)	\$ 18,500	\$ 10.38	\$ (2,304,823)	100.0%	\$ (2,304,823)	\$ 7,629,123	\$ 1,296,951	50.0%	\$ (648,475)	\$ (2,934,651)
44	2051	\$ -	\$ 4,012,620	\$ 14,673,212	\$ (10,121,174)	\$ (431,797)	50.0%	\$ (692,653)	\$ 88,174	\$													

Gerding Edlen
Option 1c - Phase I Only
63-20 Full

76451461

Year	Existing Occupancy Costs	Relocates Library & Publishing	Gerding 63-20 Full	Adjustments to Gerding Model	No Cash Payment	Parking Revenues Evan Jones 4.0%	Parking Operating Expense 5.0%	Evan Jones Parkade Net Operating Revenue 50.0%	Retail Sales Tax Generated (escalating)	Probability Quotient	Revenue Credi	Surplus Office Space 5.0%	NNN Rent PSF (escalated) 3.0%	Office Income	Probability Quotient	Revenue Credi	Surplus Retail Space 5.0%	NNN Rent PSF (escalated) 3.0%	Retail Income	Probability Quotient	Revenue Credi	Estimated Property Tax (escalated) 2.0%	Property Tax Phase In 17.0%	Probability Quotient	Revenue Credi	Total
1	2008	\$ 15,283,648	\$ -	\$ -	\$ -	\$ (2,248,080)	\$ 320,223	\$ -	-	0.0%	\$ -	\$ -	\$ 2.30	-	\$ -	\$ -	\$ 3.00	\$ -	100%	\$ -	\$ -	0.0%	\$ -	\$ 15,283,648		
2	2009	\$ 15,928,002	\$ -	\$ -	\$ -	\$ (2,338,003)	\$ 336,234	\$ -	-	0.0%	\$ -	\$ -	\$ 2.37	-	\$ -	\$ -	\$ 3.09	\$ -	100%	\$ -	\$ -	0.0%	\$ -	\$ 15,928,002		
3	2010	\$ 15,675,594	\$ 1,322,680	\$ -	\$ -	\$ (2,431,523)	\$ 353,046	\$ -	-	0.0%	\$ -	\$ -	\$ 2.44	-	\$ -	\$ -	\$ 3.18	\$ -	100%	\$ -	\$ -	0.0%	\$ -	\$ 16,998,274		
4	2011	\$ 16,330,071	\$ 953,685	\$ -	\$ (6,745,146)	\$ (2,528,784)	\$ 370,698	\$ -	-	0.0%	\$ -	\$ -	\$ 2.51	-	\$ -	\$ 18,500	\$ 3.28	\$ 3.28	100%	\$ -	\$ -	0.0%	\$ -	\$ 10,538,610		
5	2012	\$ 17,008,712	\$ 985,862	\$ (36,709,251)	\$ -	\$ (2,629,936)	\$ 388,233	\$ -	-	0.0%	\$ -	\$ -	\$ 2.59	-	\$ -	\$ 18,500	\$ 3.38	\$ 3.38	100%	\$ -	\$ -	0.0%	\$ -	\$ 17,994,574		
6	2013	\$ 12,500,692	\$ 1,019,260	\$ 8,913,824	\$ 283,987	\$ (2,735,133)	\$ 408,695	\$ (678,545)	(16,188)	100.0%	\$ (16,188)	\$ -	\$ 2.67	-	\$ -	\$ 18,500	\$ 3.48	\$ 3.48	100%	\$ -	\$ -	0.0%	\$ -	\$ 22,023,032		
7	2014	\$ 4,104,469	\$ 1,053,931	\$ (3,664,582)	\$ (144,645)	\$ (2,844,538)	\$ 429,129	\$ (1,207,704)	(63,358)	100.0%	\$ (63,358)	\$ -	\$ 2.75	-	\$ -	\$ 18,500	\$ 3.58	\$ 3.58	100%	\$ -	\$ -	0.0%	\$ -	\$ 30,820,321		
8	2015	\$ -	\$ 1,089,928	\$ 27,490,991	\$ (148,984)	\$ (2,958,320)	\$ 450,586	\$ (1,253,867)	(65,259)	100.0%	\$ (65,259)	\$ -	\$ 2.83	-	\$ -	\$ 18,500	\$ 3.69	\$ 3.69	100%	\$ -	\$ -	0.0%	\$ -	\$ 27,112,809		
9	2016	\$ -	\$ 1,127,307	\$ 27,913,409	\$ (153,454)	\$ (3,076,653)	\$ 473,115	\$ (1,301,769)	(67,216)	100.0%	\$ (67,216)	\$ -	\$ 2.91	-	\$ -	\$ 18,500	\$ 3.80	\$ 3.80	100%	\$ -	\$ -	0.0%	\$ -	\$ 27,518,277		
10	2017	\$ -	\$ 1,166,128	\$ 28,343,127	\$ (158,057)	\$ (3,199,719)	\$ 496,771	\$ (1,351,474)	(69,233)	100.0%	\$ (69,233)	\$ -	\$ 3.00	-	\$ -	\$ 18,500	\$ 3.91	\$ 3.91	100%	\$ -	\$ -	0.0%	\$ -	\$ 27,930,491		
11	2018	\$ -	\$ 1,206,450	\$ 28,778,396	\$ (162,799)	\$ (3,327,708)	\$ 521,610	\$ (1,403,049)	(71,310)	100.0%	\$ (71,310)	\$ -	\$ 3.09	-	\$ -	\$ 18,500	\$ 4.03	\$ 4.03	100%	\$ -	\$ -	0.0%	\$ -	\$ 28,347,688		
12	2019	\$ -	\$ 1,248,340	\$ 29,222,509	\$ (167,683)	\$ (3,460,816)	\$ 547,690	\$ (1,456,563)	(73,449)	100.0%	\$ (73,449)	\$ -	\$ 3.18	-	\$ -	\$ 18,500	\$ 4.15	\$ 4.15	100%	\$ -	\$ -	0.0%	\$ -	\$ 28,773,153		
13	2020	\$ -	\$ 1,291,863	\$ 29,678,495	\$ (172,713)	\$ (3,599,249)	\$ 575,075	\$ (1,512,087)	(75,653)	100.0%	\$ (75,653)	\$ -	\$ 3.28	-	\$ -	\$ 18,500	\$ 4.28	\$ 4.28	100%	\$ -	\$ -	0.0%	\$ -	\$ 29,209,904		
14	2021	\$ -	\$ 1,337,089	\$ 30,139,042	\$ (177,895)	\$ (3,743,218)	\$ 603,828	\$ (1,569,695)	(77,922)	100.0%	\$ (77,922)	\$ -	\$ 3.38	-	\$ -	\$ 18,500	\$ 4.41	\$ 4.41	100%	\$ -	\$ -	0.0%	\$ -	\$ 29,650,619		
15	2022	\$ -	\$ 1,384,093	\$ 30,602,154	\$ (183,232)	\$ (3,892,947)	\$ 634,020	\$ (1,629,464)	(80,260)	100.0%	\$ (80,260)	\$ -	\$ 3.48	-	\$ -	\$ 18,500	\$ 4.54	\$ 4.54	100%	\$ -	\$ -	0.0%	\$ -	\$ 30,093,292		
16	2023	\$ -	\$ 1,432,951	\$ 31,074,266	\$ (188,555)	\$ (4,048,665)	\$ 665,721	\$ (1,691,472)	(82,668)	100.0%	\$ (82,668)	\$ -	\$ 3.58	-	\$ -	\$ 18,500	\$ 4.67	\$ 4.67	100%	\$ -	\$ -	0.0%	\$ -	\$ 30,587,891		
17	2024	\$ -	\$ 1,483,743	\$ 31,549,378	\$ (194,390)	\$ (4,210,812)	\$ 699,007	\$ (1,755,803)	(85,148)	100.0%	\$ (85,148)	\$ -	\$ 3.69	-	\$ -	\$ 18,500	\$ 4.81	\$ 4.81	100%	\$ -	\$ -	0.0%	\$ -	\$ 31,083,356		
18	2025	\$ -	\$ 1,536,553	\$ 32,024,490	\$ (200,222)	\$ (4,379,036)	\$ 733,957	\$ (1,822,540)	(87,702)	100.0%	\$ (87,702)	\$ -	\$ 3.80	-	\$ -	\$ 18,500	\$ 4.96	\$ 4.96	100%	\$ -	\$ -	0.0%	\$ -	\$ 31,578,811		
19	2026	\$ -	\$ 1,591,470	\$ 32,503,602	\$ (206,228)	\$ (4,554,198)	\$ 770,655	\$ (1,891,771)	(90,333)	100.0%	\$ (90,333)	\$ -	\$ 3.92	-	\$ -	\$ 18,500	\$ 5.11	\$ 5.11	100%	\$ -	\$ -	0.0%	\$ -	\$ 32,074,266		
20	2027	\$ -	\$ 1,648,584	\$ 33,000,714	\$ (212,416)	\$ (4,736,365)	\$ 809,188	\$ (1,963,589)	(93,043)	100.0%	\$ (93,043)	\$ -	\$ 4.03	-	\$ -	\$ 18,500	\$ 5.26	\$ 5.26	100%	\$ -	\$ -	0.0%	\$ -	\$ 32,569,721		
21	2028	\$ -	\$ 1,707,993	\$ 33,507,826	\$ (218,788)	\$ (4,925,820)	\$ 849,647	\$ (2,038,087)	(95,835)	100.0%	\$ (95,835)	\$ -	\$ 4.15	-	\$ -	\$ 18,500	\$ 5.42	\$ 5.42	100%	\$ -	\$ -	0.0%	\$ -	\$ 33,065,176		
22	2029	\$ -	\$ 1,769,796	\$ 34,024,938	\$ (225,352)	\$ (5,122,853)	\$ 892,129	\$ (2,115,362)	(98,710)	100.0%	\$ (98,710)	\$ -	\$ 4.28	-	\$ -	\$ 18,500	\$ 5.58	\$ 5.58	100%	\$ -	\$ -	0.0%	\$ -	\$ 33,560,631		
23	2030	\$ -	\$ 1,834,100	\$ 34,552,050	\$ (232,112)	\$ (5,327,767)	\$ 936,736	\$ (2,195,516)	(101,671)	100.0%	\$ (101,671)	\$ -	\$ 4.41	-	\$ -	\$ 18,500	\$ 5.75	\$ 5.75	100%	\$ -	\$ -	0.0%	\$ -	\$ 34,056,086		
24	2031	\$ -	\$ 1,901,015	\$ 35,089,162	\$ (239,076)	\$ (5,540,580)	\$ 983,573	\$ (2,278,653)	(104,721)	100.0%	\$ (104,721)	\$ -	\$ 4.54	-	\$ -	\$ 18,500	\$ 5.92	\$ 5.92	100%	\$ -	\$ -	0.0%	\$ -	\$ 34,561,541		
25	2032	\$ -	\$ 1,970,655	\$ 35,642,274	\$ (246,248)	\$ (5,762,513)	\$ 1,032,751	\$ (2,364,881)	(107,863)	100.0%	\$ (107,863)	\$ -	\$ 4.68	-	\$ -	\$ 18,500	\$ 6.10	\$ 6.10	100%	\$ -	\$ -	0.0%	\$ -	\$ 35,067,000		
26	2033	\$ -	\$ 2,043,142	\$ 36,213,386	\$ (253,111)	\$ (5,993,013)	\$ 1,084,389	\$ (2,454,312)	(111,099)	100.0%	\$ (111,099)	\$ -	\$ 4.82	-	\$ -	\$ 18,500	\$ 6.28	\$ 6.28	100%	\$ -	\$ -	0.0%	\$ -	\$ 35,572,455		
27	2034	\$ -	\$ 2,118,602	\$ 36,800,500	\$ (260,244)	\$ (6,232,734)	\$ 1,138,608	\$ (2,547,063)	(114,431)	100.0%	\$ (114,431)	\$ -	\$ 4.96	-	\$ -	\$ 18,500	\$ 6.47	\$ 6.47	100%	\$ -	\$ -	0.0%	\$ -	\$ 36,082,910		
28	2035	\$ -	\$ 2,197,168	\$ 37,403,614	\$ (267,682)	\$ (6,482,043)	\$ 1,195,539	\$ (2,643,252)	(117,864)	100.0%	\$ (117,864)	\$ -	\$ 5.11	-	\$ -	\$ 18,500	\$ 6.66	\$ 6.66	100%	\$ -	\$ -	0.0%	\$ -	\$ 36,604,365		
29	2036	\$ -	\$ 2,278,978	\$ 38,024,728	\$ (275,354)	\$ (6,741,325)	\$ 1,255,316	\$ (2,743,005)	(121,400)	100.0%	\$ (121,400)	\$ -	\$ 5.26	-	\$ -	\$ 18,500	\$ 6.86	\$ 6.86	100%	\$ -	\$ -	0.0%	\$ -	\$ 37,135,820		
30	2037	\$ -	\$ 2,364,178	\$ 38,661,842	\$ (283,469)	\$ (7,010,978)	\$ 1,318,081	\$ (2,846,448)	(125,042)	100.0%	\$ (125,042)	\$ -	\$ 5.42	-	\$ -	\$ 18,500	\$ 7.07	\$ 7.07	100%	\$ -	\$ -	0.0%	\$ -	\$ 37,697,275		
31	2038	\$ -	\$ 2,452,918	\$ 39,314,956	\$ (292,033)	\$ (7,291,417)	\$ 1,383,985	\$ (2,953,716)	(128,794)	100.0%	\$ (128,794)	\$ -	\$ 5.58	-	\$ -	\$ 18,500	\$ 7.28	\$ 7.28	100%	\$ -	\$ -	0.0%	\$ -	\$ 38,218,730		
32	2039	\$ -	\$ 2,545,359	\$ 40,000,070	\$ (301,244)	\$ (7,583,074)	\$ 1,453,185	\$ (3,064,945)	(132,657)	100.0%	\$ (132,657)	\$ -	\$ 5.75	-	\$ -	\$ 18,500	\$ 7.50	\$ 7.50	100%	\$ -	\$ -	0.0%	\$ -	\$ 38,750,185		
33	2040	\$ -	\$ 2,641,667	\$ 40,711,184	\$ (311,939)	\$ (7,886,397)	\$ 1,528,844	\$ (3,180,276)	(136,637)	100.0%	\$ (136,637)	\$ -	\$ 5.92	-	\$ -	\$ 18,500	\$ 7.73	\$ 7.73	100%	\$ -	\$ -	0.0%	\$ -	\$ 39,291,640		
34	2041	\$ -	\$ 2,742,016	\$ 41,443,300	\$ (322,298)	\$ (8,201,853)	\$ 1,602,136	\$ (3,299,858)	(140,736)	100.0%	\$ (140,736)	\$ -	\$ 6.10	-	\$ -	\$ 18,500	\$ 7.96	\$ 7.96	100%	\$ -	\$ -	0.0%	\$ -	\$ 39,843,095		
35	2042	\$ -	\$ 2,846,590	\$ 42,199,414	\$ (333,937)	\$ (8,529,927)	\$ 1,682,243	\$ (3,423,842)	(144,958)	100.0%	\$ (144,958)	\$ -	\$ 6.28	-	\$ -	\$ 18,500	\$ 8.20	\$ 8.20	100%	\$ -	\$ -	0.0%	\$ -	\$ 40,394,550		
36	2043	\$ -	\$ 2,955,579	\$ 43,000,528	\$ (346,152)	\$ (8,871,124)	\$ 1,766,355	\$ (3,552,384)	(149,307)	100.0%	\$ (149,307)	\$ -	\$ 6.47	-	\$ -	\$ 18,500	\$ 8.44	\$ 8.44	100%	\$ -	\$ -	0.0%	\$ -	\$ 40,955,005		
37	2044	\$ -	\$ 3,069,183	\$ 43,861,642	\$ (359,991)	\$ (9,225,969)	\$ 1,854,673	\$ (3,685,648)	(153,786)	100.0%	\$ (153,786)	\$ -	\$ 6.67	(7,053,257)	80.0%	\$ (5,642,606)	\$ 18,500	\$ 8.69	\$ (1,930,253)	100%	\$ (1,930,253)	\$ -	\$ -	\$ 41,526,460		
38	2045	\$ -	\$ 3,187,614	\$ 44,783,756	\$ (375,623)	\$ (9,595,007)	\$ 1,947,406	\$ (3,823,801)	(158,400)	100.0%	\$ (158,400)	\$ -	\$ 6.87	(7,264,855)	80.0%	\$ (5,811,894)	\$ 18,500	\$ 8.96	\$ (1,989,161)	100%	\$ (1,989,161)	\$ -	\$ -	\$ 42,107,915		
39	2046	\$ -	\$ 3,311,091	\$ 45,765,870	\$ (393,472)	\$ (9,978,608)	\$ 2,044,777	\$ (3,967,016)	(163,152)	100.0%	\$ (163,152)	\$ -	\$ 7.07	(7,482,800)	80.0%	\$ (5,988,240)	\$ 18,500	\$ 9.22	\$ (2,047,806)	100%	\$ (2,047,806)	\$ -	\$ -	\$ 42,699,370		
40	2047	\$ -	\$ 3,439,843	\$ 46,807,984	\$ (413,936)	\$ (10,377,960)	\$ 2,147,016	\$ (4,115,472)	(168,046)	100.0%	\$ (168,046)	\$ 88,174	\$ 7.28	(7,707,284)	80.0%	\$ (6,165,828)	\$ 18,500	\$ 9.50	\$ (2,109,240)	100%	\$ (2,109,240)	\$ -	\$ -	\$ 43,290,825		
41	2048	\$ -	\$ 3,574,114	\$ 47,912,098	\$ (436,956)	\$ (10,793,078)	\$ 2,254,366	\$ (4,269,356)	(173,088)	100.0%	\$ (173,088)	\$ 88,174	\$ 7.50	(7,938,503)	80.0%	\$ (6,350,802)	\$ 18,500	\$ 9.79	\$ (2,172,517)	100%	\$ (2,172,517)	\$ -	\$ -	\$ 43,892,280		
42	2049	\$ -	\$ 3,714,154	\$ 49,080,212	\$ (462,010)	\$ (11,224,802)	\$ 2,367,085	\$ (4,428,858)	(178,281)	100.0%	\$ (178,281)	\$ 88,174	\$ 7.73	(8,176,658)	80.0%	\$ (6,541,326)	\$ 18,500	\$ 10.08	\$ (2,237,693)	100%	\$ (2,237,693)	\$ -	\$ -	\$ 44,493,735		
43	2050	\$ -	\$ 3,860,230	\$ 50,312,326	\$ (489,211)	\$ (11,673,794)	\$ 2,485,439	\$ (4,594,177)	(183,629)	100.0%	\$ (183,629)	\$ 88,174	\$ 7.96	(8,421,958)	80.0%	\$ (6,737,566)	\$ 18,500	\$ 10.38	\$ (2,303,823)	100%	\$ (2,303,823)	\$ -	\$ -	\$ 45,095,190		
44	2051	\$ -	\$ 4,012,620	\$ 51,614,440	\$ (517,937)	\$ (12,140,745)	\$ 2,609,711	\$ (4,765,171)	(189,138)	100.0%	\$ (189,138)	\$ 88,174	\$ 8.20	(8,674,617)	80.0%	\$ (6,939,693)	\$ 18,500	\$ 10.69	\$ (2,373,968)	100%	\$ (2,373,968)	\$ -	\$ -	\$ 45,696,645		
45	2052	\$ -	\$ 4,171,613	\$ 53,000,554	\$ (548,751)	\$ (12,626,375)	\$ 2,740,196	\$ (4,943,089)	(194,812)	100.0%	\$ (194,812)	\$ 88,174	\$ 8.44	(8,934,855)	80.0%	\$ (7,147,884)	\$ 18,500	\$ 11.01	\$ (2,445,187)	100%	\$ (2,445,187)	\$ -	\$ -	\$ 46,298,100		
46	2053	\$ -	\$ 4,337,515	\$ 54,482,668	\$ (581,223)	\$ (13,131,430)	\$ 2,877																			

**Adjustments to Gerding Model
Option 1a, 1b and 1c
63-20 Full**

		Total City USF	Less: Yr. 1 New Bldg. OPEX and CAPEX	Add: Revised Yr. 1 New Bldg. OPEX / CAPEX	Net Adjustment to OPEX and CAPEX	Less: Yr. 1 Parking and Master Lease	Add: Revised Yr. 1 Parking and Master Lease	Net Adj. to Parking and Master Lease	Moving Expenses per Person	Total Headcount	Moving Expenses	Less: Expansion Space TI's	Adjusted TI's Amt per USF Growth of:	Add Revised Incremental TI's	Net Change in TI's	12-15-08 Adjustments Mtg. Space Rev (A)	Net Revenue	Total Adjustments Gerding Option 1 Cash Flows	
1	2008	-							\$350			(3% growth)	4.5%	\$0	\$0	\$0	\$0	\$-	
2	2009	-							\$361					\$0	\$0	\$0	\$0	\$-	
3	2010	-							\$371					\$0	\$0	\$0	\$0	\$-	
4	2011	-							\$382					\$0	\$0	\$0	\$0	\$-	
5	2012	-							\$394					\$0	\$0	\$0	\$0	\$-	
6	2013	659,792	(\$3,375,513)	\$4,500,684	\$1,125,171	\$6,064,814	(\$8,086,419)	(\$2,021,605)	\$406	\$	1,274,042			\$0	\$81.00	\$0	(\$93,621)	\$283,987	
7	2014	659,792												\$0	\$84.65	\$0	(\$144,645)	\$144,645	
8	2015	659,792								3,140				\$0	\$88.46	\$0	(\$148,984)	\$148,984	
9	2016	659,792												\$0	\$92.44	\$0	(\$153,454)	\$153,454	
10	2017	659,792												\$0	\$96.60	\$0	(\$158,057)	\$158,057	
11	2018	659,792												\$0	\$100.94	\$0	(\$162,799)	\$162,799	
12	2019	659,792												\$0	\$105.49	\$0	(\$167,683)	\$167,683	
13	2020	659,792												\$0	\$110.23	\$0	(\$172,713)	\$172,713	
14	2021	659,792												\$0	\$115.19	\$0	(\$177,895)	\$177,895	
15	2022	659,792												\$0	\$120.38	\$0	(\$183,232)	\$183,232	
16	2023	700,351										(\$3,439,819)		\$125.79	\$	5,102,053	\$1,662,234	\$1,473,505	
17	2024	700,351												\$0	\$131.45	\$0	(\$194,390)	\$194,390	
18	2025	700,351												\$0	\$137.37	\$0	(\$200,222)	\$200,222	
19	2026	700,351												\$0	\$143.55	\$0	(\$206,229)	\$206,229	
20	2027	700,351												\$0	\$150.01	\$0	(\$212,416)	\$212,416	
21	2028	700,351												\$0	\$156.76	\$0	(\$218,788)	\$218,788	
22	2029	700,351												\$0	\$163.82	\$0	(\$225,352)	\$225,352	
23	2030	700,351												\$0	\$171.19	\$0	(\$232,112)	\$232,112	
24	2031	700,351												\$0	\$178.89	\$0	(\$239,076)	\$239,076	
25	2032	700,351												\$0	\$186.94	\$0	(\$246,248)	\$246,248	
26	2033	736,172										(\$4,082,802)		\$195.35	\$	6,997,748	\$2,914,946	\$2,661,311	
27	2034	736,172												\$0	\$204.14	\$0	(\$261,244)	\$261,244	
28	2035	736,172												\$0	\$213.33	\$0	(\$269,082)	\$269,082	
29	2036	736,172												\$0	\$222.93	\$0	(\$277,154)	\$277,154	
30	2037	736,172												\$0	\$232.96	\$0	(\$285,469)	\$285,469	
31	2038	736,172												\$0	\$243.45	\$0	(\$294,033)	\$294,033	
32	2039	736,172												\$0	\$254.40	\$0	(\$302,854)	\$302,854	
33	2040	736,172												\$0	\$265.85	\$0	(\$311,939)	\$311,939	
34	2041	736,172												\$0	\$277.81	\$0	(\$321,298)	\$321,298	
35	2042	736,172												\$0	\$290.31	\$0	(\$330,937)	\$330,937	
36	2043	764,634										(\$4,359,717)		\$303.38	\$	8,634,733	\$4,275,017	\$3,934,152	
37	2044	764,634												\$0	\$317.03	\$0	(\$351,091)	\$351,091	
38	2045	764,634												\$0	\$331.30	\$0	(\$361,623)	\$361,623	
39	2046	764,634												\$0	\$346.20	\$0	(\$372,472)	\$372,472	
40	2047	764,634												\$0	\$361.78	\$0	(\$383,646)	\$383,646	
41	2048	764,634												\$0	\$378.06	\$0	(\$395,156)	\$395,156	
42	2049	764,634												\$0	\$395.08	\$0	(\$407,010)	\$407,010	
43	2050	764,634												\$0	\$412.86	\$0	(\$419,221)	\$419,221	
44	2051	764,634												\$0	\$431.43	\$0	(\$431,797)	\$431,797	
45	2052	764,634												\$0	\$450.85	\$0	(\$444,751)	\$444,751	
46	2053	793,095										(\$5,858,889)		\$471.14	\$	13,409,006	\$7,550,117	\$7,092,023	
47	2054	793,095												\$0	\$492.34	\$0	(\$471,836)	\$471,836	
48	2055	793,095												\$0	\$514.49	\$0	(\$485,991)	\$485,991	
49	2056	793,095												\$0	\$537.64	\$0	(\$500,571)	\$500,571	
50	2057	793,095												\$0	\$561.84	\$0	(\$515,588)	\$515,588	
Nominal Sum			(\$3,375,513)	\$4,500,684	\$1,125,171	\$6,064,814	(\$8,086,419)	(\$2,021,605)			\$1,274,042	(\$17,741,227)			\$34,143,541	\$16,402,313	(\$12,974,000)	(\$12,974,000)	\$ 3,805,922

(515,588)

(A) For the New City Hall, meeting space revenue is based on a percentage of revenue in the existing Concourse by applying the 9,200 SF of meeting space in Gensler's space projections divided by the 45,568 SF of meeting space in the existing Concourse. Please see the worksheet herein for the calculations and Appendix A, Financial Analysis Source Documents, for detailed information.

\$3,940,246 **(\$4,038,081)**

Gerding Edlen
Option 2
63-20 - 660K

Year	Existing Occupancy Costs No Renovation Scenario 5	Relocate Library & Publishing	Gerding 63-20 660K	Adjustments to Gerding Model	Sales Tax Generated (escalating)	Probability Quotient	Revenue Credit	Surplus Office Space	NNN Rent PSF (escalated)	Office Income	Probability Quotient	Revenue Credit	Surplus Retail Space	NNN Rent PSF (escalated)	Retail Income	Probability Quotient	Revenue Credit	Estimated Property Tax (escalated)	Property Tax Phase In	Probability Quotient	Revenue Credit	Total
									3.0%					3.0%				2.0%	17.0%			
1	2008	\$ 15,283,648	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 15,283,648
2	2009	\$ 15,928,002	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 15,928,002
3	2010	\$ 15,675,594	\$ 1,322,680	\$ (6,687,697)	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 10,310,577
4	2011	\$ 16,330,071	\$ 953,685	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 17,283,756
5	2012	\$ 17,008,712	\$ 985,862	\$ (36,709,251)	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ (18,714,677)
6	2013	\$ 12,500,692	\$ 1,019,260	\$ 14,127,720	\$ (671,626)	100.0%	\$ (16,188)	\$ -	\$ -	\$ -	100.0%	\$ (16,188)	\$ -	\$ -	\$ -	100.0%	\$ -	\$ 3,666,640	\$ -	100.0%	\$ -	\$ 26,959,858
7	2014	\$ 4,104,469	\$ 1,053,931	\$ (784,835)	\$ (144,645)	100.0%	\$ (63,358)	\$ -	\$ -	\$ -	100.0%	\$ (63,358)	\$ -	\$ -	\$ -	100.0%	\$ -	\$ 3,739,973	\$ -	100.0%	\$ -	\$ 4,165,563
8	2015	\$ -	\$ 1,089,928	\$ 30,494,664	\$ (148,984)	100.0%	\$ (65,259)	\$ -	\$ -	\$ -	100.0%	\$ (65,259)	\$ -	\$ -	\$ -	100.0%	\$ -	\$ 3,814,772	\$ -	100.0%	\$ -	\$ 31,370,350
9	2016	\$ -	\$ 1,127,307	\$ 31,040,493	\$ (153,454)	100.0%	\$ (67,216)	\$ -	\$ -	\$ -	100.0%	\$ (67,216)	\$ -	\$ -	\$ -	100.0%	\$ -	\$ 3,891,068	\$ -	100.0%	\$ -	\$ 31,947,131
10	2017	\$ -	\$ 1,166,128	\$ 31,609,949	\$ (158,057)	100.0%	\$ (69,233)	\$ -	\$ -	\$ -	100.0%	\$ (69,233)	\$ -	\$ -	\$ -	100.0%	\$ -	\$ 3,968,889	\$ -	100.0%	\$ -	\$ 32,548,786
11	2018	\$ -	\$ 1,206,450	\$ 32,197,247	\$ (162,799)	50.0%	\$ (171,986)	\$ -	\$ -	\$ -	50.0%	\$ (171,986)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,048,267	\$ -	50.0%	\$ -	\$ 33,068,913
12	2019	\$ -	\$ 1,248,340	\$ 32,801,933	\$ (167,683)	50.0%	\$ (227,296)	\$ -	\$ -	\$ -	50.0%	\$ (227,296)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,129,232	\$ -	50.0%	\$ -	\$ 33,655,294
13	2020	\$ -	\$ 1,291,863	\$ 33,428,629	\$ (172,713)	50.0%	\$ (531,506)	\$ -	\$ -	\$ -	50.0%	\$ (531,506)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,211,817	\$ -	50.0%	\$ -	\$ 34,282,026
14	2021	\$ -	\$ 1,337,089	\$ 34,076,711	\$ (177,895)	50.0%	\$ (570,728)	\$ -	\$ -	\$ -	50.0%	\$ (570,728)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,296,053	\$ -	50.0%	\$ -	\$ 34,950,541
15	2022	\$ -	\$ 1,384,093	\$ 34,745,597	\$ (183,232)	50.0%	\$ (587,850)	\$ -	\$ -	\$ -	50.0%	\$ (587,850)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,381,974	\$ -	50.0%	\$ -	\$ 35,652,533
16	2023	\$ -	\$ 1,432,951	\$ 43,805,561	\$ 1,437,973	50.0%	\$ (605,485)	\$ -	\$ -	\$ -	50.0%	\$ (605,485)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,469,614	\$ -	50.0%	\$ -	\$ 46,373,741
17	2024	\$ -	\$ 1,483,743	\$ 41,185,476	\$ (194,390)	50.0%	\$ (623,650)	\$ -	\$ -	\$ -	50.0%	\$ (623,650)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,559,006	\$ -	50.0%	\$ -	\$ 42,163,004
18	2025	\$ -	\$ 1,536,553	\$ 41,951,887	\$ (200,222)	50.0%	\$ (642,359)	\$ -	\$ -	\$ -	50.0%	\$ (642,359)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,650,186	\$ 790,532	50.0%	\$ (395,266)	\$ 42,571,773
19	2026	\$ -	\$ 1,591,470	\$ 42,753,307	\$ (206,229)	50.0%	\$ (661,630)	\$ -	\$ -	\$ -	50.0%	\$ (661,630)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,743,190	\$ 806,342	50.0%	\$ (403,171)	\$ 43,404,562
20	2027	\$ -	\$ 1,648,584	\$ 43,578,651	\$ (212,416)	50.0%	\$ (681,479)	\$ -	\$ -	\$ -	50.0%	\$ (681,479)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,838,054	\$ 822,469	50.0%	\$ (411,235)	\$ 44,282,846
21	2028	\$ -	\$ 1,707,993	\$ 44,437,555	\$ (218,788)	50.0%	\$ (701,923)	\$ -	\$ -	\$ -	50.0%	\$ (701,923)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 4,934,815	\$ 838,918	50.0%	\$ (419,459)	\$ 45,156,339
22	2029	\$ -	\$ 1,769,796	\$ 45,324,102	\$ (225,352)	50.0%	\$ (722,981)	\$ -	\$ -	\$ -	50.0%	\$ (722,981)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 5,033,511	\$ 855,697	50.0%	\$ (427,848)	\$ 46,079,950
23	2030	\$ -	\$ 1,834,100	\$ 46,247,809	\$ (232,112)	50.0%	\$ (744,671)	\$ -	\$ -	\$ -	50.0%	\$ (744,671)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 5,134,181	\$ 872,811	50.0%	\$ (436,405)	\$ 47,041,057
24	2031	\$ -	\$ 1,901,015	\$ 47,207,690	\$ (239,076)	50.0%	\$ (767,011)	\$ -	\$ -	\$ -	50.0%	\$ (767,011)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 5,236,865	\$ 890,267	50.0%	\$ (445,134)	\$ 48,040,990
25	2032	\$ -	\$ 1,970,655	\$ 48,202,831	\$ (246,248)	50.0%	\$ (790,021)	\$ -	\$ -	\$ -	50.0%	\$ (790,021)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 5,341,602	\$ 908,072	50.0%	\$ (454,036)	\$ 49,078,192
26	2033	\$ -	\$ 2,043,142	\$ 55,063,998	\$ 2,661,311	50.0%	\$ (813,722)	\$ -	\$ -	\$ -	50.0%	\$ (813,722)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 5,448,434	\$ 926,234	50.0%	\$ (463,117)	\$ 58,898,473
27	2034	\$ -	\$ 2,118,602	\$ 52,094,491	\$ (261,244)	50.0%	\$ (838,133)	\$ -	\$ -	\$ -	50.0%	\$ (838,133)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 5,557,403	\$ 944,758	50.0%	\$ (472,379)	\$ 53,060,403
28	2035	\$ -	\$ 2,197,168	\$ 52,960,189	\$ (269,082)	50.0%	\$ (863,277)	\$ -	\$ -	\$ -	50.0%	\$ (863,277)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 5,668,551	\$ 963,654	50.0%	\$ (481,827)	\$ 53,974,810
29	2036	\$ -	\$ 2,278,978	\$ 53,863,971	\$ (277,154)	50.0%	\$ (889,176)	\$ -	\$ -	\$ -	50.0%	\$ (889,176)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 5,781,922	\$ 982,927	50.0%	\$ (491,463)	\$ 54,929,744
30	2037	\$ -	\$ 2,364,178	\$ 54,816,052	\$ (285,469)	50.0%	\$ (915,851)	\$ -	\$ -	\$ -	50.0%	\$ (915,851)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 5,897,560	\$ 1,002,585	50.0%	\$ (501,293)	\$ 55,935,543
31	2038	\$ -	\$ 2,452,918	\$ 55,811,140	\$ (294,033)	50.0%	\$ (943,326)	\$ -	\$ -	\$ -	50.0%	\$ (943,326)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 6,015,512	\$ 1,022,637	50.0%	\$ (511,318)	\$ 56,987,044
32	2039	\$ -	\$ 2,545,359	\$ 56,859,421	\$ (302,854)	50.0%	\$ (971,626)	\$ -	\$ -	\$ -	50.0%	\$ (971,626)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 6,135,822	\$ 1,043,090	50.0%	\$ (521,545)	\$ 58,094,569
33	2040	\$ -	\$ 2,641,667	\$ 57,960,620	\$ (311,939)	50.0%	\$ (1,000,775)	\$ -	\$ -	\$ -	50.0%	\$ (1,000,775)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 6,258,538	\$ 1,063,951	50.0%	\$ (531,976)	\$ 59,257,985
34	2041	\$ -	\$ 2,742,016	\$ 59,119,625	\$ (321,298)	50.0%	\$ (1,030,798)	\$ -	\$ -	\$ -	50.0%	\$ (1,030,798)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 6,383,709	\$ 1,085,231	50.0%	\$ (542,615)	\$ 60,482,329
35	2042	\$ -	\$ 2,846,590	\$ 60,331,126	\$ (330,937)	50.0%	\$ (1,061,722)	\$ -	\$ -	\$ -	50.0%	\$ (1,061,722)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 6,511,383	\$ 1,106,935	50.0%	\$ (553,468)	\$ 61,762,451
36	2043	\$ -	\$ 2,955,579	\$ 67,366,508	\$ 3,934,152	50.0%	\$ (1,093,574)	\$ -	\$ -	\$ -	50.0%	\$ (1,093,574)	\$ -	\$ -	\$ -	50.0%	\$ -	\$ 6,641,611	\$ 1,129,074	50.0%	\$ (564,537)	\$ 73,144,914
37	2044	\$ -	\$ 3,069,183	\$ 34,959,391	\$ (351,091)	50.0%	\$ (1,126,381)	\$ -	\$ -	\$ -	50.0%	\$ (1,126,381)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 6,774,443	\$ 1,151,655	50.0%	\$ (575,828)	\$ 36,538,466
38	2045	\$ -	\$ 3,187,614	\$ 36,418,501	\$ (361,623)	50.0%	\$ (1,160,173)	\$ -	\$ -	\$ -	50.0%	\$ (1,160,173)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 6,909,932	\$ 1,174,688	50.0%	\$ (587,344)	\$ 38,077,061
39	2046	\$ -	\$ 3,311,091	\$ 37,950,566	\$ (372,472)	50.0%	\$ (1,194,978)	\$ -	\$ -	\$ -	50.0%	\$ (1,194,978)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 7,048,131	\$ 1,198,182	50.0%	\$ (599,091)	\$ 39,692,604
40	2047	\$ -	\$ 3,439,843	\$ 39,559,234	\$ (383,646)	50.0%	\$ (1,230,827)	\$ -	\$ -	\$ -	50.0%	\$ (1,230,827)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 7,189,093	\$ 1,222,146	50.0%	\$ (611,073)	\$ 41,388,944
41	2048	\$ -	\$ 3,574,114	\$ 41,248,335	\$ (395,156)	50.0%	\$ (1,267,752)	\$ -	\$ -	\$ -	50.0%	\$ (1,267,752)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 7,332,875	\$ 1,246,589	50.0%	\$ (623,294)	\$ 43,170,123
42	2049	\$ -	\$ 3,714,154	\$ 43,021,892	\$ (407,010)	50.0%	\$ (1,305,784)	\$ -	\$ -	\$ -	50.0%	\$ (1,305,784)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 7,479,533	\$ 1,271,521	50.0%	\$ (635,760)	\$ 45,040,384
43	2050	\$ -	\$ 3,860,230	\$ 44,884,127	\$ (419,221)	50.0%	\$ (1,344,958)	\$ -	\$ -	\$ -	50.0%	\$ (1,344,958)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 7,629,123	\$ 1,296,951	50.0%	\$ (648,475)	\$ 47,004,182
44	2051	\$ -	\$ 4,012,620	\$ 46,839,473	\$ (431,797)	50.0%	\$ (1,385,307)	\$ -	\$ -	\$ -	50.0%	\$ (1,385,307)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 7,781,706	\$ 1,322,890	50.0%	\$ (661,445)	\$ 49,066,197
45	2052	\$ -	\$ 4,171,613	\$ 48,892,586	\$ (444,751)	50.0%	\$ (1,426,866)	\$ -	\$ -	\$ -	50.0%	\$ (1,426,866)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 7,937,340	\$ 1,349,348	50.0%	\$ (674,674)	\$ 51,231,341
46	2053	\$ -	\$ 4,337,515	\$ 66,581,596	\$ 7,092,023	50.0%	\$ (1,469,672)	\$ -	\$ -	\$ -	50.0%	\$ (1,469,672)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 8,096,087	\$ 1,376,335	50.0%	\$ (688,167)	\$ 76,588,131
47	2054	\$ -	\$ 4,510,644	\$ 63,070,518	\$ (471,836)	50.0%	\$ (1,513,762)	\$ -	\$ -	\$ -	50.0%	\$ (1,513,762)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 8,258,008	\$ 1,403,861	50.0%	\$ (701,931)	\$ 65,505,515
48	2055	\$ -	\$ 4,691,337	\$ 65,535,720	\$ (485,991)	50.0%	\$ (1,559,175)	\$ -	\$ -	\$ -	50.0%	\$ (1,559,175)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 8,423,168	\$ 1,431,939	50.0%	\$ (715,969)	\$ 68,245,509
49	2056	\$ -	\$ 4,879,944	\$ 68,124,182	\$ (500,571)	50.0%	\$ (1,605,950)	\$ -	\$ -	\$ -	50.0%	\$ (1,605,950)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 8,591,632	\$ 1,460,577	50.0%	\$ (730,289)	\$ 70,970,291
50	2057	\$ -	\$ 5,076,831	\$ 70,842,067	\$ (515,588)	50.0%	\$ (1,654,129)	\$ -	\$ -	\$ -	50.0%	\$ (1,654,129)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 8,763,464	\$ 1,489,789	50.0%	\$ (744,894)	\$ 73,831,351

Nominal Sum	\$ 96,831,187	\$ 115,086,408	\$ 2,009,211,359	\$ 2,814,776	\$ (19,830,029)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,226,328)	\$ 2,185,887,373
NPV @ 5.25%	\$ 96,626,451	\$ 36,331,956	\$ 655,414,486	\$ (697,141)	\$ (5,615,205)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,466,692)	\$ 777,593,855

**Adjustments to Gerding Model
Option 2
63-20 Full**

	Total City USF	Less: Yr. 1 New Bldg. OPEX and CAPEX	Add: Revised Yr. 1 New Bldg. OPEX / CAPEX	Net Adjustment to OPEX and CAPEX	Less: Yr. 1 Parking and Master Lease	Add: Revised Yr. 1 Parking and Master Lease	Net Adj. to Parking and Master Lease	Moving Expenses per Person	Total Headcount	Moving Expenses	Less: Expansion	Adjusted TI's Amt per USF	Add Revised Incremental	Net Change in TI's	12-15-08 Adjustments	Net Revenue	Total Adjustments Gerding Option 2
											Space TI's	Growth of:	TI's	Mtg. Space Rev			Cash Flows
											(3% growth)	4.5%		(3% growth)			
1 2008	-							\$350			\$0	\$65.00		\$0	\$0	\$0	\$
2 2009	-							\$361			\$0	\$67.93		\$0	\$0	\$0	\$
3 2010	-							\$371			\$0	\$70.98		\$0	\$0	\$0	\$
4 2011	-							\$382			\$0	\$74.18		\$0	\$0	\$0	\$
5 2012	-							\$394			\$0	\$77.51		\$0	\$0	\$0	\$
6 2013	660,659	(\$5,556,142)	\$3,704,095	(\$1,852,047)	\$0	\$0	\$0	\$406		\$ 1,274,042	\$0	\$81.00		\$0	(\$93,621)	(\$93,621)	\$ (671,626)
7 2014	660,659										\$0	\$84.65		\$0	(\$144,645)	(\$144,645)	\$ (144,645)
8 2015	660,659								3,140		\$0	\$88.46		\$0	(\$148,984)	(\$148,984)	\$ (148,984)
9 2016	660,659										\$0	\$92.44		\$0	(\$153,454)	(\$153,454)	\$ (153,454)
10 2017	660,659										\$0	\$96.60		\$0	(\$158,057)	(\$158,057)	\$ (158,057)
11 2018	660,659										\$0	\$100.94		\$0	(\$162,799)	(\$162,799)	\$ (162,799)
12 2019	660,659										\$0	\$105.49		\$0	(\$167,683)	(\$167,683)	\$ (167,683)
13 2020	660,659										\$0	\$110.23		\$0	(\$172,713)	(\$172,713)	\$ (172,713)
14 2021	660,659										\$0	\$115.19		\$0	(\$177,895)	(\$177,895)	\$ (177,895)
15 2022	660,659										\$0	\$120.38		\$0	(\$183,232)	(\$183,232)	\$ (183,232)
16 2023	700,351										(\$3,366,289)	\$125.79	\$ 4,992,990	\$1,626,701	(\$188,728)	(\$188,728)	\$ 1,437,973
17 2024	700,351										\$0	\$131.45		\$0	(\$194,390)	(\$194,390)	\$ (194,390)
18 2025	700,351										\$0	\$137.37		\$0	(\$200,222)	(\$200,222)	\$ (200,222)
19 2026	700,351										\$0	\$143.55		\$0	(\$206,229)	(\$206,229)	\$ (206,229)
20 2027	700,351										\$0	\$150.01		\$0	(\$212,416)	(\$212,416)	\$ (212,416)
21 2028	700,351										\$0	\$156.76		\$0	(\$218,788)	(\$218,788)	\$ (218,788)
22 2029	700,351										\$0	\$163.82		\$0	(\$225,352)	(\$225,352)	\$ (225,352)
23 2030	700,351										\$0	\$171.19		\$0	(\$232,112)	(\$232,112)	\$ (232,112)
24 2031	700,351										\$0	\$178.89		\$0	(\$239,076)	(\$239,076)	\$ (239,076)
25 2032	700,351										\$0	\$186.94		\$0	(\$246,248)	(\$246,248)	\$ (246,248)
26 2033	736,172										(\$4,082,802)	\$195.35	\$ 6,997,748	\$2,914,946	(\$253,635)	(\$253,635)	\$ 2,661,311
27 2034	736,172										\$0	\$204.14		\$0	(\$261,244)	(\$261,244)	\$ (261,244)
28 2035	736,172										\$0	\$213.33		\$0	(\$269,082)	(\$269,082)	\$ (269,082)
29 2036	736,172										\$0	\$222.93		\$0	(\$277,154)	(\$277,154)	\$ (277,154)
30 2037	736,172										\$0	\$232.96		\$0	(\$285,469)	(\$285,469)	\$ (285,469)
31 2038	736,172										\$0	\$243.45		\$0	(\$294,033)	(\$294,033)	\$ (294,033)
32 2039	736,172										\$0	\$254.40		\$0	(\$302,854)	(\$302,854)	\$ (302,854)
33 2040	736,172										\$0	\$265.85		\$0	(\$311,939)	(\$311,939)	\$ (311,939)
34 2041	736,172										\$0	\$277.81		\$0	(\$321,298)	(\$321,298)	\$ (321,298)
35 2042	736,172										\$0	\$290.31		\$0	(\$330,937)	(\$330,937)	\$ (330,937)
36 2043	764,634										(\$4,359,717)	\$303.38	\$ 8,634,733	\$4,275,017	(\$340,865)	(\$340,865)	\$ 3,934,152
37 2044	764,634										\$0	\$317.03		\$0	(\$351,091)	(\$351,091)	\$ (351,091)
38 2045	764,634										\$0	\$331.30		\$0	(\$361,623)	(\$361,623)	\$ (361,623)
39 2046	764,634										\$0	\$346.20		\$0	(\$372,472)	(\$372,472)	\$ (372,472)
40 2047	764,634										\$0	\$361.78		\$0	(\$383,646)	(\$383,646)	\$ (383,646)
41 2048	764,634										\$0	\$378.06		\$0	(\$395,156)	(\$395,156)	\$ (395,156)
42 2049	764,634										\$0	\$395.08		\$0	(\$407,010)	(\$407,010)	\$ (407,010)
43 2050	764,634										\$0	\$412.86		\$0	(\$419,221)	(\$419,221)	\$ (419,221)
44 2051	764,634										\$0	\$431.43		\$0	(\$431,797)	(\$431,797)	\$ (431,797)
45 2052	764,634										\$0	\$450.85		\$0	(\$444,751)	(\$444,751)	\$ (444,751)
46 2053	793,095										(\$5,858,889)	\$471.14	\$ 13,409,006	\$7,550,117	(\$458,094)	(\$458,094)	\$ 7,092,023
47 2054	793,095										\$0	\$492.34		\$0	(\$471,836)	(\$471,836)	\$ (471,836)
48 2055	793,095										\$0	\$514.49		\$0	(\$485,991)	(\$485,991)	\$ (485,991)
49 2056	793,095										\$0	\$537.64		\$0	(\$500,571)	(\$500,571)	\$ (500,571)
50 2057	793,095										\$0	\$561.84		\$0	(\$515,588)	(\$515,588)	\$
Nominal Sum		(\$5,556,142)	\$3,704,095	(\$1,852,047)	\$0	\$0	\$0			\$1,274,042	(\$17,667,697)		\$34,034,478	\$16,366,781	(\$12,974,000)	(\$12,974,000)	\$ 2,814,776

(A) For the New City Hall, meeting space revenue is based on a percentage of revenue in the existing Concourse by applying the 9,200 SF of meeting space in Gensler's space projections divided by the 45,568 SF of meeting space in the existing Concourse. Please see the worksheet herein for the calculations and Appendix A, Financial Analysis Source Documents, for detailed information.

\$3,918,945 (\$4,038,081) (515,588)

Gerding Edlen
Commercial w/ COPS - Option 3

Year	Existing Occupancy Costs No Renovation Scenario 5	Relocate Library & Publishing	Gerding COP	Adjustments to Gerding Model	Sales Tax Generated (escalating)	Probability Quotient	Revenue Credit	Surplus Office Space	NNN Rent PSF (escalated)	Office Income	Probability Quotient	Revenue Credit	Surplus Retail Space	NNN Rent PSF (escalated)	Retail Income	Probability Quotient	Revenue Credit	Estimated Property Tax (escalated)	Property Tax Phase In	Probability Quotient	Revenue Credit	Total
1	2008	\$ 15,283,648	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	2.40	\$ -	0.0%	\$ -	\$ -	3.00	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 15,283,648
2	2009	\$ 15,928,002	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	2.47	\$ -	0.0%	\$ -	\$ -	3.09	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 15,928,002
3	2010	\$ 15,675,594	\$ 1,322,680	\$ (6,687,697)	\$ -	0.0%	\$ -	\$ -	3.18	\$ -	0.0%	\$ -	\$ -	3.18	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 10,310,577
4	2011	\$ 16,330,071	\$ 953,685	\$ -	\$ -	0.0%	\$ -	\$ -	2.62	\$ -	0.0%	\$ -	\$ -	3.28	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 17,283,756
5	2012	\$ 17,008,712	\$ 985,862	\$ (36,709,251)	\$ -	0.0%	\$ -	\$ -	2.70	\$ -	0.0%	\$ -	\$ -	3.38	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ (18,714,677)
6	2013	\$ 12,500,692	\$ 1,019,260	\$ 29,736,262	\$ (671,626)	100.0%	\$ (16,188)	\$ 2.55	2.78	\$ -	100.0%	\$ (16,188)	\$ -	3.48	\$ -	0.0%	\$ -	\$ 3,666,640	\$ -	0.0%	\$ -	\$ 42,568,400
7	2014	\$ 4,104,469	\$ 1,053,931	\$ (2,738)	\$ (144,645)	100.0%	\$ (63,358)	\$ -	2.87	\$ -	100.0%	\$ (63,358)	\$ -	3.58	\$ -	0.0%	\$ -	\$ 3,739,973	\$ -	0.0%	\$ -	\$ 4,947,660
8	2015	\$ -	\$ 1,089,928	\$ 31,778,335	\$ (148,984)	100.0%	\$ (65,259)	\$ -	2.95	\$ -	100.0%	\$ (65,259)	\$ -	3.69	\$ -	0.0%	\$ -	\$ 3,814,772	\$ -	0.0%	\$ -	\$ 32,654,021
9	2016	\$ -	\$ 1,127,307	\$ 32,854,198	\$ (153,454)	100.0%	\$ (67,216)	\$ -	3.04	\$ -	100.0%	\$ (67,216)	\$ -	3.80	\$ -	0.0%	\$ -	\$ 3,891,068	\$ -	0.0%	\$ -	\$ 33,760,836
10	2017	\$ -	\$ 1,166,128	\$ 33,968,463	\$ (158,057)	100.0%	\$ (69,233)	\$ -	3.13	\$ -	100.0%	\$ (69,233)	\$ -	3.91	\$ -	0.0%	\$ -	\$ 3,968,889	\$ -	0.0%	\$ -	\$ 34,907,300
11	2018	\$ -	\$ 1,206,450	\$ 35,122,587	\$ (162,799)	50.0%	\$ (343,971)	\$ -	3.23	\$ -	50.0%	\$ (171,986)	\$ -	4.03	\$ -	0.0%	\$ -	\$ 4,048,267	\$ -	0.0%	\$ -	\$ 35,994,253
12	2019	\$ -	\$ 1,248,340	\$ 36,318,089	\$ (167,683)	50.0%	\$ (227,296)	\$ -	3.32	\$ -	50.0%	\$ (227,296)	\$ -	4.15	\$ -	0.0%	\$ -	\$ 4,129,232	\$ -	0.0%	\$ -	\$ 37,171,450
13	2020	\$ -	\$ 1,291,863	\$ 37,556,547	\$ (172,713)	50.0%	\$ (265,753)	\$ -	3.42	\$ -	50.0%	\$ (265,753)	\$ -	4.28	\$ -	0.0%	\$ -	\$ 4,211,817	\$ -	0.0%	\$ -	\$ 38,409,943
14	2021	\$ -	\$ 1,337,089	\$ 38,839,604	\$ (177,895)	50.0%	\$ (285,364)	\$ -	3.52	\$ -	50.0%	\$ (285,364)	\$ -	4.41	\$ -	0.0%	\$ -	\$ 4,296,053	\$ -	0.0%	\$ -	\$ 39,713,435
15	2022	\$ -	\$ 1,384,093	\$ 40,168,972	\$ (183,232)	50.0%	\$ (293,925)	\$ -	3.63	\$ -	50.0%	\$ (293,925)	\$ -	4.54	\$ -	0.0%	\$ -	\$ 4,381,974	\$ -	0.0%	\$ -	\$ 41,075,908
16	2023	\$ -	\$ 1,432,951	\$ 50,631,420	\$ 1,437,973	50.0%	\$ (605,485)	\$ -	3.74	\$ -	50.0%	\$ (302,743)	\$ -	4.67	\$ -	0.0%	\$ -	\$ 4,469,614	\$ -	0.0%	\$ -	\$ 53,199,601
17	2024	\$ -	\$ 1,483,743	\$ 47,744,836	\$ (194,390)	50.0%	\$ (623,650)	\$ -	3.85	\$ -	50.0%	\$ (311,825)	\$ -	4.81	\$ -	0.0%	\$ -	\$ 4,559,006	\$ -	0.0%	\$ -	\$ 48,722,364
18	2025	\$ -	\$ 1,536,553	\$ 48,248,527	\$ (200,222)	50.0%	\$ (642,359)	\$ -	3.97	\$ -	50.0%	\$ (321,180)	\$ -	4.96	\$ -	0.0%	\$ -	\$ 4,650,186	\$ 790,532	50.0%	\$ (395,266)	\$ 48,868,413
19	2026	\$ -	\$ 1,591,470	\$ 48,777,403	\$ (206,229)	50.0%	\$ (661,630)	\$ -	4.09	\$ -	50.0%	\$ (330,815)	\$ -	5.11	\$ -	0.0%	\$ -	\$ 4,743,190	\$ 806,342	50.0%	\$ (403,171)	\$ 49,428,657
20	2027	\$ -	\$ 1,648,584	\$ 49,332,722	\$ (212,416)	50.0%	\$ (681,479)	\$ -	4.21	\$ -	50.0%	\$ (340,740)	\$ -	5.26	\$ -	0.0%	\$ -	\$ 4,838,054	\$ 822,469	50.0%	\$ (411,235)	\$ 50,016,916
21	2028	\$ -	\$ 1,707,993	\$ 49,915,807	\$ (218,788)	50.0%	\$ (701,923)	\$ -	4.33	\$ -	50.0%	\$ (350,962)	\$ -	5.42	\$ -	0.0%	\$ -	\$ 4,934,815	\$ 838,918	50.0%	\$ (419,459)	\$ 50,634,591
22	2029	\$ -	\$ 1,769,796	\$ 50,528,046	\$ (225,352)	50.0%	\$ (722,981)	\$ -	4.46	\$ -	50.0%	\$ (361,491)	\$ -	5.58	\$ -	0.0%	\$ -	\$ 5,033,511	\$ 855,697	50.0%	\$ (427,848)	\$ 51,283,152
23	2030	\$ -	\$ 1,834,100	\$ 51,170,898	\$ (232,112)	50.0%	\$ (744,671)	\$ -	4.60	\$ -	50.0%	\$ (372,335)	\$ -	5.75	\$ -	0.0%	\$ -	\$ 5,134,181	\$ 872,811	50.0%	\$ (436,405)	\$ 51,964,145
24	2031	\$ -	\$ 1,901,015	\$ 51,845,891	\$ (239,076)	50.0%	\$ (767,011)	\$ -	4.74	\$ -	50.0%	\$ (383,505)	\$ -	5.92	\$ -	0.0%	\$ -	\$ 5,236,865	\$ 890,267	50.0%	\$ (445,134)	\$ 52,679,192
25	2032	\$ -	\$ 1,970,655	\$ 52,554,635	\$ (246,248)	50.0%	\$ (790,021)	\$ -	4.88	\$ -	50.0%	\$ (395,011)	\$ -	6.10	\$ -	0.0%	\$ -	\$ 5,341,602	\$ 908,072	50.0%	\$ (454,036)	\$ 53,429,995
26	2033	\$ -	\$ 2,043,142	\$ 53,596,409	\$ 2,661,311	50.0%	\$ (813,722)	\$ -	5.03	\$ -	50.0%	\$ (406,861)	\$ -	6.28	\$ -	0.0%	\$ -	\$ 5,448,434	\$ 926,234	50.0%	\$ (463,117)	\$ 57,430,884
27	2034	\$ -	\$ 2,118,602	\$ 60,334,962	\$ (261,244)	50.0%	\$ (838,133)	\$ -	5.18	\$ -	50.0%	\$ (419,067)	\$ -	6.47	\$ -	0.0%	\$ -	\$ 5,557,403	\$ 944,758	50.0%	\$ (472,379)	\$ 61,300,874
28	2035	\$ -	\$ 2,197,168	\$ 61,197,386	\$ (269,082)	50.0%	\$ (863,277)	\$ -	5.33	\$ -	50.0%	\$ (431,639)	\$ -	6.66	\$ -	0.0%	\$ -	\$ 5,668,551	\$ 963,654	50.0%	\$ (481,827)	\$ 62,212,007
29	2036	\$ -	\$ 2,278,978	\$ 62,102,931	\$ (277,154)	50.0%	\$ (889,176)	\$ -	5.49	\$ -	50.0%	\$ (444,588)	\$ -	6.86	\$ -	0.0%	\$ -	\$ 5,781,922	\$ 982,927	50.0%	\$ (491,463)	\$ 63,168,703
30	2037	\$ -	\$ 2,364,178	\$ 63,053,752	\$ (285,469)	50.0%	\$ (915,851)	\$ -	5.66	\$ -	50.0%	\$ (457,925)	\$ -	7.07	\$ -	0.0%	\$ -	\$ 5,897,560	\$ 1,002,585	50.0%	\$ (501,293)	\$ 64,173,243
31	2038	\$ -	\$ 2,452,918	\$ 64,052,115	\$ (294,033)	50.0%	\$ (943,326)	\$ -	5.83	\$ -	50.0%	\$ (471,663)	\$ -	7.28	\$ -	0.0%	\$ -	\$ 6,015,512	\$ 1,022,637	50.0%	\$ (511,318)	\$ 65,228,019
32	2039	\$ -	\$ 2,545,359	\$ 65,100,397	\$ (302,854)	50.0%	\$ (971,626)	\$ -	6.00	\$ -	50.0%	\$ (485,813)	\$ -	7.50	\$ -	0.0%	\$ -	\$ 6,135,822	\$ 1,043,090	50.0%	\$ (521,545)	\$ 66,335,544
33	2040	\$ -	\$ 2,641,667	\$ 66,201,092	\$ (311,939)	50.0%	\$ (1,000,775)	\$ -	6.18	\$ -	50.0%	\$ (500,388)	\$ -	7.73	\$ -	0.0%	\$ -	\$ 6,258,538	\$ 1,063,951	50.0%	\$ (531,976)	\$ 67,498,456
34	2041	\$ -	\$ 2,742,016	\$ 67,356,822	\$ (321,298)	50.0%	\$ (1,030,798)	\$ -	6.37	\$ -	50.0%	\$ (515,399)	\$ -	7.96	\$ -	0.0%	\$ -	\$ 6,383,709	\$ 1,085,231	50.0%	\$ (542,615)	\$ 68,719,526
35	2042	\$ -	\$ 2,846,590	\$ 68,570,338	\$ (330,937)	50.0%	\$ (1,061,722)	\$ -	6.56	\$ -	50.0%	\$ (530,861)	\$ -	8.20	\$ -	0.0%	\$ -	\$ 6,511,383	\$ 1,106,935	50.0%	\$ (553,468)	\$ 70,001,663
36	2043	\$ -	\$ 2,955,579	\$ 75,606,074	\$ 3,934,152	50.0%	\$ (1,093,574)	\$ -	6.75	\$ -	50.0%	\$ (546,787)	\$ -	8.44	\$ -	0.0%	\$ -	\$ 6,641,611	\$ 1,129,074	50.0%	\$ (564,537)	\$ 81,384,480
37	2044	\$ -	\$ 3,069,183	\$ 72,635,985	\$ (351,091)	50.0%	\$ (1,126,381)	\$ -	6.96	\$ -	0.0%	\$ -	\$ -	8.69	\$ -	0.0%	\$ -	\$ 6,774,443	\$ 1,151,655	50.0%	\$ (575,828)	\$ 74,215,059
38	2045	\$ -	\$ 3,187,614	\$ 74,095,094	\$ (361,623)	50.0%	\$ (1,160,173)	\$ -	7.16	\$ -	0.0%	\$ -	\$ -	8.96	\$ -	0.0%	\$ -	\$ 6,909,932	\$ 1,174,688	50.0%	\$ (587,344)	\$ 75,753,654
39	2046	\$ -	\$ 3,311,091	\$ 75,627,159	\$ (372,472)	50.0%	\$ (1,194,978)	\$ -	7.38	\$ -	0.0%	\$ -	\$ -	9.22	\$ -	0.0%	\$ -	\$ 7,048,131	\$ 1,198,182	50.0%	\$ (599,091)	\$ 77,369,198
40	2047	\$ -	\$ 3,439,843	\$ 77,235,827	\$ (383,646)	50.0%	\$ (1,230,827)	\$ -	7.60	\$ -	0.0%	\$ -	\$ -	9.50	\$ -	0.0%	\$ -	\$ 7,189,093	\$ 1,222,146	50.0%	\$ (611,073)	\$ 79,065,538
41	2048	\$ -	\$ 3,574,114	\$ 78,924,929	\$ (395,156)	50.0%	\$ (1,267,752)	\$ -	7.83	\$ -	0.0%	\$ -	\$ -	9.79	\$ -	0.0%	\$ -	\$ 7,332,875	\$ 1,246,589	50.0%	\$ (623,294)	\$ 80,846,717
42	2049	\$ -	\$ 3,714,154	\$ 80,698,486	\$ (407,010)	50.0%	\$ (1,305,784)	\$ -	8.06	\$ -	0.0%	\$ -	\$ -	10.08	\$ -	0.0%	\$ -	\$ 7,479,533	\$ 1,271,521	50.0%	\$ (635,760)	\$ 82,716,977
43	2050	\$ -	\$ 3,860,230	\$ 82,560,720	\$ (419,221)	50.0%	\$ (1,344,958)	\$ -	8.31	\$ -	0.0%	\$ -	\$ -	10.38	\$ -	0.0%	\$ -	\$ 7,629,123	\$ 1,296,951	50.0%	\$ (648,475)	\$ 84,680,776
44	2051	\$ -	\$ 4,012,620	\$ 84,516,066	\$ (431,797)	50.0%	\$ (1,385,307)	\$ -	8.55	\$ -	0.0%	\$ -	\$ -	10.69	\$ -	0.0%	\$ -	\$ 7,781,706	\$ 1,322,890	50.0%	\$ (661,445)	\$ 86,742,791
45	2052	\$ -	\$ 4,171,613	\$ 86,569,180	\$ (444,751)	50.0%	\$ (1,426,866)	\$ -	8.81	\$ -	0.0%	\$ -	\$ -	11.01	\$ -	0.0%	\$ -	\$ 7,937,340	\$ 1,349,348	50.0%	\$ (674,674)	\$ 88,907,935
46	2053	\$ -	\$ 4,337,515	\$ 66,589,174	\$ 7,092,023	50.0%	\$ (1,469,672)	\$ -	9.08	\$ -	0.0%	\$ -	\$ -	11.34	\$ -	0.0%	\$ -	\$ 8,096,087	\$ 1,376,335	50.0%	\$ (688,167)	\$ 76,595,708
47	2054	\$ -	\$ 4,510,644	\$ 63,078,096	\$ (471,836)	50.0%	\$ (1,513,762)	\$ -	9.35	\$ -	0.0%	\$ -	\$ -	11.69	\$ -	0.0%	\$ -	\$ 8,258,008	\$ 1,403,861	50.0%	\$ (701,931)	\$ 65,658,092
48	2055	\$ -	\$ 4,691,337	\$ 65,543,298	\$ (485,991)	50.0%	\$ (1,559,175)	\$ -	9.63	\$ -	0.0%	\$ -	\$ -									

**Adjustments to Gerding Model
Option 3
63-20 Full**

	Total City USF	Less: Yr. 1 New Bldg. OPEX and CAPEX	Add: Revised Yr. 1 New Bldg. OPEX / CAPEX	Net Adjustment to OPEX and CAPEX	Less: Yr. 1 Parking and Master Lease	Add: Revised Yr. 1 Parking and Master Lease	Net Adj. to Parking and Master Lease	Moving Expenses per Person	Total Headcount	Moving Expenses	Less: Expansion Space TI's	Adjusted TI's Amt per USF	Add Revised Incremental TI's	Net Change in TI's	12-12-08 Adjustments Mtg. Space Rev	Net Revenue	Total Adjustments Gerding Option 3 Cash Flows
1 2008	-							\$350			(3% growth)	4.5%			(3% growth)		
2 2009	-							\$361			\$0	\$65.00		\$0	\$0	\$0	\$
3 2010	-							\$371			\$0	\$67.93		\$0	\$0	\$0	\$
4 2011	-							\$382			\$0	\$70.98		\$0	\$0	\$0	\$
5 2012	-							\$394			\$0	\$74.18		\$0	\$0	\$0	\$
6 2013	660,659	(\$5,556,142)	\$3,704,095	(\$1,852,047)	\$0	\$0	\$0	\$406		\$1,274,042	\$0	\$81.00		\$0	(\$93,621)	(\$93,621)	\$ (671,626)
7 2014	660,659										\$0	\$84.65		\$0	(\$144,645)	(\$144,645)	\$ (144,645)
8 2015	660,659								3,140		\$0	\$88.46		\$0	(\$148,984)	(\$148,984)	\$ (148,984)
9 2016	660,659										\$0	\$92.44		\$0	(\$153,454)	(\$153,454)	\$ (153,454)
10 2017	660,659										\$0	\$96.60		\$0	(\$158,057)	(\$158,057)	\$ (158,057)
11 2018	660,659										\$0	\$100.94		\$0	(\$162,799)	(\$162,799)	\$ (162,799)
12 2019	660,659										\$0	\$105.49		\$0	(\$167,683)	(\$167,683)	\$ (167,683)
13 2020	660,659										\$0	\$110.23		\$0	(\$172,713)	(\$172,713)	\$ (172,713)
14 2021	660,659										\$0	\$115.19		\$0	(\$177,895)	(\$177,895)	\$ (177,895)
15 2022	660,659										\$0	\$120.38		\$0	(\$183,232)	(\$183,232)	\$ (183,232)
16 2023	700,351										(\$3,366,289)	\$125.79	\$ 4,992,990	\$1,626,701	(\$188,728)	(\$188,728)	\$ 1,437,973
17 2024	700,351										\$0	\$131.45		\$0	(\$194,390)	(\$194,390)	\$ (194,390)
18 2025	700,351										\$0	\$137.37		\$0	(\$200,222)	(\$200,222)	\$ (200,222)
19 2026	700,351										\$0	\$143.55		\$0	(\$206,229)	(\$206,229)	\$ (206,229)
20 2027	700,351										\$0	\$150.01		\$0	(\$212,416)	(\$212,416)	\$ (212,416)
21 2028	700,351										\$0	\$156.76		\$0	(\$218,788)	(\$218,788)	\$ (218,788)
22 2029	700,351										\$0	\$163.82		\$0	(\$225,352)	(\$225,352)	\$ (225,352)
23 2030	700,351										\$0	\$171.19		\$0	(\$232,112)	(\$232,112)	\$ (232,112)
24 2031	700,351										\$0	\$178.89		\$0	(\$239,076)	(\$239,076)	\$ (239,076)
25 2032	700,351										\$0	\$186.94		\$0	(\$246,248)	(\$246,248)	\$ (246,248)
26 2033	736,172										(\$4,082,802)	\$195.35	\$ 6,997,748	\$2,914,946	(\$253,635)	(\$253,635)	\$ 2,661,311
27 2034	736,172										\$0	\$204.14		\$0	(\$261,244)	(\$261,244)	\$ (261,244)
28 2035	736,172										\$0	\$213.33		\$0	(\$269,082)	(\$269,082)	\$ (269,082)
29 2036	736,172										\$0	\$222.93		\$0	(\$277,154)	(\$277,154)	\$ (277,154)
30 2037	736,172										\$0	\$232.96		\$0	(\$285,469)	(\$285,469)	\$ (285,469)
31 2038	736,172										\$0	\$243.45		\$0	(\$294,033)	(\$294,033)	\$ (294,033)
32 2039	736,172										\$0	\$254.40		\$0	(\$302,854)	(\$302,854)	\$ (302,854)
33 2040	736,172										\$0	\$265.85		\$0	(\$311,939)	(\$311,939)	\$ (311,939)
34 2041	736,172										\$0	\$277.81		\$0	(\$321,298)	(\$321,298)	\$ (321,298)
35 2042	736,172										\$0	\$290.31		\$0	(\$330,937)	(\$330,937)	\$ (330,937)
36 2043	764,634										(\$4,359,717)	\$303.38	\$ 8,634,733	\$4,275,017	(\$340,865)	(\$340,865)	\$ 3,934,152
37 2044	764,634										\$0	\$317.03		\$0	(\$351,091)	(\$351,091)	\$ (351,091)
38 2045	764,634										\$0	\$331.30		\$0	(\$361,623)	(\$361,623)	\$ (361,623)
39 2046	764,634										\$0	\$346.20		\$0	(\$372,472)	(\$372,472)	\$ (372,472)
40 2047	764,634										\$0	\$361.78		\$0	(\$383,646)	(\$383,646)	\$ (383,646)
41 2048	764,634										\$0	\$378.06		\$0	(\$395,156)	(\$395,156)	\$ (395,156)
42 2049	764,634										\$0	\$395.08		\$0	(\$407,010)	(\$407,010)	\$ (407,010)
43 2050	764,634										\$0	\$412.86		\$0	(\$419,221)	(\$419,221)	\$ (419,221)
44 2051	764,634										\$0	\$431.43		\$0	(\$431,797)	(\$431,797)	\$ (431,797)
45 2052	764,634										\$0	\$450.85		\$0	(\$444,751)	(\$444,751)	\$ (444,751)
46 2053	793,095										(\$5,858,889)	\$471.14	\$ 13,409,006	\$7,550,117	(\$458,094)	(\$458,094)	\$ 7,092,023
47 2054	793,095										\$0	\$492.34		\$0	(\$471,836)	(\$471,836)	\$ (471,836)
48 2055	793,095										\$0	\$514.49		\$0	(\$485,991)	(\$485,991)	\$ (485,991)
49 2056	793,095										\$0	\$537.64		\$0	(\$500,571)	(\$500,571)	\$ (500,571)
50 2057	793,095										\$0	\$561.84		\$0	(\$515,588)	(\$515,588)	\$
Nominal Sum		(\$5,556,142)	\$3,704,095	(\$1,852,047)	\$0	\$0	\$0			\$1,274,042	(\$17,667,697)		\$34,034,478	\$16,366,781	(\$12,974,000)	(\$12,974,000)	\$ 2,814,776

(A) For the New City Hall, meeting space revenue is based on a percentage of revenue in the existing Concourse by applying the 9,200 SF of meeting space in Gensler's space projections divided by the 45,568 SF of meeting space in the existing Concourse. Please see the worksheet herein for the calculations and Appendix A, Financial Analysis Source Documents, for detailed information.

(515,588)
(\$4,038,081)

**Library & Publishing, Offsite, Kearny Mesa
Lease Analysis - Relocation From Concourse in 2010**

Primary Assumptions	
Rentable Square Feet	40,000 (1)
Projected Annual Rent Escalation	2.5%
Forecast Rental Resets (10 Years)	2.5%

Operating Expense Calculation				
Estimated Annual Increase Operating Expense	5.00%			
	GSF	PSF	Base	Pass Through
1 2002	\$ -	\$ -	\$ -	\$ -
2 2003	\$ -	\$ -	\$ -	\$ -
3 2004	\$ -	\$ -	\$ -	\$ -
4 2005	\$ -	\$ -	\$ -	\$ -
5 2006	\$ -	\$ -	\$ -	\$ -
6 2007	\$ -	\$ -	\$ -	\$ -
7 2008	\$ -	40,000	\$ 7.20	\$ -

Year No.	Year Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Relocation Costs	Total Occupancy Costs
1	2008	40,000	\$ 1.20 (3)	\$ 14.40	\$ 7.20	\$ -	\$ 7.20	\$ 21.60	\$ -	\$ -	\$ -
2	2009	40,000	\$ 1.23	\$ 14.76	\$ 7.56	\$ -	\$ 7.56	\$ 22.32	\$ -	\$ -	\$ -
3	2010	40,000	\$ 1.26	\$ 15.13	\$ 7.94	\$ -	\$ 7.94	\$ 23.07	\$ 922,680	\$ 400,000	\$ 1,322,680
4	2011	40,000	\$ 1.29	\$ 15.51	\$ 8.33	\$ -	\$ 8.33	\$ 23.84	\$ 953,685	\$ -	\$ 953,685
5	2012	40,000	\$ 1.32	\$ 15.89	\$ 8.75	\$ -	\$ 8.75	\$ 24.65	\$ 985,862	\$ -	\$ 985,862
6	2013	40,000	\$ 1.36	\$ 16.29	\$ 9.19	\$ -	\$ 9.19	\$ 25.48	\$ 1,019,260	\$ -	\$ 1,019,260
7	2014	40,000	\$ 1.39	\$ 16.70	\$ 9.65	\$ -	\$ 9.65	\$ 26.35	\$ 1,053,931	\$ -	\$ 1,053,931
8	2015	40,000	\$ 1.43	\$ 17.12	\$ 10.13	\$ -	\$ 10.13	\$ 27.25	\$ 1,089,928	\$ -	\$ 1,089,928
9	2016	40,000	\$ 1.46	\$ 17.55	\$ 10.64	\$ -	\$ 10.64	\$ 28.18	\$ 1,127,307	\$ -	\$ 1,127,307
10	2017	40,000	\$ 1.50	\$ 17.98	\$ 11.17	\$ -	\$ 11.17	\$ 29.15	\$ 1,166,128	\$ -	\$ 1,166,128
11	2018	40,000	\$ 1.54	\$ 18.43	\$ 11.73	\$ -	\$ 11.73	\$ 30.16	\$ 1,206,450	\$ -	\$ 1,206,450
12	2019	40,000	\$ 1.57	\$ 18.89	\$ 12.31	\$ -	\$ 12.31	\$ 31.21	\$ 1,248,340	\$ -	\$ 1,248,340
13	2020	40,000	\$ 1.61	\$ 19.37	\$ 12.93	\$ -	\$ 12.93	\$ 32.30	\$ 1,291,863	\$ -	\$ 1,291,863
14	2021	40,000	\$ 1.65	\$ 19.85	\$ 13.58	\$ -	\$ 13.58	\$ 33.43	\$ 1,337,089	\$ -	\$ 1,337,089
15	2022	40,000	\$ 1.70	\$ 20.35	\$ 14.26	\$ -	\$ 14.26	\$ 34.60	\$ 1,384,093	\$ -	\$ 1,384,093
16	2023	40,000	\$ 1.74	\$ 20.86	\$ 14.97	\$ -	\$ 14.97	\$ 35.82	\$ 1,432,951	\$ -	\$ 1,432,951
17	2024	40,000	\$ 1.78	\$ 21.38	\$ 15.72	\$ -	\$ 15.72	\$ 37.09	\$ 1,483,743	\$ -	\$ 1,483,743
18	2025	40,000	\$ 1.83	\$ 21.91	\$ 16.50	\$ -	\$ 16.50	\$ 38.41	\$ 1,536,553	\$ -	\$ 1,536,553
19	2026	40,000	\$ 1.87	\$ 22.46	\$ 17.33	\$ -	\$ 17.33	\$ 39.79	\$ 1,591,470	\$ -	\$ 1,591,470
20	2027	40,000	\$ 1.92	\$ 23.02	\$ 18.19	\$ -	\$ 18.19	\$ 41.21	\$ 1,648,584	\$ -	\$ 1,648,584
21	2028	40,000	\$ 1.97	\$ 23.60	\$ 19.10	\$ -	\$ 19.10	\$ 42.70	\$ 1,707,993	\$ -	\$ 1,707,993
22	2029	40,000	\$ 2.02	\$ 24.19	\$ 20.06	\$ -	\$ 20.06	\$ 44.24	\$ 1,769,796	\$ -	\$ 1,769,796
23	2030	40,000	\$ 2.07	\$ 24.79	\$ 21.06	\$ -	\$ 21.06	\$ 45.85	\$ 1,834,100	\$ -	\$ 1,834,100
24	2031	40,000	\$ 2.12	\$ 25.41	\$ 22.11	\$ -	\$ 22.11	\$ 47.53	\$ 1,901,015	\$ -	\$ 1,901,015
25	2032	40,000	\$ 2.17	\$ 26.05	\$ 23.22	\$ -	\$ 23.22	\$ 49.27	\$ 1,970,655	\$ -	\$ 1,970,655
26	2033	40,000	\$ 2.22	\$ 26.70	\$ 24.38	\$ -	\$ 24.38	\$ 51.08	\$ 2,043,142	\$ -	\$ 2,043,142
27	2034	40,000	\$ 2.28	\$ 27.36	\$ 25.60	\$ -	\$ 25.60	\$ 52.97	\$ 2,118,602	\$ -	\$ 2,118,602
28	2035	40,000	\$ 2.34	\$ 28.05	\$ 26.88	\$ -	\$ 26.88	\$ 54.93	\$ 2,197,168	\$ -	\$ 2,197,168
29	2036	40,000	\$ 2.40	\$ 28.75	\$ 28.22	\$ -	\$ 28.22	\$ 56.97	\$ 2,278,978	\$ -	\$ 2,278,978
30	2037	40,000	\$ 2.46	\$ 29.47	\$ 29.64	\$ -	\$ 29.64	\$ 59.10	\$ 2,364,178	\$ -	\$ 2,364,178
31	2038	40,000	\$ 2.52	\$ 30.20	\$ 31.12	\$ -	\$ 31.12	\$ 61.32	\$ 2,452,918	\$ -	\$ 2,452,918
32	2039	40,000	\$ 2.58	\$ 30.96	\$ 32.67	\$ -	\$ 32.67	\$ 63.63	\$ 2,545,359	\$ -	\$ 2,545,359
33	2040	40,000	\$ 2.64	\$ 31.73	\$ 34.31	\$ -	\$ 34.31	\$ 66.04	\$ 2,641,667	\$ -	\$ 2,641,667
34	2041	40,000	\$ 2.71	\$ 32.53	\$ 36.02	\$ -	\$ 36.02	\$ 68.55	\$ 2,742,016	\$ -	\$ 2,742,016
35	2042	40,000	\$ 2.78	\$ 33.34	\$ 37.82	\$ -	\$ 37.82	\$ 71.16	\$ 2,846,590	\$ -	\$ 2,846,590
36	2043	40,000	\$ 2.85	\$ 34.17	\$ 39.72	\$ -	\$ 39.72	\$ 73.89	\$ 2,955,579	\$ -	\$ 2,955,579
37	2044	40,000	\$ 2.92	\$ 35.03	\$ 41.70	\$ -	\$ 41.70	\$ 76.73	\$ 3,069,183	\$ -	\$ 3,069,183
38	2045	40,000	\$ 2.99	\$ 35.90	\$ 43.79	\$ -	\$ 43.79	\$ 79.69	\$ 3,187,614	\$ -	\$ 3,187,614
39	2046	40,000	\$ 3.07	\$ 36.80	\$ 45.98	\$ -	\$ 45.98	\$ 82.78	\$ 3,311,091	\$ -	\$ 3,311,091
40	2047	40,000	\$ 3.14	\$ 37.72	\$ 48.27	\$ -	\$ 48.27	\$ 86.00	\$ 3,439,843	\$ -	\$ 3,439,843
41	2048	40,000	\$ 3.22	\$ 38.66	\$ 50.69	\$ -	\$ 50.69	\$ 89.35	\$ 3,574,114	\$ -	\$ 3,574,114
42	2049	40,000	\$ 3.30	\$ 39.63	\$ 53.22	\$ -	\$ 53.22	\$ 92.85	\$ 3,714,154	\$ -	\$ 3,714,154
43	2050	40,000	\$ 3.39	\$ 40.62	\$ 55.88	\$ -	\$ 55.88	\$ 96.51	\$ 3,860,230	\$ -	\$ 3,860,230
44	2051	40,000	\$ 3.47	\$ 41.64	\$ 58.68	\$ -	\$ 58.68	\$ 100.32	\$ 4,012,620	\$ -	\$ 4,012,620
45	2052	40,000	\$ 3.56	\$ 42.68	\$ 61.61	\$ -	\$ 61.61	\$ 104.29	\$ 4,171,613	\$ -	\$ 4,171,613
46	2053	40,000	\$ 3.65	\$ 43.75	\$ 64.69	\$ -	\$ 64.69	\$ 108.44	\$ 4,337,515	\$ -	\$ 4,337,515
47	2054	40,000	\$ 3.74	\$ 44.84	\$ 67.93	\$ -	\$ 67.93	\$ 112.77	\$ 4,510,644	\$ -	\$ 4,510,644
48	2055	40,000	\$ 3.83	\$ 45.96	\$ 71.32	\$ -	\$ 71.32	\$ 117.28	\$ 4,691,337	\$ -	\$ 4,691,337
49	2056	40,000	\$ 3.93	\$ 47.11	\$ 74.89	\$ -	\$ 74.89	\$ 122.00	\$ 4,879,944	\$ -	\$ 4,879,944
50	2057	40,000	\$ 4.02	\$ 48.29	\$ 78.63	\$ -	\$ 78.63	\$ 126.92	\$ 5,076,831	\$ -	\$ 5,076,831

Nominal Sum		\$ 115,086,408
NPV (2013)	5.25%	\$ 36,331,956

Compilation Notes	
(1)	Square Footage Requirements per Gensler Facilities Needs Assessment.
(2)	Estimated triple net expenses for 2008. For details refer to Appendix B, Market Study, Section 8.
(3)	Estimated triple net market rent. For details refer to Appendix B, Market Study, Section 8.

600 B Street
Existing Lease Occupancy Costs

Primary Assumptions		
Rentable Square Feet	(13)	153,265
Projected Annual Rent Escalation		2.5%
Forecast Rental Resets (10 Years)		20%

Operating Expense Calculation							
Estimated Annual Increase Operating Expense						5.00%	
			GSF	PSF	Base	Pass Through	
1	2002	\$ 2,400,005	(14) (15)	337,123	\$ 7.12	\$ 7.12	\$ -
2	2003				\$ 7.12		
3	2004				\$ 7.12		
4	2005				\$ 7.12		
5	2006				\$ 7.12		
6	2007				\$ 7.12		
7	2008	\$ 3,026,483	(14)	337,123	\$ 8.98	\$ 7.12	\$ 1.86

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	Parking	Total Occupancy Costs
1	2008	153,265	(15) \$ 2.00	\$ 24.01	\$ 8.98	\$ 7.12	\$ 1.86	\$ 25.87	\$ 3,964,706		\$ 3,964,706
2	2009	153,265	\$ 2.07	\$ 24.85	\$ 9.43	\$ 7.12	\$ 2.31	\$ 27.16	\$ 4,162,245		\$ 4,162,245
3	2010	153,265	\$ 2.15	\$ 25.76	\$ 9.90	\$ 7.12	\$ 2.78	\$ 28.54	\$ 4,373,951		\$ 4,373,951
4	2011	153,265	\$ 2.23	\$ 26.72	\$ 10.39	\$ 7.12	\$ 3.27	\$ 29.99	\$ 4,596,933		\$ 4,596,933
5	2012	153,265	\$ 2.31	\$ 27.68	\$ 10.91	\$ 7.12	\$ 3.79	\$ 31.47	\$ 4,823,708		\$ 4,823,708
6	2013	153,265	(A) \$ 2.34	\$ 28.08	\$ 11.46	\$ 7.12	\$ 4.34	\$ 32.42	\$ 2,070,265		\$ 2,070,265
7	2014	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
8	2015	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
9	2016	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
10	2017	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
11	2018	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
12	2019	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
13	2020	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
14	2021	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
15	2022	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
16	2023	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
17	2024	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
18	2025	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
19	2026	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
20	2027	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
21	2028	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
22	2029	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
23	2030	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
24	2031	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
25	2032	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
26	2033	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
27	2034	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
28	2035	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
29	2036	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
30	2037	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
31	2038	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
32	2039	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
33	2040	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
34	2041	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
35	2042	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
36	2043	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
37	2044	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
38	2045	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
39	2046	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
40	2047	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
41	2048	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
42	2049	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
43	2050	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
44	2051	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
45	2052	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
46	2053	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
47	2054	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
48	2055	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
49	2056	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
50	2057	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -

Nominal Sum		\$ 23,991,808
NPV (2013)	5.25%	\$ 23,991,808

Compilation Notes	
(13)	Per City of San Diego letter dated September 29, 2006
(14)	Estimated 2008 Operating Expenses provided by landlord, Legacy Partners
(15)	GSF per Article 4 of the 7th Amendment to Lease, rental rate per Article 3 of the 7th Amendment to Lease
(A)	Lease expires 5/31/13

**Civic Center Plaza
Existing Lease Occupancy Costs**

Primary Assumptions		
Rentable Square Feet	243,176	(17)
Projected Annual Rent Escalation	2.5%	
Forecast Rental Resets (10 Years)	20%	

Operating Expense Calculation					
Estimated Annual Increase Operating Expense 5.00%					
		GSF	PSF	Base	Pass Through
1	2002	\$ -	\$ -	\$ -	\$ -
2	2003	\$ -	\$ -	\$ -	\$ -
3	2004	\$ -	\$ -	\$ -	\$ -
4	2005	\$ -	\$ -	\$ -	\$ -
5	2006	\$ -	\$ -	\$ -	\$ -
6	2007	\$ -	(18)	\$ 9.50	\$ 8.22
7	2008	\$ -	\$ -	\$ 9.98	\$ 8.22

Swing Space Calculations			
Year	SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7		\$ 39.40	\$ -
8		\$ 40.59	\$ -

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	One Time Furniture Expense	Swing Space for Renovation	Parking	Total Occupancy Costs
1	2008	243,176	\$ 1.45 (19)	\$ 17.40	\$ 9.98	\$ 8.22	\$ 1.76	\$ 19.16	\$ 4,658,036				\$ 4,658,036
2	2009	243,176	\$ 1.45	\$ 17.40	\$ 10.47	\$ 8.22	\$ 2.25	\$ 19.65	\$ 4,779,320				\$ 4,779,320
3	2010	243,176	\$ 1.45	\$ 17.40	\$ 11.00	\$ 8.22	\$ 2.78	\$ 20.18	\$ 4,906,669				\$ 4,906,669
4	2011	243,176	\$ 1.45	\$ 17.40	\$ 11.55	\$ 8.22	\$ 3.33	\$ 20.73	\$ 5,040,384				\$ 5,040,384
5	2012	243,176	\$ 1.45	\$ 17.40	\$ 12.12	\$ 8.22	\$ 3.90	\$ 21.30	\$ 5,180,786				\$ 5,180,786
6	2013	243,176	\$ 1.45	\$ 17.40	\$ 12.73	\$ 8.22	\$ 4.51	\$ 21.91	\$ 5,328,207				\$ 5,328,207
7	2014	243,176	\$ 1.45 (A)	\$ 17.40	\$ 13.37	\$ 8.22	\$ 5.15	\$ 22.55	\$ 3,198,416	\$ -	\$ -		\$ 3,198,416
8	2015	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
9	2016	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
10	2017	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
11	2018	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
12	2019	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
13	2020	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
14	2021	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
15	2022	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
16	2023	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
17	2024	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
18	2025	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
19	2026	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
20	2027	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
21	2028	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
22	2029	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
23	2030	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
24	2031	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
25	2032	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
26	2033	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
27	2034	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
28	2035	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
29	2036	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
30	2037	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
31	2038	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
32	2039	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
33	2040	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
34	2041	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
35	2042	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
36	2043	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
37	2044	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
38	2045	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
39	2046	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
40	2047	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
41	2048	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
42	2049	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
43	2050	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
44	2051	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
45	2052	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
46	2053	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
47	2054	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
48	2055	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
49	2056	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
50	2057	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -

Nominal Sum		\$ 33,091,819
NPV (2013)	5.25%	\$ 32,932,278

Compilation Notes	
(17)	Per Article 1 of the 13th Amendment to the lease dated June 15, 2007
(18)	2007 accrued direct operating expenses prepared by Landlord.
(19)	Per Article 2 of 2nd amendment to the Lease dated December 31, 2007
(A)	Lease expires 7/31/14

Executive Complex
Existing Lease Occupancy Costs

Primary Assumptions		
Rentable Square Feet	136,321	(27)
Projected Annual Rent Escalation	2.5%	
Forecast Rental Resets (10 Years)	20%	

Swing Space Calculations			
Year	SF	Rate	Total
1		\$ 33.00	\$ -
2		\$ 33.99	\$ -
3		\$ 35.01	\$ -
4		\$ 36.06	\$ -
5		\$ 37.14	\$ -
6		\$ 38.26	\$ -
7		\$ 39.40	\$ -
8		\$ 40.59	\$ -

Operating Expense Calculation					
Estimated Annual Increase Operating Expense					
		GSF	PSF	Base	Pass Through
1	2002	\$ -	-	\$ -	\$ -
2	2003	\$ -	-	\$ -	\$ -
3	2004	\$ -	-	\$ -	\$ -
4	2005	\$ -	136,321 (28)	\$ 10.44	\$ 9.41
5	2006	\$ -	136,321	\$ 10.96	\$ 9.41
6	2007	\$ -	136,321	\$ 11.51	\$ 9.41
7	2008	\$ -	136,321	\$ 12.09	\$ 9.41

Year No.	Calendar	Rentable Square Feet	Rental Rate Per Month Per SF	Annual Rental Rate	Operating Expense PSF	Operating Expense Base	Operating Expense Pass Through	Total Rent PSF	Total Annual Rent	One Time Furniture Expense	Swing Space for Renovation	Parking	Total Occupancy Costs
1	2008	136,321	\$ 1.55 (12)	\$ 18.54	\$ 12.09	\$ 9.41	\$ 2.68	\$ 21.22	\$ 2,892,132				\$ 2,892,132
2	2009	136,321	\$ 1.57	\$ 18.78	\$ 12.69	\$ 9.41	\$ 3.28	\$ 22.06	\$ 3,007,226				\$ 3,007,226
3	2010	136,321	\$ 1.59	\$ 19.02	\$ 13.32	\$ 9.41	\$ 3.91	\$ 22.93	\$ 3,126,438				\$ 3,126,438
4	2011	136,321	\$ 1.61	\$ 19.26	\$ 13.99	\$ 9.41	\$ 4.58	\$ 23.84	\$ 3,249,974				\$ 3,249,974
5	2012	136,321	\$ 1.63	\$ 19.50	\$ 14.69	\$ 9.41	\$ 5.28	\$ 24.78	\$ 3,378,052				\$ 3,378,052
6	2013	136,321	\$ 1.65	\$ 19.74	\$ 15.42	\$ 9.41	\$ 6.01	\$ 25.75	\$ 3,510,898				\$ 3,510,898
7	2014	136,321	\$ 1.65 (A)	\$ 19.80	\$ 16.20	\$ 9.41	\$ 6.79	\$ 26.59	\$ 906,053	\$ -	\$ -		\$ 906,053
8	2015	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
9	2016	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
10	2017	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
11	2018	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
12	2019	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
13	2020	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
14	2021	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
15	2022	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
16	2023	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
17	2024	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
18	2025	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
19	2026	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
20	2027	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
21	2028	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
22	2029	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
23	2030	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
24	2031	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
25	2032	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
26	2033	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
27	2034	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
28	2035	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
29	2036	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
30	2037	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
31	2038	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
32	2039	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
33	2040	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
34	2041	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
35	2042	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
36	2043	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
37	2044	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
38	2045	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
39	2046	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
40	2047	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
41	2048	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
42	2049	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
43	2050	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
44	2051	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
45	2052	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
46	2053	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
47	2054	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
48	2055	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
49	2056	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
50	2057	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -

Nominal Sum		\$ 20,070,772
NPV (2013)	5.25%	\$ 20,025,577

Compilation Notes	
(27)	Square Footage contained in Article 2 of the 5th amendment to lease dated July 16, 2002. Rent confirmation in article 3 of the 5th amendment to lease
(28)	2005 Operating Expense Budget submitted by Landlord. Lease expires 3/31/14

Parkade

Total Square Feet: **580,076**

Renovation to Code/Standard			
Estimated Renovation Costs			\$ -
Furniture	-	\$ -	\$ -
Technology			\$ -
Security			\$ -
Other 1			\$ -
Other 2			\$ -
Other 3			\$ -
Total Project Budget			\$ -

Debt Service Calculations			
Amount			\$ -
Term			30
Interest Rate			5.25%
Debt Service			\$ -

Operating Expense Calculations			
2007 Operating Costs		\$ 304,974	(49)
Estimated Annual Increases			5.0%

(B)

Year		Debt Service	Operating Expenses	Net Parking Income	Total Occupancy
1	2008	\$ -	\$ 320,223	\$ (1,000,000)	\$ (679,777)
2	2009	\$ -	\$ 336,234	\$ (1,040,000)	\$ (703,766)
3	2010	1 \$	\$ 353,046	\$ (1,081,600)	\$ (728,554)
4	2011	2 \$	\$ 370,698	\$ (1,124,864)	\$ (754,166)
5	2012	3 \$	\$ 389,233	\$ (1,169,859)	\$ (780,626)
6	2013	4 \$	\$ 170,289 (A)	\$ (506,939)	\$ (336,649)
7	2014	5 \$	\$ -	\$ -	\$ -
8	2015	6 \$	\$ -	\$ -	\$ -
9	2016	7 \$	\$ -	\$ -	\$ -
10	2017	8 \$	\$ -	\$ -	\$ -
11	2018	9 \$	\$ -	\$ -	\$ -
12	2019	10 \$	\$ -	\$ -	\$ -
13	2020	11 \$	\$ -	\$ -	\$ -
14	2021	12 \$	\$ -	\$ -	\$ -
15	2022	13 \$	\$ -	\$ -	\$ -
16	2023	14 \$	\$ -	\$ -	\$ -
17	2024	15 \$	\$ -	\$ -	\$ -
18	2025	16 \$	\$ -	\$ -	\$ -
19	2026	17 \$	\$ -	\$ -	\$ -
20	2027	18 \$	\$ -	\$ -	\$ -
21	2028	19 \$	\$ -	\$ -	\$ -
22	2029	20 \$	\$ -	\$ -	\$ -
23	2030	21 \$	\$ -	\$ -	\$ -
24	2031	22 \$	\$ -	\$ -	\$ -
25	2032	23 \$	\$ -	\$ -	\$ -
26	2033	24 \$	\$ -	\$ -	\$ -
27	2034	25 \$	\$ -	\$ -	\$ -
28	2035	26 \$	\$ -	\$ -	\$ -
29	2036	27 \$	\$ -	\$ -	\$ -
30	2037	28 \$	\$ -	\$ -	\$ -
31	2038	29 \$	\$ -	\$ -	\$ -
32	2039	30 \$	\$ -	\$ -	\$ -
33	2040	\$	\$ -	\$ -	\$ -
34	2041	\$	\$ -	\$ -	\$ -
35	2042	\$	\$ -	\$ -	\$ -
36	2043	\$	\$ -	\$ -	\$ -
37	2044	\$	\$ -	\$ -	\$ -
38	2045	\$	\$ -	\$ -	\$ -
39	2046	\$	\$ -	\$ -	\$ -
40	2047	\$	\$ -	\$ -	\$ -
41	2048	\$	\$ -	\$ -	\$ -
42	2049	\$	\$ -	\$ -	\$ -
43	2050	\$	\$ -	\$ -	\$ -
44	2051	\$	\$ -	\$ -	\$ -
45	2052	\$	\$ -	\$ -	\$ -
46	2053	\$	\$ -	\$ -	\$ -
47	2054	\$	\$ -	\$ -	\$ -
48	2055	\$	\$ -	\$ -	\$ -
49	2056	\$	\$ -	\$ -	\$ -
50	2057	\$	\$ -	\$ -	\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 1,939,722	\$ (5,923,261)	\$ (3,983,539)
NPV 2013	5.25%	\$0	\$ 1,939,722	\$ (5,923,261) \$ (3,983,539)

Compilation Notes	
(49)	Operating expenses per statement provided by READ
(A)	5/12 Operating expenses in transition year.
(B)	Parking income provided by READ. Refer to Appendix A, Financial Analysis Source Documents. Current employee parking subsidy equal to 50% of market rate.

Concourse Building (as Meeting Space)

Total Square Feet: **158,119**

Renovation to Code/Standard			
Estimated Renovation Costs			
Furniture	\$	-	\$ -
Technology	\$	-	\$ -
Security	\$	-	\$ -
Seismic Retrofit	\$	-	\$ -
Other 1			\$ -
Other 2			\$ -
Total Project Budget			\$ -

Debt Service Calculations			
Amount			\$ -
Term			30
Interest Rate			5.25%
Debt Service			\$ -

Operating Expense Calculations			
Current Operating Costs PSF			\$ 9.00
Estimated Annual Increases			5.0%

		(B)			
Year	Year	Debt Service	Operating Expenses	Meeting Space Revenue	Total Occupancy
1	2008		\$ 1,423,071	\$ (600,000)	\$ 823,071
2	2009		\$ 1,494,225	(A) \$ (618,000)	\$ 876,225
3	2010		\$ -		\$ -
4	2011	1 \$	-	-	\$ -
5	2012	2 \$	-	-	\$ -
6	2013	3 \$	-	-	\$ -
7	2014	4 \$	-	-	\$ -
8	2015	5 \$	-	-	\$ -
9	2016	6 \$	-	-	\$ -
10	2017	7 \$	-	-	\$ -
11	2018	8 \$	-	-	\$ -
12	2019	9 \$	-	-	\$ -
13	2020	10 \$	-	-	\$ -
14	2021	11 \$	-	-	\$ -
15	2022	12 \$	-	-	\$ -
16	2023	13 \$	-	-	\$ -
17	2024	14 \$	-	-	\$ -
18	2025	15 \$	-	-	\$ -
19	2026	16 \$	-	-	\$ -
20	2027	17 \$	-	-	\$ -
21	2028	18 \$	-	-	\$ -
22	2029	19 \$	-	-	\$ -
23	2030	20 \$	-	-	\$ -
24	2031	21 \$	-	-	\$ -
25	2032	22 \$	-	-	\$ -
26	2033	23 \$	-	-	\$ -
27	2034	24 \$	-	-	\$ -
28	2035	25 \$	-	-	\$ -
29	2036	26 \$	-	-	\$ -
30	2037	27 \$	-	-	\$ -
31	2038	28 \$	-	-	\$ -
32	2039	29 \$	-	-	\$ -
33	2040	30 \$	-	-	\$ -
34	2041				\$ -
35	2042				\$ -
36	2043				\$ -
37	2044				\$ -
38	2045				\$ -
39	2046				\$ -
40	2047				\$ -
41	2048				\$ -
42	2049				\$ -
43	2050				\$ -
44	2051				\$ -
45	2052				\$ -
46	2053				\$ -
47	2054				\$ -
48	2055				\$ -
49	2056				\$ -
50	2057				\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 2,917,296	\$ (1,218,000)	\$ 1,699,296
NPV 2013	\$ -	\$ 2,917,296	\$ (1,218,000)	\$ 1,699,296

Compilation Notes	
(A)	Demolition begins 1Q 2010
(B)	Meeting space revenue for 2008 is based on the City's fiscal year 2009 budget projection. Annual increases of 3% are assumed thereafter. Please refer to the historical revenue information and assumptions in this workbook and Appendix A, Financial Analysis Source Documents for further information.

Concourse Meeting Revenue Summary

	Current Concourse	New City Hall / Developer Proposals
Golden Hall	23,707	
Main Lobby	10,000	
Copper Room 227-228	4,559	
Silver Room 250	2,966	
Glass Room 202	629	
N. Terrace Rooms 206-209	2,888	
Staff Rooms 216-220	819	
Total Square Feet	45,568	9,200
New City Hall % Relative to Current		20.19%

Year	Historical Revenues
FY-06	\$279,550
FY-07	\$637,310
FY-08	\$673,002
FY-09 YTD	\$236,074
FY-09 Budget	\$600,000
Estimate for Analysis Purposes - 2008	\$600,000
Annual Increases	3.00%

Year		(A)		(B)	
		RSF - Current Concourse	Meeting Space Revenue - Current Concourse	RSF - New City Hall	Meeting Space Revenue - Potential - New City Hall
1	2008	45,568	\$600,000	9,200	\$121,138
2	2009	45,568	\$618,000	9,200	\$124,772
3	2010	45,568	\$636,540	9,200	\$128,515
4	2011	45,568	\$655,636	9,200	\$132,370
5	2012	45,568	\$675,305	9,200	\$136,341
6	2013	45,568	\$695,564	9,200	\$140,432
7	2014	45,568	\$716,431	9,200	\$144,645
8	2015	45,568	\$737,924	9,200	\$148,984
9	2016	45,568	\$760,062	9,200	\$153,454
10	2017	45,568	\$782,864	9,200	\$158,057
11	2018	45,568	\$806,350	9,200	\$162,799
12	2019	45,568	\$830,540	9,200	\$167,683
13	2020	45,568	\$855,457	9,200	\$172,713
14	2021	45,568	\$881,120	9,200	\$177,895
15	2022	45,568	\$907,554	9,200	\$183,232
16	2023	45,568	\$934,780	9,200	\$188,728
17	2024	45,568	\$962,824	9,200	\$194,390
18	2025	45,568	\$991,709	9,200	\$200,222
19	2026	45,568	\$1,021,460	9,200	\$206,229
20	2027	45,568	\$1,052,104	9,200	\$212,416
21	2028	45,568	\$1,083,667	9,200	\$218,788
22	2029	45,568	\$1,116,177	9,200	\$225,352
23	2030	45,568	\$1,149,662	9,200	\$232,112
24	2031	45,568	\$1,184,152	9,200	\$239,076
25	2032	45,568	\$1,219,676	9,200	\$246,248
26	2033	45,568	\$1,256,267	9,200	\$253,635
27	2034	45,568	\$1,293,955	9,200	\$261,244
28	2035	45,568	\$1,332,773	9,200	\$269,082
29	2036	45,568	\$1,372,757	9,200	\$277,154
30	2037	45,568	\$1,413,939	9,200	\$285,469
31	2038	45,568	\$1,456,357	9,200	\$294,033
32	2039	45,568	\$1,500,048	9,200	\$302,854
33	2040	45,568	\$1,545,050	9,200	\$311,939
34	2041	45,568	\$1,591,401	9,200	\$321,298
35	2042	45,568	\$1,639,143	9,200	\$330,937
36	2043	45,568	\$1,688,317	9,200	\$340,865
37	2044	45,568	\$1,738,967	9,200	\$351,091
38	2045	45,568	\$1,791,136	9,200	\$361,623
39	2046	45,568	\$1,844,870	9,200	\$372,472
40	2047	45,568	\$1,900,216	9,200	\$383,646
41	2048	45,568	\$1,957,223	9,200	\$395,156
42	2049	45,568	\$2,015,939	9,200	\$407,010
43	2050	45,568	\$2,076,418	9,200	\$419,221
44	2051	45,568	\$2,138,710	9,200	\$431,797
45	2052	45,568	\$2,202,871	9,200	\$444,751
46	2053	45,568	\$2,268,958	9,200	\$458,094
47	2054	45,568	\$2,337,026	9,200	\$471,836
48	2055	45,568	\$2,407,137	9,200	\$485,991
49	2056	45,568	\$2,479,351	9,200	\$500,571
50	2057	45,568	\$2,553,732	9,200	\$515,588

Compilation Notes	
(A)	Meeting space revenue for 2008 is based on the City's fiscal year 2009 budget projection. Annual increases of 3% are assumed thereafter. Please refer to the historical revenue information and assumptions in this workbook and Appendix A, Financial Analysis Source Documents for further information.
(B)	For the New City Hall, meeting space revenue is based on a percentage of revenue in the existing Concourse by applying the 9,200 SF of meeting space in Gensler's space projections divided by the 45,568 SF of meeting space in the existing Concourse. Please see the worksheet herein for the calculations and Appendix A, Financial Analysis Source Documents, for detailed information.

City Operations Building (COB)

Total Square Feet: 213,905

Renovation to Code/Standard			
Estimated Renovation Costs		\$	-
Seismic Retrofit	\$	-	\$ -
Furniture	0 \$	-	\$ -
Technology	\$	-	\$ -
Security	\$	-	\$ -
Temp Move 1 1st half	0 \$	-	\$ -
Temp Move 2 2nd half	0 \$	-	\$ -
Permanent Move(s)	0 \$	-	\$ -
Total Project Budget		\$	-

Swing Space Calculations			
Year	SF	Rate	Total
1	-	\$ -	\$ -
2	-	\$ -	\$ -
3		\$ -	\$ -
4		\$ -	\$ -
5		\$ -	\$ -

Debt Service Calculations	
Amount	\$ -
Term	30
Interest Rate	5.25%
Debt Service	\$ -

Operating Expense Calculations	
Current Operating Costs PSF	\$ 9.00
Estimated Annual Increases	5.0%

Year	Debt Service	Operating Expenses	Swing Space	Total Occupancy
1 2008		\$ 1,925,145		\$ 1,925,145
2 2009		\$ 2,021,402	\$ -	\$ 2,021,402
3 2010		\$ 2,122,472	\$ -	\$ 2,122,472
4 2011	1 \$	\$ 2,228,596		\$ 2,228,596
5 2012	2 \$	\$ 2,340,026		\$ 2,340,026
6 2013	3 \$	\$ 1,023,761 (A)		\$ 1,023,761
7 2014	4 \$	\$ -		\$ -
8 2015	5 \$	\$ -		\$ -
9 2016	6 \$	\$ -		\$ -
10 2017	7 \$	\$ -		\$ -
11 2018	8 \$	\$ -		\$ -
12 2019	9 \$	\$ -		\$ -
13 2020	10 \$	\$ -		\$ -
14 2021	11 \$	\$ -		\$ -
15 2022	12 \$	\$ -		\$ -
16 2023	13 \$	\$ -		\$ -
17 2024	14 \$	\$ -		\$ -
18 2025	15 \$	\$ -		\$ -
19 2026	16 \$	\$ -		\$ -
20 2027	17 \$	\$ -		\$ -
21 2028	18 \$	\$ -		\$ -
22 2029	19 \$	\$ -		\$ -
23 2030	20 \$	\$ -		\$ -
24 2031	21 \$	\$ -		\$ -
25 2032	22 \$	\$ -		\$ -
26 2033	23 \$	\$ -		\$ -
27 2034	24 \$	\$ -		\$ -
28 2035	25 \$	\$ -		\$ -
29 2036	26 \$	\$ -		\$ -
30 2037	27 \$	\$ -		\$ -
31 2038	28 \$	\$ -		\$ -
32 2039	29 \$	\$ -		\$ -
33 2040	30 \$	\$ -		\$ -
34 2041				\$ -
35 2042				\$ -
36 2043				\$ -
37 2044				\$ -
38 2045				\$ -
39 2046				\$ -
40 2047				\$ -
41 2048				\$ -
42 2049				\$ -
43 2050				\$ -
44 2051				\$ -
45 2052				\$ -
46 2053				\$ -
47 2054				\$ -
48 2055				\$ -
49 2056				\$ -
50 2057				\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 11,661,403	\$ -	\$ 11,661,403
NPV 2013	\$ -	\$ 11,661,403	\$ -	\$ 11,661,403

Compilation Notes

(A) New city hall delivered May 2013. 5 months operating expenses in transition year.

City Administration Building (CAB)

Total Square Feet: 188,926

Renovation to Code/Standard			
Estimated Renovation Costs			\$ -
Seismic Retrofit	\$ -		\$ -
Furniture	\$ -		\$ -
Technology	\$ -	0	\$ -
Security	\$ -		\$ -
Temp Move 1	\$ -		\$ -
Permanent Move	\$ -		\$ -
Other 1			\$ -
Total Project Budget			\$ -

Swing Space Calculations			
Year	SF	Rate	Total
1	-	\$ -	\$ -
2	-	\$ -	\$ -
3		\$ -	\$ -
4		\$ -	\$ -
5		\$ -	\$ -

Debt Service Calculations	
Amount	\$ -
Term	30
Interest Rate	5.25%
Debt Service	\$ -

Operating Expense Calculations	
Current Operating Costs PSF	\$ 9.00
Estimated Annual Increases	5.0%

Year	Debt Service	Operating Expenses	Swing Space	Total Occupancy
1 2008	\$ -	\$ 1,700,334	\$ -	\$ 1,700,334
2 2009	\$ -	\$ 1,785,351	\$ -	\$ 1,785,351
3 2010	\$ -	\$ 1,874,618	\$ -	\$ 1,874,618
4 2011	1 \$	\$ 1,968,349	\$ -	\$ 1,968,349
5 2012	2 \$	\$ 2,066,767	\$ -	\$ 2,066,767
6 2013	3 \$	(A) \$ 904,210	\$ -	\$ 904,210
7 2014	4 \$	\$ -	\$ -	\$ -
8 2015	5 \$	\$ -	\$ -	\$ -
9 2016	6 \$	\$ -	\$ -	\$ -
10 2017	7 \$	\$ -	\$ -	\$ -
11 2018	8 \$	\$ -	\$ -	\$ -
12 2019	9 \$	\$ -	\$ -	\$ -
13 2020	10 \$	\$ -	\$ -	\$ -
14 2021	11 \$	\$ -	\$ -	\$ -
15 2022	12 \$	\$ -	\$ -	\$ -
16 2023	13 \$	\$ -	\$ -	\$ -
17 2024	14 \$	\$ -	\$ -	\$ -
18 2025	15 \$	\$ -	\$ -	\$ -
19 2026	16 \$	\$ -	\$ -	\$ -
20 2027	17 \$	\$ -	\$ -	\$ -
21 2028	18 \$	\$ -	\$ -	\$ -
22 2029	19 \$	\$ -	\$ -	\$ -
23 2030	20 \$	\$ -	\$ -	\$ -
24 2031	21 \$	\$ -	\$ -	\$ -
25 2032	22 \$	\$ -	\$ -	\$ -
26 2033	23 \$	\$ -	\$ -	\$ -
27 2034	24 \$	\$ -	\$ -	\$ -
28 2035	25 \$	\$ -	\$ -	\$ -
29 2036	26 \$	\$ -	\$ -	\$ -
30 2037	27 \$	\$ -	\$ -	\$ -
31 2038	28 \$	\$ -	\$ -	\$ -
32 2039	29 \$	\$ -	\$ -	\$ -
33 2040	30 \$	\$ -	\$ -	\$ -
34 2041	\$ -	\$ -	\$ -	\$ -
35 2042	\$ -	\$ -	\$ -	\$ -
36 2043	\$ -	\$ -	\$ -	\$ -
37 2044	\$ -	\$ -	\$ -	\$ -
38 2045	\$ -	\$ -	\$ -	\$ -
39 2046	\$ -	\$ -	\$ -	\$ -
40 2047	\$ -	\$ -	\$ -	\$ -
41 2048	\$ -	\$ -	\$ -	\$ -
42 2049	\$ -	\$ -	\$ -	\$ -
43 2050	\$ -	\$ -	\$ -	\$ -
44 2051	\$ -	\$ -	\$ -	\$ -
45 2052	\$ -	\$ -	\$ -	\$ -
46 2053	\$ -	\$ -	\$ -	\$ -
47 2054	\$ -	\$ -	\$ -	\$ -
48 2055	\$ -	\$ -	\$ -	\$ -
49 2056	\$ -	\$ -	\$ -	\$ -
50 2057	\$ -	\$ -	\$ -	\$ -

	Capital	Operating 1	Operating 2	Total
Nominal Sum	\$ -	\$ 10,299,629	\$ -	\$ 10,299,629
NPV 2013	5.25%	\$ 10,299,629	\$ -	\$ 10,299,629

Compilation Notes

(A) New city hall delivered May 2013. 5 months operating expenses in transition year.

End of Term Components (prior to relocation to new City Hall - 5/1/13)

Do not renovate owned buildings (Concourse remains a meeting facility)
 Lease existing space at market rates

		CAB	COB	Concourse as Meeting	Parkade	New "Owned" 30 Years	Lease Civic Plaza	Lease Executive Complex	Lease 600 B	Total
							S 5	S5		
							LEX 7/31/14	LEX 3/31/14	LEX 5/31/13	
2008	1	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ 4,658,036	\$ 2,892,132	\$ 3,964,706	\$ 15,283,648
2009	2	\$ 1,785,351	\$ 2,021,402	\$ 876,225	\$ (703,766)	\$ -	\$ 4,779,320	\$ 3,007,226	\$ 4,162,245	\$ 15,928,002
2010	3	\$ 1,874,618	\$ 2,122,472	\$ -	\$ (728,554)	\$ -	\$ 4,906,669	\$ 3,126,438	\$ 4,373,951	\$ 15,675,594
2011	4	\$ 1,968,349	\$ 2,228,596	\$ -	\$ (754,166)	\$ -	\$ 5,040,384	\$ 3,249,974	\$ 4,596,933	\$ 16,330,071
2012	5	\$ 2,066,767	\$ 2,340,026	\$ -	\$ (780,626)	\$ -	\$ 5,180,786	\$ 3,378,052	\$ 4,823,708	\$ 17,008,712
2013	6	\$ 904,210	\$ 1,023,761	\$ -	\$ (336,649)	\$ -	\$ 5,328,207	\$ 3,510,898	\$ 2,070,265	\$ 12,500,692
2014	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,198,416	\$ 906,053	\$ -	\$ 4,104,469
2015	8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	44	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	49	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nominal Sum		\$ 10,299,629	\$ 11,661,403	\$ 1,699,296	\$ (3,983,539)	\$ -	\$ 33,091,819	\$ 20,070,772	\$ 23,991,808	\$ 96,831,187
NPV	5.25%	\$ 10,299,629	\$ 11,661,403	\$ 1,699,296	\$ (3,983,539)	\$ -	\$ 32,932,278	\$ 20,025,577	\$ 23,991,808	\$ 96,626,451
										\$ 96,626,451

Retail Sales Tax Projections

		Leased Annual	Cumulative Retail Space Leased	Total Retail @ Development Completion	Percentage Leased	Estimated Sales Tax (Escalated)	Estimated Annual Benefit to City
						3.00%	
2009	1	-	-	-	0.00%	\$ -	\$ -
2010	2	-	-	-	0.00%	\$ -	\$ -
2011	3	-	-	-	0.00%	\$ -	\$ -
2012	4	-	-	-	0.00%	\$ -	\$ -
2013	5	4,625	4,625	141,041	3.28%	\$ 493,644	\$ 16,188
2014	6	12,950	17,575	141,041	12.46%	\$ 508,453	\$ 63,358
2015	7	-	17,575	141,041	12.46%	\$ 523,707	\$ 65,259
2016	8	-	17,575	141,041	12.46%	\$ 539,418	\$ 67,216
2017	9	-	17,575	141,041	12.46%	\$ 555,601	\$ 69,233
2018	10	-	17,575	141,041	12.46%	\$ 572,269	\$ 71,310
2019	11	-	17,575	141,041	12.46%	\$ 589,437	\$ 73,449
2020	12	-	17,575	141,041	12.46%	\$ 607,120	\$ 75,653
2021	13	-	17,575	141,041	12.46%	\$ 625,333	\$ 77,922
2022	14	-	17,575	141,041	12.46%	\$ 644,093	\$ 80,260
2023	15	-	17,575	141,041	12.46%	\$ 663,416	\$ 82,668
2024	16	-	17,575	141,041	12.46%	\$ 683,319	\$ 85,148
2025	17	-	17,575	141,041	12.46%	\$ 703,818	\$ 87,702
2026	18	-	17,575	141,041	12.46%	\$ 724,933	\$ 90,333
2027	19	-	17,575	141,041	12.46%	\$ 746,681	\$ 93,043
2028	20	-	17,575	141,041	12.46%	\$ 769,081	\$ 95,835
2029	21	-	17,575	141,041	12.46%	\$ 792,154	\$ 98,710
2030	22	-	17,575	141,041	12.46%	\$ 815,918	\$ 101,671
2031	23	-	17,575	141,041	12.46%	\$ 840,396	\$ 104,721
2032	24	-	17,575	141,041	12.46%	\$ 865,608	\$ 107,863
2033	25	-	17,575	141,041	12.46%	\$ 891,576	\$ 111,099
2034	26	-	17,575	141,041	12.46%	\$ 918,323	\$ 114,431
2035	27	-	17,575	141,041	12.46%	\$ 945,873	\$ 117,864
2036	28	-	17,575	141,041	12.46%	\$ 974,249	\$ 121,400
2037	29	-	17,575	141,041	12.46%	\$ 1,003,477	\$ 125,042
2038	30	-	17,575	141,041	12.46%	\$ 1,033,581	\$ 128,794
2039	31	-	17,575	141,041	12.46%	\$ 1,064,588	\$ 132,657
2040	32	-	17,575	141,041	12.46%	\$ 1,096,526	\$ 136,637
2041	33	-	17,575	141,041	12.46%	\$ 1,129,422	\$ 140,736
2042	34	-	17,575	141,041	12.46%	\$ 1,163,304	\$ 144,958
2043	35	-	17,575	141,041	12.46%	\$ 1,198,204	\$ 149,307
2044	36	-	17,575	141,041	12.46%	\$ 1,234,150	\$ 153,786
2045	37	-	17,575	141,041	12.46%	\$ 1,271,174	\$ 158,400
2046	38	-	17,575	141,041	12.46%	\$ 1,309,309	\$ 163,152
2047	39	-	17,575	141,041	12.46%	\$ 1,348,589	\$ 168,046
2048	40	-	17,575	141,041	12.46%	\$ 1,389,046	\$ 173,088
2049	41	-	17,575	141,041	12.46%	\$ 1,430,718	\$ 178,281
2050	42	-	17,575	141,041	12.46%	\$ 1,473,639	\$ 183,629
2051	43	-	17,575	141,041	12.46%	\$ 1,517,848	\$ 189,138
2052	44	-	17,575	141,041	12.46%	\$ 1,563,384	\$ 194,812
2053	45	-	17,575	141,041	12.46%	\$ 1,610,285	\$ 200,656
2054	46	-	17,575	141,041	12.46%	\$ 1,658,594	\$ 206,676
2055	47	-	17,575	141,041	12.46%	\$ 1,708,352	\$ 212,876
2056	48	-	17,575	141,041	12.46%	\$ 1,759,602	\$ 219,263
2057	49	-	17,575	141,041	12.46%	\$ 1,812,390	\$ 225,840

Retail Sales Tax Projections

		Leased Annual	Cumulative Retail Space Leased	Total Retail @ Development Completion	Percentage Leased	Estimated Sales Tax (Escalated)	Estimated Annual Benefit to City
						3.00%	
2009	1	-	-	-	0.00%	\$ -	\$ -
2010	2	-	-	-	0.00%	\$ -	\$ -
2011	3	-	-	-	0.00%	\$ -	\$ -
2012	4	-	-	-	0.00%	\$ -	\$ -
2013	5	4,625	4,625	141,041	3.28%	\$ 493,644	\$ 16,188
2014	6	12,950	17,575	141,041	12.46%	\$ 508,453	\$ 63,358
2015	7	-	17,575	141,041	12.46%	\$ 523,707	\$ 65,259
2016	8	-	17,575	141,041	12.46%	\$ 539,418	\$ 67,216
2017	9	-	17,575	141,041	12.46%	\$ 555,601	\$ 69,233
2018	10	67,200	84,775	141,041	60.11%	\$ 572,269	\$ 343,971
2019	11	24,000	108,775	141,041	77.12%	\$ 589,437	\$ 454,591
2020	12	14,700	123,475	141,041	87.55%	\$ 607,120	\$ 531,506
2021	13	5,250	128,725	141,041	91.27%	\$ 625,333	\$ 570,728
2022	14	-	128,725	141,041	91.27%	\$ 644,093	\$ 587,850
2023	15	-	128,725	141,041	91.27%	\$ 663,416	\$ 605,485
2024	16	-	128,725	141,041	91.27%	\$ 683,319	\$ 623,650
2025	17	-	128,725	141,041	91.27%	\$ 703,818	\$ 642,359
2026	18	-	128,725	141,041	91.27%	\$ 724,933	\$ 661,630
2027	19	-	128,725	141,041	91.27%	\$ 746,681	\$ 681,479
2028	20	-	128,725	141,041	91.27%	\$ 769,081	\$ 701,923
2029	21	-	128,725	141,041	91.27%	\$ 792,154	\$ 722,981
2030	22	-	128,725	141,041	91.27%	\$ 815,918	\$ 744,671
2031	23	-	128,725	141,041	91.27%	\$ 840,396	\$ 767,011
2032	24	-	128,725	141,041	91.27%	\$ 865,608	\$ 790,021
2033	25	-	128,725	141,041	91.27%	\$ 891,576	\$ 813,722
2034	26	-	128,725	141,041	91.27%	\$ 918,323	\$ 838,133
2035	27	-	128,725	141,041	91.27%	\$ 945,873	\$ 863,277
2036	28	-	128,725	141,041	91.27%	\$ 974,249	\$ 889,176
2037	29	-	128,725	141,041	91.27%	\$ 1,003,477	\$ 915,851
2038	30	-	128,725	141,041	91.27%	\$ 1,033,581	\$ 943,326
2039	31	-	128,725	141,041	91.27%	\$ 1,064,588	\$ 971,626
2040	32	-	128,725	141,041	91.27%	\$ 1,096,526	\$ 1,000,775
2041	33	-	128,725	141,041	91.27%	\$ 1,129,422	\$ 1,030,798
2042	34	-	128,725	141,041	91.27%	\$ 1,163,304	\$ 1,061,722
2043	35	-	128,725	141,041	91.27%	\$ 1,198,204	\$ 1,093,574
2044	36	-	128,725	141,041	91.27%	\$ 1,234,150	\$ 1,126,381
2045	37	-	128,725	141,041	91.27%	\$ 1,271,174	\$ 1,160,173
2046	38	-	128,725	141,041	91.27%	\$ 1,309,309	\$ 1,194,978
2047	39	-	128,725	141,041	91.27%	\$ 1,348,589	\$ 1,230,827
2048	40	-	128,725	141,041	91.27%	\$ 1,389,046	\$ 1,267,752
2049	41	-	128,725	141,041	91.27%	\$ 1,430,718	\$ 1,305,784
2050	42	-	128,725	141,041	91.27%	\$ 1,473,639	\$ 1,344,958
2051	43	-	128,725	141,041	91.27%	\$ 1,517,848	\$ 1,385,307
2052	44	-	128,725	141,041	91.27%	\$ 1,563,384	\$ 1,426,866
2053	45	-	128,725	141,041	91.27%	\$ 1,610,285	\$ 1,469,672
2054	46	-	128,725	141,041	91.27%	\$ 1,658,594	\$ 1,513,762
2055	47	-	128,725	141,041	91.27%	\$ 1,708,352	\$ 1,559,175
2056	48	-	128,725	141,041	91.27%	\$ 1,759,602	\$ 1,605,950
2057	49	-	128,725	141,041	91.27%	\$ 1,812,390	\$ 1,654,129

Scenario 4 (Retrofit Concourse as Office)

Renovate and Retrofit Owned buildings with new City office standards
 Retrofit Concourse from meeting facility to office space (fill in atrium area to gain 20,000 usable sf)
 Lease less amount of space downtown and retrofit to new City office standards
 Construct new facility in 30 years (end of useful life - CAB, COB, Parkade)
 Added \$17,500,000 to CAB to accommodate technology needs as systems become obsolete

	CAB	COB	Concourse as Office	Parkade	New "Owned" 30 Years	Lease 600 B	Lease Executive Complex or Generic B	Lease Civic Plaza	New Lease Library	Total	
					End of Useful Life	EOT	EOT		Publishing		
2008	1	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ 3,964,706	\$ 2,892,132	\$ 4,658,036	\$ -	\$ 15,283,648
2009	2	\$ 4,277,135	\$ 2,376,901	\$ 1,494,225	\$ (703,766)	\$ -	\$ 4,162,245	\$ 3,007,226	\$ 4,779,320	\$ 1,292,800	\$ 20,686,085
2010	3	\$ 4,409,020	\$ 2,468,422	\$ 1,568,936	\$ (304,191)	\$ -	\$ 4,373,951	\$ 3,126,438	\$ 4,906,669	\$ 922,680	\$ 21,471,925
2011	4	\$ 5,445,419	\$ 6,037,908	\$ 5,347,535	\$ (329,802)	\$ -	\$ 4,596,933	\$ 3,249,974	\$ 5,040,384	\$ 953,685	\$ 30,342,036
2012	5	\$ 5,543,836	\$ 6,149,338	\$ 5,440,323	\$ (356,262)	\$ -	\$ 4,823,708	\$ 3,378,052	\$ 5,180,786	\$ 985,862	\$ 31,145,642
2013	6	\$ 5,647,175	\$ 6,266,339	\$ 5,537,750	\$ (383,595)	\$ -	\$ 5,009,888	\$ 3,510,898	\$ 5,328,207	\$ 1,019,260	\$ 31,935,921
2014	7	\$ 5,755,680	\$ 6,389,190	\$ 5,640,048	\$ (411,826)	\$ -	\$ -	\$ 906,053	\$ 6,636,901	\$ 1,053,931	\$ 25,969,977
2015	8	\$ 5,869,610	\$ 6,518,184	\$ 5,747,462	\$ (440,983)	\$ -	\$ -	\$ -	\$ 3,930,679	\$ 1,089,928	\$ 22,714,881
2016	9	\$ 5,989,237	\$ 6,653,628	\$ 5,860,246	\$ (471,091)	\$ -	\$ -	\$ -	\$ 4,105,421	\$ 1,127,307	\$ 23,264,748
2017	10	\$ 6,114,846	\$ 6,795,844	\$ 5,978,669	\$ (502,178)	\$ -	\$ -	\$ -	\$ 4,286,462	\$ 1,166,128	\$ 23,839,771
2018	11	\$ 6,246,735	\$ 6,945,170	\$ 6,103,014	\$ (534,272)	\$ -	\$ -	\$ -	\$ 4,474,085	\$ 1,206,450	\$ 24,441,183
2019	12	\$ 6,385,218	\$ 7,101,963	\$ 6,233,575	\$ (567,401)	\$ -	\$ -	\$ -	\$ 4,668,558	\$ 1,248,340	\$ 25,070,253
2020	13	\$ 6,530,625	\$ 7,266,596	\$ 6,370,665	\$ (601,595)	\$ -	\$ -	\$ -	\$ 4,870,158	\$ 1,291,863	\$ 25,728,312
2021	14	\$ 6,683,303	\$ 7,439,460	\$ 6,514,609	\$ (636,882)	\$ -	\$ -	\$ -	\$ 5,079,178	\$ 1,337,089	\$ 26,416,758
2022	15	\$ 6,843,615	\$ 7,620,967	\$ 6,665,751	\$ (673,294)	\$ -	\$ -	\$ -	\$ 5,295,923	\$ 1,384,093	\$ 27,137,055
2023	16	\$ 7,011,942	\$ 7,811,550	\$ 6,824,449	\$ (710,860)	\$ -	\$ -	\$ -	\$ 5,520,709	\$ 1,432,951	\$ 27,890,742
2024	17	\$ 7,188,685	\$ 8,011,662	\$ 6,991,083	\$ (749,612)	\$ -	\$ -	\$ -	\$ 10,233,634	\$ 1,483,743	\$ 33,159,196
2025	18	\$ 7,374,266	\$ 8,221,780	\$ 7,166,048	\$ (789,580)	\$ -	\$ -	\$ -	\$ 8,495,790	\$ 1,536,553	\$ 32,004,856
2026	19	\$ 7,569,126	\$ 8,442,403	\$ 7,349,761	\$ (830,799)	\$ -	\$ -	\$ -	\$ 8,887,485	\$ 1,591,470	\$ 33,009,446
2027	20	\$ 7,773,729	\$ 8,674,057	\$ 7,542,660	\$ (873,299)	\$ -	\$ -	\$ -	\$ 9,293,564	\$ 1,648,584	\$ 34,059,297
2028	21	\$ 7,988,562	\$ 8,917,295	\$ 7,745,204	\$ (917,113)	\$ -	\$ -	\$ -	\$ 9,714,617	\$ 1,707,993	\$ 35,156,558
2029	22	\$ 8,214,137	\$ 9,172,694	\$ 7,957,876	\$ (962,276)	\$ -	\$ -	\$ -	\$ 10,151,259	\$ 1,769,796	\$ 36,303,485
2030	23	\$ 8,450,990	\$ 9,440,863	\$ 8,181,180	\$ (1,008,820)	\$ -	\$ -	\$ -	\$ 10,604,132	\$ 1,834,100	\$ 37,502,445
2031	24	\$ 8,699,686	\$ 9,722,441	\$ 8,415,651	\$ (1,056,780)	\$ -	\$ -	\$ -	\$ 11,073,908	\$ 1,901,015	\$ 38,755,920
2032	25	\$ 8,960,817	\$ 10,018,097	\$ 8,661,844	\$ (1,106,190)	\$ -	\$ -	\$ -	\$ 11,561,290	\$ 1,970,655	\$ 40,066,512
2033	26	\$ 9,235,004	\$ 10,328,536	\$ 8,920,347	\$ (1,157,085)	\$ -	\$ -	\$ -	\$ 12,067,009	\$ 2,043,142	\$ 41,436,954
2034	27	\$ 9,522,901	\$ 10,654,497	\$ 9,191,776	\$ (1,209,499)	\$ -	\$ -	\$ -	\$ 19,097,629	\$ 2,118,602	\$ 49,375,906
2035	28	\$ 9,825,192	\$ 10,996,757	\$ 9,476,775	\$ (1,263,467)	\$ -	\$ -	\$ -	\$ 16,872,303	\$ 2,197,168	\$ 48,104,729
2036	29	\$ 10,142,598	\$ 11,356,129	\$ 9,776,025	\$ (1,319,025)	\$ -	\$ -	\$ -	\$ 17,680,453	\$ 2,278,978	\$ 49,915,159
2037	30	\$ 10,475,875	\$ 11,733,470	\$ 10,090,237	\$ (1,376,208)	\$ -	\$ -	\$ -	\$ 18,518,701	\$ 2,364,178	\$ 51,806,253
2038	31	\$ 10,825,815	\$ 12,129,678	\$ 10,420,160	\$ (1,435,050)	\$ -	\$ -	\$ -	\$ 19,388,294	\$ 2,452,918	\$ 53,781,816
2039	32	\$ 11,193,252	\$ 12,545,696	\$ 10,766,579	\$ (1,495,586)	\$ -	\$ -	\$ -	\$ 20,290,535	\$ 2,545,359	\$ 55,845,835
2040	33	\$ 11,579,062	\$ 12,982,515	\$ 11,130,319	\$ (1,562,216)	\$ -	\$ -	\$ -	\$ 21,226,786	\$ 2,641,667	\$ 57,578,132
2041	34	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712	\$ -	\$ -	\$ -	\$ 2,742,016	\$ 128,551,728
2042	35	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529	\$ -	\$ -	\$ -	\$ 2,846,590	\$ 125,768,119
2043	36	\$ -	\$ -	\$ -	\$ -	\$ 123,545,111	\$ -	\$ -	\$ -	\$ 2,955,579	\$ 126,500,689
2044	37	\$ -	\$ -	\$ -	\$ -	\$ 124,193,735	\$ -	\$ -	\$ -	\$ 3,069,183	\$ 127,262,919
2045	38	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407	\$ -	\$ -	\$ -	\$ 3,187,614	\$ 128,056,021
2046	39	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171	\$ -	\$ -	\$ -	\$ 3,311,091	\$ 128,881,261
2047	40	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114	\$ -	\$ -	\$ -	\$ 3,439,843	\$ 129,739,957
2048	41	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366	\$ -	\$ -	\$ -	\$ 3,574,114	\$ 130,633,480
2049	42	\$ -	\$ -	\$ -	\$ -	\$ 127,849,104	\$ -	\$ -	\$ -	\$ 3,714,154	\$ 131,563,258
2050	43	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549	\$ -	\$ -	\$ -	\$ 3,860,230	\$ 132,530,780
2051	44	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975	\$ -	\$ -	\$ -	\$ 4,012,620	\$ 133,537,595
2052	45	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703	\$ -	\$ -	\$ -	\$ 4,171,613	\$ 134,585,316
2053	46	\$ -	\$ -	\$ -	\$ -	\$ 137,479,422	\$ -	\$ -	\$ -	\$ 4,337,515	\$ 141,816,937
2054	47	\$ -	\$ -	\$ -	\$ -	\$ 132,299,627	\$ -	\$ -	\$ -	\$ 4,510,644	\$ 136,810,272
2055	48	\$ -	\$ -	\$ -	\$ -	\$ 133,299,742	\$ -	\$ -	\$ -	\$ 4,691,337	\$ 137,991,079
2056	49	\$ -	\$ -	\$ -	\$ -	\$ 134,340,003	\$ -	\$ -	\$ -	\$ 4,879,944	\$ 139,219,947
2057	50	\$ -	\$ -	\$ -	\$ -	\$ 135,422,020	\$ -	\$ -	\$ -	\$ 5,076,831	\$ 140,498,852
Nominal Sum		\$ 245,473,425	\$ 269,115,175	\$ 231,933,855	\$ (27,840,379)	\$ 2,189,567,291	\$ 26,931,431	\$ 20,070,772	\$ 313,918,866	\$ 115,979,208	\$ 3,385,149,644
NPV	5.25%	\$ 133,300,396	\$ 143,734,822	\$ 123,456,680	\$ (14,046,468)	\$ 355,363,740	\$ 26,931,431	\$ 20,025,577	\$ 152,131,966	\$ 37,224,756	\$ 978,122,899

15 Year Nominal
\$375,448,193

Note:
Civic Plaza Lease "EOT" is 7/31/14, rent for 2014 reflected in "Lease Civic Plaza" column.

Scenario 5 - No Renovation

Do not renovate owned buildings (Concourse remains a meeting facility)
Lease existing space at market rates

		CAB	COB	Concourse as Meeting	Parkade	New "Owned" 30 Years	Library and Publishing	Lease Civic Plaza \$ 5	Lease Executive Complex or Generic B \$5	Lease 600 B	Total
2008	1	\$ 1,700,334	\$ 1,925,145	\$ 823,071	\$ (679,777)	\$ -	\$ -	\$ 4,658,036	\$ 2,892,132	\$ 3,964,706	\$ 15,283,648
2009	2	\$ 1,785,351	\$ 2,021,402	\$ 876,225	\$ (703,766)	\$ -	\$ -	\$ 4,779,320	\$ 3,007,226	\$ 4,162,245	\$ 15,928,002
2010	3	\$ 1,874,618	\$ 2,122,472	\$ 932,396	\$ (728,554)	\$ -	\$ -	\$ 4,906,669	\$ 3,126,438	\$ 4,373,951	\$ 16,607,989
2011	4	\$ 1,968,349	\$ 2,228,596	\$ 991,746	\$ (754,166)	\$ -	\$ -	\$ 5,040,384	\$ 3,249,974	\$ 4,596,933	\$ 17,321,817
2012	5	\$ 2,066,767	\$ 2,340,026	\$ 1,054,446	\$ (780,626)	\$ -	\$ -	\$ 5,180,786	\$ 3,378,052	\$ 4,823,708	\$ 18,063,158
2013	6	\$ 2,170,105	\$ 2,457,027	\$ 1,120,675	\$ (807,959)	\$ -	\$ -	\$ 5,328,207	\$ 3,510,898	\$ 5,009,888	\$ 18,788,840
2014	7	\$ 2,278,610	\$ 2,579,878	\$ 1,190,620	\$ (836,190)	\$ -	\$ -	\$ 8,925,438	\$ 10,586,974	\$ -	\$ 24,725,330
2015	8	\$ 2,392,541	\$ 2,708,872	\$ 1,264,479	\$ (865,346)	\$ -	\$ -	\$ 8,241,447	\$ 9,934,622	\$ -	\$ 23,676,615
2016	9	\$ 2,512,168	\$ 2,844,316	\$ 1,342,462	\$ (895,454)	\$ -	\$ -	\$ 8,614,079	\$ 10,423,355	\$ -	\$ 24,840,925
2017	10	\$ 2,637,776	\$ 2,986,532	\$ 1,424,786	\$ (926,541)	\$ -	\$ -	\$ 9,000,292	\$ 10,930,462	\$ -	\$ 26,053,308
2018	11	\$ 2,769,665	\$ 3,135,858	\$ 1,511,683	\$ (958,635)	\$ -	\$ -	\$ 9,400,642	\$ 11,456,711	\$ -	\$ 27,315,923
2019	12	\$ 2,908,148	\$ 3,292,651	\$ 1,603,394	\$ (991,765)	\$ -	\$ -	\$ 9,815,703	\$ 12,002,902	\$ -	\$ 28,631,034
2020	13	\$ 3,053,556	\$ 3,457,284	\$ 1,700,175	\$ (1,025,958)	\$ -	\$ -	\$ 10,246,080	\$ 12,569,874	\$ -	\$ 30,001,010
2021	14	\$ 3,206,233	\$ 3,630,148	\$ 1,802,292	\$ (1,061,246)	\$ -	\$ -	\$ 10,692,403	\$ 13,158,503	\$ -	\$ 31,428,333
2022	15	\$ 3,366,545	\$ 3,811,655	\$ 1,910,029	\$ (1,097,657)	\$ -	\$ -	\$ 11,155,328	\$ 13,769,703	\$ -	\$ 32,915,604
2023	16	\$ 3,534,872	\$ 4,002,238	\$ 2,023,682	\$ (1,135,224)	\$ -	\$ -	\$ 11,635,545	\$ 14,404,434	\$ -	\$ 34,465,547
2024	17	\$ 3,711,616	\$ 4,202,350	\$ 2,143,562	\$ (1,173,975)	\$ -	\$ -	\$ 11,812,048	\$ 19,290,944	\$ -	\$ 39,986,544
2025	18	\$ 3,897,197	\$ 4,412,468	\$ 2,269,996	\$ (1,213,944)	\$ -	\$ -	\$ 12,372,097	\$ 18,067,197	\$ -	\$ 39,805,010
2026	19	\$ 4,092,057	\$ 4,633,091	\$ 2,403,330	\$ (1,255,162)	\$ -	\$ -	\$ 12,952,766	\$ 18,993,033	\$ -	\$ 41,819,114
2027	20	\$ 4,296,659	\$ 4,864,746	\$ 2,543,926	\$ (1,297,662)	\$ -	\$ -	\$ 13,554,901	\$ 19,954,159	\$ -	\$ 43,916,728
2028	21	\$ 4,511,492	\$ 5,107,983	\$ 2,692,164	\$ (1,341,477)	\$ -	\$ -	\$ 14,179,387	\$ 20,952,063	\$ -	\$ 46,101,612
2029	22	\$ 4,737,067	\$ 5,363,382	\$ 2,848,446	\$ (1,386,640)	\$ -	\$ -	\$ 14,827,147	\$ 21,988,302	\$ -	\$ 48,377,703
2030	23	\$ 4,973,920	\$ 5,631,551	\$ 3,013,192	\$ (1,433,184)	\$ -	\$ -	\$ 15,499,146	\$ 23,064,504	\$ -	\$ 50,749,129
2031	24	\$ 5,222,616	\$ 5,913,129	\$ 3,186,844	\$ (1,481,144)	\$ -	\$ -	\$ 16,196,392	\$ 24,182,371	\$ -	\$ 53,220,208
2032	25	\$ 5,483,747	\$ 6,208,785	\$ 3,369,870	\$ (1,530,554)	\$ -	\$ -	\$ 16,919,939	\$ 25,343,683	\$ -	\$ 55,795,470
2033	26	\$ 5,757,934	\$ 6,519,224	\$ 3,562,757	\$ (1,581,449)	\$ -	\$ -	\$ 17,670,888	\$ 26,550,300	\$ -	\$ 58,479,655
2034	27	\$ 6,045,831	\$ 6,845,185	\$ 3,766,020	\$ (1,633,863)	\$ -	\$ -	\$ 17,701,955	\$ 33,483,468	\$ -	\$ 66,208,596
2035	28	\$ 6,348,123	\$ 7,187,445	\$ 3,980,200	\$ (1,687,831)	\$ -	\$ -	\$ 18,575,750	\$ 32,133,130	\$ -	\$ 66,536,816
2036	29	\$ 6,665,529	\$ 7,546,817	\$ 4,205,865	\$ (1,743,389)	\$ -	\$ -	\$ 19,482,171	\$ 33,851,025	\$ -	\$ 70,008,018
2037	30	\$ 6,998,805	\$ 7,924,158	\$ 4,443,614	\$ (1,800,571)	\$ -	\$ -	\$ 20,422,573	\$ 35,635,290	\$ -	\$ 73,623,868
2038	31	\$ 7,348,746	\$ 8,320,366	\$ 4,694,073	\$ (1,859,413)	\$ -	\$ -	\$ 21,398,371	\$ 37,488,754	\$ -	\$ 77,390,897
2039	32	\$ 7,716,183	\$ 8,736,384	\$ 4,957,904	\$ (1,919,950)	\$ -	\$ 3,516,264	\$ 22,411,045	\$ 39,414,378	\$ -	\$ 84,832,208
2040	33	\$ 8,101,992	\$ 9,173,203	\$ 5,235,800	\$ (1,982,216)	\$ -	\$ 2,641,667	\$ 23,462,140	\$ 41,415,255	\$ -	\$ 88,047,842
2041	34	\$ -	\$ -	\$ -	\$ -	\$ 125,809,712	\$ 2,742,016	\$ -	\$ -	\$ -	\$ 128,551,728
2042	35	\$ -	\$ -	\$ -	\$ -	\$ 122,921,529	\$ 2,846,590	\$ -	\$ -	\$ -	\$ 125,768,119
2043	36	\$ -	\$ -	\$ -	\$ -	\$ 123,545,111	\$ 2,955,579	\$ -	\$ -	\$ -	\$ 126,500,689
2044	37	\$ -	\$ -	\$ -	\$ -	\$ 124,193,735	\$ 3,069,183	\$ -	\$ -	\$ -	\$ 127,262,919
2045	38	\$ -	\$ -	\$ -	\$ -	\$ 124,868,407	\$ 3,187,614	\$ -	\$ -	\$ -	\$ 128,056,021
2046	39	\$ -	\$ -	\$ -	\$ -	\$ 125,570,171	\$ 3,311,091	\$ -	\$ -	\$ -	\$ 128,881,261
2047	40	\$ -	\$ -	\$ -	\$ -	\$ 126,300,114	\$ 3,439,843	\$ -	\$ -	\$ -	\$ 129,739,957
2048	41	\$ -	\$ -	\$ -	\$ -	\$ 127,059,366	\$ 3,574,114	\$ -	\$ -	\$ -	\$ 130,633,480
2049	42	\$ -	\$ -	\$ -	\$ -	\$ 127,849,104	\$ 3,714,154	\$ -	\$ -	\$ -	\$ 131,563,258
2050	43	\$ -	\$ -	\$ -	\$ -	\$ 128,670,549	\$ 3,860,230	\$ -	\$ -	\$ -	\$ 132,530,780
2051	44	\$ -	\$ -	\$ -	\$ -	\$ 129,524,975	\$ 4,012,620	\$ -	\$ -	\$ -	\$ 133,537,595
2052	45	\$ -	\$ -	\$ -	\$ -	\$ 130,413,703	\$ 4,171,613	\$ -	\$ -	\$ -	\$ 134,585,316
2053	46	\$ -	\$ -	\$ -	\$ -	\$ 137,479,422	\$ 4,337,515	\$ -	\$ -	\$ -	\$ 141,816,937
2054	47	\$ -	\$ -	\$ -	\$ -	\$ 132,299,627	\$ 4,510,644	\$ -	\$ -	\$ -	\$ 136,810,272
2055	48	\$ -	\$ -	\$ -	\$ -	\$ 133,299,742	\$ 4,691,337	\$ -	\$ -	\$ -	\$ 137,991,079
2056	49	\$ -	\$ -	\$ -	\$ -	\$ 134,340,003	\$ 4,879,944	\$ -	\$ -	\$ -	\$ 139,219,947
2057	50	\$ -	\$ -	\$ -	\$ -	\$ 135,422,020	\$ 5,076,831	\$ -	\$ -	\$ -	\$ 140,498,852

15 Year Nominal
\$ 351,581,537

Nominal Sum	\$ 136,135,152	\$ 154,134,368	\$ 80,889,726	\$ (40,571,291)	\$ 2,189,567,291	\$ 70,538,849	\$ 417,059,072	\$ 610,210,113	\$ 26,931,431	\$ 3,644,894,711
NPV	5.25% \$ 68,249,424	\$ 77,273,075	\$ 39,164,406	\$ (21,690,043)	\$ 355,363,740	\$ 11,636,804	\$ 210,660,082	\$ 280,691,499	\$ 26,931,431	\$ 1,048,280,417

Note:
Civic Plaza Lease continued at expiration of existing term. Expense reflected in 2014.

Developer: **Gerding** **852,808**
 Annual Escalation - Market Rent **3.0%**
 Annual Escalation - Operating Expenses **4.0%**
 Office Vacancy Allowance on FSG Rent **5.0%**
 (based on 90% occupied by City from 2044 - 2052 and 93% from 2053 - 2057)

Valuation Summary	9.0%	7.0%
Future Value Office Building - 2044	\$ 641,358,951	\$ 824,604,366
Parking Structure - 2044	\$ 160,906,076	\$ 0
	\$ 802,265,027	\$ 1,031,483,606

Gerding Project Cost - 2013 Completion (including financing) \$ 546,989,707

Office & Retail Space										
Year	Full Service Rent		Operating Expense		Rent NNN	NOI After Vacancy Allow. on FSG Rent	Capitalized Value @		Revenue/Space Escalated 4.0%	Annual
	Monthly	Annual	Monthly	Annual			9.0%	7.0%		
1	2008	\$ 3.00	\$ 36.00	\$ 0.64	\$ 7.66	\$ 28.34	\$ 26.54	\$ 251,483,604	\$ 323,336,062	1,574
2	2009	\$ 3.09	\$ 37.08	\$ 0.66	\$ 7.97	\$ 29.11	\$ 27.26	\$ 258,302,277	\$ 332,102,928	1,574
3	2010	\$ 3.18	\$ 38.19	\$ 0.69	\$ 8.29	\$ 29.91	\$ 28.00	\$ 265,296,478	\$ 341,095,472	1,574
4	2011	\$ 3.28	\$ 39.34	\$ 0.72	\$ 8.62	\$ 30.72	\$ 28.75	\$ 272,470,310	\$ 350,318,970	1,574
5	2012	\$ 3.38	\$ 40.52	\$ 0.75	\$ 8.96	\$ 31.56	\$ 29.53	\$ 279,827,954	\$ 359,778,798	1,574
6	2013	\$ 3.48	\$ 41.73	\$ 0.78	\$ 9.32	\$ 32.41	\$ 30.33	\$ 287,373,669	\$ 369,480,432	1,574
7	2014	\$ 3.58	\$ 42.99	\$ 0.81	\$ 9.69	\$ 33.29	\$ 31.14	\$ 295,111,791	\$ 379,429,445	1,574
8	2015	\$ 3.69	\$ 44.28	\$ 0.84	\$ 10.08	\$ 34.20	\$ 31.98	\$ 303,046,732	\$ 389,631,513	1,574
9	2016	\$ 3.80	\$ 45.60	\$ 0.87	\$ 10.48	\$ 35.12	\$ 32.84	\$ 311,182,986	\$ 400,092,411	1,574
10	2017	\$ 3.91	\$ 46.97	\$ 0.91	\$ 10.90	\$ 36.07	\$ 33.72	\$ 319,525,121	\$ 410,818,013	1,574
11	2018	\$ 4.03	\$ 48.38	\$ 0.94	\$ 11.34	\$ 37.04	\$ 34.62	\$ 328,077,786	\$ 421,814,296	1,574
12	2019	\$ 4.15	\$ 49.83	\$ 0.98	\$ 11.79	\$ 38.04	\$ 35.55	\$ 336,845,707	\$ 433,087,338	1,574
13	2020	\$ 4.28	\$ 51.33	\$ 1.02	\$ 12.26	\$ 39.06	\$ 36.50	\$ 345,833,690	\$ 444,643,316	1,574
14	2021	\$ 4.41	\$ 52.87	\$ 1.06	\$ 12.75	\$ 40.11	\$ 37.47	\$ 355,046,617	\$ 456,488,507	1,574
15	2022	\$ 4.54	\$ 54.45	\$ 1.11	\$ 13.26	\$ 41.19	\$ 38.47	\$ 364,489,447	\$ 468,629,290	1,574
16	2023	\$ 4.67	\$ 56.09	\$ 1.15	\$ 13.80	\$ 42.29	\$ 39.49	\$ 374,167,221	\$ 481,072,141	1,574
17	2024	\$ 4.81	\$ 57.77	\$ 1.20	\$ 14.35	\$ 43.42	\$ 40.53	\$ 384,085,051	\$ 493,823,636	1,574
18	2025	\$ 4.96	\$ 59.50	\$ 1.24	\$ 14.92	\$ 44.58	\$ 41.61	\$ 394,248,128	\$ 506,890,450	1,574
19	2026	\$ 5.11	\$ 61.29	\$ 1.29	\$ 15.52	\$ 45.77	\$ 42.71	\$ 404,661,719	\$ 520,279,353	1,574
20	2027	\$ 5.26	\$ 63.13	\$ 1.34	\$ 16.14	\$ 46.99	\$ 43.83	\$ 415,331,163	\$ 533,997,210	1,574
21	2028	\$ 5.42	\$ 65.02	\$ 1.40	\$ 16.78	\$ 48.24	\$ 44.99	\$ 426,261,874	\$ 548,050,981	1,574
22	2029	\$ 5.58	\$ 66.97	\$ 1.45	\$ 17.46	\$ 49.52	\$ 46.17	\$ 437,459,338	\$ 562,447,720	1,574
23	2030	\$ 5.75	\$ 68.98	\$ 1.51	\$ 18.15	\$ 50.83	\$ 47.38	\$ 448,929,110	\$ 577,194,570	1,574
24	2031	\$ 5.92	\$ 71.05	\$ 1.57	\$ 18.88	\$ 52.17	\$ 48.62	\$ 460,676,815	\$ 592,298,762	1,574
25	2032	\$ 6.10	\$ 73.18	\$ 1.64	\$ 19.63	\$ 53.55	\$ 49.89	\$ 472,708,144	\$ 607,767,614	1,574
26	2033	\$ 6.28	\$ 75.38	\$ 1.70	\$ 20.42	\$ 54.96	\$ 51.19	\$ 485,028,854	\$ 623,608,527	1,574
27	2034	\$ 6.47	\$ 77.64	\$ 1.77	\$ 21.24	\$ 56.40	\$ 52.52	\$ 497,644,764	\$ 639,828,982	1,574
28	2035	\$ 6.66	\$ 79.97	\$ 1.84	\$ 22.09	\$ 57.88	\$ 53.88	\$ 510,561,753	\$ 656,436,540	1,574
29	2036	\$ 6.86	\$ 82.37	\$ 1.91	\$ 22.97	\$ 59.40	\$ 55.28	\$ 523,785,758	\$ 673,438,831	1,574
30	2037	\$ 7.07	\$ 84.84	\$ 1.99	\$ 23.89	\$ 60.95	\$ 56.71	\$ 537,322,769	\$ 690,843,560	1,574
31	2038	\$ 7.28	\$ 87.38	\$ 2.07	\$ 24.84	\$ 62.54	\$ 58.17	\$ 551,178,827	\$ 708,658,492	1,574
32	2039	\$ 7.50	\$ 90.00	\$ 2.15	\$ 25.84	\$ 64.16	\$ 59.66	\$ 565,360,023	\$ 726,891,458	1,574
33	2040	\$ 7.73	\$ 92.70	\$ 2.24	\$ 26.87	\$ 65.83	\$ 61.20	\$ 579,872,487	\$ 745,550,341	1,574
34	2041	\$ 7.96	\$ 95.48	\$ 2.33	\$ 27.95	\$ 67.54	\$ 62.76	\$ 594,722,392	\$ 764,643,076	1,574
35	2042	\$ 8.20	\$ 98.35	\$ 2.42	\$ 29.06	\$ 69.28	\$ 64.37	\$ 609,915,944	\$ 784,177,642	1,574
36	2043	\$ 8.44	\$ 101.30	\$ 2.52	\$ 30.23	\$ 71.07	\$ 66.01	\$ 625,459,377	\$ 804,162,056	1,574
37	2044	\$ 8.69	\$ 104.34	\$ 2.62	\$ 31.44	\$ 72.90	\$ 67.68	\$ 641,358,951	\$ 824,604,366	1,574
38	2045	\$ 8.96	\$ 107.47	\$ 2.72	\$ 32.69	\$ 74.77	\$ 69.40	\$ 657,620,944	\$ 845,512,643	1,574
39	2046	\$ 9.22	\$ 110.69	\$ 2.83	\$ 34.00	\$ 76.69	\$ 71.16	\$ 674,251,646	\$ 866,894,974	1,574
40	2047	\$ 9.50	\$ 114.01	\$ 2.95	\$ 35.36	\$ 78.65	\$ 72.95	\$ 691,257,353	\$ 888,759,453	1,574
41	2048	\$ 9.79	\$ 117.43	\$ 3.06	\$ 36.78	\$ 80.66	\$ 74.79	\$ 708,644,356	\$ 911,114,172	1,574
42	2049	\$ 10.08	\$ 120.96	\$ 3.19	\$ 38.25	\$ 82.71	\$ 76.66	\$ 726,418,941	\$ 933,967,210	1,574
43	2050	\$ 10.38	\$ 124.59	\$ 3.31	\$ 39.78	\$ 84.81	\$ 78.58	\$ 744,587,374	\$ 957,326,623	1,574
44	2051	\$ 10.69	\$ 128.32	\$ 3.45	\$ 41.37	\$ 86.95	\$ 80.54	\$ 763,155,894	\$ 981,200,435	1,574
45	2052	\$ 11.01	\$ 132.17	\$ 3.59	\$ 43.02	\$ 89.15	\$ 82.54	\$ 782,130,706	\$ 1,005,596,621	1,574
46	2053	\$ 11.34	\$ 136.14	\$ 3.73	\$ 44.74	\$ 91.39	\$ 84.59	\$ 801,517,967	\$ 1,030,523,100	1,574
47	2054	\$ 11.69	\$ 140.22	\$ 3.88	\$ 46.53	\$ 93.69	\$ 86.68	\$ 821,323,780	\$ 1,055,987,717	1,574
48	2055	\$ 12.04	\$ 144.43	\$ 4.03	\$ 48.39	\$ 96.03	\$ 88.81	\$ 841,554,178	\$ 1,081,998,229	1,574
49	2056	\$ 12.40	\$ 148.76	\$ 4.19	\$ 50.33	\$ 98.43	\$ 90.99	\$ 862,215,116	\$ 1,108,562,292	1,574
50	2057	\$ 12.77	\$ 153.22	\$ 4.36	\$ 52.34	\$ 100.88	\$ 93.22	\$ 883,312,454	\$ 1,135,687,441	1,574

Note - Values are based on a sale-leaseback by the City in 2044 - 2057, given estimates of market rent and providing for a vacancy allowance

on space not needed by the City.

Parking Facility										
No. Spaces	Revenue/Space Escalated 4.0%		Annual	Annualized Income	Overseil	Total Income	Operating Expense Escalating 4.0%		Capitalized Value @	
	Escalated 4.0%	Annual					Escalating 4.0%	NOI	9.0%	7.0%
1,574	\$ 170.00	\$ 2,040	\$ 3,210,960	25%	\$ 4,013,700	\$ 485,000	\$ 3,528,700	\$ 39,207,778	\$ 50,410,000	220,211,075
1,574	\$ 176.80	\$ 2,122	\$ 3,339,398	25%	\$ 4,174,248	\$ 504,400	\$ 3,669,848	\$ 40,776,089	\$ 52,426,400	238,180,299
1,574	\$ 183.87	\$ 2,206	\$ 3,472,974	25%	\$ 4,341,218	\$ 524,576	\$ 3,816,642	\$ 42,407,132	\$ 54,523,456	247,707,511
1,574	\$ 191.23	\$ 2,295	\$ 3,611,893	25%	\$ 4,514,867	\$ 545,559	\$ 3,969,308	\$ 44,103,418	\$ 56,704,394	257,615,811
1,574	\$ 198.88	\$ 2,387	\$ 3,756,369	25%	\$ 4,695,461	\$ 567,381	\$ 4,128,080	\$ 45,867,554	\$ 58,972,570	267,920,449
1,574	\$ 206.83	\$ 2,482	\$ 3,906,624	25%	\$ 4,883,280	\$ 590,077	\$ 4,293,203	\$ 47,702,257	\$ 61,331,473	278,041,618
1,574	\$ 215.10	\$ 2,581	\$ 4,062,889	25%	\$ 5,078,611	\$ 613,680	\$ 4,464,931	\$ 49,610,347	\$ 63,784,732	288,162,787
1,574	\$ 223.71	\$ 2,685	\$ 4,225,404	25%	\$ 5,281,755	\$ 638,227	\$ 4,643,528	\$ 51,594,761	\$ 66,336,121	298,283,956
1,574	\$ 232.66	\$ 2,792	\$ 4,394,420	25%	\$ 5,493,026	\$ 663,756	\$ 4,829,270	\$ 53,658,551	\$ 68,989,566	308,405,125
1,574	\$ 241.96	\$ 2,904	\$ 4,570,197	25%	\$ 5,712,747	\$ 690,306	\$ 5,022,440	\$ 55,809,069	\$ 71,749,148	318,526,294
1,574	\$ 251.64	\$ 3,020	\$ 4,753,005	25%	\$ 5,941,256	\$ 717,918	\$ 5,223,338	\$ 58,037,089	\$ 74,619,114	328,647,463
1,574	\$ 261.71	\$ 3,140	\$ 4,943,125	25%	\$ 6,178,907	\$ 746,635	\$ 5,432,272	\$ 60,358,573	\$ 77,603,879	338,768,632
1,574	\$ 272.18	\$ 3,266	\$ 5,140,850	25%	\$ 6,426,063	\$ 776,501	\$ 5,649,562	\$ 62,772,915	\$ 80,708,034	348,889,801
1,574	\$ 283.06	\$ 3,397	\$ 5,346,484	25%	\$ 6,683,106	\$ 807,561	\$ 5,875,545	\$ 65,283,832	\$ 83,936,356	359,010,970
1,574	\$ 294.38	\$ 3,533	\$ 5,560,344	25%	\$ 6,950,430	\$ 839,863	\$ 6,110,567	\$ 67,895,185	\$ 87,293,810	369,132,139
1,574	\$ 306.16	\$ 3,674	\$ 5,782,758	25%	\$ 7,228,447	\$ 873,458	\$ 6,354,989	\$ 70,610,993	\$ 90,785,562	379,253,308
1,574	\$ 318.41	\$ 3,821	\$ 6,014,068	25%	\$ 7,517,585	\$ 908,396	\$ 6,609,189	\$ 73,435,432	\$ 94,416,985	389,374,477
1,574	\$ 331.14	\$ 3,974	\$ 6,254,631	25%	\$ 7,818,288	\$ 944,732	\$ 6,875,556	\$ 76,372,850	\$ 98,193,664	399,495,646
1,574	\$ 344.39	\$ 4,133	\$ 6,504,816	25%	\$ 8,131,020	\$ 982,521	\$ 7,148,499	\$ 79,427,764	\$ 102,121,411	409,616,815
1,574	\$ 358.16	\$ 4,298	\$ 6,765,008	25%	\$ 8,456,261	\$ 1,021,822	\$ 7,434,439	\$ 82,604,874	\$ 106,206,267	419,737,984
1,574	\$ 372.49	\$ 4,470	\$ 7,035,609	25%	\$ 8,794,511	\$ 1,062,695	\$ 7,731,816	\$ 85,909,069	\$ 110,454,518	429,859,153
1,574	\$ 387.39	\$ 4,649	\$ 7,317,033	25%	\$ 9,146,291	\$ 1,105,203	\$ 8,041,089	\$ 89,345,432	\$ 114,872,698	439,980,322
1,574	\$ 402.89	\$ 4,835	\$ 7,609,714	25%	\$ 9,512,143	\$ 1,149,411	\$ 8,362,732	\$ 92,919,249	\$ 119,467,606	450,101,491
1,574	\$ 419.00	\$ 5,028	\$ 7,914,103	25%	\$ 9,892,629	\$ 1,195,387	\$ 8,697,242	\$ 96,636,019	\$ 124,246,311	460,222,660
1,574	\$ 435.76	\$ 5,229	\$ 8,230,667	25%	\$ 10,288,334	\$ 1,243,203	\$ 9,045,131	\$ 100,501,460	\$ 129,216,163	470,343,829
1,574	\$ 453.19	\$ 5,438	\$ 8,559,894	25%	\$ 10,699,867	\$ 1,292,931	\$ 9,406,937	\$ 104,521,518	\$ 134,384,809	480,464,998
1,574	\$ 471.32	\$ 5,656	\$ 8,902,290	25%	\$ 11,127,862	\$ 1,344,648	\$ 9,783,214	\$ 108,702,379	\$ 139,760,202	490,586,167
1,574	\$ 490.17	\$ 5,882	\$ 9,258,381	25%	\$ 11,572,976	\$ 1,398,434	\$ 10,174,543	\$ 113,050,610	\$ 145,350,610	500,707,336
1,574	\$ 509.78	\$ 6,117	\$ 9,628,716	25%	\$ 12,035,896	\$ 1,454,371	\$ 10,581,524	\$ 117,541,634	\$ 151,164,634	510,828,505
1,574	\$ 530.17	\$ 6,362	\$ 10,013,865	25%	\$ 12,517,331	\$ 1,512,546	\$ 11,004,785	\$ 122,161,220	\$ 157,211,220	520,949,674
1,574	\$ 551.38	\$ 6,617	\$ 10,414,420	25%	\$ 13,018,025	\$ 1,573,048	\$ 11,444,977	\$ 127,000,000	\$ 163,499,668	531,070,843
1,574	\$ 573.43	\$ 6,881	\$ 10,830,996	25%	\$ 13,538,746	\$ 1,635,970	\$ 11,902			

Primary Assumptions

FF&E			
Unit Cost \$5,000 (Furniture), \$2,000 (Voice & Data) - at desk	\$	7,000	Estimate per employee Staubach/JLL
Security	\$	7.50	Estimate PSF Cumming
Seismic Retrofit (estimate only)	\$	35.00	Estimate PSF DMJM
Existing Space/FTE		315	
Move Related			
Estimated move costs Per Person	\$	350	Estimate per employee Staubach/JLL
Estimated Cost Swing Space	\$	33.00	Estimate PSF Staubach/JLL
Library & Publishing Relocation			
Estimated Relocation Costs (moving, voice and data)		\$10.00	Estimate PSF Staubach/JLL
Finance			
City Cost of Capital		5.25%	Estimate City
Term of Loan (New Debt)		30	Estimate City
Discount Rate for Present Value Analysis		5.25%	Estimate Staubach/JLL/City
Leasing			
Market Escalations for New Lease Space		2.50%	Estimate Staubach/JLL
Estimated Rental Rate Resets (10 years) - FSG Leases		20.00%	Estimate Staubach/JLL
Estimated Rental Rate Resets (10 years) - NNN Leases		2.50%	Estimate Staubach/JLL
Operating Expenses			
Actual Operating Expenses (Owned Buildings)	\$	9.00	Estimate PSF Staubach/JLL/City
Projected Operating Expenses (New Development)	\$	8.00	Estimate PSF Staubach/City/Gensler
Estimated Annual Increases in Operating Exp. - Existing Bldgs.		5.00%	Estimate Staubach/JLL
Estimated Annual Increases in Operating Exp. - New Construction		4.00%	Estimate Staubach/JLL

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APPENDIX D

Sub-Consultant Reports

Sub-consultant reports under a separate cover.

APPENDIX E

Additional Source Documents

Source documents under a separate cover.

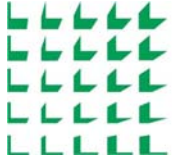


JONES LANG
LASALLE®

APPENDIX B – Market Study

May 2008

Prepared for:



Centre City
Development
Corporation

Prepared by:

The Staubach Company/Jones Lang LaSalle
11988 El Camino Real, Suite 150
San Diego, CA 92130



TABLE OF CONTENTS

1. Executive Summary
2. Office Buildings 100KSF+ Summary
3. Rent Projections
 - City Lease Rent Projections
 - Historical Vacancy and Rental Rates
 - Historical Absorption
 - 2007/2008 Comparable Lease Transactions
4. 2008 Operating Expense Estimates
2006 – 2008 BOMA Operating Expense Estimates
5. Availability
 - Current Availability
 - 2013/2014 Projected Rollover
6. Office Sales
 - Sales Comp Summary
 - Sales Activity
 - Sales Comps
7. JLL / Wharton Regression Analysis
 - Executive Summary
 - 5 – 10 year correlation studies
 - a. Vacancy
 - b. Absorption
 - c. Relevant Business Cycle Drivers
 - Derive preliminary regression model from

Additional Considerations:

8. Kearny Mesa Rent Projections
9. Suburban Submarket Rent Projections

1. EXECUTIVE SUMMARY

City Centre Development Corporate (“CCDC”) on behalf of the City of San Diego contracted The Staubach Company/Jones Lang LaSalle (“Staubach/JLL”) to provide consulting services to assist CCDC identify and evaluate alternatives to reduce or minimize the City’s occupancy cost for its more than 3,000 downtown employees. As part of Staubach/JLL’s study it was necessary to forecast costs of the City’s downtown leased properties in the years 2013 and 2014 when these leases are scheduled to expire. Seven (7) alternative occupancy cost scenarios were developed and evaluated. The market analysis contained herein outlines the methodology and basis for the projected lease terms for the leased assets in each of scenarios.

City’s Existing Leases

The City currently occupies approximately 532,762 square feet in three office buildings in downtown San Diego. Renewal options to extend the terms of lease have expired in 2 buildings. The Executive Complex lease does have a non-fixed rate renewal right should the City lease up to 75% of the building at expiration. The City currently occupies 47% of that building. A summary of the City leases and occupancy costs at the end of the term is as follows:

Building	Square Footage	Expiration Date	Ending Occupancy Rate*
600 B Street	153,265	May 31, 2013	\$2.65/RSF
Civic Center Plaza	243,176	July 31, 2014	\$1.83/RSF
Executive Complex	136,321	March 31, 2013	\$2.15/RSF

* Source: Stated rental rate in leases plus estimated operating expense pass-throughs.

Market Statistics

Absorption

For the first quarter of 2008 absorption for the overall San Diego office market was negative (241,991) square feet as compared to a positive 446,588 square feet first quarter 2007. However, absorption in the Downtown submarket ended the quarter with a positive 40,454 square feet, with Class A space accounting for 121,506 positive absorption and Class B a negative (84,961) square feet. In comparison, in the first quarter of 2007 Downtown absorption was negative (113,950) with Class A and B product representing the majority with negative (71,035) square feet and negative (40,572) square feet, respectively. Class C was only negative (2,343) square feet. Annual absorption for all classes in the Downtown submarket has averaged about 470,000 square feet per for the past five years.

Vacancy

First quarter 2008 vacancy rates for the San Diego office market were 12.2%, increasing slightly from the first quarter of 2007 when vacancy rates were 11.1%. Overall office product in the Downtown submarket was slightly higher at 13% with Class A office product containing the highest portion of this vacancy at 16.7%, Class B at 13.6% and Class C product at 4.8%. One year prior, overall Downtown experienced 14.6% vacancy with Class A office maintaining the highest vacancy of 21.8%, Class B at 10.7% and Class C at 5.9%. Historical vacancy for Class B product has averaged between 10-13% since 1999 until 2006 wherein it dropped as low as 7%. Since then, vacancy rates have steadily increased back to the low teens.

Downtown Rental Rates

First quarter 2008 average asking rates for Class B product were \$2.47 per square foot up slightly from first quarter 2007 which averaged \$2.42. Historical rental rates have continued to increase since 2000 even during periods when vacancy rates increased. Lease transactions for comparable City buildings were compiled and the normalized to project the specific lease terms for the City at the time of renewal, accounting for a new 10 year lease term and factoring in \$20, \$30, or \$45 tenant improvement allowances in the various scenarios (explained in more detail below). Including these adjustments, 2008 market rental rates for the City were assumed to be \$2.28, \$2.39 and \$2.53, respectively (depending on the amount of tenant improvement allowance depicted in each scenario).

Forecast

As calculated in the Staubach/Wharton Regression model, historic rent escalations combined with anticipated market supply and demand curves suggest that current market rents will remain flat for the remainder of 2008, decrease ½% in 2009 and start to increase 4% each year thereafter. Refer to Section 7 of this report for the detailed regression analysis.

The projected rental rates in years 2013 and 2014 for the downtown properties varied in each of the seven scenarios depending on the amount of tenant improvement allowance assumed under each scenario. Depending on the scenario, tenant improvement allowances ranged from a low of \$20 per square foot (minimal improvement to achieve the lowest rental rate possible) to \$45 per square foot (to renovate space and implement new workspace standards recommended by Gensler Architects). Adopting the new workspace standards generally resulted in a higher rental rate, but a significant reduction in the amount of space required to be leased by the City.

Projected near market lease rates as detailed in Section 3 of this report and are summarized in the table below. Because 600 B Street is considered higher quality product than Civic Center Plaza and Executive Complex the rental rates were discounted by 5%. It is also important to note that the projected rent for 600 B Street is for 2013 and the starting rent for Civic Center Plaza and Executive Complex is for 2014 when their respective leases expire. Finally, in the scenarios wherein the new workspace standards are implemented 600 B Street is no longer required to house the City's employees and only Civic Center Plaza and Executive Complex are factored into the analyses.

Building	\$20 PSF TI Allowance	\$30 PSF TI Allowance	\$45 PSF TI Allowance
600 B Street (Expires 2013)	\$2.60	\$2.74	N/A
Civic Center Plaza (Expires 2014)	\$2.60	\$2.74	\$2.85
Executive Complex (Expires 2014)	\$2.60	\$2.74	\$2.85

Additional consideration was given to the following:

Lease Versus Purchase Civic Center Plaza

While the owner of Civic Center Plaza has not offered the building for sale to the City, one of the scenarios considers the purchase of the Civic Center Plaza where the City currently leases 243,176 rentable square feet, (91% of the building). Assuming the City purchases the building in 2014 when the lease expires, Staubach/JLL's estimate of the potential purchase price is \$265 per rentable square, or \$27.1 MM for the entire 283,175 rentable square foot building. Building sale market comparables suggest a 2008 sale price of \$250 per square foot for similar product. This figure was escalated 1% per year until 2014 when the building was assumed to be sold to the City.

Relocation of Library and Publishing Departments

The Gensler Architect study concluded that the Library Book Distribution and Publishing Services departments currently located in the City's Concourse building could be relocated from the Concourse Building to 40,000 square feet in an industrial building in a lower cost suburban market. For the purposes of this analysis, the City determined that Kearny Mesa would be the appropriate location. Current market rents for 40,000 square feet of flex space in Kearny Mesa are estimated at \$1.80 per square foot per month on a full service basis. This assumes a 10 year lease term and \$15 per square foot tenant improvement allowance contributed by the landlord. This relocation occurs in Scenarios 4 and 6 wherein the City converts the Concourse building from meeting to office space.

Relocation to Suburban Markets

Scenarios 6 and 7 reduce the amount of square footage leased by the City downtown and consider relocating the City leased space to a suburban market where the rents are slightly lower. The Mission Valley submarket was used as a representative submarket for the following reasons:

- a more cost effective submarket
- an abundance of Class B office product currently exists
- it is located along a transit system, allowing employees the ability to commute to and from the downtown City Hall facilities

Estimated rental rates were \$2.50 per square foot per month on a full service basis commencing 2013. This assumes a 10 year lease term and a \$20 per square foot tenant improvement allowance contributed by the landlord. In this scenario, the City's would not employ new work place standards since that would require a \$45 per square foot tenant improvement allowance and necessitate higher rents. However, this also means the City's space would not be as efficient.

2. OFFICE BUILDINGS 100,000 SF+ SUMMARY

The following page provides a summary of the office buildings in downtown San Diego that are 100,000 square feet or greater. The following information provides a snapshot of the building size, including typical floor size, availability, asking rates, last sales price and efficiency factor.

**2. SUMMARY OF OFFICE BUILDINGS 100,000 SF+
DOWNTOWN SAN DIEGO**

May 21, 2008

#	Existing Buildings	Year Built	Flrs	Rentable	Typical	Available	% Available	Full	Lease	Last Sales Price	Last Sales Date	Multi-Tenant Core
				Sq. Ft.	Floor Size	RSF		Service	Rates			
Class A:												
*	DiamondView Tower, 350 10th Ave	2007	14	232,800	21,910	20,498	8.80%	Low \$3.75	High \$3.95			
	One America Plaza, 600 W Broadway	1991	34	622,580	18,311	143,810	23.10%	\$3.05	\$4.25	\$481.87/SF	2/23/2006	18.0%
	Advanced Equities Plaza, 655 W Broadway	2005	23	381,043	19,500	62,817	16.49%	\$3.00	\$4.00	\$551.12/SF	6/28/2007	12.0%**
	550 Corporate Center, 550 W C Street	1989	20	357,477	17,873	17,818	4.98%	\$2.60	\$3.00			12.0%
	Emerald Plaza, 402 W Broadway	1990	30	364,160	12,138	82,675	22.70%	\$2.65	\$2.85	\$339.51/SF	11/10/2005	11.5%
	Koll Center, 501 W Broadway	1989	21	372,828	17,000	52,517	14.09%	\$2.40	\$3.45	\$402.33/SF	2/14/2006	12.8%
	Symphony Towers, 750 B Street	1989	34	559,352	20,000	127,732	22.84%	\$2.00	\$4.00	\$239.99/SF	3/11/2003	14.5%
*	Golden Eagle Plaza, 525 B Street	1969/R91	22	427,159	18,079	64,796	15.17%	\$2.45	\$3.00	\$261.20/SF	8/10/2005	16.0%
	Wells Fargo Plaza, 401 B Street	1984	24	481,480	21,363	59,151	12.29%	\$2.20	\$2.80	\$307.95/SF	11/1/2004	14.5%
	701 B Street Tower	1982/R98	24	560,329	23,347	148,462	26.50%			\$326.24/SF	5/2/2006	15.0%
	NBC Building, 225 Broadway	1976/R96	22	330,185	15,008	44,499	13.48%	\$2.70	\$3.45	\$362.12/SF	7/15/2005	18.0%
*	101 West Broadway	1984	20	382,103	19,270	102,565	26.84%	\$2.70	\$3.40	\$362.15/SF	7/15/2005	17.0%
	Columbia Center, 401 W A Street	1983/R94	24	553,715	20,507	176,175	31.82%	\$2.55	\$3.15	\$326.88/SF	3/7/2007	18.0%
Subtotal - Class A				5,625,211		1,103,515	19.62%					
Class B:												
	ESET Building, 610 West Ash Street	1986	20	172,830	13,000	20,860	12.07%	\$2.55	\$2.55	\$188.05/SF	12/18/2003	15.0%
	Bank of America, 450 B Street	1982	20	277,000	13,850	92,084	33.24%	\$2.50	\$2.70			15.0%
	600 B Street	1974/R96	24	338,905	14,121	63,206	18.65%	\$2.70	\$2.80	\$281.79/SF	7/16/2006	14.5%
	Sixth & Broadway, 625 Broadway	1925/R04	14	223,475	13,801	46,127	20.64%	\$2.25	\$2.55	\$91.73/SF	12/30/2002	23.5%
	Columbia Square, 1230 Columbia Street	1990	12	143,574	11,272	20,026	13.95%	\$2.40+E	\$2.40+E	\$334.32	9/27/2007	14.0%
	Front Street Plaza, 777 Front Street	1999	4	155,304	38,826	0	0.00%	\$1.90NNN	\$1.90 NNN	\$196.39/SF	5/2/2001	
	San Diego National Bank, 1420 Kettner	1984	7	111,000	15,857	0	0.00%	N/A	N/A			11.0%
	Washington Mutual, 707 Broadway	1961/R01	18	169,536	9,418	37,861	22.33%	\$2.60	\$2.70	\$312.62/SF	5/2/2006	20.0%
	110 Plaza, 110 W A Street	1971/R99	20	321,948	17,886	27,596	8.57%	\$2.50	\$2.50	\$280.32/SF	1/27/2005	17.0%
	Sempra Energy Bldg., 101 Ash Street	1967	21	310,200	14,771	0	0.00%	N/A	N/A			
	Chamber Building, 110 W C Street	1963/R78	23	177,725	7,727	25,336	14.26%	\$1.90	\$2.00	\$164.58/SF	12/25/2007	12.0%
	Union Bank Building, 530 B Street	1966/R92	24	227,873	8,984	2,350	1.03%					
Subtotal - Class B				2,629,370		335,446	12.76%					
Class C:												
	Civic Center Plaza, 1200 3rd Ave	1972/R93	18	266,954	14,777	0	0.00%	N/A	N/A			15.0%
	Executive Complex, 1010 2nd Ave	1963/R87	25	324,341	12,973	34,364	10.60%	\$2.25	\$2.25	\$155.39/SF	1/30/2006	14.0%
	Spreckles Building, 121 Broadway	1912/R82	6	110,400	18,400	26,964	24.42%	\$1.65	\$1.90			10.0%
Subtotal - Class C				701,695		61,328	8.74%					

TOTAL **8,956,276** **1,500,289** **16.75%**

Notes:

- * Retail SF deducted
- ** Advanced Equities 12% core factor on single tenant floors; 19.3% core factor on multi-tenant floors.

#	Proposed	Estimated	Flrs	Rentable	Available	% Available	Full	Lease	Est'd	Multi-Tenant
		Completion Date		Sq. Ft.			RSF	Service		
1	880 W. Broadway	2012/13	34	685,358	685,358	100.00%	TBD	TBD		
2	Navy Broadway Complex	2010		350,000	350,000	100.00%	TBD	TBD	(not on port land)	

TABLE 3-A
LEASE COMPARABLES
WEIGHTED AVERAGE ANALYSIS
\$20 Tenant Improvement Allowance

2007/2008 Office Comps												
Tenant	Lease Commence	2008 SF	Term	Start Rate	Effective Rate	Landlord TIA	Free Rent	Annual Escalations			TIA Variance	Rent Equivalent (over 10 yrs)
Civic Center Plaza	Aug-14	243,176	120	\$ 2.72		\$ 20.00	\$ -	3%				
600 B Street	Jun-13	153,265	120	\$ 2.64		\$ 20.00	\$ -	3%				
Family Justice Center	Apr-10	40,000	120	\$ 2.42		\$ 20.00	\$ -	3%				
Executive Complex	Apr-14	136,321	120	\$ 2.72		\$ 20.00	\$ -	3%				
ESET 610 W. Ash, 19+20 Fls. (ESET)	Apr-07	25,210	60	\$ 2.65	\$ 2.81	\$ 20.00		3%			\$ -	\$ -
COLUMBIA CENTER 401 West A St., 5th Fl. (Sempra Energy Solutions)	Dec-07	22,679	86	\$ 2.50	\$ 2.69	\$ 45.00	2	3%			\$ (25)	\$ (0.32)
COLUMBIA CENTER 401 West A St., 3+4 Fls. (SDCERS)	Aug-07	28,629	132	\$ 2.45	\$ 2.69	\$ 45.00	12	3.5%			\$ (25)	\$ (0.32)
COLUMBIA CENTER 401 West A St., 7th Fl. (Zurich Insurance Co.)	Feb-08	9,284	62	\$ 2.60	\$ 2.71	\$ 45.00	2	3.5%			\$ (25)	\$ (0.32)
MERRILL LYNCH TOWER 701 B Street, #1500 (AXA Equitable Life Ins.)	Sep-07	11,896	72	\$ 2.70	\$ 2.54	\$ 10.00	8	3%			\$ 10	\$ 0.13
MERRILL LYNCH TOWER 701 B Street, #1300 (Levitz, Zacks & Ciceric)	Jul-07	12,693	120	\$ 2.50	\$ 2.86	\$ 30.00	-	3%			\$ (10.00)	\$ (0.13)
MERRILL LYNCH TOWER 701 B Street, 6th Fl. (Alliant Ins. Services)	Jan-08	54,442	85	\$ 2.60	\$ 2.52	\$ 55.00	12	3.5%			N/A	\$ -
GOLDEN EAGLE PLAZA 525 B Street, #100+#200 (California Bank & Trust)	Sep-08	11,959	120	\$ 2.50	\$ 2.87	\$ 15.00	-	3.5%			\$ 5	\$ 0.06
GOLDEN EAGLE PLAZA 525 B Street, #1000 (Liberty Mutual)	Sep-08	82,357	60	\$ 2.50	\$ 2.53	\$ 16.00	1	3.5%			\$ 4	\$ 0.05
SBC BUILDING 101 W Broadway, #1800 (Morgan Stanley & Co.)	Sep-07	17,652	120	\$ 2.98	\$ 3.49	\$ 40.00	-	3%			\$ (20)	\$ (0.25)
600 B STREET BLDG. 600 B Street, #1700 (Embassy CES)	Feb-08	14,584	62	\$ 2.70	\$ 2.70	\$ 25.00	4	3%			\$ (5)	\$ (0.06)
COLUMBIA SQUARE 1230 Columbia, #1200 (The Shaw Group)	Jul-07	14,982	60	\$ 2.20	\$ 2.38	\$ 10.00	-	4%			\$ 10	\$ (0.13)
BANK OF AMERICA 450 B St., #2000 (Bank of America)	May-07	14,401	131	\$ 2.30	\$ 3.19	\$ 30.00	-	stepped			\$ (10.00)	\$ (0.13)
SD NAT'L BANK BLDG. 1420 Kettner Bl., 5&6 Fls. (EDAW, Inc.)	Apr-07	23,000	63	\$ 2.50	\$ 2.66	\$ 0	-	3%			\$ 20	\$ 0.25
CHAMBER BUILDING 110 West C St., #1100 (Alternate Public Defender)	Dec-07	16,819	60	\$ 1.85	\$ 1.98		-	3.5%			\$ 20	\$ 0.24
WASHINGTON MUTUAL 707 Broadway (Lowell & Robbin Law Firm)	Nego.	9,200	66	\$ 2.70	\$ 2.60	\$ 15.00	7	3%			\$ 5	\$ 0.06

369,787

Notes/Adjustments:

1. Columbia Center TIA's are high because landlord is demolishing existing improvements and updating to new building standards. Reduced TIA to \$45/SF to account for Landlord's upgrades.
2. Merrill Lynch Tower/Alliant Insurance transaction was not considered an arms-length transaction because Landlord ownership also owns Alliant. No adjustment was made to TIA.
3. Golden Eagle Plaza/Liberty Mutual transaction had 8,700 SF of space in the basement at a lower rental rate which reduced the overall effective rate.
4. 600 B Street is an existing City-leased building.

TABLE 3-A
LEASE COMPARABLES
WEIGHTED AVERAGE ANALYSIS
\$20 Tenant Improvement Allowance

Adjusted Weighted Average			
\$	2.81	25,210	\$ 70,840.10
\$	2.37	22,679	\$ 53,749.23
\$	2.37	28,629	\$ 67,850.73
\$	2.39	9,284	\$ 22,188.76
\$	2.67	11,896	\$ 31,762.32
\$	2.73	12,693	\$ 34,651.89
\$	2.52	54,442	\$ 137,193.84
\$	2.93	11,959	\$ 35,039.87
\$	2.58	82,357	\$ 212,481.06
\$	3.24	17,652	\$ 57,192.48
\$	2.64	14,584	\$ 38,501.76
\$	2.25	14,982	\$ 33,709.50
\$	3.06	14,401	\$ 44,067.06
\$	2.91	23,000	\$ 66,930.00
\$	2.22	16,819	\$ 37,338.18
\$	2.66	9,200	\$ 24,472.00
		369,787	\$ 967,968.78
10 Year Average		\$	2.62

Downtown Generic B			
2008 Estimated Starting Rent			
Year	Monthly FSG	Growth	
			3.0%
2008	\$ 2.28		
2009	\$ 2.35		
2010	\$ 2.42		
2011	\$ 2.49		
2012	\$ 2.57		
2013	\$ 2.64		
2014	\$ 2.72		
2015	\$ 2.80		
2016	\$ 2.89		
2017	\$ 2.97		
Total	\$ 26.14		
Average	\$ 2.61		

Downtown Generic B			
Staubach/Wharton Regression Analysis Growth Projections			
Year	Monthly FSG	Growth	
			-0.5%
2008	\$ 2.28		4%
2009	\$ 2.27		
2010	\$ 2.36		
2011	\$ 2.45		
2012	\$ 2.55		
2013	\$ 2.65		
2014	\$ 2.76		
2015	\$ 2.87		
2016	\$ 2.99		
2017	\$ 3.10		
Total	\$ 26.29		
Average	\$ 2.63		

TABLE 3-B

**LEASE COMPARABLES
WEIGHTED AVERAGE ANALYSIS
\$30 Tenant Improvement Allowance**

2007/2008 Office Comps										TIA	Rent
Tenant	Lease Commence	2008 SF	Term	Market Start Rate	Effective Rate	Landlord TIA	Months of Free Rent	Market Annual Escalations	Variance	Equivalent	
ESET 610 W. Ash, 19+20 Fls. (ESET)	Apr-07	25,210	60	\$ 2.65	\$ 2.81	\$ 20.00	\$ -	3%	\$ 10	\$ 0.13	
					Adjusted effective: \$ 2.94						
COLUMBIA CENTER 401 West A St., 5th Fl. (Sempra Energy Solutions)	Dec-07	22,679	86	\$ 2.50	\$ 2.69	\$ 45.00	2	3%	\$ (15)	\$ (0.19)	
					Adjusted effective: \$ 2.50						
COLUMBIA CENTER 401 West A St., 3+4 Fls. (SDCERS)	Aug-07	28,629	132	\$ 2.45	\$ 2.69	\$ 45.00	12	4%	\$ (15)	\$ (0.18)	
					Adjusted effective: \$ 2.51						
COLUMBIA CENTER 401 West A St., 7th Fl. (Zurich Insurance Co.)	Feb-08	9,284	62	\$ 2.60	\$ 2.71	\$ 45.00	2	4%	\$ (15)	\$ (0.19)	
					Adjusted effective: \$ 2.52						
MERRILL LYNCH TOWER 701 B Street, #1500 (AXA Equitable Life Ins.)	Sep-07	11,896	72	\$ 2.70	\$ 2.54	\$ 10.00	8	3%	\$ 20	\$ 0.25	
					Adjusted effective: \$ 2.79						
MERRILL LYNCH TOWER 701 B Street, #1300 (Levitz, Zacks & Ciceric)	Jul-07	12,693	120	\$ 2.50	\$ 2.86	\$ 30.00	0	3%	\$ -	\$ -	
					Adjusted effective: \$ 2.86						
MERRILL LYNCH TOWER 701 B Street, 6th Fl. (Alliant Ins. Services)	Jan-08	54,442	85	\$ 2.60	\$ 2.52	\$ 55.00	12	4%	N/A	\$ -	
					Adjusted effective: \$ 2.52						
GOLDEN EAGLE PLAZA 525 B Street, #100+#200 (California Bank & Trust)	Sep-08	11,959	120	\$ 2.50	\$ 2.87	\$ 15.00	0	4%	\$ 15	\$ 0.19	
					Adjusted effective: \$ 3.06						
GOLDEN EAGLE PLAZA 525 B Street, #1000 (Liberty Mutual)	Sep-08	82,357	60	\$ 2.50	\$ 2.53	\$ 16.00	1	4%	\$ 14	\$ 0.18	
					Adjusted effective: \$ 2.71						
SBC BUILDING 101 W Broadway, #1800 (Morgan Stanley & Co.)	Sep-07	17,652	120	\$ 2.98	\$ 3.49	\$ 40.00	0	3%	\$ (10)	\$ (0.13)	
					Adjusted effective: \$ 3.36						
600 B STREET BLDG. 600 B Street, #1700 (Embassy CES)	Feb-08	14,584	62	\$ 2.70	\$ 2.70	\$ 25.00	4	3%	\$ 5	\$ 0.06	
					Adjusted effective: \$ 2.76						
COLUMBIA SQUARE 1230 Columbia, #1200 (The Shaw Group)	Jul-07	14,982	60	\$ 2.20	\$ 2.38	\$ 10.00	0	4%	\$ 20	\$ 0.25	
					Adjusted effective: \$ 2.63						
BANK OF AMERICA 450 B St., #2000 (Bank of America)	May-07	14,401	131	\$ 2.30	\$ 3.19	\$ 30.00	0	stepped	\$ -	\$ -	
					Adjusted effective: \$ 3.19						
SD NAT'L BANK BLDG. 1420 Kettner Bl., 5&6 Fls. (EDAW, Inc.)	Apr-07	23,000	63	\$ 2.50	\$ 2.66	\$ -	0	3%	\$ 30	\$ 0.38	
					Adjusted effective: \$ 3.04						
CHAMBER BUILDING 110 West C St., #1100 (Alternate Public Defender)	Dec-07	16,819	60	\$ 1.85	\$ 1.98	\$ -	0	4%	\$ 30	\$ 0.38	
					Adjusted effective: \$ 2.36						
WASHINGTON MUTUAL 707 Broadway (Lowell & Robbin Law Firm)	Nego.	9,200	66	\$ 2.70	\$ 2.60	\$ 15.00	7	3%	\$ 15	\$ 0.19	
					Adjusted effective: \$ 2.79						

369,787

Notes/Adjustments:

1. Columbia Center TIA's are high because landlord is demolishing existing improvements and updating to new building standards. Reduced TIA to \$45/SF to account for Landlord's upgrades
2. Merrill Lynch Tower/Alliant Insurance transaction was not considered an arms-length transaction because Landlorc ownership also owns Alliant. No adjustment was made to TIA
3. Golden Eagle Plaza/Liberty Mutual transaction had 8,700 SF of space in the basement at a lower rental rate which reduced the overall effective rate.
4. 600 B Street is an existing City-leased building

TABLE 3-B

LEASE COMPARABLES
WEIGHTED AVERAGE ANALYSIS
\$30 Tenant Improvement Allowance

Adjusted Weighted Average			
\$	2.94	25,210	\$ 74,117.40
\$	2.50	22,679	\$ 56,697.50
\$	2.51	28,629	\$ 71,858.79
\$	2.52	9,284	\$ 23,395.68
\$	2.79	11,896	\$ 33,189.84
\$	2.86	12,693	\$ 36,301.98
\$	2.52	54,442	\$ 137,193.84
\$	3.06	11,959	\$ 36,594.54
\$	2.71	82,357	\$ 223,187.47
\$	3.36	17,652	\$ 59,310.72
\$	2.76	14,584	\$ 40,251.84
\$	2.63	14,982	\$ 39,402.66
\$	3.19	14,401	\$ 45,939.19
\$	3.04	23,000	\$ 69,920.00
\$	2.36	16,819	\$ 39,692.84
\$	2.79	9,200	\$ 25,668.00
		369,787	\$ 1,012,722.29
10 Year Average		\$	2.74

Average Starting Rate			
\$	2.65	25,210	\$ 66,806.50
\$	2.50	22,679	\$ 56,697.50
\$	2.45	28,629	\$ 70,141.05
\$	2.60	9,284	\$ 24,138.40
\$	2.70	11,896	\$ 32,119.20
\$	2.50	12,693	\$ 31,732.50
\$	2.60	54,442	\$ 141,549.20
\$	2.50	11,959	\$ 29,897.50
\$	2.50	82,357	\$ 205,892.50
\$	2.98	17,652	\$ 52,602.96
\$	2.70	14,584	\$ 39,376.80
\$	2.20	14,982	\$ 32,960.40
\$	2.30	14,401	\$ 33,122.30
\$	2.50	23,000	\$ 57,500.00
\$	1.85	16,819	\$ 31,115.15
\$	2.70	9,200	\$ 24,840.00
		369,787	\$ 930,491.96
Average		\$	2.52

600 B Street

2008 Estimated Starting Rent			
Year	Monthly FSG	Growth	
2008	\$ 2.39	3.0%	
2009	\$ 2.46		
2010	\$ 2.54		
2011	\$ 2.61		
2012	\$ 2.69		
2013	\$ 2.77		
2014	\$ 2.85		
2015	\$ 2.94		
2016	\$ 3.03		
2017	\$ 3.12		
Total	\$ 27.40		
Average	\$ 2.74		

600 B Street

Staubach/Wharton Regression Analysis Growth Projections			
Year	Monthly FSG	Growth	
2008	\$ 2.39	-0.5%	
2009	\$ 2.38	4.0%	
2010	\$ 2.47		
2011	\$ 2.57		
2012	\$ 2.67		
2013	\$ 2.78		
2014	\$ 2.89		
2015	\$ 3.01		
2016	\$ 3.13		
2017	\$ 3.25		
Total	\$ 27.56		
Average	\$ 2.76		

Civic Center Plaza/Executive Complex

2008 Estimated Starting Rent			
Year	Monthly FSG	Growth	
2008	\$ 2.27	3.0%	
2009	\$ 2.34		
2010	\$ 2.41		
2011	\$ 2.48		
2012	\$ 2.56		
2013	\$ 2.63		
2014	\$ 2.71		
2015	\$ 2.79		
2016	\$ 2.88		
2017	\$ 2.96		
Total	\$ 26.03		
Average	\$ 2.60		

Civic Center Plaza/Executive Complex

Staubach/Wharton Regression Analysis Growth Projections			
Year	Monthly FSG	Growth	
2008	\$ 2.27	-0.5%	
2009	\$ 2.26	4.0%	
2010	\$ 2.35		
2011	\$ 2.44		
2012	\$ 2.54		
2013	\$ 2.64		
2014	\$ 2.75		
2015	\$ 2.86		
2016	\$ 2.97		
2017	\$ 3.09		
Total	\$ 26.17		
Average	\$ 2.62		

TABLE 3-C

LEASE COMPARABLES
WEIGHTED AVERAGE ANALYSIS
\$45 Tenant Improvement Allowance

2007/2008 Office Comps				Market		Months of	Market			
Tenant	Lease Commence	2008 SF	Term	Start Rate	Effective Rate	Landlord TIA	Free Rent	Annual Escalations	TIA	Rent
Civic Center Plaza	Aug-14	243,176	120	\$ 3.02		\$ 45.00	0	3%		
600 B Street	Jun-13	153,265	120	\$ 2.93		\$ 45.00	0	3%	TIA	Rent
Family Justice Center	Apr-10	40,000	120	\$ 2.68		\$ 45.00	0	3%	Variance	Equivalent
Executive Complex	Apr-14	136,321	120	\$ 3.02		\$ 45.00	0	3%		(over 10 yrs)
ESET 610 W. Ash, 19+20 Fls. (ESET)	Apr-07	25,210	60	\$ 2.65	\$ 2.81	\$ 20.00		3%	\$ 25	\$ 0.30
COLUMBIA CENTER 401 West A St., 5th Fl. (Sempra Energy Solutions)	Dec-07	22,679	86	\$ 2.50	\$ 2.69	\$ 45.00	2	3%	N/A	\$ -
COLUMBIA CENTER 401 West A St., 3+4 Fls. (SDCERS)	Aug-07	28,629	132	\$ 2.45	\$ 2.69	\$ 45.00	12	4%	N/A	\$ -
COLUMBIA CENTER 401 West A St., 7th Fl. (Zurich Insurance Co.)	Feb-08	9,284	62	\$ 2.60	\$ 2.71	\$ 45.00	2	4%	N/A	\$ -
MERRILL LYNCH TOWER 701 B Street, #1500 (AXA Equitable Life Ins.)	Sep-07	11,896	72	\$ 2.70	\$ 2.54	\$ 10.00	8	3%	\$ 35	\$ 0.44
MERRILL LYNCH TOWER 701 B Street, #1300 (Levitz, Zacks & Ciceric)	Jul-07	12,693	120	\$ 2.50	\$ 2.86	\$ 30.00	0	3%	\$ 15	\$ 0.19
MERRILL LYNCH TOWER 701 B Street, 6th Fl. (Alliant Ins. Services)	Jan-08	54,442	85	\$ 2.60	\$ 2.52	\$ 55.00	12	4%	N/A	\$ -
GOLDEN EAGLE PLAZA 525 B Street, #100+#200 (California Bank & Trust)	Sep-08	11,959	120	\$ 2.50	\$ 2.87	\$ 15.00	0	4%	\$ 30	\$ 0.38
GOLDEN EAGLE PLAZA 525 B Street, #1000 (Liberty Mutual)	Sep-08	82,357	60	\$ 2.50	\$ 2.53	\$ 16.00	1	4%	\$ 29	\$ 0.37
SBC BUILDING 101 W Broadway, #1800 (Morgan Stanley & Co.)	Sep-07	17,652	120	\$ 2.98	\$ 3.49	\$ 40.00	0	3%	\$ 5	\$ 0.06
600 B STREET BLDG. 600 B Street, #1700 (Embassy CES)	Feb-08	14,584	62	\$ 2.70	\$ 2.70	\$ 25.00	4	3%	\$ 20	\$ 0.25
COLUMBIA SQUARE 1230 Columbia, #1200 (The Shaw Group)	Jul-07	14,982	60	\$ 2.20	\$ 2.38	\$ 10.00	0	4%	\$ 35	\$ 0.44
BANK OF AMERICA 450 B St., #2000 (Bank of America)	May-07	14,401	131	\$ 2.30	\$ 3.19	\$ 30.00	0	stepped	\$ 15	\$ 0.19
SD NAT'L BANK BLDG. 1420 Kettner Bl., 5&6 Fls. (EDAW, Inc.)	Apr-07	23,000	63	\$ 2.50	\$ 2.66	\$ -	0	3%	\$ 45	\$ 0.57
CHAMBER BUILDING 110 West C St., #1100 (Alternate Public Defender)	Dec-07	16,819	60	\$ 1.85	\$ 1.98		0	4%	\$ 45	\$ 0.57
WASHINGTON MUTUAL 707 Broadway (Lowell & Robbin Law Firm)	Nego.	9,200	66	\$ 2.70	\$ 2.60	\$ 15.00	7	3%	\$ 30	\$ 0.38

369,787

Notes/Adjustments:

1. Columbia Center TIA's are high because landlord is demolishing existing improvements and updating to new building standards. Reduced TIA to \$45/SF to account for Landlord's upgrades.
2. Merrill Lynch Tower/Alliant Insurance transaction was not considered an arms-length transaction because Landlord ownership also owns Alliant. No adjustment was made to TIA.
3. Golden Eagle Plaza/Liberty Mutual transaction had 8,700 SF of space in the basement at a lower rental rate which reduced the overall effective rate.
4. 600 B Street is an existing City-leased building.

TABLE 3-C
LEASE COMPARABLES
WEIGHTED AVERAGE ANALYSIS
\$45 Tenant Improvement Allowance

Adjusted Weighted Average			
\$	3.11	25,210	\$ 78,403.10
\$	2.69	22,679	\$ 61,006.51
\$	2.69	28,629	\$ 77,012.01
\$	2.71	9,284	\$ 25,159.64
\$	2.98	11,896	\$ 35,450.08
\$	3.05	12,693	\$ 38,713.65
\$	2.52	54,442	\$ 137,193.84
\$	3.25	11,959	\$ 38,866.75
\$	2.90	82,357	\$ 238,835.30
\$	3.55	17,652	\$ 62,664.60
\$	2.95	14,584	\$ 43,022.80
\$	2.82	14,982	\$ 42,249.24
\$	3.38	14,401	\$ 48,675.38
\$	3.23	23,000	\$ 74,290.00
\$	2.55	16,819	\$ 42,888.45
\$	2.98	9,200	\$ 27,416.00
		369,787	\$ 1,071,847.35
10 Year Average		\$	2.90

Average Starting Rate			
\$	2.65	25,210	\$ 66,806.50
\$	2.50	22,679	\$ 56,697.50
\$	2.45	28,629	\$ 70,141.05
\$	2.60	9,284	\$ 24,138.40
\$	2.70	11,896	\$ 32,119.20
\$	2.50	12,693	\$ 31,732.50
\$	2.60	54,442	\$ 141,549.20
\$	2.50	11,959	\$ 29,897.50
\$	2.50	82,357	\$ 205,892.50
\$	2.98	17,652	\$ 52,602.96
\$	2.70	14,584	\$ 39,376.80
\$	2.20	14,982	\$ 32,960.40
\$	2.30	14,401	\$ 33,122.30
\$	2.50	23,000	\$ 57,500.00
\$	1.85	16,819	\$ 31,115.15
\$	2.70	9,200	\$ 24,840.00
		369,787	\$ 930,491.96
Average		\$	2.52

Class B

2008 Estimated Starting Rent			
Year	Monthly FSG	Growth	
2008	\$ 2.53	3.0%	
2009	\$ 2.61		
2010	\$ 2.68		
2011	\$ 2.76		
2012	\$ 2.85		
2013	\$ 2.93		
2014	\$ 3.02		
2015	\$ 3.11		
2016	\$ 3.20		
2017	\$ 3.30		
Total	\$ 29.00		
Average	\$ 2.90		

Executive Complex and Civic Center Plaza

Staubach/Wharton Regression Analysis Growth Projections			
Year	Monthly FSG	Growth	
5% Discount applied to lesser quality			
2008	\$ 2.40	-0.5%	
2009	\$ 2.39	4.0%	
2010	\$ 2.49		
2011	\$ 2.59		
2012	\$ 2.69		
2013	\$ 2.80		
2014	\$ 2.91		
2015	\$ 3.03		
2016	\$ 3.15		
2017	\$ 3.27		
Total	\$ 27.71		
Average	\$ 2.77		

3. RENT PROJECTIONS

City Lease Rent Projections

Near market lease terms were used in the alternative occupancy scenarios and summarized as follows:

Building	\$20 PSF TI Allowance*	\$30 PSF TI Allowance**	\$45 PSF TI Allowance***
600 B Street (Expires 2013)	\$2.60	\$2.74	N/A
Civic Center Plaza (Expires 2014)	\$2.60	\$2.74	\$2.85
Executive Complex (Expires 2014)	\$2.60	\$2.74	\$2.85

*Refer to Table 3-A for detailed calculation. **Refer to Table 3-B for detailed calculation. ***Refer to Table 3-C for detailed calculation.

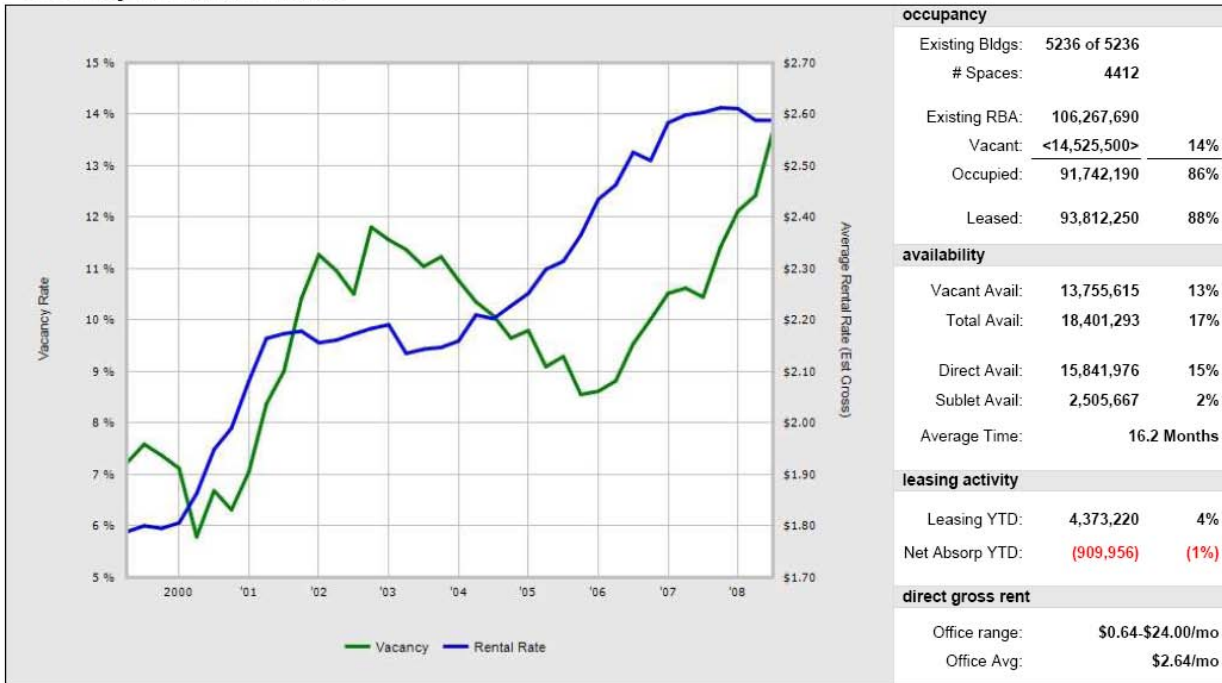
Assumptions for the above estimated rates are as follows:

- Estimated 2008 market rents for comparable office product based on a \$20, \$30 or \$45 per square foot tenant improvement allowance were \$2.28, \$2.39 and \$2.53, respectively. To arrive at these rates, the effective rates of comparable lease transactions were calculated and then normalized to account for each specific scenario by amortizing the specific tenant improvement allowance using a 9% interest over a 10 year term. Tables 3-A-C provide the detailed calculation of these rates and Table 3-D outlines the detailed terms of the comparable lease transactions used in these analyses.
- 2008 downtown market rates were discounted by 5% for the Executive Complex and Civic Center Plaza because they are lesser quality properties than comparable properties used in the analysis.
- The 2008 rent estimate for each scenario was increased in accordance with the Staubach/Wharton regression analysis estimated current rents will remain flat for the remainder of 2008, decrease ½% in 2009 and start increasing by 4% each year thereafter.
- The 2013 and 2014 starting rents were assumed to escalate 2.5% annually. This is less than the average increases for comparable leases which ranged 3% to 4%.
- In the years 2013 and 2014 additional discounts were applied to the starting rental rates due to the size of the leases and resultant purchasing power of the City.
- Assumed City employees to pay for own parking directly and therefore no parking charges were added to these cost analyses.

Historical Vacancy & Rental Rates

San Diego County Office Historical Vacancy & Rental Rates - All SD '99-'08

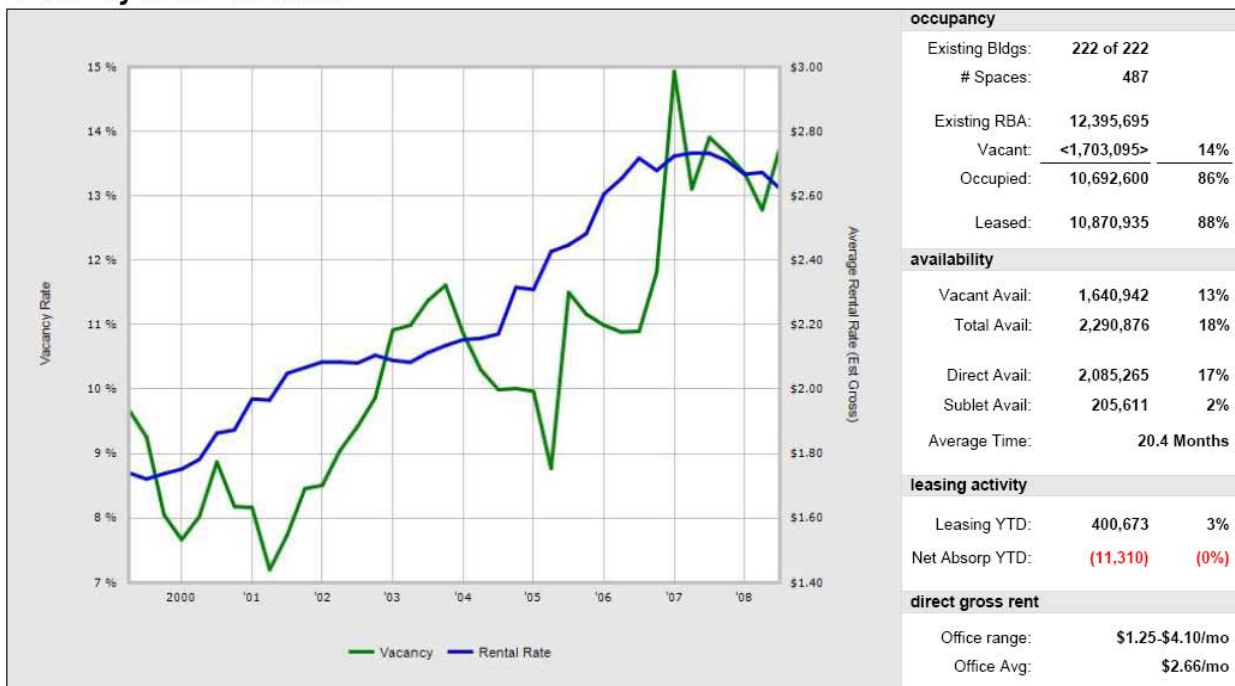
Vacancy & Rental Rates



Source: CoStar

Downtown Office - All Classes Downtown Historical Vacancy & Rental Rates '99-'08

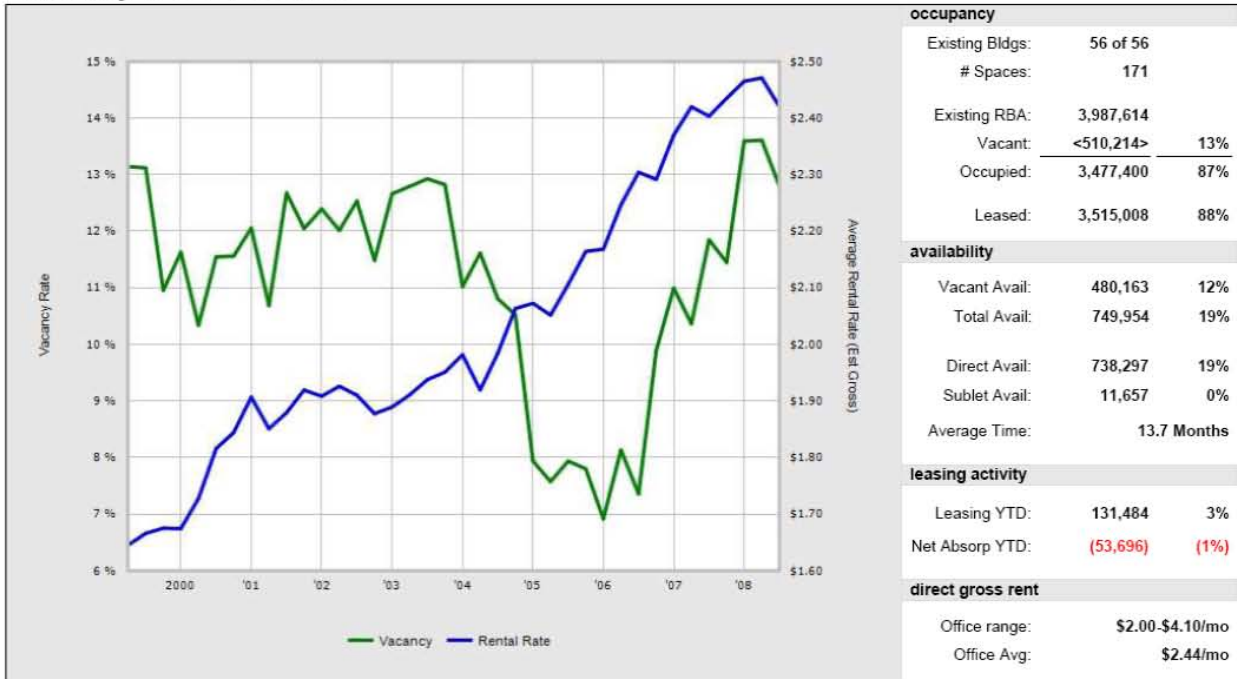
Vacancy & Rental Rates



Source: CoStar

Downtown Office - Class B
Downtown Historical Class B Vacancy & Rent 99-08

Vacancy & Rental Rates



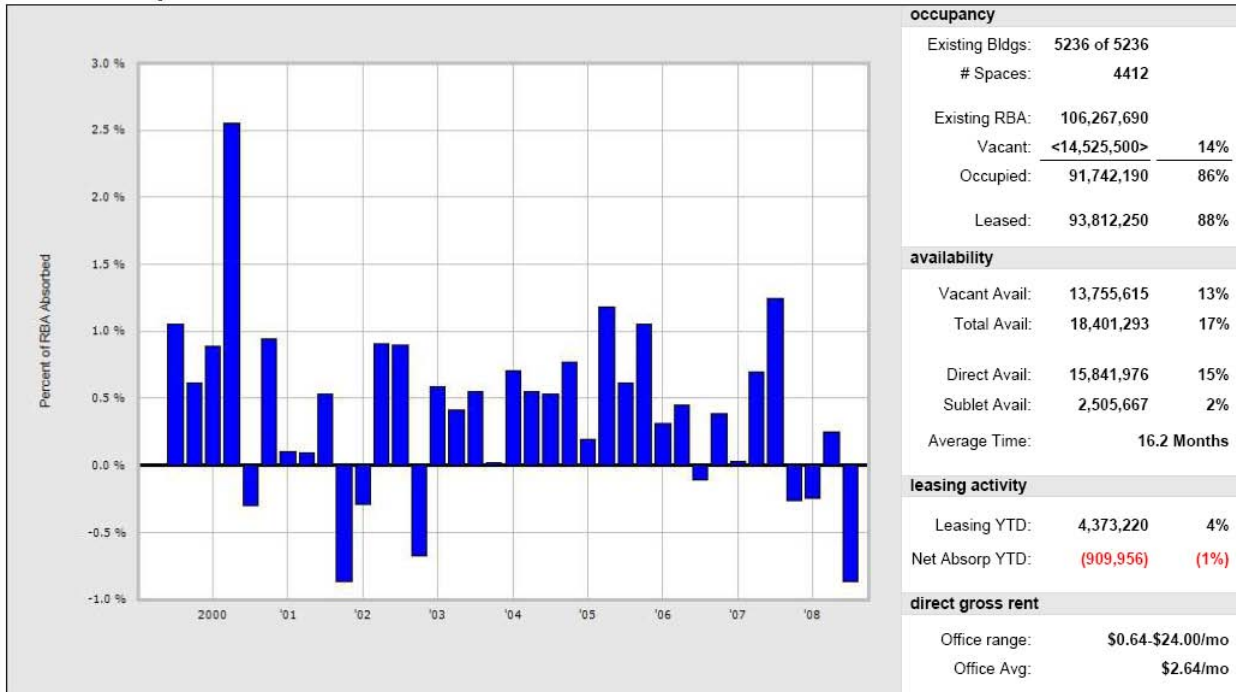
occupancy			
Existing Bldgs:	56 of 56		
# Spaces:	171		
Existing RBA:	3,987,614		
Vacant:	<510,214>	13%	
Occupied:	3,477,400	87%	
Leased:	3,515,008	88%	
availability			
Vacant Avail:	480,163	12%	
Total Avail:	749,954	19%	
Direct Avail:	738,297	19%	
Sublet Avail:	11,657	0%	
Average Time:	13.7 Months		
leasing activity			
Leasing YTD:	131,484	3%	
Net Absorp YTD:	(53,696)	(1%)	
direct gross rent			
Office range:	\$2.00-\$4.10/mo		
Office Avg:	\$2.44/mo		

Source: CoStar

Historical Net Absorption

San Diego County Office Historical Net Absorption - All SD '99-'08

Net Absorption Rates

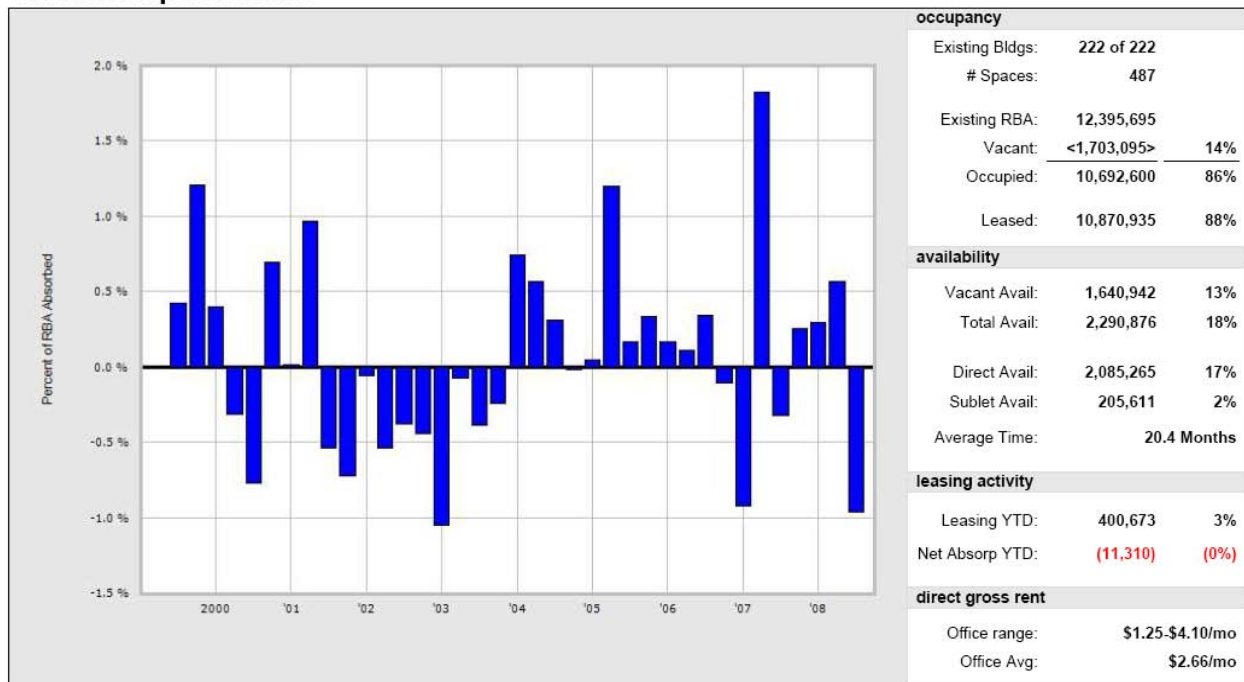


Source: CoStar

Downtown Office - All Classes

Downtown Historical Net Absorption '99-'08

Net Absorption Rates

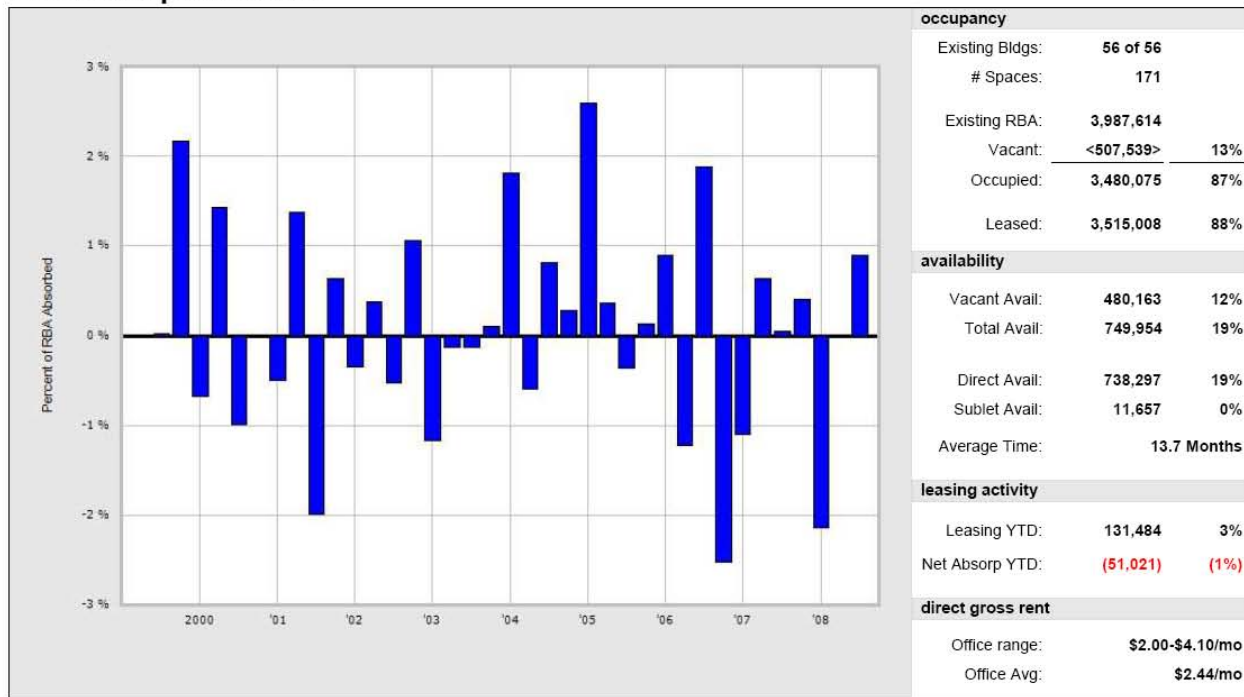


Source: CoStar

Downtown Office – Class B

Downtown Historical Class B Net Absorption '99-'08

Net Absorption Rates



occupancy			
Existing Bldgs:	56 of 56		
# Spaces:	171		
Existing RBA:	3,987,614		
Vacant:	<507,539>	13%	
Occupied:	3,480,075	87%	
Leased:	3,515,008	88%	
availability			
Vacant Avail:	480,163	12%	
Total Avail:	749,954	19%	
Direct Avail:	738,297	19%	
Sublet Avail:	11,657	0%	
Average Time:	13.7 Months		
leasing activity			
Leasing YTD:	131,484	3%	
Net Absorp YTD:	(51,021)	(1%)	
direct gross rent			
Office range:	\$2.00-\$4.10/mo		
Office Avg:	\$2.44/mo		

Source: CoStar

Aggregate Historical Vacancy Report: All SD County

Summary totals for existing properties

Period	Properties	RBA	SF Vacant			% Vacant			SF Vacant Available			% Vacant Available			Average Rate		
			Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total
Current	25,930	453,190,103	32,218,269	2,715,374	34,933,643	7.1%	0.6%	7.7%	30,109,622	2,589,522	32,699,144	6.6%	0.6%	7.2%	\$1.26/nnn	\$1.21/nnn	\$1.25/nnn
2008 2Q	25,792	451,452,327	30,152,618	2,259,603	32,412,221	6.7%	0.5%	7.2%	28,027,803	2,007,148	30,034,951	6.2%	0.4%	6.7%	\$1.25/nnn	\$1.25/nnn	\$1.25/nnn
2008 1Q	25,766	450,642,425	29,880,640	2,556,316	32,436,956	6.6%	0.6%	7.2%	27,521,721	2,252,962	29,774,683	6.1%	0.5%	6.6%	\$1.24/nnn	\$1.25/nnn	\$1.24/nnn
2007 4Q	25,709	449,835,159	28,245,657	2,056,899	30,302,556	6.3%	0.5%	6.7%	25,997,499	1,919,136	27,916,635	5.8%	0.4%	6.2%	\$1.22/nnn	\$1.22/nnn	\$1.22/nnn
2007 3Q	25,577	447,698,293	26,978,749	2,248,641	29,227,390	6.0%	0.5%	6.5%	23,373,010	1,899,859	25,272,869	5.2%	0.4%	5.6%	\$1.20/nnn	\$1.20/nnn	\$1.20/nnn
2007 2Q	25,507	445,954,334	26,315,572	2,421,570	28,737,142	5.9%	0.5%	6.4%	23,416,626	2,026,207	25,442,833	5.3%	0.5%	5.7%	\$1.18/nnn	\$1.20/nnn	\$1.18/nnn
2007 1Q	25,464	444,332,391	25,829,445	2,846,491	28,675,936	5.8%	0.6%	6.5%	22,997,262	2,165,496	25,162,758	5.2%	0.5%	5.7%	\$1.18/nnn	\$1.18/nnn	\$1.18/nnn
2006 4Q	25,416	443,505,408	26,286,968	2,694,597	28,981,565	5.9%	0.6%	6.5%	23,018,943	2,426,857	25,445,800	5.2%	0.5%	5.7%	\$1.17/nnn	\$1.13/nnn	\$1.17/nnn
2006 3Q	25,331	440,533,064	25,068,523	2,715,538	27,784,061	5.7%	0.6%	6.3%	22,154,043	2,433,160	24,587,203	5.0%	0.6%	5.6%	\$1.15/nnn	\$1.12/nnn	\$1.15/nnn
2006 2Q	25,261	438,952,362	24,736,901	2,559,637	27,296,538	5.6%	0.6%	6.2%	22,234,530	2,215,810	24,450,340	5.1%	0.5%	5.6%	\$1.12/nnn	\$1.12/nnn	\$1.12/nnn
2006 1Q	25,199	437,159,751	24,882,502	2,380,484	27,262,986	5.7%	0.5%	6.2%	22,190,573	2,065,967	24,256,540	5.1%	0.5%	5.5%	\$1.10/nnn	\$1.04/nnn	\$1.10/nnn
2005 4Q	25,149	435,213,874	24,388,350	2,281,695	26,670,045	5.6%	0.5%	6.1%	21,889,634	2,128,000	24,017,634	5.0%	0.5%	5.5%	\$1.08/nnn	\$0.98/nnn	\$1.07/nnn
2005 3Q	25,119	434,092,378	25,203,076	2,431,550	27,634,626	5.8%	0.6%	6.4%	21,990,635	2,041,828	24,032,463	5.1%	0.5%	5.5%	\$1.06/nnn	\$0.88/nnn	\$1.04/nnn
2005 2Q	25,084	432,529,227	24,793,444	2,272,006	27,065,450	5.7%	0.5%	6.3%	21,677,779	1,788,983	23,466,762	5.0%	0.4%	5.4%	\$1.04/nnn	\$0.92/nnn	\$1.03/nnn
2005 1Q	25,059	431,625,472	25,677,617	2,407,335	28,084,952	5.9%	0.6%	6.5%	22,137,704	2,007,560	24,145,264	5.1%	0.5%	5.6%	\$1.07/nnn	\$0.95/nnn	\$1.06/nnn
2004 4Q	25,009	429,294,843	24,873,646	2,740,196	27,613,842	5.8%	0.6%	6.4%	21,891,404	2,454,731	24,346,135	5.1%	0.6%	5.7%	\$1.02/nnn	\$0.96/nnn	\$1.01/nnn
2004 3Q	24,971	428,130,044	26,052,524	3,155,450	29,207,974	6.1%	0.7%	6.8%	22,070,436	2,900,939	24,971,375	5.2%	0.7%	5.8%	\$0.97/nnn	\$0.85/nnn	\$0.95/nnn
2004 2Q	24,940	427,141,040	25,888,238	3,080,619	28,968,857	6.1%	0.7%	6.8%	22,666,404	2,716,545	25,382,949	5.3%	0.6%	5.9%	\$0.97/nnn	\$0.96/nnn	\$0.97/nnn
2004 1Q	24,923	426,066,468	26,795,947	3,007,804	29,803,751	6.3%	0.7%	7.0%	23,045,666	2,776,723	25,822,389	5.4%	0.7%	6.1%	\$0.96/nnn	\$0.90/nnn	\$0.95/nnn
2003 4Q	24,885	424,540,426	26,009,964	3,644,070	29,654,034	6.1%	0.9%	7.0%	23,246,041	3,376,122	26,622,163	5.5%	0.8%	6.3%	\$0.95/nnn	\$0.89/nnn	\$0.94/nnn
2003 3Q	24,860	423,789,188	25,883,953	3,227,548	29,111,501	6.1%	0.8%	6.9%	23,647,693	3,330,904	26,978,597	5.6%	0.8%	6.4%	\$1.00/nnn	\$0.89/nnn	\$0.98/nnn
2003 2Q	24,846	422,862,118	25,959,905	2,870,145	28,830,050	6.1%	0.7%	6.8%	23,639,352	2,930,425	26,569,777	5.6%	0.7%	6.3%	\$1.02/nnn	\$0.88/nnn	\$0.99/nnn
2003 1Q	24,819	422,085,960	25,391,546	3,122,800	28,514,346	6.0%	0.7%	6.8%	22,850,633	2,054,437	24,905,070	5.4%	0.5%	5.9%	\$0.74/nnn	\$0.82/nnn	\$0.76/nnn
2002 4Q	24,804	420,060,524	25,830,353	3,887,078	29,717,431	6.1%	0.9%	7.1%	22,630,805	3,598,531	26,229,336	5.4%	0.9%	6.2%	\$0.75/nnn	\$0.79/nnn	\$0.76/nnn
2002 3Q	24,774	418,543,583	23,413,889	4,362,266	27,776,155	5.6%	1.0%	6.6%	21,433,972	4,109,962	25,543,934	5.1%	1.0%	6.1%	\$0.77/nnn	\$0.72/nnn	\$0.76/nnn
2002 2Q	24,739	417,341,729	23,412,277	5,038,963	28,451,240	5.6%	1.2%	6.8%	21,587,625	4,601,031	26,188,656	5.2%	1.1%	6.3%	\$0.75/nnn	\$0.73/nnn	\$0.75/nnn
2002 1Q	24,725	415,978,765	24,036,826	4,655,716	28,692,542	5.8%	1.1%	6.9%	21,032,963	4,311,070	25,344,033	5.1%	1.0%	6.1%	\$0.76/nnn	\$0.76/nnn	\$0.76/nnn
2001 4Q	24,702	415,310,583	22,372,461	4,635,750	27,008,211	5.4%	1.1%	6.5%	20,111,536	4,445,188	24,556,724	4.8%	1.1%	5.9%	\$0.74/nnn	\$0.76/nnn	\$0.74/nnn
2001 3Q	24,657	413,903,434	20,880,073	4,253,749	25,133,822	5.0%	1.0%	6.1%	19,037,250	4,089,271	23,126,521	4.6%	1.0%	5.6%	\$0.74/nnn	\$0.76/nnn	\$0.74/nnn
2001 2Q	24,608	411,532,459	20,074,904	3,856,964	23,931,868	4.9%	0.9%	5.8%	17,554,837	3,773,574	21,328,411	4.3%	0.9%	5.2%	\$0.68/nnn	\$0.75/nnn	\$0.70/nnn
2001 1Q	24,576	409,518,523	19,082,928	3,375,587	22,458,515	4.7%	0.8%	5.5%	16,619,830	3,204,095	19,823,925	4.1%	0.8%	4.8%	\$0.68/nnn	\$0.75/nnn	\$0.69/nnn
2000 4Q	24,513	407,072,423	19,013,655	2,563,354	21,577,009	4.7%	0.6%	5.3%	16,433,079	2,423,414	18,856,493	4.0%	0.6%	4.6%	\$0.68/nnn	\$0.73/nnn	\$0.69/nnn
2000 3Q	24,478	405,823,204	20,152,632	3,011,084	23,163,716	5.0%	0.7%	5.7%	16,493,579	2,529,706	19,023,285	4.1%	0.6%	4.7%	\$0.67/nnn	\$0.61/nnn	\$0.66/nnn
2000 2Q	24,439	404,372,122	17,663,267	2,021,542	19,684,809	4.4%	0.5%	4.9%	17,495,679	2,021,833	19,517,512	4.3%	0.5%	4.8%	\$0.66/nnn	\$0.68/nnn	\$0.66/nnn
2000 1Q	24,399	402,409,587	20,127,256	1,862,570	21,989,826	5.0%	0.5%	5.5%	20,033,227	1,862,570	21,895,797	5.0%	0.5%	5.4%	\$0.67/nnn	\$0.65/nnn	\$0.67/nnn
1999 4Q	24,299	398,969,178	21,363,717	1,794,132	23,157,849	5.4%	0.4%	5.8%	21,343,153	1,794,132	23,137,285	5.3%	0.4%	5.8%	\$0.65/nnn	\$0.68/nnn	\$0.65/nnn
1999 3Q	24,251	397,235,415	21,609,147	1,955,638	23,564,785	5.4%	0.5%	5.9%	21,400,056	1,952,800	23,352,856	5.4%	0.5%	5.9%	\$0.62/nnn	\$0.66/nnn	\$0.63/nnn
1999 2Q	24,188	393,568,088	18,405,932	1,883,837	20,289,769	4.7%	0.5%	5.2%	18,387,961	1,883,837	20,271,798	4.7%	0.5%	5.2%	\$0.58/nnn	\$0.73/nnn	\$0.60/nnn

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Aggregate Historical Vacancy Report: Downtown

Summary totals for existing properties

Period	Properties	RBA	SF Vacant			% Vacant			SF Vacant Available			% Vacant Available			Average Rate		
			Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total
Current	827	20,413,005	2,046,376	142,284	2,188,660	10.0%	0.7%	10.7%	1,926,031	142,284	2,068,315	9.4%	0.7%	10.1%	\$2.02/nnn	\$3.15/nnn	\$2.06/nnn
2008 2Q	829	20,467,452	2,067,313	74,634	2,141,947	10.1%	0.4%	10.5%	1,895,492	65,482	1,960,974	9.3%	0.3%	9.6%	\$2.04/nnn	\$3.50/nnn	\$2.08/nnn
2008 1Q	830	20,481,452	2,185,685	104,245	2,289,930	10.7%	0.5%	11.2%	2,097,144	99,745	2,196,889	10.2%	0.5%	10.7%	\$2.09/nnn	\$3.50/nnn	\$2.12/nnn
2007 4Q	826	20,421,682	2,139,087	95,953	2,235,040	10.5%	0.5%	10.9%	1,956,575	95,953	2,052,528	9.6%	0.5%	10.1%	\$2.04/nnn	\$3.50/nnn	\$2.08/nnn
2007 3Q	826	20,421,883	2,183,014	100,189	2,283,203	10.7%	0.5%	11.2%	1,933,374	100,189	2,033,563	9.5%	0.5%	10.0%	\$1.96/nnn	\$3.50/nnn	\$2.00/nnn
2007 2Q	822	20,321,321	1,991,953	98,828	2,090,781	9.8%	0.5%	10.3%	1,791,491	98,828	1,890,319	8.8%	0.5%	9.3%	\$1.85/nnn	-	\$1.85/nnn
2007 1Q	820	20,305,042	2,206,138	101,640	2,307,778	10.9%	0.5%	11.4%	1,962,813	52,495	2,015,308	9.7%	0.3%	9.9%	\$1.81/nnn	-	\$1.81/nnn
2006 4Q	822	20,022,376	1,821,070	126,515	1,947,585	9.1%	0.6%	9.7%	1,770,943	122,365	1,893,308	8.8%	0.6%	9.5%	\$1.81/nnn	\$4.00/nnn	\$1.82/nnn
2006 3Q	820	19,892,571	1,649,825	92,308	1,742,133	8.3%	0.5%	8.8%	1,491,864	92,308	1,584,172	7.5%	0.5%	8.0%	\$1.94/nnn	\$4.00/nnn	\$1.94/nnn
2006 2Q	818	19,907,012	1,729,920	85,526	1,815,446	8.7%	0.4%	9.1%	1,523,211	73,654	1,596,865	7.7%	0.4%	8.0%	\$1.84/nnn	\$4.00/nnn	\$1.84/nnn
2006 1Q	818	19,937,012	1,621,340	92,459	1,713,799	8.1%	0.5%	8.6%	1,495,466	76,073	1,571,539	7.5%	0.4%	7.9%	\$1.75/nnn	\$4.00/nnn	\$1.76/nnn
2005 4Q	820	20,048,268	1,716,771	156,596	1,873,367	8.6%	0.8%	9.3%	1,489,173	156,596	1,645,769	7.4%	0.8%	8.2%	\$1.91/nnn	-	\$1.91/nnn
2005 3Q	821	20,047,440	1,604,713	109,266	1,713,979	8.0%	0.5%	8.5%	1,493,768	59,977	1,553,745	7.5%	0.3%	7.8%	\$1.89/nnn	-	\$1.89/nnn
2005 2Q	820	19,670,737	1,156,927	96,878	1,253,805	5.9%	0.5%	6.4%	1,008,778	96,878	1,105,656	5.1%	0.5%	5.6%	\$1.58/nnn	-	\$1.58/nnn
2005 1Q	818	19,650,767	1,334,693	112,807	1,447,500	6.8%	0.6%	7.4%	1,124,897	112,807	1,237,704	5.7%	0.6%	6.3%	\$2.77/nnn	-	\$2.77/nnn
2004 4Q	825	19,776,431	1,438,464	75,994	1,514,458	7.3%	0.4%	7.7%	1,152,300	55,048	1,207,348	5.8%	0.3%	6.1%	\$3.03/nnn	-	\$3.03/nnn
2004 3Q	824	19,794,564	1,382,458	67,682	1,450,140	7.0%	0.3%	7.3%	1,144,839	51,669	1,196,508	5.8%	0.3%	6.0%	\$2.76/nnn	-	\$2.76/nnn
2004 2Q	821	19,767,771	1,403,243	67,464	1,470,707	7.1%	0.3%	7.4%	1,206,544	67,464	1,274,008	6.1%	0.3%	6.4%	\$2.52/nnn	-	\$2.52/nnn
2004 1Q	850	19,934,404	1,614,414	110,865	1,725,279	8.1%	0.6%	8.7%	1,221,477	108,332	1,329,809	6.1%	0.5%	6.7%	\$2.02/nnn	-	\$2.02/nnn
2003 4Q	857	19,970,643	1,752,524	95,496	1,848,020	8.8%	0.5%	9.3%	1,341,673	88,003	1,429,676	6.7%	0.4%	7.2%	\$2.11/nnn	\$1.65/nnn	\$2.10/nnn
2003 3Q	865	20,053,068	1,691,272	136,148	1,827,420	8.4%	0.7%	9.1%	1,410,794	128,060	1,538,854	7.0%	0.6%	7.7%	\$2.18/nnn	\$1.65/nnn	\$2.18/nnn
2003 2Q	869	20,120,068	1,625,569	119,065	1,744,634	8.1%	0.6%	8.7%	1,412,348	116,813	1,529,161	7.0%	0.6%	7.6%	\$2.34/nnn	\$1.65/nnn	\$2.34/nnn
2003 1Q	872	20,250,099	1,668,622	105,722	1,774,344	8.2%	0.5%	8.8%	1,381,175	25,329	1,406,504	6.8%	0.1%	6.9%	\$1.43/nnn	-	\$1.43/nnn
2002 4Q	885	20,342,131	1,392,778	100,963	1,493,741	6.8%	0.5%	7.3%	1,254,590	96,394	1,350,984	6.2%	0.5%	6.6%	\$1.73/nnn	-	\$1.73/nnn
2002 3Q	886	20,343,056	1,317,463	97,150	1,414,613	6.5%	0.5%	7.0%	1,205,831	94,726	1,300,557	5.9%	0.5%	6.4%	\$1.68/nnn	-	\$1.68/nnn
2002 2Q	890	20,395,853	1,399,118	67,992	1,467,110	6.9%	0.3%	7.2%	1,210,265	53,528	1,263,793	5.9%	0.3%	6.2%	\$1.77/nnn	-	\$1.77/nnn
2002 1Q	893	20,402,228	1,321,798	45,225	1,367,023	6.5%	0.2%	6.7%	1,232,072	25,924	1,257,996	6.0%	0.1%	6.2%	\$1.48/nnn	-	\$1.48/nnn
2001 4Q	899	20,910,703	1,628,699	94,524	1,723,223	7.8%	0.5%	8.2%	1,064,506	90,161	1,154,667	5.1%	0.4%	5.5%	\$0.78/nnn	-	\$0.78/nnn
2001 3Q	903	20,939,755	1,046,709	114,451	1,161,160	5.0%	0.5%	5.5%	923,667	106,672	1,030,339	4.4%	0.5%	4.9%	\$0.87/nnn	-	\$0.87/nnn
2001 2Q	903	20,939,755	973,564	76,220	1,049,784	4.6%	0.4%	5.0%	901,273	76,220	977,493	4.3%	0.4%	4.7%	\$1.16/nnn	-	\$1.16/nnn
2001 1Q	904	20,942,255	1,020,457	103,266	1,123,723	4.9%	0.5%	5.4%	893,658	90,766	984,424	4.3%	0.4%	4.7%	\$0.97/nnn	-	\$0.97/nnn
2000 4Q	901	20,925,163	995,645	132,868	1,128,513	4.8%	0.6%	5.4%	872,209	124,849	997,058	4.2%	0.6%	4.8%	\$0.87/nnn	-	\$0.87/nnn
2000 3Q	902	21,005,163	1,141,492	185,729	1,327,221	5.4%	0.9%	6.3%	963,889	152,014	1,115,903	4.6%	0.7%	5.3%	\$0.87/nnn	-	\$0.87/nnn
2000 2Q	904	21,132,003	1,134,493	69,366	1,203,859	5.4%	0.3%	5.7%	995,790	69,366	1,065,156	4.7%	0.3%	5.0%	\$0.87/nnn	-	\$0.87/nnn
2000 1Q	903	21,102,869	986,023	33,450	1,019,473	4.7%	0.2%	4.8%	953,642	33,450	987,092	4.5%	0.2%	4.7%	\$0.87/nnn	-	\$0.87/nnn
1999 4Q	899	21,022,100	1,003,399	39,794	1,043,193	4.8%	0.2%	5.0%	996,655	39,794	1,036,449	4.7%	0.2%	4.9%	-	-	-
1999 3Q	899	21,104,622	1,241,322	28,482	1,269,804	5.9%	0.1%	6.0%	1,135,722	28,482	1,164,204	5.4%	0.1%	5.5%	-	-	-
1999 2Q	899	21,104,622	1,275,157	45,496	1,320,653	6.0%	0.2%	6.3%	1,275,157	45,496	1,320,653	6.0%	0.2%	6.3%	-	-	-

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Aggregate Historical Vacancy Report: DT, Class B

Summary totals for existing properties

Period	Properties	RBA	SF Vacant			% Vacant			SF Vacant Available			% Vacant Available			Average Rate		
			Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total
Current	827	20,413,005	2,046,376	142,284	2,188,660	10.0%	0.7%	10.7%	1,926,031	142,284	2,068,315	9.4%	0.7%	10.1%	\$1.99/nnn	\$3.15/nnn	\$2.04/nnn
2008 2Q	826	20,404,468	2,004,329	74,634	2,078,963	9.8%	0.4%	10.2%	1,895,492	65,482	1,960,974	9.3%	0.3%	9.6%	\$2.02/nnn	\$3.50/nnn	\$2.06/nnn
2008 1Q	826	20,404,468	2,171,685	104,245	2,275,930	10.6%	0.5%	11.2%	2,097,144	99,745	2,196,889	10.3%	0.5%	10.8%	\$2.06/nnn	\$3.50/nnn	\$2.10/nnn
2007 4Q	822	20,344,698	2,139,087	95,953	2,235,040	10.5%	0.5%	11.0%	1,956,575	95,953	2,052,528	9.6%	0.5%	10.1%	\$2.02/nnn	\$3.50/nnn	\$2.05/nnn
2007 3Q	821	20,340,399	2,178,514	100,189	2,278,703	10.7%	0.5%	11.2%	1,933,374	100,189	2,033,563	9.5%	0.5%	10.0%	\$1.93/nnn	\$3.50/nnn	\$1.97/nnn
2007 2Q	817	20,239,837	1,991,953	98,828	2,090,781	9.8%	0.5%	10.3%	1,791,491	98,828	1,890,319	8.9%	0.5%	9.3%	\$1.81/nnn	-	\$1.81/nnn
2007 1Q	815	20,223,558	2,206,138	101,640	2,307,778	10.9%	0.5%	11.4%	1,962,813	52,495	2,015,308	9.7%	0.3%	10.0%	\$1.76/nnn	-	\$1.76/nnn
2006 4Q	814	19,916,808	1,796,986	126,515	1,923,501	9.0%	0.6%	9.7%	1,770,443	122,365	1,892,808	8.9%	0.6%	9.5%	\$1.77/nnn	\$4.00/nnn	\$1.77/nnn
2006 3Q	811	19,782,003	1,643,725	92,308	1,736,033	8.3%	0.5%	8.8%	1,490,764	92,308	1,583,072	7.5%	0.5%	8.0%	\$1.90/nnn	\$4.00/nnn	\$1.91/nnn
2006 2Q	808	19,704,963	1,637,239	85,526	1,722,765	8.3%	0.4%	8.7%	1,522,011	73,654	1,595,665	7.7%	0.4%	8.1%	\$1.79/nnn	\$4.00/nnn	\$1.80/nnn
2006 1Q	807	19,699,963	1,584,940	92,459	1,677,399	8.0%	0.5%	8.5%	1,494,066	76,073	1,570,139	7.6%	0.4%	8.0%	\$1.70/nnn	\$4.00/nnn	\$1.71/nnn
2005 4Q	806	19,698,169	1,596,502	156,596	1,753,098	8.1%	0.8%	8.9%	1,487,673	156,596	1,644,269	7.6%	0.8%	8.3%	\$1.87/nnn	-	\$1.87/nnn
2005 3Q	804	19,680,169	1,586,541	109,266	1,695,807	8.1%	0.6%	8.6%	1,492,768	59,977	1,552,745	7.6%	0.3%	7.9%	\$1.84/nnn	-	\$1.84/nnn
2005 2Q	803	19,303,466	1,154,627	96,878	1,251,505	6.0%	0.5%	6.5%	1,006,478	96,878	1,103,356	5.2%	0.5%	5.7%	\$1.58/nnn	-	\$1.58/nnn
2005 1Q	799	19,247,496	1,292,976	112,807	1,405,783	6.7%	0.6%	7.3%	1,119,180	112,807	1,231,987	5.8%	0.6%	6.4%	\$2.77/nnn	-	\$2.77/nnn
2004 4Q	799	19,247,496	1,307,283	75,994	1,383,277	6.8%	0.4%	7.2%	1,146,783	55,048	1,201,831	6.0%	0.3%	6.2%	\$3.03/nnn	-	\$3.03/nnn
2004 3Q	797	19,201,629	1,313,141	67,682	1,380,823	6.8%	0.4%	7.2%	1,139,522	51,669	1,191,191	5.9%	0.3%	6.2%	\$2.76/nnn	-	\$2.76/nnn
2004 2Q	794	19,174,836	1,398,226	67,464	1,465,690	7.3%	0.4%	7.6%	1,201,527	67,464	1,268,991	6.3%	0.4%	6.6%	\$2.52/nnn	-	\$2.52/nnn
2004 1Q	794	19,174,836	1,442,464	110,865	1,553,329	7.5%	0.6%	8.1%	1,216,160	108,332	1,324,492	6.3%	0.6%	6.9%	\$2.02/nnn	-	\$2.02/nnn
2003 4Q	791	19,059,712	1,590,644	95,496	1,686,140	8.3%	0.5%	8.8%	1,331,156	88,003	1,419,159	7.0%	0.5%	7.4%	\$2.11/nnn	\$1.65/nnn	\$2.10/nnn
2003 3Q	789	19,050,437	1,588,855	136,148	1,725,003	8.3%	0.7%	9.1%	1,400,077	128,060	1,528,137	7.3%	0.7%	8.0%	\$2.18/nnn	\$1.65/nnn	\$2.18/nnn
2003 2Q	789	19,050,437	1,553,152	119,065	1,672,217	8.2%	0.6%	8.8%	1,406,931	116,813	1,523,744	7.4%	0.6%	8.0%	\$2.34/nnn	\$1.65/nnn	\$2.34/nnn
2003 1Q	786	19,031,668	1,457,802	105,722	1,563,524	7.7%	0.6%	8.2%	1,319,155	25,329	1,344,484	6.9%	0.1%	7.1%	\$1.43/nnn	-	\$1.43/nnn
2002 4Q	785	19,020,932	1,277,953	100,963	1,378,916	6.7%	0.5%	7.2%	1,242,533	96,394	1,338,927	6.5%	0.5%	7.0%	\$1.80/nnn	-	\$1.80/nnn
2002 3Q	784	19,008,532	1,288,659	96,472	1,385,131	6.8%	0.5%	7.3%	1,190,394	94,006	1,284,400	6.3%	0.5%	6.8%	\$1.73/nnn	-	\$1.73/nnn
2002 2Q	784	19,008,532	1,334,304	67,992	1,402,296	7.0%	0.4%	7.4%	1,198,248	53,528	1,251,776	6.3%	0.3%	6.6%	\$1.77/nnn	-	\$1.77/nnn
2002 1Q	782	18,969,932	1,260,706	45,225	1,305,931	6.6%	0.2%	6.9%	1,215,955	25,924	1,241,879	6.4%	0.1%	6.5%	\$1.48/nnn	-	\$1.48/nnn
2001 4Q	781	18,965,932	1,101,307	94,524	1,195,831	5.8%	0.5%	6.3%	1,049,589	90,161	1,139,750	5.5%	0.5%	6.0%	\$0.78/nnn	-	\$0.78/nnn
2001 3Q	780	18,956,932	988,554	114,451	1,103,005	5.2%	0.6%	5.8%	907,050	106,672	1,013,722	4.8%	0.6%	5.3%	\$0.87/nnn	-	\$0.87/nnn
2001 2Q	780	18,956,932	953,261	76,220	1,029,481	5.0%	0.4%	5.4%	880,970	76,220	957,190	4.6%	0.4%	5.0%	\$1.16/nnn	-	\$1.16/nnn
2001 1Q	780	18,956,932	992,426	103,266	1,095,692	5.2%	0.5%	5.8%	868,127	90,766	958,893	4.6%	0.5%	5.1%	\$0.97/nnn	-	\$0.97/nnn
2000 4Q	777	18,939,840	986,528	132,868	1,119,396	5.2%	0.7%	5.9%	863,092	124,849	987,941	4.6%	0.7%	5.2%	\$0.87/nnn	-	\$0.87/nnn
2000 3Q	777	18,939,840	1,051,675	185,729	1,237,404	5.6%	1.0%	6.5%	954,072	152,014	1,106,086	5.0%	0.8%	5.8%	\$0.87/nnn	-	\$0.87/nnn
2000 2Q	776	18,930,140	991,461	68,941	1,060,402	5.2%	0.4%	5.6%	989,298	68,941	1,058,239	5.2%	0.4%	5.6%	\$0.87/nnn	-	\$0.87/nnn
2000 1Q	774	18,870,788	950,388	33,450	983,838	5.0%	0.2%	5.2%	948,225	33,450	981,675	5.0%	0.2%	5.2%	\$0.87/nnn	-	\$0.87/nnn
1999 4Q	769	18,783,275	991,238	39,794	1,031,032	5.3%	0.2%	5.5%	991,238	39,794	1,031,032	5.3%	0.2%	5.5%	-	-	-
1999 3Q	768	18,760,197	1,130,005	28,482	1,158,487	6.0%	0.2%	6.2%	1,130,005	28,482	1,158,487	6.0%	0.2%	6.2%	-	-	-
1999 2Q	768	18,760,197	1,171,740	45,496	1,217,236	6.2%	0.2%	6.5%	1,171,740	45,496	1,217,236	6.2%	0.2%	6.5%	-	-	-

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Aggregate Absorption Report: Downtown San Diego

Summary totals for existing properties

Quarter	Existing Inventory		Delivered Inventory		Tot. Occupied SF	Leasing Activity			Net Absorption			Gross Absorption			Average Rate		
	# of Bldgs	RBA	# of Bldgs	RBA		Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total
Current	222	12,395,695	0	0	10,700,166	109,982	10,251	120,233	(67,841)	(43,220)	(111,061)	206,524	30,344	236,868	\$2.66/fs	\$2.08/fs	\$2.62/fs
2008 2Q	222	12,395,695	0	0	10,811,227	150,455	31,114	181,569	58,840	11,384	70,224	188,703	29,502	218,205	\$2.70/fs	\$2.14/fs	\$2.67/fs
2008 1Q	222	12,395,695	0	0	10,741,003	90,523	8,348	98,871	41,213	(4,120)	37,093	285,474	39,002	324,476	\$2.71/fs	\$2.10/fs	\$2.67/fs
2007 4Q	222	12,395,695	0	0	10,703,910	153,663	27,117	180,780	27,505	4,236	31,741	206,127	33,441	239,568	\$2.74/fs	\$2.36/fs	\$2.71/fs
2007 3Q	222	12,395,695	1	68,516	10,672,169	174,592	10,624	185,216	(47,906)	8,453	(39,453)	221,132	60,934	282,066	\$2.76/fs	\$2.39/fs	\$2.73/fs
2007 2Q	221	12,327,179	0	0	10,711,622	267,435	18,056	285,491	219,635	4,998	224,633	347,601	58,256	405,857	\$2.77/fs	\$2.27/fs	\$2.73/fs
2007 1Q	221	12,327,179	1	306,750	10,486,989	202,481	49,145	251,626	(118,394)	4,570	(113,824)	194,595	18,413	213,008	\$2.76/fs	\$2.20/fs	\$2.72/fs
2006 4Q	220	12,020,429	1	109,389	10,600,813	124,280	10,498	134,778	17,242	(29,707)	(12,465)	286,948	6,348	293,296	\$2.71/fs	\$2.18/fs	\$2.68/fs
2006 3Q	219	11,911,040	1	47,040	10,613,278	278,353	0	278,353	54,808	(14,330)	40,478	275,300	26,563	301,863	\$2.75/fs	\$2.17/fs	\$2.72/fs
2006 2Q	218	11,864,000	0	0	10,572,800	383,209	16,827	400,036	(589)	13,439	12,850	218,040	38,752	256,792	\$2.70/fs	\$2.05/fs	\$2.65/fs
2006 1Q	218	11,864,000	0	0	10,559,950	196,765	26,993	223,758	23,098	(2,789)	20,309	212,646	14,912	227,558	\$2.66/fs	\$2.00/fs	\$2.61/fs
2005 4Q	218	11,864,000	0	0	10,539,641	257,234	0	257,234	(2,674)	42,670	39,996	173,643	53,857	227,500	\$2.52/fs	\$1.98/fs	\$2.48/fs
2005 3Q	218	11,864,000	1	376,703	10,499,645	208,831	57,761	266,592	32,108	(12,388)	19,720	407,561	28,302	435,863	\$2.49/fs	\$1.98/fs	\$2.45/fs
2005 2Q	217	11,487,297	0	0	10,479,925	192,371	15,910	208,281	121,363	15,929	137,292	252,666	22,886	275,552	\$2.47/fs	\$1.89/fs	\$2.43/fs
2005 1Q	217	11,487,297	0	0	10,342,633	151,622	600	152,222	41,992	(36,813)	5,179	175,399	23,410	198,809	\$2.35/fs	\$1.89/fs	\$2.31/fs
2004 4Q	217	11,487,297	0	0	10,337,454	438,301	34,834	473,135	6,132	(8,312)	(2,180)	195,850	42,535	238,385	\$2.36/fs	\$1.94/fs	\$2.32/fs
2004 3Q	217	11,487,297	0	0	10,339,634	132,796	17,013	149,809	35,868	(218)	35,650	159,179	20,500	179,679	\$2.21/fs	\$1.89/fs	\$2.17/fs
2004 2Q	217	11,487,297	0	0	10,303,984	328,691	26,454	355,145	21,449	43,401	64,850	332,962	52,747	385,709	\$2.19/fs	\$1.92/fs	\$2.16/fs
2004 1Q	217	11,487,297	0	0	10,239,134	211,737	7,225	218,962	100,944	(15,369)	85,575	208,057	31,156	239,213	\$2.18/fs	\$1.96/fs	\$2.15/fs
2003 4Q	217	11,487,297	0	0	10,153,559	149,047	21,197	170,244	(67,878)	40,652	(27,226)	81,752	46,954	128,706	\$2.16/fs	\$1.99/fs	\$2.13/fs
2003 3Q	217	11,487,297	0	0	10,180,785	286,192	24,314	310,506	(26,915)	(17,083)	(43,998)	148,747	19,463	168,210	\$2.14/fs	\$1.95/fs	\$2.11/fs
2003 2Q	217	11,487,297	0	0	10,224,783	207,558	7,285	214,843	4,695	(13,343)	(8,648)	81,201	4,403	85,604	\$2.10/fs	\$2.00/fs	\$2.08/fs
2003 1Q	217	11,487,297	0	0	10,233,431	167,802	2,102	169,904	(115,845)	(4,759)	(120,604)	115,068	40,553	155,621	\$2.09/fs	\$1.53/fs	\$2.09/fs
2002 4Q	217	11,487,297	0	0	10,354,035	115,600	11,201	126,801	(46,430)	(4,491)	(50,921)	130,932	19,466	150,398	\$2.11/fs	\$1.99/fs	\$2.10/fs
2002 3Q	217	11,487,297	0	0	10,404,956	267,425	9,623	277,048	(13,403)	(29,730)	(43,133)	177,530	38,907	216,437	\$2.09/fs	\$2.01/fs	\$2.08/fs
2002 2Q	217	11,487,297	0	0	10,448,089	335,435	46,487	381,922	(39,153)	(22,767)	(61,920)	104,317	26,515	130,832	\$2.09/fs	\$2.06/fs	\$2.08/fs
2002 1Q	217	11,487,297	0	0	10,510,009	297,828	37,121	334,949	(55,441)	49,299	(6,142)	110,489	67,006	177,495	\$2.09/fs	\$2.00/fs	\$2.08/fs
2001 4Q	217	11,487,297	0	0	10,516,151	164,956	61,227	226,183	(103,509)	21,177	(82,332)	80,338	38,076	118,414	\$2.08/fs	\$1.97/fs	\$2.07/fs
2001 3Q	217	11,487,297	0	0	10,598,483	445,525	80,925	526,450	(23,816)	(38,231)	(62,047)	143,583	15,147	158,730	\$2.07/fs	\$1.92/fs	\$2.05/fs
2001 2Q	217	11,487,297	0	0	10,660,530	357,058	26,719	383,777	83,933	27,046	110,979	195,955	87,236	283,191	\$1.99/fs	\$1.80/fs	\$1.97/fs
2001 1Q	217	11,487,297	0	0	10,549,551	277,643	26,459	304,102	(3,304)	4,928	1,624	187,833	56,284	244,117	\$1.96/fs	\$2.02/fs	\$1.97/fs
2000 4Q	217	11,487,297	0	0	10,547,927	389,484	41,108	430,592	26,647	52,861	79,508	190,119	88,302	278,421	\$1.87/fs	\$1.94/fs	\$1.87/fs
2000 3Q	217	11,487,297	0	0	10,468,419	354,137	11,106	365,243	3,665	(92,114)	(88,449)	259,842	38,753	298,595	\$1.85/fs	\$1.99/fs	\$1.86/fs
2000 2Q	216	11,477,597	0	0	10,556,868	286,316	39,541	325,857	(803)	(35,491)	(36,294)	296,157	3,201	299,358	\$1.78/fs	\$1.78/fs	\$1.78/fs
2000 1Q	215	11,472,245	3	16,402	10,593,162	337,344	6,344	343,688	39,084	6,344	45,428	452,376	6,344	458,720	\$1.75/fs	\$1.79/fs	\$1.75/fs
1999 4Q	214	11,470,895	0	0	10,547,734	302,863	12,869	315,732	149,961	(11,312)	138,649	265,388	26,848	292,236	\$1.74/fs	\$1.78/fs	\$1.74/fs
1999 3Q	214	11,470,895	0	0	10,409,085	296,416	17,544	313,960	31,111	17,014	48,125	277,690	22,496	300,186	\$1.72/fs	\$1.76/fs	\$1.72/fs
1999 2Q	214	11,470,895	0	0	10,360,960	304,354	24,951	329,305	0	0	0	0	0	0	\$1.74/fs	\$1.77/fs	\$1.74/fs

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Aggregate Absorption Report: Downtown Class B Only

Summary totals for existing properties

Quarter	Existing Inventory		Delivered Inventory		Tot. Occupied SF	Leasing Activity			Net Absorption			Gross Absorption			Average Rate		
	# of Bldgs	RBA	# of Bldgs	RBA		Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total	Direct	Sublet	Total
Current	56	3,987,614	0	0	3,480,075	35,790	7,426	43,216	28,727	6,374	35,101	96,683	13,800	110,483	\$2.44/fs	\$2.01/fs	\$2.42/fs
2008 2Q	56	3,987,614	0	0	3,444,974	49,169	18,236	67,405	(14,926)	14,365	(561)	58,231	16,072	74,303	\$2.49/fs	\$2.12/fs	\$2.47/fs
2008 1Q	56	3,987,614	0	0	3,445,535	20,863	0	20,863	(61,853)	(23,708)	(85,561)	42,290	0	42,290	\$2.49/fs	\$2.09/fs	\$2.46/fs
2007 4Q	56	3,987,614	0	0	3,531,096	62,408	1,324	63,732	12,166	3,796	15,962	87,907	3,796	91,703	\$2.44/fs	\$2.30/fs	\$2.44/fs
2007 3Q	56	3,987,614	1	68,516	3,515,134	36,606	0	36,606	(18,850)	21,055	2,205	78,224	21,055	99,279	\$2.43/fs	\$2.14/fs	\$2.40/fs
2007 2Q	55	3,919,098	0	0	3,512,929	65,195	0	65,195	54,176	(29,439)	24,737	104,460	0	104,460	\$2.45/fs	\$2.11/fs	\$2.42/fs
2007 1Q	55	3,919,098	0	0	3,488,192	71,702	0	71,702	(49,919)	6,590	(43,329)	55,572	6,590	62,162	\$2.40/fs	\$2.10/fs	\$2.37/fs
2006 4Q	55	3,919,098	0	0	3,531,521	33,578	0	33,578	(99,294)	0	(99,294)	46,076	0	46,076	\$2.32/fs	\$1.97/fs	\$2.29/fs
2006 3Q	55	3,919,098	1	47,040	3,630,815	43,915	0	43,915	61,893	11,739	73,632	100,623	12,948	113,571	\$2.33/fs	\$1.96/fs	\$2.30/fs
2006 2Q	54	3,872,058	0	0	3,557,183	233,160	877	234,037	(57,959)	10,784	(47,175)	54,571	10,784	65,355	\$2.27/fs	\$2.00/fs	\$2.25/fs
2006 1Q	54	3,872,058	0	0	3,604,358	48,211	3,907	52,118	43,202	(8,884)	34,318	71,361	0	71,361	\$2.18/fs	\$2.05/fs	\$2.17/fs
2005 4Q	54	3,872,058	0	0	3,570,040	74,125	0	74,125	(7,303)	12,552	5,249	47,583	19,420	67,003	\$2.18/fs	\$1.99/fs	\$2.16/fs
2005 3Q	54	3,872,058	0	0	3,564,791	40,960	19,420	60,380	320	(14,322)	(14,002)	96,104	826	96,930	\$2.12/fs	\$2.01/fs	\$2.11/fs
2005 2Q	54	3,872,058	0	0	3,578,793	56,249	5,683	61,932	12,247	1,900	14,147	60,013	5,857	65,870	\$2.06/fs	\$2.02/fs	\$2.05/fs
2005 1Q	54	3,872,058	0	0	3,564,646	62,002	0	62,002	79,932	20,046	99,978	106,414	20,946	127,360	\$2.09/fs	\$1.99/fs	\$2.07/fs
2004 4Q	54	3,872,058	0	0	3,464,668	123,084	27,319	150,403	26,520	(15,493)	11,027	79,784	12,339	92,123	\$2.08/fs	\$2.00/fs	\$2.06/fs
2004 3Q	54	3,872,058	0	0	3,453,641	59,098	5,966	65,064	38,804	(7,595)	31,209	82,423	2,095	84,518	\$2.02/fs	\$1.70/fs	\$1.98/fs
2004 2Q	54	3,872,058	0	0	3,422,432	97,034	300	97,334	(27,153)	4,289	(22,864)	52,464	4,289	56,753	\$1.96/fs	\$1.62/fs	\$1.92/fs
2004 1Q	54	3,872,058	0	0	3,445,296	70,678	1,500	72,178	65,295	4,457	69,752	88,257	11,828	100,085	\$2.00/fs	\$1.77/fs	\$1.98/fs
2003 4Q	54	3,872,058	0	0	3,375,544	58,458	5,500	63,958	(3,630)	7,606	3,976	50,829	7,606	58,435	\$1.96/fs	\$1.81/fs	\$1.95/fs
2003 3Q	54	3,872,058	0	0	3,371,568	77,538	3,519	81,057	(7,388)	2,249	(5,139)	34,789	5,132	39,921	\$1.94/fs	\$1.90/fs	\$1.94/fs
2003 2Q	54	3,872,058	0	0	3,376,707	26,281	4,882	31,163	9,174	(14,325)	(5,151)	26,559	0	26,559	\$1.94/fs	\$1.67/fs	\$1.91/fs
2003 1Q	54	3,872,058	0	0	3,381,858	15,190	375	15,565	(45,924)	375	(45,549)	14,535	375	14,910	\$1.89/fs	\$1.56/fs	\$1.89/fs
2002 4Q	54	3,872,058	0	0	3,427,407	35,262	0	35,262	40,357	315	40,672	74,274	4,119	78,393	\$1.87/fs	\$1.93/fs	\$1.88/fs
2002 3Q	54	3,872,058	0	0	3,386,735	44,113	4,119	48,232	(16,604)	(3,533)	(20,137)	74,405	15,025	89,430	\$1.90/fs	\$1.96/fs	\$1.91/fs
2002 2Q	54	3,872,058	0	0	3,406,872	134,523	15,865	150,388	21,325	(6,588)	14,737	67,430	5,557	72,987	\$1.91/fs	\$2.12/fs	\$1.93/fs
2002 1Q	54	3,872,058	0	0	3,392,135	39,720	11,811	51,531	(28,699)	15,222	(13,477)	37,610	23,865	61,475	\$1.91/fs	\$1.90/fs	\$1.91/fs
2001 4Q	54	3,872,058	0	0	3,405,612	84,090	42,865	126,955	1,549	22,923	24,472	46,634	25,548	72,182	\$1.91/fs	\$2.04/fs	\$1.92/fs
2001 3Q	54	3,872,058	0	0	3,381,140	214,074	9,282	223,356	(74,128)	(2,995)	(77,123)	22,490	7,337	29,827	\$1.87/fs	\$1.92/fs	\$1.88/fs
2001 2Q	54	3,872,058	0	0	3,458,263	159,689	17,219	176,908	77,136	(24,115)	53,021	97,975	20,886	118,861	\$1.84/fs	\$1.93/fs	\$1.85/fs
2001 1Q	54	3,872,058	0	0	3,405,242	89,933	3,667	93,600	(29,170)	9,972	(19,198)	82,084	22,323	104,407	\$1.88/fs	\$2.17/fs	\$1.91/fs
2000 4Q	54	3,872,058	0	0	3,424,440	244,530	4,880	249,410	18,151	(18,678)	(527)	93,251	4,880	98,131	\$1.84/fs	\$2.03/fs	\$1.84/fs
2000 3Q	54	3,872,058	0	0	3,424,967	103,124	0	103,124	(32,977)	(5,231)	(38,208)	134,729	0	134,729	\$1.81/fs	\$2.01/fs	\$1.82/fs
2000 2Q	53	3,862,358	0	0	3,463,175	162,882	4,880	167,762	63,976	(9,260)	54,716	142,378	0	142,378	\$1.72/fs	\$1.89/fs	\$1.73/fs
2000 1Q	52	3,857,006	2	15,052	3,408,459	79,531	0	79,531	(25,993)	0	(25,993)	96,819	0	96,819	\$1.67/fs	-	\$1.67/fs
1999 4Q	52	3,857,006	0	0	3,434,452	115,524	0	115,524	83,404	0	83,404	117,610	14,334	131,944	\$1.67/fs	-	\$1.67/fs
1999 3Q	52	3,857,006	0	0	3,351,048	105,698	14,334	120,032	976	0	976	98,102	0	98,102	\$1.67/fs	-	\$1.67/fs
1999 2Q	52	3,857,006	0	0	3,350,072	69,529	0	69,529	0	0	0	0	0	0	\$1.64/fs	-	\$1.64/fs

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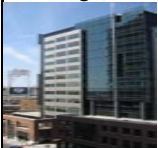
3. RENT PROJECTIONS – TABLE 3-D

Major Lease Transactions

The following table provides a summary of the major lease transactions in 2007 and 2008 in downtown San Diego. Only the transactions highlighted in yellow were selected as lease comparables for the City's downtown occupancy needs.






DOWNTOWN OFFICE LEASE COMPARABLES 2007 - 2008

April 16, 2008

Location and Photo	Building and Space Information			
KOLL CENTER 501 W. Broadway San Diego, CA 92101 	Suite/Floor: Suite 1610 Square Feet: 11,937 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: Cozen O'Connor Landlord Name: The Irvine Company	Rate PSF/Month \$3.07/SF Annual Escalator: 3.5% TI Allowance: \$25.00/SF Term: 60 months Free Rent: None Effective Rent: \$3.29 Commencement Date: 3/01/2007	Comments: Tenant relocated in building and downsized. Parking rate of \$170/unreserved stall/month.	
KOLL CENTER 501 W. Broadway San Diego, CA 92101 	Suite/Floor: 12th Floor Square Feet: 10,155 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: Lawrence E. Freeman Landlord Name: The Irvine Company	Rate PSF/Month \$2.90/SF Annual Escalator: 3.5% TI Allowance: \$10.86/USF Term: 36 months Free Rent: None Effective Rent: \$3.00 Commencement Date: 4/01/2007	Comments: Parking rate of \$180/unreserved stall/month.	
KOLL CENTER 501 W. Broadway San Diego, CA 92101 	Suite/Floor: 19th Floor Square Feet: 41,446 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: Sheppard, Mullin, Richter & Hampton Landlord Name: The Irvine Company	Rate PSF/Month \$3.10/SF Annual Escalator: 3.5% TI Allowance: \$35.00/SF Term: 120 months Free Rent: None Effective Rent: \$3.78 Commencement Date: 3/01/2007	Comments: Lease extension. 1.9/1,000 parking @ \$170/unreserved stall.	
DIAMONDVIEW TOWER 350 10th Street San Diego, CA 92101 	Suite/Floor: 6th Floor Square Feet: 17,382 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: Cox Media, Inc. Landlord Name: Right Field Office Partners (Cisterra)	Rate PSF/Month \$3.00/SF Annual Escalator: 3.0% TI Allowance: \$60.00/SF Term: 120 months Free Rent: None Effective Rent: \$3.28 Commencement Date: 10/01/2007	Comments: Cox expansion. They originally took floors 4 and 5.	
DIAMONDVIEW TOWER 350 10th Street San Diego, CA 92101 	Suite/Floor: 4th & 5th Floors Square Feet: 44,600 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: Cox Communications Landlord Name: Right Field Office Partners (Cisterra)	Rate PSF/Month \$3.00/SF Annual Escalator: 2.0% TI Allowance: \$35.00/SF Term: 120 months Free Rent: None Effective Rent: \$3.23 Commencement Date: 1/01/2007	Comments: Tenant will occupy all of 4th & 5th Floor and receive building-top signage. TT paid partial rent for first 6 months of the lease. TT has one 5-year option to renew.	





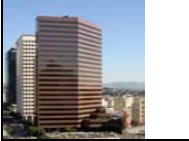
DOWNTOWN OFFICE LEASE COMPARABLES 2007 - 2008

April 16, 2008

Location and Photo	Building and Space Information			
DIAMONDVIEW TOWER 350 10th Street San Diego, CA 92101 	Suite/Floor: Suite 1150 Square Feet: 10,818 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: Investment Placement Group Landlord Name: Right Field Office Partners (Cisterra)	Rate PSF/Month \$3.20/SF Annual Escalator: 2.0% TI Allowance: \$60.00/SF Term: 120 months Free Rent: None Effective Rent: \$3.50 Commencement Date: 07/01/2007	Comments: Tenant relocation from La Jolla	
DIAMONDVIEW TOWER 350 10th Street San Diego, CA 92101 	Suite/Floor: 2nd Floor Square Feet: 37,180 SF Building Type: Office Building Class: A Lease Type NNN Tenant Name: Fit Athletic Club Landlord Name: Right Field Office Partners (Cisterra)	Rate PSF/Month \$2.55/SF Annual Escalator: 2.0% TI Allowance: \$50.00/USF Term: 180 months Free Rent: 2 mos. Effective Rent: \$3.09 Commencement Date: 6/01/2007	Comments: Entire second floor to be used as a health club.	
DIAMONDVIEW TOWER 350 10th Street San Diego, CA 92101 	Suite/Floor: Floors 1, 7, & 8 Square Feet: 28,450 SF Building Type: Office Building Class: A Lease Type NNN Tenant Name: Comerica Bank Landlord Name: Right Field Office Partners (Cisterra)	Rate PSF/Month \$3.39 Annual Escalator: 2.0% TI Allowance: \$45.00/SF Term: 144 months Free Rent: None Effective Rent: \$3.78 Commencement Date: 1/01/2007	Comments: Comerica will occupy all of 7th Floor and a portion of Floor 8 as well as 3,200 SF on the ground floor for a retail bank branch. TT will receive building top signage. ROFR on the remaining 3,750 SF on 8th Floor.	
COLUMBIA CENTER 401 West A Street San Diego, CA 92101 	Suite/Floor: 5th Floor Square Feet: 22,679 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: Sempra Energy Solutions Landlord Name: SENTRE Partners	Rate PSF/Month \$2.50/SF Annual Escalator: 3.0% TI Allowance: \$55.37/USF Term: 86 months Free Rent: 2 mos. Effective Rent: \$2.69 Commencement Date: 12/17/2007	Comments: Tenant moved from Sempra HQ building. TT received TIA plus demolition costs. A portion of the allowance can be applied to rent.	
COLUMBIA CENTER 401 West A Street San Diego, CA 92101 	Suite/Floor: 3rd & 4th Floors Square Feet: 28,629 SF Building Type: Office Building Class: A Lease Type Plus Utilities Tenant Name: SDCERS Landlord Name: SENTRE Partners	Rate PSF/Month \$2.45/SF Annual Escalator: 3.5% TI Allowance: \$65.00/SF Term: 132 months Free Rent: 12 mos. Effective Rent: \$2.69 Commencement Date: 08/01/2007	Comments: TT leased the entire 3rd & 4th Floors. TI's included upgrading HVAC, lighting, etc. to LEED Silver standards.	






DOWNTOWN OFFICE LEASE COMPARABLES 2007 - 2008

April 16, 2008

Location and Photo	Building and Space Information			
COLUMBIA CENTER 401 West A Street San Diego, CA 92101 	Suite/Floor: 7th Floor Square Feet: 9,284 SF Building Type: Office Building Class: A Lease Type: Plus Utilities Tenant Name: Zurich Insurance Landlord Name: SENTRE Partners	Rate PSF/Month: \$2.60/SF Annual Escalator: 3.5% TI Allowance: \$60.00/USF Term: 62 months Free Rent: 2 Mos. Effective Rent: \$2.71 Commencement Date: 2/01/2008	Comments: TI's included upgrading HVAC, lighting, etc. to LEED Silver standards.	
ONE AMERICA PLAZA 600 West Broadway San Diego, CA 92101 	Suite/Floor: N/K Square Feet: 17,496 SF Building Type: Office Building Class: A Lease Type: Full Service Tenant Name: Universal Radio San Diego Landlord Name: The Irvine Company	Rate PSF/Month: \$3.00/SF Annual Escalator: N/K TI Allowance: \$23.00/SF Term: 106 months Free Rent: N/K Effective Rent: N/K Commencement Date: 5/01/2007	Comments:	
ONE AMERICA PLAZA 600 West Broadway San Diego, CA 92101 	Suite/Floor: Floors 22-27 Square Feet: 101,000 SF Building Type: Office Building Class: A Lease Type: Full Service Tenant Name: Luce, Forward, Hamilton & Scripps Landlord Name: The Irvine Company	Rate PSF/Month: \$2.95/SF Annual Escalator: 3.0% TI Allowance: None Term: 60 months Free Rent: None Effective Rent: \$3.13 Commencement Date: 2/07/2007	Comments: An extension on a lease that had 3 years remaining on term; downsized 20% due to LL contributions that allowed the law firm to digitize their law libraries and make more efficient use of their space.	
WELLS FARGO PLAZA 401 B Street San Diego, CA 92101 	Suite/Floor: Suite 2400 Square Feet: 11,528 SF Building Type: Office Building Class: A Lease Type: Full Service Tenant Name: Stephenson Worley Landlord Name: The Irvine Company	Rate PSF/Month: \$2.85/SF Annual Escalator: 3.5% TI Allowance: \$10.11/SF Term: 60 months Free Rent: None Effective Rent: \$3.06 Commencement Date: 7/01/2007	Comments: Lease renewal for law firm specializing in real estate, zoning and planning, etc. Parking rate of \$170/unreserved stall/month.	
WELLS FARGO PLAZA 401 B Street San Diego, CA 92101 	Suite/Floor: Suite 600 Square Feet: 21,830 SF Building Type: Office Building Class: A Lease Type: Full Service Tenant Name: Kimley Horn & Associates Landlord Name: The Irvine Company	Rate PSF/Month: \$2.35/SF Annual Escalator: 3.5% TI Allowance: \$48/usf Term: 60 months Free Rent: None Effective Rent: \$2.52 Commencement Date: 9/01/2008	Comments: Parking at Prevailing market rate. Turnkey TI's estimated at \$48/USF	






DOWNTOWN OFFICE LEASE COMPARABLES 2007 - 2008

April 16, 2008

Location and Photo	Building and Space Information			
WELLS FARGO PLAZA 401 B Street San Diego, CA 92101 	Suite/Floor: Suite 1600 Square Feet: 14,424 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: Tucker Sadler Landlord Name: The Irvine Company	Rate PSF/Month \$2.75/SF Annual Escalator: 3.5% TI Allowance: \$69.00/USF Term: 72 Months Free Rent: None Effective Rent: \$3.00 Commencement Date: 3/01/2008	Comments:	
WELLS FARGO PLAZA 401 B Street San Diego, CA 92101 	Suite/Floor: 4th Floor Square Feet: 22,323 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: CCDC Landlord Name: The Irvine Company	Rate PSF/Month \$2.30/SF Annual Escalator: 3.5% TI Allowance: \$47/RSF Term: 84 Months Free Rent: 2 Mos. Effective Rent: N/K Commencement Date: 7/01/2008	Comments: Base year ending 6/30/2008. Parking: 1.4/1,000 at prevailing market rate. TT released from its obligation on the 11th Floor and Suite 160 at 225 Broadway.	
SYMPHONY TOWERS 750 B Street San Diego, CA 92101 	Suite/Floor: 29th Floor Square Feet: 20,617 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: PricewaterhouseCoopers Landlord Name: The Irvine Company	Rate PSF/Month \$2.98/SF Annual Escalator: 3.0% TI Allowance: \$10.07/USF Term: 36 months Free Rent: None Effective Rent: \$3.07 Commencement Date: 1/01/2008	Comments: Rate is by year. Year 1: \$2.98; Year 2: \$3.07; Year 3: \$3.16. Unreserved parking is \$170.00 reserved parking is \$220.00.	
MERRILL LYNCH TOWER 701 B Street San Diego, CA 92101 	Suite/Floor: Suite 1500 Square Feet: 11,896 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: AXA Equitable Life Ins. Company Landlord Name: Trizec Properties	Rate PSF/Month \$2.70/SF Annual Escalator: 3.0% TI Allowance: \$10.00/USF Term: 72 months Free Rent: 8 mos. Effective Rent: \$2.54 Commencement Date: 9/01/2007	Comments: Base rent abated over first 2 years of Term: Mos. 1-8 (4); Mos. 9-12 (\$27,000); Mos. 13-14 (\$27,800); and Mos. 15-24 (30,580). Early termination rights after 36 months.	
MERRILL LYNCH TOWER 701 B Street San Diego, CA 92101 	Suite/Floor: Suite 1300 Square Feet: 12,693 SF Building Type: Office Building Class: A Lease Type Full Service Tenant Name: Levitz, Zacks & Ciceric Accountants Landlord Name: Trizec Properties	Rate PSF/Month \$2.50/SF Annual Escalator: 3.0% TI Allowance: \$30.00/SF Term: 120 months Free Rent: None Effective Rent: \$2.86 Commencement Date: 7/01/2007	Comments: Lease renewal. ROFO on remaining 13th Floor space. Parking rate: \$180/stall/month. \$10.00 refurbishment TIA available in Year 6 of the Lease.	






DOWNTOWN OFFICE LEASE COMPARABLES 2007 - 2008

April 16, 2008

Location and Photo	Building and Space Information			
MERRILL LYNCH TOWER 701 B Street San Diego, CA 92101 	Suite/Floor: 6th Floor Square Feet: 54,442 SF Building Type: Office Building Class: A Lease Type: Full Service Tenant Name: Alliant Insurance Services Landlord Name: Trizec Properties	Rate PSF/Month: \$2.60/SF Annual Escalator: 3.5% TI Allowance: \$55/SF Term: 85 months Free Rent: 12 mos. Effective Rent: \$2.52 Commencement Date: 1/01/2008	Comments: Tenant took entire 4th & 6th Floors, as well as a portion of the 3rd Floor. 200 parking stalls at \$150/unreserved and \$205/reserved stall, with a cap of 3% increases/year. LL paid an additional \$135,000 in other expenses outside of the transaction to accommodate the TT.	
550 CORPORATE CENTRE 550 West C Street San Diego, CA 92101 	Suite/Floor: 15th Floor Square Feet: 21,466 SF Building Type: Office Building Class: A Lease Type: Full Service Tenant Name: Sullivan Hill Lewin Rez & Engle Landlord Name: 550 Corp. Center Investment Group	Rate PSF/Month: \$2.65/SF Annual Escalator: 3% TI Allowance: \$21.50/SF Term: 60 months Free Rent: None Effective Rent: \$2.81 Commencement Date: 7/01/2007	Comments: Early renewal; \$21.50/SF is refurbishment allowance.	
GOLDEN EAGLE PLAZA 525 B Street San Diego, CA 92101 	Suite/Floor: Suites 100 & 200 Square Feet: 11,959 SF Building Type: Office Building Class: A Lease Type: Full Service Tenant Name: California Bank & Trust Landlord Name: Hines	Rate PSF/Month: \$2.50/SF Annual Escalator: 3.5% TI Allowance: \$15.00/USF Term: 120 months Free Rent: None Effective Rent: \$2.87 Commencement Date: 9/01/2008	Comments: Early downsize and lease renewal.	
GOLDEN EAGLE PLAZA 525 B Street San Diego, CA 92101 	Suite/Floor: Suite 1000 Square Feet: 82,357 SF Building Type: Office Building Class: A Lease Type: Full Service Tenant Name: Liberty Mutual Landlord Name: Hines	Rate PSF/Month: \$2.50/SF Annual Escalator: 3.5% TI Allowance: \$16.00/SF Term: 60 months Free Rent: 1 mo. Effective Rent: \$2.53 Commencement Date: 9/01/2008	Comments: TT downsized and renewed. TT received 1 mo. free rent on the 10th, 11th, 12th, and 16 Floor space. Rent schedule is based on the floor; 8,700 SF is located in the basement and reduced the overall effective rental rate.	
NBC BUILDING 225 Broadway San Diego, CA 92101 	Suite/Floor: Suite 2000 Square Feet: 14,401 SF Building Type: Office Building Class: A Lease Type: Full Service Tenant Name: Bank of America Landlord Name: The Irvine Company	Rate PSF/Month: \$2.30/SF Annual Escalator: 4.0% TI Allowance: \$30.00/SF Term: 131 months Free Rent: None Effective Rent: \$3.19 Commencement Date: 05/01/2007	Comments: Stepped rent year 1=\$2.30; year 2=\$2.62; 4% escalator in years 3-11.	





**DOWNTOWN OFFICE
LEASE COMPARABLES
2007 - 2008**

April 16, 2008

Location and Photo		Building and Space Information			
SBC BUILDING					
101 West Broadway San Diego, CA 92101	Suite/Floor: Suite 1800 Square Feet: 17,652 SF Building Type: Office Building Class: A Lease Type: Full Service	Suite/Floor: Suite 1800 Square Feet: 17,652 SF Building Type: Office Building Class: A Lease Type: Full Service	Rate PSF/Month: \$2.98/SF Annual Escalator: 3.0% TI Allowance: \$40.00/SF Term: 120 months Free Rent: None Effective Rent: \$3.49	Comments: New lease on 10th Floor; TT also occupies space on 2nd & 3rd Floors of building.	Tenant Name: Morgan Stanley & Company Landlord Name: The Irvine Company Commencement Date: 9/1/2007
					
600 B STREET BUILDING					
600 B Street San Diego, CA 92101	Suite/Floor: Suite 1700 Square Feet: 14,584 SF Building Type: Office Building Class: B Lease Type: Full Service	Suite/Floor: Suite 1700 Square Feet: 14,584 SF Building Type: Office Building Class: B Lease Type: Full Service	Rate PSF/Month: \$2.70/SF Annual Escalator: 3.0% TI Allowance: \$25.00/USF Term: 62 months Free Rent: 4 mos. Effective Rent: \$2.70	Comments: Lease renewal. TT received \$25.00/USF TIA, of which \$5.00/USF can go towards free rent. Parking is \$150/stall/month.	Tenant Name: Embassy CES Landlord Name: Legacy Partners Commencement Date: 2/01/2008
					
ESET BUILDING					
610 West Ash Street San Diego, CA 92101	Suite/Floor: Floors 19 & 20 Square Feet: 25,210 SF Building Type: Office Building Class: B Lease Type: Full Service	Suite/Floor: Floors 19 & 20 Square Feet: 25,210 SF Building Type: Office Building Class: B Lease Type: Full Service	Rate PSF/Month: \$2.65/SF Annual Escalator: 3% TI Allowance: \$20.00 Term: 60 months Free Rent: See comments Effective Rent: \$2.81	Comments: Ward Insurance bought out their lease, which the LL used to subsidize the rate for ESET which is why lease was below market for the space.	Tenant Name: ESET Landlord Name: Glenborough Realty Trust Corporation Commencement Date: 4/01/2007
					
ESET BUILDING					
610 West Ash Street San Diego, CA 92101	Suite/Floor: Suites 705 & 1005 Square Feet: 12,103 SF Building Type: Office Building Class: B Lease Type: Full Service	Suite/Floor: Suites 705 & 1005 Square Feet: 12,103 SF Building Type: Office Building Class: B Lease Type: Full Service	Rate PSF/Month: \$3.21/SF Annual Escalator: See comments TI Allowance: \$47.45/USF Term: 120 months Free Rent: None Effective Rent: \$3.72	Comments: TT paid flat rate of \$3.72/SF for first 5 years of lease, after which rent increased to \$4.23 for remaining five years of the lease.	Tenant Name: GSA-Dept. of Homeland Security Landlord Name: Glenborough Realty Trust Corporation Commencement Date: 6/01/2007
					
COLUMBIA SQUARE					
1230 Columbia Street San Diego, CA 92101	Suite/Floor: Suite 1200 Square Feet: 14,982 SF Building Type: Office Building Class: B Lease Type: Plus Utilities	Suite/Floor: Suite 1200 Square Feet: 14,982 SF Building Type: Office Building Class: B Lease Type: Plus Utilities	Rate PSF/Month: \$2.20/SF Annual Escalator: 4.0% TI Allowance: \$10.00/SF Term: 60 months Free Rent: None Effective Rent: \$2.38	Comments:	Tenant Name: The Shaw Group Landlord Name: LaeRoc Partners Commencement Date: 07/01/2007
					

DOWNTOWN OFFICE LEASE COMPARABLES 2007 - 2008

April 16, 2008

Location and Photo	Building and Space Information			
BANK OF AMERICA TOWER 450 B Street San Diego, CA 92101 	Suite/Floor: Suite 2000 Square Feet: 14,401 SF Building Type: Office Building Class: B Lease Type Full Service Tenant Name: Bank of America Landlord Name: One San Diego Association	Rate PSF/Month \$2.30/SF Annual Escalator: 4.0% TI Allowance: \$30.00/SF Term: 131 months Free Rent: None Effective Rent: \$3.19 Commencement Date: 05/01/2007	Comments: Stepped rent year 1=\$2.30; year 2=\$2.62; 4% escalator in years 3-11.	
SAN DIEGO NATIONAL BANK BLDG 1420 Kettner Blvd. San Diego, CA 92101 	Suite/Floor: Floors 5 & 6 Square Feet: 23,000 SF Building Type: Office Building Class: B Lease Type Full Service Tenant Name: EDAW, Inc. Landlord Name: San Diego National Bank	Rate PSF/Month \$2.50/SF Annual Escalator: 3.0% TI Allowance: None Term: 63 months Free Rent: None Effective Rent: \$2.66 Commencement Date: 4/01/2007	Comments: Lease renewal. TT leased space in "as-is" condition.	
THE CHAMBER BUILDING 110 West C Street San Diego, CA 92101 	Suite/Floor: Suite 1100 Square Feet: 16,819 SF Building Type: Office Building Class: B Lease Type Full Service Tenant Name: Alternate Public Defender Landlord Name: Barker Pacific Group	Rate PSF/Month \$1.85/SF Annual Escalator: 3.5% TI Allowance: N/K Term: 60 months Free Rent: None Effective Rent: \$1.98 Commencement Date: 12/01/2007	Comments: Lease renewal and expansion.	
WASHINGTON MUTUAL 707 Broadway San Diego, CA 92101 	Suite/Floor: 18th Floor Square Feet: 9,200 SF Building Type: Office Building Class: B Lease Type Full Service Tenant Name: Lowell & Robbin Law Firm Landlord Name: Brookfield Property Management	Rate PSF/Month \$2.70/SF Annual Escalator: 3.0% TI Allowance: \$15.00/RSF Term: 66 months Free Rent: 7 mos. Effective Rent: \$2.60 Under Negotiation	Comments: Lease renewal. Abatement of rent and OpEx for final 3 mos. of original term; plus waive \$25,000 in OpEx passthru due in initial term. TIA of \$15/RSF, of which up to \$8/RSF may be allowed as rent credit.	

4. 2008 OPERATING EXPENSE ESTIMATES

Summary of 2008 Operating Expense Estimates

The following table provides a summary of the operating expense estimates for office buildings in downtown San Diego. The buildings highlighted in yellow identify the buildings currently leased by the City of San Diego. Operating expenses for Class B and C product ranged from \$8.45 to \$16.56. By deducting the tax component from the total operating expenses the range is slightly reduced to \$5.77 to \$12.98 per square foot per year, with the median range of \$8.44 to \$10.12.

2006 – 2008 BOMA Operating Expense Reconciliation

The BOMA Experience Exchange study found 2007 operating expenses for downtown office buildings 300,000 to 599,000 square feet to average \$11.98 per square foot per year. This amount was increased by 5% to estimate 2008 expenses at \$12.58 per square foot per year. Deducting property taxes the expenses are \$9.07 per square foot per year.

Estimated Operating Expenses for City's Existing Owned Facilities

Because the City was unable to provide operating cost data for its existing buildings at Civic Center Complex, a \$9.00 per square foot annual amount was estimated.

4. DOWNTOWN SAN DIEGO 2008 OPERATING EXPENSE ESTIMATES

Existing Buildings	Year Built	Firs	Rentable Sq. Ft.	Operating Expenses	Taxes	Total Expenses	Last Sales Price	Last Sales Date	Comments
Class A:									
* DiamondView Tower, 350 10th Ave	2007	14	232,800			\$13.00			
One America Plaza, 600 W Broadway	1991	34	622,580	\$8.71	\$5.52	\$14.23	\$481.87	2/23/2006	
Advanced Equities Plaza, 655 W Broadway	2005	23	381,043	\$8.95	\$5.85	\$14.80	\$551.12	6/28/2007	
550 Corporate Center, 550 W C Street	1989	20	357,477			\$11.00			
Emerald Plaza, 402 W Broadway	1990	30	364,160	\$9.35	\$4.00	\$13.35	\$339.51	11/10/2005	
Koll Center, 501 W Broadway	1989	21	372,828	\$9.92	\$4.61	\$14.53	\$402.33	2/14/2006	
Symphony Towers, 750 B Street	1989	34	559,352	\$9.82	\$2.92	\$12.74	\$239.99	3/11/2003	
* Golden Eagle Plaza, 525 B Street	1969/R91	22	427,159	\$8.95	\$3.05	\$12.00	\$261.20	8/10/2005	
Wells Fargo Plaza, 401 B Street	1984	24	481,480	\$9.50	\$3.67	\$13.17	\$307.95	11/1/2004	
Merrill Lynch, 701 B Street	1982/R98	24	560,329	\$8.48	\$3.73	\$12.21	\$326.24	5/2/2006	
NBC Building, 225 Broadway	1976/R96	22	330,185	\$11.03	\$4.23	\$15.26	\$362.12	7/15/2005	
* 101 West Broadway	1984	20	382,103	\$10.03	\$4.23	\$14.26	\$362.15	7/15/2005	
Columbia Center, 401 W A Street	1982/R94	24	553,715	\$8.52	\$3.76	\$12.28	\$326.88	3/7/2007	
Subtotal - Class A			5,625,211						
Class B:									
ESET Building, 610 West Ash Plaza	1986	20	172,830	\$11.19	\$3.75	\$14.94	\$188.05	12/18/2003	
Bank of America, 450 B Street	1982	20	277,000			\$10.50			
600 B Street	1974/R96	24	338,905	\$9.66	\$3.23	\$12.89	\$281.79	7/16/2006	
Sixth & Broadway, 625 Broadway	1925/R04	14	223,475	\$7.25	\$1.20	\$8.45	\$91.73	12/30/2002	2007 Estimate \$8.05 x 5%
Columbia Square, 1230 Columbia Street	1990	12	143,574	\$5.77	\$3.68	\$9.45	\$334.32	9/27/2007	
Front Street Plaza, 777 Front Street	1999	4	155,304	\$10.12	\$2.48	\$12.60	\$196.39	5/2/2001	NNNs=\$0.80/Jan&elec=\$0.25
San Diego National Bank, 1420 Kettner	1984	7	111,000						
Washington Mutual, 707 Broadway	1961/R01	18	169,536	\$12.98	\$3.58	\$16.56	\$312.62	5/2/2006	Expenses to be confirmed
110 Plaza, 110 W A Street	1971/R99	20	321,948	\$8.28	\$3.37	\$11.65	\$280.32	1/27/2005	
Chamber Building, 110 W C Street	1963/R78	23	177,725	\$9.14	\$1.85	\$10.99	\$164.58	12/25/2007	
Union Bank Building, 530 B Street	1966/R92	24	227,873						
Subtotal - Class B			2,319,170						
Class C:									
Civic Center Plaza, 1200 3rd Ave	1972/R93	18	266,954	\$8.44	\$1.07	\$9.50			
Executive Complex, 1010 2nd Ave	1963/R87	25	324,327	\$10.31	\$1.78	\$12.09	\$155.39	1/30/2006	2005 Exp. At \$10.44 with 5% annual increases
Spreckles Building, 121 Broadway	1912/R82	6	110,400			\$8.95			2007 Expenses at \$971,000 x 5%
Subtotal - Class C			701,681						

TOTAL

8,646,062

= City Leased Buildings

Notes:

* Retail SF Deducted
Jones Lang LaSalle



4. 2006 - 2008 BOMA EXPERIENCE EXCHANGE SAN DIEGO OPERATING EXPENSE RECONCILIATION

All Downtown Buildings

Escalation:	5.0%			
Buildings:	7			
SF:	2,410,588			
		2006	2007	2008
Total Operating Expense	\$ 11.92	\$ 12.52	\$ 13.14	
Real Estate Tax	\$ 2.95	\$ 3.10	\$ 3.25	
Adjusted Operating Expenses	\$ 8.97	\$ 9.42	\$ 9.89	
Utilities	\$ 2.75	\$ 2.89	\$ 3.03	

Downtown (300,000-599,000 Sq. Ft.)

Escalation:	5.0%			
Buildings:	5			
SF:	2,149,810			
		2006	2007	2008
Total Operating Expense	\$ 11.41	\$ 11.98	\$ 12.58	
Real Estate Tax	\$ 3.18	\$ 3.34	\$ 3.51	
Adjusted Operating Expenses	\$ 8.23	\$ 8.64	\$ 9.07	
Utilities	\$ 2.77	\$ 2.91	\$ 3.05	

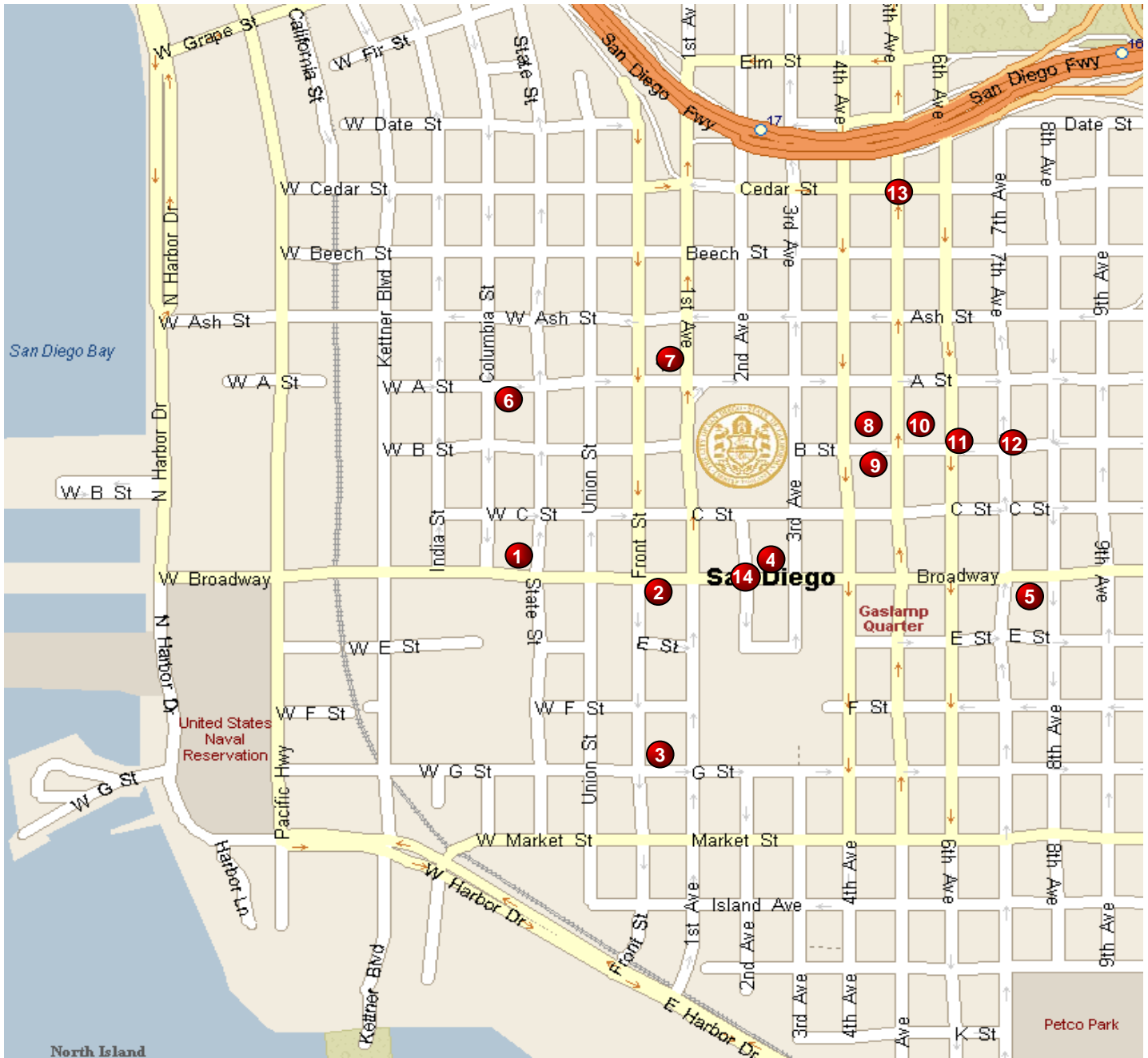
5. AVAILABILITY

Large Available Blocks of Contiguous Space

The following market survey includes a summary of large blocks of contiguous space currently available in the market and projected rollover in 2013 and 2014. Because large blocks of space 100,000 square feet or greater are limited all office classes were included in this survey. Currently the largest contiguous blocks are approximately 133,000 square feet at 401 West A Street and 90,000 square feet at 701 B Street. If this square footage amount is reduced to approximately 50,000 square feet seven opportunities were identified.

In 2013 and 2014, not including the City's existing lease space, 4 potential large blocks of space ranging from 125,000 to 160,000 square feet are potential opportunities in 110 West A Street, 401 B Street, 525 B Street and 701 B Street and approximately nine 50,000 square foot opportunities.

MAP OF AVAILABLE PROPERTIES



Map Legend	
1	402 W. Broadway
2	101 W. Broadway
3	777 Front Street
4	1010 2nd Avenue
5	707 Broadway
6	401 West A Street
7	110 West A Street

Map Legend	
8	401 B Street
9	450 B Street
10	525 B Street
11	600 B Street
12	701 B Street
13	1620 4th Avenue
14	225 Broadway

BUILDING SUMMARY OF CURRENT AVAILABILITY and 2013/2014 LARGE BLOCKS OF AVAILABILITY



MAP #

4

5

6

BUILDING NAME ADDRESS	Executive Complex 1010 2nd Avenue		Washington Mutual 707 Broadway		Columbia Center 401 West A Street	
YEAR BUILT	1963 (Renovated 1987)		1961 (Renovated 2001)		1983 (Renovated 1994)	
BUILDING TYPE	Class C Office		Class B Office		Class A Office	
LANDLORD	Executive Complex LP		Trizec 707 Broadway		401 West A Street SD PT	
# OF STORIES	25		18		24	
BUILDING SIZE (RSF)	324,341		169,536		553,715	
AVERAGE FLOOR SIZE	12,973		9,418		20,507	
BUILDING VACANCY	10.6%		22.3%		31.8%	
PARKING	1.0/1,000		2.5/1,000		1.0/1,000	
ASKING RENTAL RATE	\$2.25 / SF FS		Negotiable		\$2.55-\$3.15 FS	
FLOOR / SF AVAILABLE	2008		2009		2010	
	2nd Floor	16,916	3rd Floor	13,385	6th Floor	17,951
			16th Floor	9,686	10th Floor	19,105
			17th Floor	9,683	11th Floor	12,181
					12th Floor	19,118
					13th Floor	11,445
					15th Floor	18,445
					19th Floor	16,608
					24th Floor	18,605
			Interactive	20,000	Higgs Fletcher	44,491
			Family Justice Ctr.	40,000		
	2013	Neil Dymott				
	2014	City of San Diego				
		23,908				
		136,000				

BUILDING SUMMARY OF CURRENT AVAILABILITY and 2013/2014 LARGE BLOCKS OF AVAILABILITY



MAP #

7

8

9

BUILDING NAME ADDRESS		110 Plaza 110 West A Street		Wells Fargo Plaza 401 B Street		Bank of America Tower 450 B Street	
YEAR BUILT		1971 (Renovated 1999)		1984		1982	
BUILDING TYPE		Class B Office		Class A Office		Class B Office	
LANDLORD		110 Plaza Street Inc.		The Irvine Company		One San Diego Association	
# OF STORIES		20		24		20	
BUILDING SIZE (RSF)		321,948		481,480		277,000	
AVERAGE FLOOR SIZE		17,886		21,363		13,850	
BUILDING VACANCY		8.6%		12.3%		33.2%	
PARKING		1.5/1,000		1.4/1,000		1.3/1,000	
ASKING RENTAL RATE		\$2.50 FS		\$2.20-\$2.80 FS		\$2.50-\$2.70 FS	
FLOOR / SF AVAILABLE	2008	17th Floor	16,790	16th Floor	21,363	11th Floor	14,401
						12th Floor	14,401
						16th Floor	14,401
	2009		80,000			B of A	56,000
	2010						
	2012						
	2013		140,000	SANDAG Kimley-Horn	21,830 74,075		
	2014			DLA Piper	64,744		

BUILDING SUMMARY OF CURRENT AVAILABILITY and 2013/2014 LARGE BLOCKS OF AVAILABILITY



MAP #




10

11

12

BUILDING NAME ADDRESS	Golden Eagle Plaza 525 B Street		600 B Street Building 600 B Street		Merrill Lynch Building 701 B Street		
YEAR BUILT	1969 (Renovated 1991)		1974 (Renovated 1996)		1982 (Renovated 1998)		
BUILDING TYPE	Class A Office		Class B Office		Class A Office		
LANDLORD	Hines 525 B Street LP		Legacy Partners		Trizec 701 B Street LLC		
# OF STORIES	22		24		24		
BUILDING SIZE (RSF)	447,159		338,905		560,329		
AVERAGE FLOOR SIZE	19,600		14,121		23,347		
BUILDING VACANCY	12.3%		18.6%		26.5%		
PARKING	1.5/1,000		1.0/1,000		0.7/1,000		
ASKING RENTAL RATE	\$2.20-\$2.80 FS		\$2.70-\$2.80		Negotiable		
FLOOR / SF AVAILABLE	2008	17th Floor	10,169	1st Floor	13,114	10th Floor Sublease	22,133
		18th Floor	18,079	2nd Floor	13,854	20th Floor Sublease	22,568
		22nd Floor	13,839	13th Floor	14,241	21st Floor Sublease	22,568
						22nd Floor Sublease	22,567
	2009	Reed Elsevier	80,000			Merrill Lynch	45,250
	2010				20,268	Deloitte	35,000
	2012						
	2013	Liberty Mutual	140,000			PDC	40,000
	2014					Arrowhead Alliant	125,000

BUILDING SUMMARY OF CURRENT AVAILABILITY and 2013/2014 LARGE BLOCKS OF AVAILABILITY

 MAP #		 13		 14	
BUILDING NAME ADDRESS		Driver Building 1620 5th Avenue		225 Broadway	
YEAR BUILT		1985		1976	
BUILDING TYPE		Class B Office		Class A Office	
LANDLORD		Robert F. Driver-LCH		The Irvine Company	
# OF STORIES		9		22	
BUILDING SIZE (RSF)		81,487		330,185	
AVERAGE FLOOR SIZE		9,054		15,602	
BUILDING VACANCY		56%		19%	
PARKING		2.6/1,000		2/1,000	
ASKING RENTAL RATE		\$2.35		\$3.11	
FLOOR / SF AVAILABLE	2008	3rd Floor	9,919	2nd Floor	10,219
		4th Floor	10,075	11th Floor	15,602
		5th Floor	10,022	17th Floor	9,912
		6th Floor	10,022		
	2009				
	2010				
	2012			6th Floor	57,451
	2013				
	2014				

Emerald Plaza
402 W. Broadway
San Diego, CA 92101

Site # 1



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 900	3,000-12,774	\$2.65 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
Suite 1150	5,562 SF	\$2.65 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
Suite 1350	7,140 SF	\$2.65 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
Suite 1400	5,104 SF	\$2.65 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
15th Floor	10,983 SF	\$2.85 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
16th Floor	10,000-16,812	\$2.85 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
Suite 1850	6,297 SF	\$2.85 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE

TOTAL BUILDING SIZE: 364,160 Square Feet

NUMBER OF FLOORS: 30 Floor(s)

AVERAGE FLOOR SIZE: 12,138 Square Feet

YEAR BUILT: 1990

% LEASED: 81.0%

PARKING RATIO: 1.0/1000 sq. ft. leased.

OWNER: RREEF America

COMMENTS: Major tenants include: HQ Global Workplaces; Foley Lardner.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

**101 W. Broadway
San Diego, CA 92101**



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 200	13,812 SF	\$2.70 /SF	Full Serv	TBD	Direct	Negotiable	The Irvine Company
Suite 400	6,853 SF	\$2.70 / SF	Full Serv	TBD	Direct	Negotiable	The Irvine Company
Suite 525	8,930 SF	\$2.75 / SF	Full Serv	TBD	Direct	Negotiable	The Irvine Company
Suite 100	8,532 SF	\$3.20 / SF	Full Serv	TBD	Direct	Negotiable	The Irvine Company
12th Floor	20,375 SF	\$3.30 / SF	Full Serv	TBD	Direct	Negotiable	The Irvine Company
Suite 1330	6,099 SF	\$3.30/ SF	Full Serv	TBD	Direct	Negotiable	The Irvine Company
Suite 1900	10,228 SF	\$3.35 / SF	Full Serv	TBD	Direct	Negotiable	The Irvine Company

TOTAL BUILDING SIZE: 401,625 Square Feet

NUMBER OF FLOORS: 20 Floor(s)

AVERAGE FLOOR SIZE: 19,270 Square Feet

YEAR BUILT: 1984

% LEASED: 85.0%

PARKING RATIO: 2.0/1000 sq. ft. leased.

OWNER: The Irvine Company

COMMENTS: Major tenants include: GSA; Gordon & Rees; Morgan Stanley.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

**Front Street Plaza
777 Front Street
San Diego, CA 92101**

Site # 3



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
1st Floor	32,305 SF	\$1.90 / SF	NNN	TBD	Direct	Occupancy 11/2010	CB Richard Ellis
2nd Floor	41,488 SF	\$1.90 / SF	NNN	TBD	Direct	Occupancy 11/2010	CB Richard Ellis

TOTAL BUILDING SIZE: 155,304 Square Feet

NUMBER OF FLOORS: 4 Floor(s)

AVERAGE FLOOR SIZE: 38,826 Square Feet

YEAR BUILT: 1999, Renov. 2008

% LEASED: 100.0%

PARKING RATIO: 1.5/1000 sq. ft. leased.

OWNER: Palbrad LP

COMMENTS: American Specialty Health Plans lease expires November of 2010.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

**Executive Complex
1010 2nd Avenue
San Diego, CA 92101**

Site # 4



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
1st Floor	5,433 SF	\$2.25 / SF	Full Serv	TBD	Direct	Negotiable	CB Richard Ellis
Suite 200	16,916 SF	\$2.25 / SF	Full Serv	TBD	Direct	Negotiable	CB Richard Ellis
18th Floor	2,187 SF	\$2.25 / SF	Full Serv	TBD	Direct	Negotiable	CB Richard Ellis
22nd Floor	8,000 SF	\$2.25 / SF	Full Serv	TBD	Direct	Negotiable	CB Richard Ellis

TOTAL BUILDING SIZE: 324,341 Square Feet

NUMBER OF FLOORS: 25 Floor(s)

AVERAGE FLOOR SIZE: 12,973 Square Feet

YEAR BUILT: 1963, Renov. 1987

% LEASED: 95.0%

PARKING RATIO: 1.0/1000 sq. ft. leased.

OWNER: Executive Complex LP

COMMENTS: Major tenants include: City of San Diego; Neil, Dymott, Brown et al.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

**Washington Mutual
707 Broadway
San Diego, CA 92101**

Site # 5



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 300	13,385 SF	Negotiable	Full Serv	TBD	Direct	3-5 Yrs.	Cushman & Wakefield
Suite 820	1,024 SF	Negotiable	Full Serv	TBD	Direct	3-5 Yrs.	Cushman & Wakefield
Suite 905	2,135 SF	Negotiable	Full Serv	TBD	Direct	3-5 Yrs.	Cushman & Wakefield
Suite 1240	1,948 SF	Negotiable	Full Serv	TBD	Direct	3-5 Yrs.	Cushman & Wakefield
Suite 1600	4,064-9,686	Negotiable	Full Serv	TBD	Direct	3-5 Yrs.	Cushman & Wakefield
17th Floor	9,683 SF	Negotiable	Full Serv	TBD	Direct	3-5 Yrs.	Cushman & Wakefield

TOTAL BUILDING SIZE: 169,536 Square Feet

NUMBER OF FLOORS: 18 Floor(s)

AVERAGE FLOOR SIZE: 9,418 Square Feet

YEAR BUILT: 1961, Renov. 2001

% LEASED: 77.0%

PARKING RATIO: 2.5/1000 sq. ft. leased.

OWNER: Trizec 707 Broadway LLC

COMMENTS: Major tenants include Family Justice Center.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

**Columbia Center
401 West A Street
San Diego, CA 92101**



Site # 6

AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 260	5,863 SF	\$2.55 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners
Suite 360	7,167 SF	\$2.55 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners
Suite 600	17,951 SF	\$2.65 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners
Suite 1000	19,105 SF	\$2.75 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners
Suite 1100	3,000-12,181	\$2.85 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners
Suite 1200	19,118 SF	\$2.85 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners
Suite 1350	11,445 SF	\$2.85 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners
Suite 1500	18,445 SF	\$2.95 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners
Suite 1675	4,356 SF	\$2.95 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners
Suite 1900	16,608 SF	\$3.10 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners
Suite 2400	18,605 SF	\$3.15 / SF	Full Serv.	TBD	Direct	3-5 Yrs.	SENTRÉ Partners

TOTAL BUILDING SIZE: 553,715 Square Feet

NUMBER OF FLOORS: 24 Floor(s)

AVERAGE FLOOR SIZE: 20,507 Square Feet

YEAR BUILT: 1983

% LEASED: 69.0%

PARKING RATIO: 1.0/1000 sq. ft. leased.

OWNER: 401 West A Street SD PT

COMMENTS: Major tenants include: First National Bank; GSA Real Estate; Higgs Fletcher Mack; The Paramount Group.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

**110 Plaza
110 West A Street
San Diego, CA 92101**



Site # 7

AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
7th Floor	2,316 SF	\$2.50 / SF	Full Serv.	TBD	Direct	Negotiable	Cushman & Wakefield
8th Floor	12,933 SF	\$2.50 / SF	Full Serv.	TBD	Direct	Negotiable	Cushman & Wakefield
17th Floor	16,790 SF	\$2.50 / SF	Full Serv.	TBD	Sublease	Negotiable	Cushman & Wakefield

TOTAL BUILDING SIZE: 321,948 Square Feet

NUMBER OF FLOORS: 20 Floor(s)

AVERAGE FLOOR SIZE: 17,886 Square Feet

YEAR BUILT: 1971

% LEASED: 95.0%

PARKING RATIO: 1.5/1000 sq. ft. leased.

OWNER: 110 Plaza Street Inc.

COMMENTS: Major tenants include: Commonwealth Financial; Office of the Attorney General; Sempra Energy; Edvission Corporation

**Wells Fargo Plaza
401 B Street
San Diego, CA 92101**

Site # 8



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 510	8,307 SF	\$2.40 / SF	Full Serv	TBD	Direct	3-5 Yrs.	The Irvine Company
Suite 1140	7,041 SF	\$2.75 / SF	Full Serv	TBD	Direct	3-5 Yrs.	The Irvine Company
Suite 1600	21,363 SF	\$2.75 / SF	Full Serv	TBD	Direct	3-5 Yrs.	The Irvine Company
Suite 2150	7,343 SF	\$2.80 / SF	Full Serv	TBD	Direct	3-5 Yrs.	The Irvine Company

TOTAL BUILDING SIZE: 481,480 Square Feet

NUMBER OF FLOORS: 24 Floor(s)

AVERAGE FLOOR SIZE: 21,363 Square Feet

YEAR BUILT: 1984

% LEASED: 88.0%

PARKING RATIO: 1.4/1000 sq. ft. leased.

OWNER: The Irvine Company

COMMENTS: Major tenants include: DLA Piper; San Diego Association of Governments; Wells Fargo Bank; Smith Barney.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

**Bank of America
450 B Street
San Diego, CA 92101**

Site # 9



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 400	7,318 SF	\$2.50 / SF	Full Serv	TBD	Direct	Negotiable	Colliers International
7th Floor	7,329 SF	\$2.50 / SF	Full Serv	TBD	Direct	Negotiable	Colliers International
8th Floor	8,531 SF	\$2.55 / SF	Full Serv	TBD	Direct	Negotiable	Colliers International
10th Floor	7,079 SF	\$2.55 / SF	Full Serv	TBD	Direct	Negotiable	Colliers International
11th Floor	14,401 SF	\$2.60 / SF	Full Serv	TBD	Direct	Negotiable	Colliers International
12th Floor	14,401 SF	\$2.60 / SF	Full Serv	TBD	Direct	Negotiable	Colliers International
16th Floor	14,401 SF	\$2.65 / SF	Full Serv	TBD	Direct	Negotiable	Colliers International

TOTAL BUILDING SIZE: 277,000 Square Feet

NUMBER OF FLOORS: 20 Floor(s)

AVERAGE FLOOR SIZE: 13,850 Square Feet

YEAR BUILT: 1982

% LEASED: 67.0%

PARKING RATIO: 1.3/1000 sq. ft. leased.

OWNER: One San Diego Association

COMMENTS: Major tenants include Bank of America.

Golden Eagle Plaza
525 B Street
San Diego, CA 92101

Site # 10



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 400	7,318 SF	\$2.50 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
7th Floor	7,329 SF	\$2.50 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
8th Floor	8,531 SF	\$2.55 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
10th Floor	7,079 SF	\$2.55 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
Suite 1750	10,169 SF	\$2.90 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
18th Floor	18,079 SF	\$1.00 / SF	Nego.	TBD	Sublease	Oct. 2009	Kraig Kristofferson
Suite 2200	13,839 SF	\$3.00 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield

TOTAL BUILDING SIZE: 447,159 Square Feet

NUMBER OF FLOORS: 22 Floor(s)

AVERAGE FLOOR SIZE: 19,600 Square Feet

YEAR BUILT: 1969, Renov. 1991

% LEASED: 87.0%

PARKING RATIO: 1.5/1000 sq. ft. leased.

OWNER: Hines 525 B Street LP

COMMENTS: Major tenants include: Golden Eagle Insurance Company; California Bank and Trust; Reed Elsevier.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

600 B Street Building
600 B Street
San Diego, CA 92101

Site # 11



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 100	13,114 SF	\$2.70 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
Suite 200	13,854 SF	\$2.70 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
Suite 1300	14,241 SF	\$2.70 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
Suite 1680	3,896 SF	\$2.80 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
Suite 1900	7,246 SF	\$2.80 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE
Suite 2100	6,091 SF	\$2.80 / SF	Full Serv	TBD	Direct	Negotiable	Grubb & Ellis BRE

TOTAL BUILDING SIZE: 338,905 Square Feet

NUMBER OF FLOORS: 24 Floor(s)

AVERAGE FLOOR SIZE: 14,121 Square Feet

YEAR BUILT: 1974, Renov. 1996

% LEASED: 81.0%

PARKING RATIO: 1.0/1000 sq. ft. leased.

OWNER: Legacy Partners

COMMENTS: Major tenants include: City of San Diego; Akonix Systems.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

Merrill Lynch Building
701 B Street
San Diego, CA 92101



Site # 12

AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 550	4,367 SF	Negotiable	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
10th Floor	22,133 SF	Negotiable	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
Suite 1400	7,100 SF	\$2.60 / SF	Full Serv	TBD	Sublease	Jun. 2012	Newmark
Suite 1550	7,420 SF	Negotiable	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
17th Floor	7,303 SF	Negotiable	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
20th Floor	22,568 SF	Negotiable	Full Serv	TBD	Sublease	Jun. 2014	The Staubach Co.
21st Floor	22,568 SF	Negotiable	Full Serv	TBD	Sublease	Jun. 2014	The Staubach Co.
22nd Floor	22,567 SF	Negotiable	Full Serv	TBD	Sublease	Jun. 2014	The Staubach Co.

TOTAL BUILDING SIZE: 560,329 Square Feet

NUMBER OF FLOORS: 24 Floor(s)

AVERAGE FLOOR SIZE: 23,347 Square Feet

YEAR BUILT: 1982, Renov. 1998

% LEASED: 92.0%

PARKING RATIO: 0.7/1000 sq. ft. leased.

OWNER: Trizec 701 B Street LLC

COMMENTS: Major tenants include: Merrill Lynch; Driver Alliant Insurance; AXA Advisors; Arrowhead Insurance Co.; Deloitte & Touche.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

Driver Building
1620 5th Avenue
San Diego, CA 92101

Site # 13



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 200	5,570 SF	\$2.35 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
Suite 300	9,919 SF	\$2.35 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
Suite 400	10,075 SF	\$2.35 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
Suite 500	10,022 SF	\$2.35 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield
Suite 600	10,022 SF	\$2.35 / SF	Full Serv	TBD	Direct	Negotiable	Cushman & Wakefield

TOTAL BUILDING SIZE: 81,487 Square Feet

NUMBER OF FLOORS: 9 Floor(s)

AVERAGE FLOOR SIZE: 9,054 Square Feet

YEAR BUILT: 1985

% LEASED: 44.0%

PARKING RATIO: 2.6/1000 sq. ft. leased.

OWNER: Robert F. Driver-LCH

COMMENTS: Major tenants include Fields Devereaux Architects; Duncan Morales & Associates.

Data was gathered from sources deemed reliable, however, Jones Lang LaSalle does not guaranty the accuracy of these data.

**225 Broadway
San Diego, CA 92101**

Site # 14



AVAILABLE SPACE

FLOOR / SUITE	SQUARE FEET	RENTAL RATE	LEASE TYPE	T.I. ALLOWANCE	DIRECT / SUBLEASE	LEASE TERM	LISTING COMPANY
Suite 200	10,219	\$2.75 / SF	Full Serv	TBD	Direct	Negotiable	The Irvine Company
Suite 1100	15,602	\$3.30 / SF	Full Serv	TBD	Direct	Negotiable	The Irvine Company
Suite 1700	9,912	\$3.35 / SF	Full Serv	TBD	Direct	Negotiable	The Irvine Company

TOTAL BUILDING SIZE: 330,185 Square Feet

NUMBER OF FLOORS: 22 Floor(s)

AVERAGE FLOOR SIZE: 1,562 Square Feet

YEAR BUILT: 1976

% LEASED: 81.3%

PARKING RATIO: 2.0/1000 sq. ft. leased.

OWNER: The Irvine Company

COMMENTS: Major tenants include NBC, City National Bank and Federal Defenders of San Diego.

6. CLASS B OFFICE SALES

Y

DOWNTOWN SAN DIEGO SALES COMP SUMMAR
 Scenario 2 of the alternative occupancy costs scenarios considers the purchase of the Civic Center Plaza office building wherein the City leases 243,176 rentable square feet. Assuming the City purchases the building in 2014 when their lease expires, the potential purchase price is estimated to be \$265 per rentable square foot, or \$75 million for the entire 283,175 rentable square foot building.

The sales price was projected by comparing recent sales prices for comparable downtown buildings which traded from \$165 to \$334 per square foot. Most relevant comps include the following:

Existing Buildings	Year Built	Ftrs	Rentable Sq. Ft.	Available RSF	% Available	Full Service Low	Lease Rates High	Parking Rate Ratio	Last Sales Price	Last Sales Date	Multi-Tenant Core
Columbia Square, 1230 Columbia Street	1990	12	143,574	20,026	13.95%	\$2.40+E	\$2.40+E	1.3/1-\$170	\$334.32/SF	09/27/07	14.0%
Washington Mutual, 707 Broadway	1961/R01	18	169,536	37,861	22.33%	\$2.60	\$2.70	2.5/1-\$160	\$312.62/SF	05/02/06	20.0%
600 B Street	1974/R96	24	338,905	63,206	18.65%	\$2.70	\$2.80	1/1-\$180	\$281.79/SF	07/16/06	14.5%
Golden Eagle Plaza, 525 B Street	1969/R91	22	427,159	64,796	15.17%	\$2.45	\$3.00	1.5/\$180-\$220	\$261.20/SF	08/10/05	16.0%

Another comparison assumed 2008 market rents of \$28.80 per rentable square foot less 5% vacancy factor less \$9.50 per rentable square foot operating expense estimate for the building, capped at 7% provides a \$255 per rentable square foot purchase price. Because of the recent decline of sales activity for office buildings due to the tightening in the debt markets and the slow down in the economy, a 2008 purchase price of \$250 with a 1% appreciation factor was assumed to be applied to the price until the 2014 estimated purchase date.

7. STAUBACH / WHARTON REGRESSION ANALYSIS

Executive Summary

The goals were to ferret out the statistical drivers of the San Diego office market as well as use those drivers to project the likely long term growth rates for this market.

In summary, the following was determined:

- The hospitality and leisure sector of the local economy has provided a level of support and growth in San Diego that is atypical for most US cities.
- This sector has not only played a significant role in increasing the average income of the City but it has also supported office rents over time in a manner that may be idiosyncratic to this area.
- Rents in this city are driven more by business cycle dynamics than classic real estate supply demand fundamentals, such as absorption and unemployment.
- The model's projection is for moderate but consistent growth over the next 2 – 6 years, after some short term pressure during 2008 and the first half of 2009. It is predicted that rents will remain flat for 2008, decline a half percentage point in 2009 and increase by 4% annually commencing 2010.

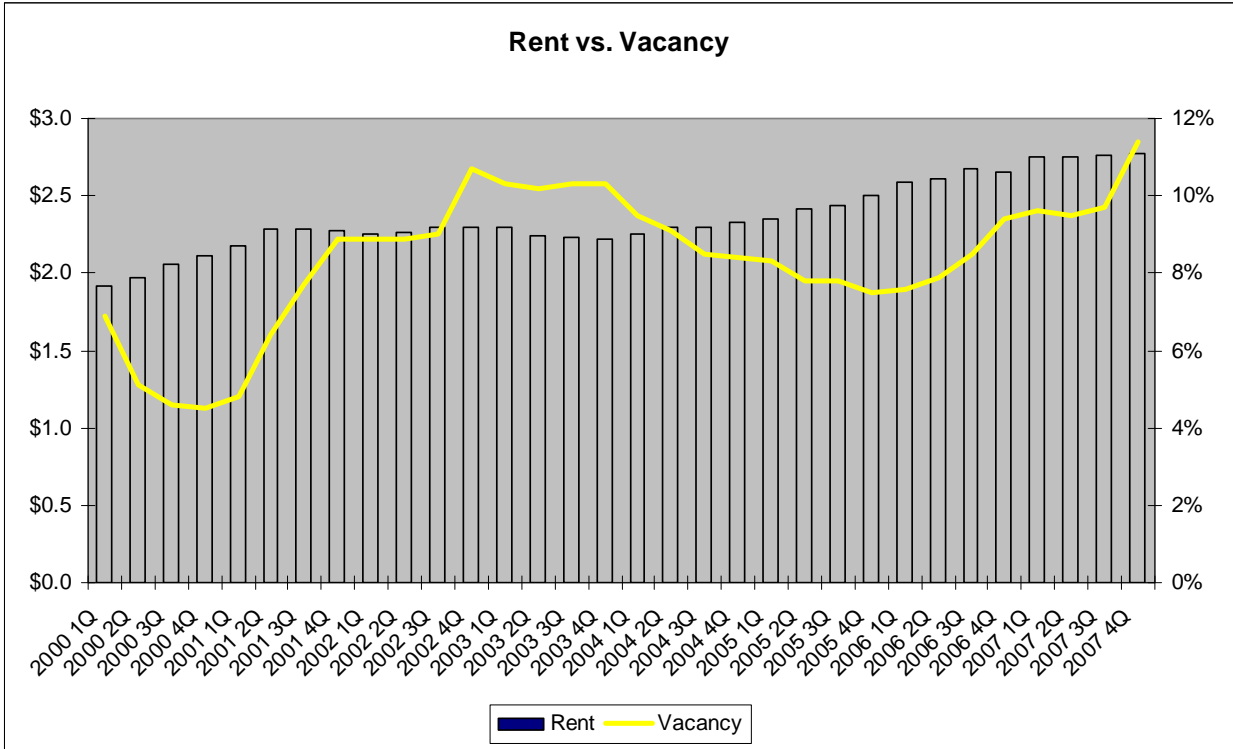
Overview – Method

Defining Market Drivers:

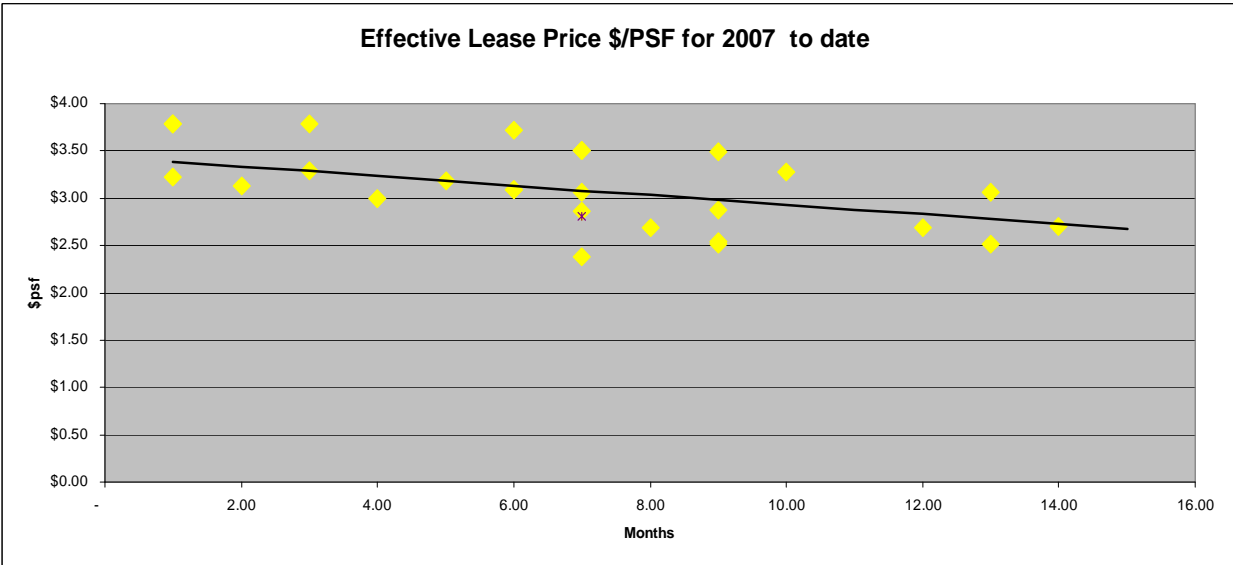
- Examine traditional real estate variables
 - ▶ Vacancy
 - ▶ Absorption
 - ▶ Unemployment
 - ▶ Other (hotel and leisure indices, room rate growth, etc.)
- Run correlation studies to
 - ▶ Ferret out drivers of past growth
 - ▶ Eliminate metrics that are essentially noise and not informative to future pricing growth

Predictive Modeling:

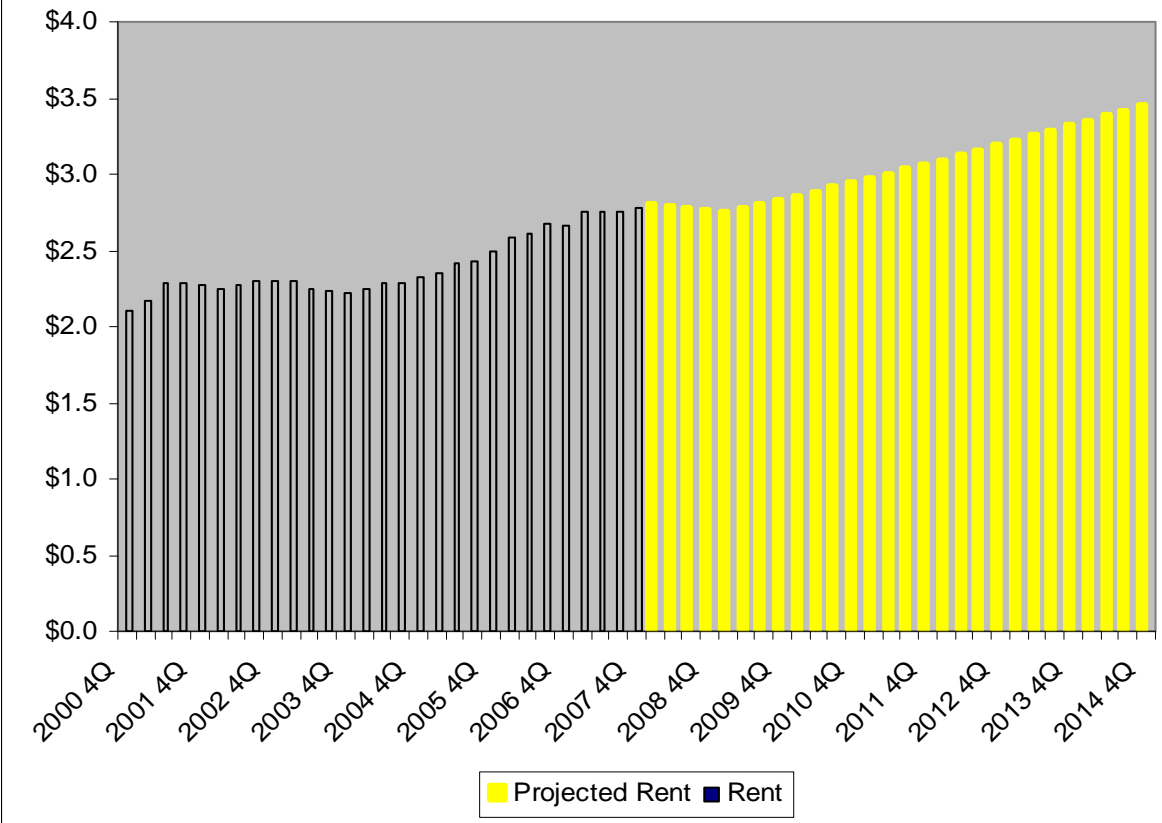
- Define growth as
 - ▶ Growth in household income
 - ▶ Growth in Lease pricing
- Create draft predictive model for San Diego that seeks to forecast our defined growth metrics



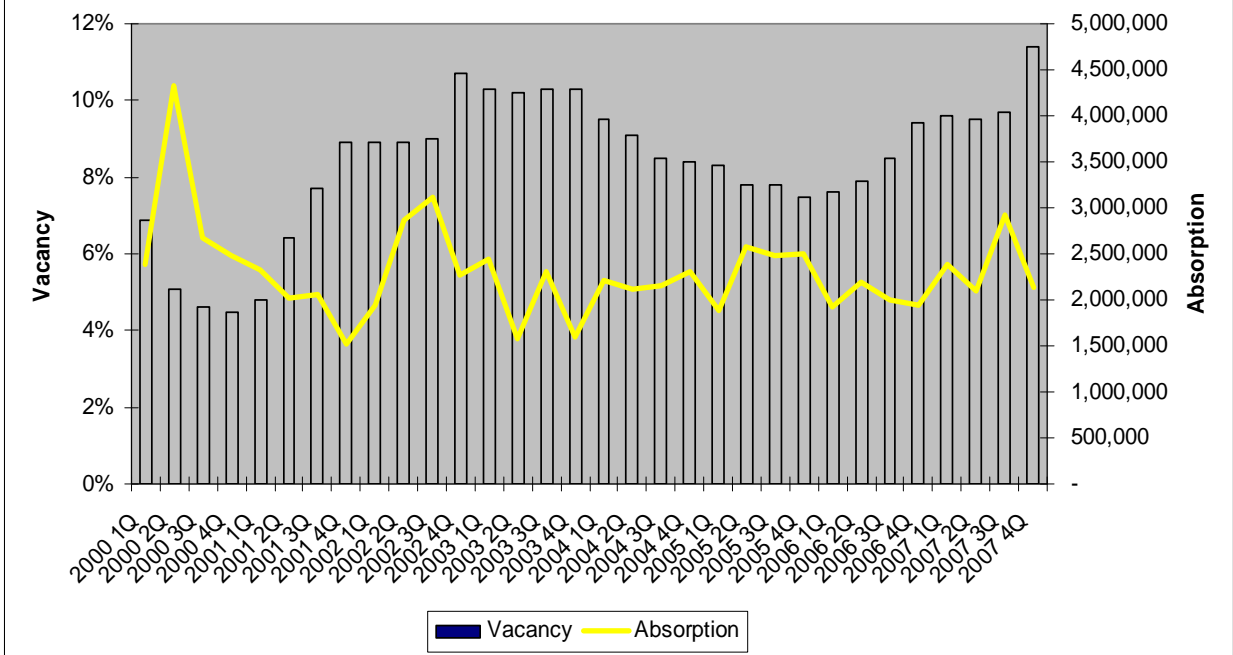
San Diego office market exhibits the curious characteristic of sustaining rent levels and growth in the face of increasing vacancy levels. This usually occurs in markets where some shock has disrupted ordinary supply demand dynamics. Deeper analysis of this market gives provides some explanation of why.

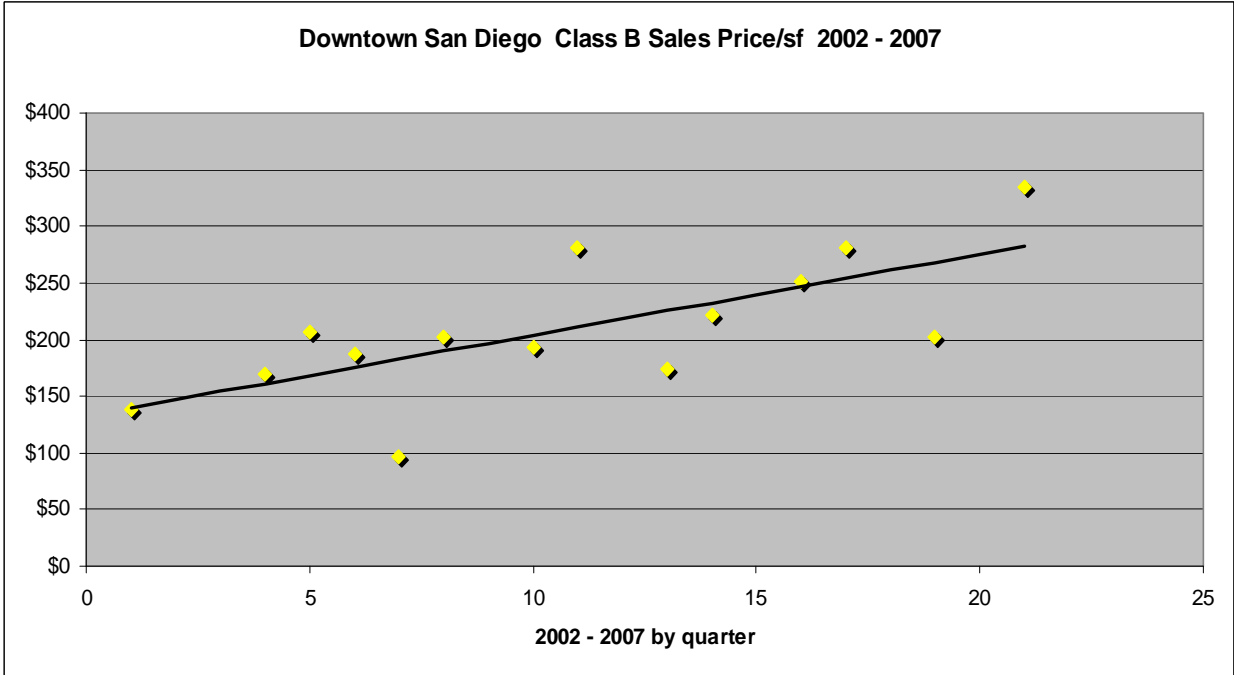
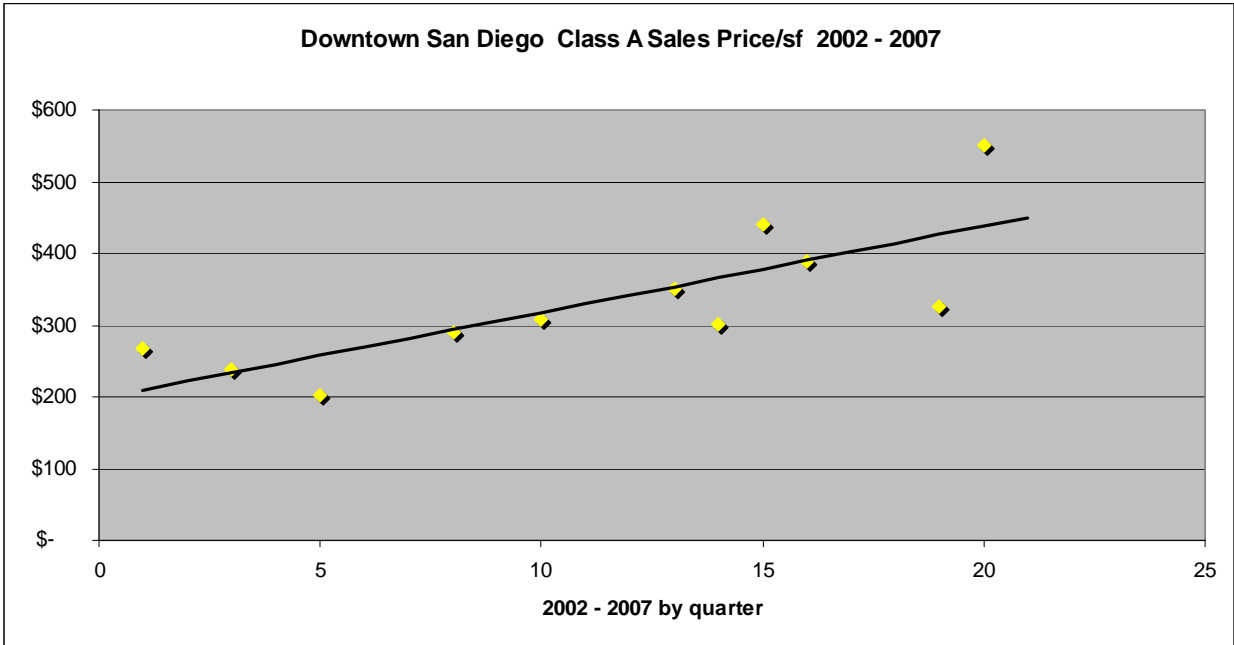


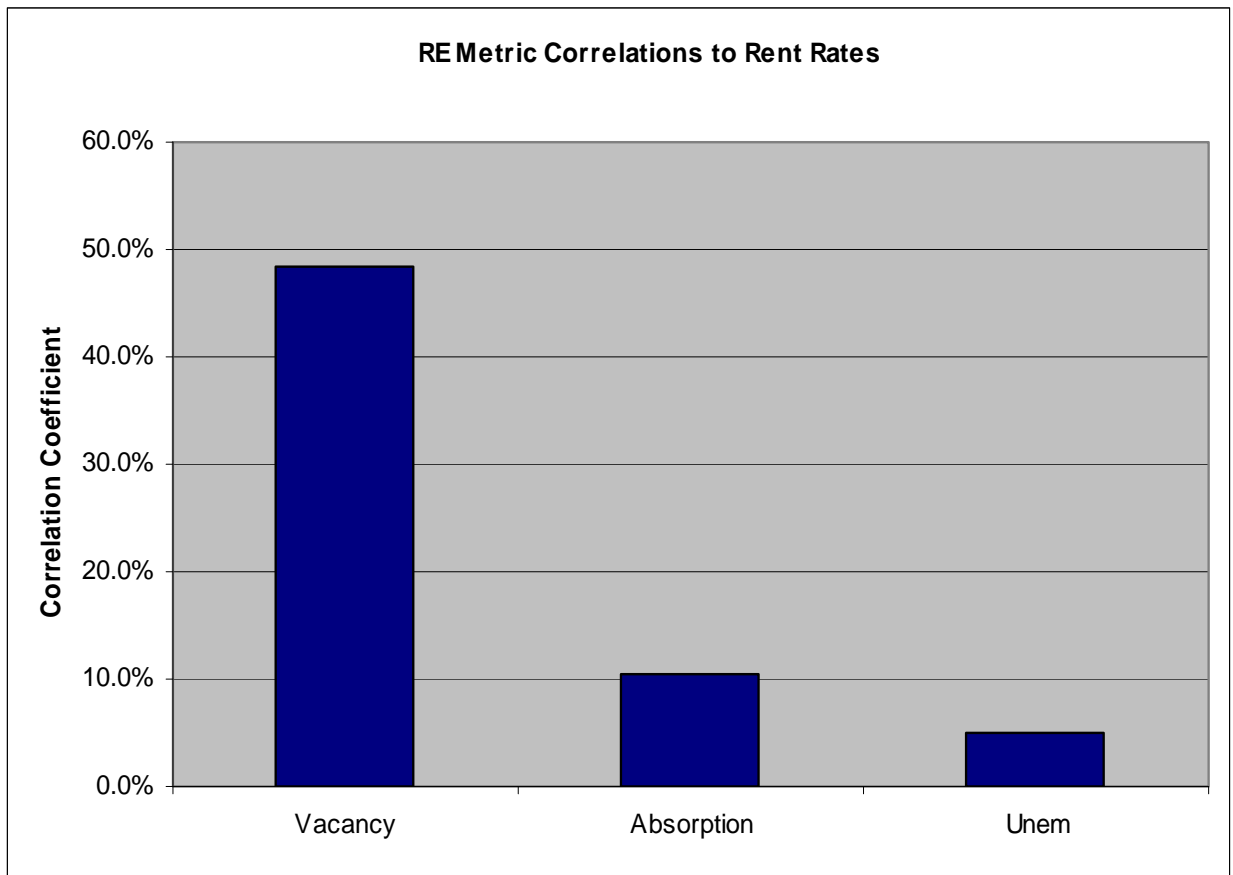
Historical and Projected Rent



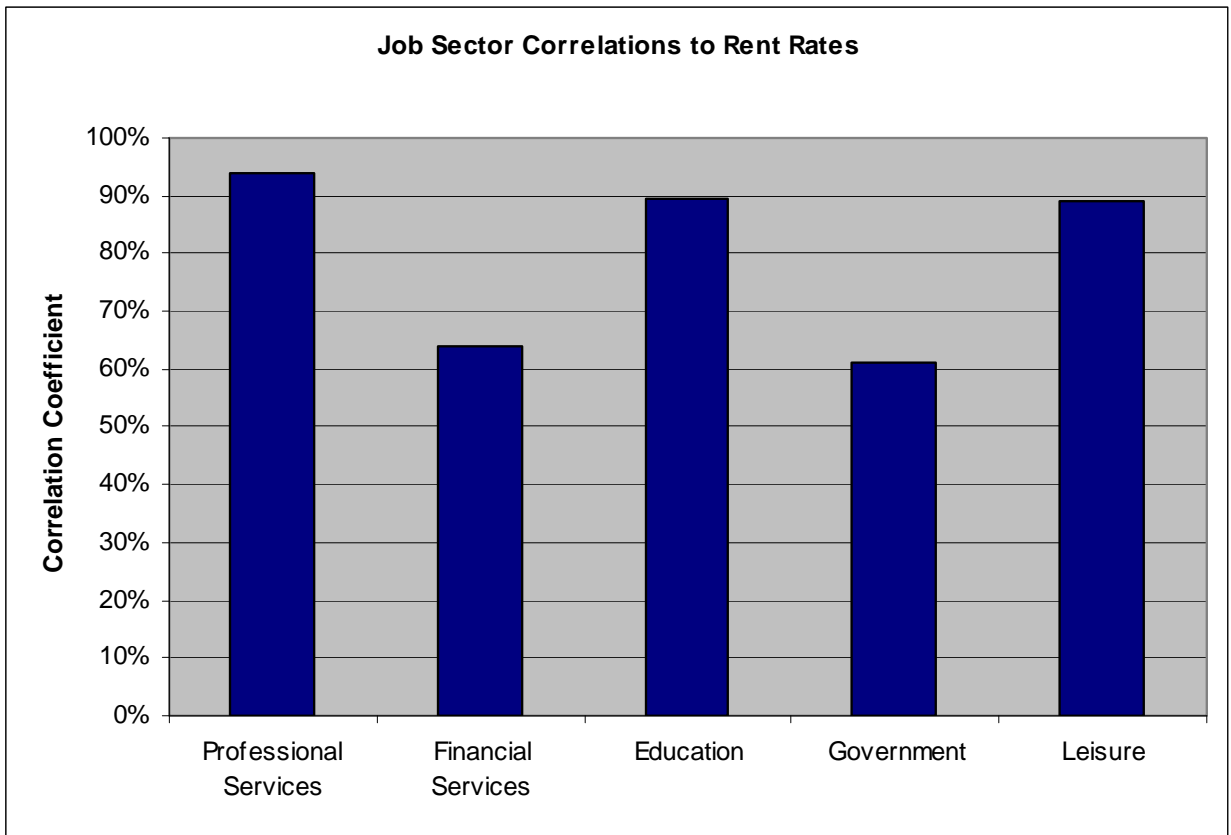
Historical Vacancy Vs. Absorption



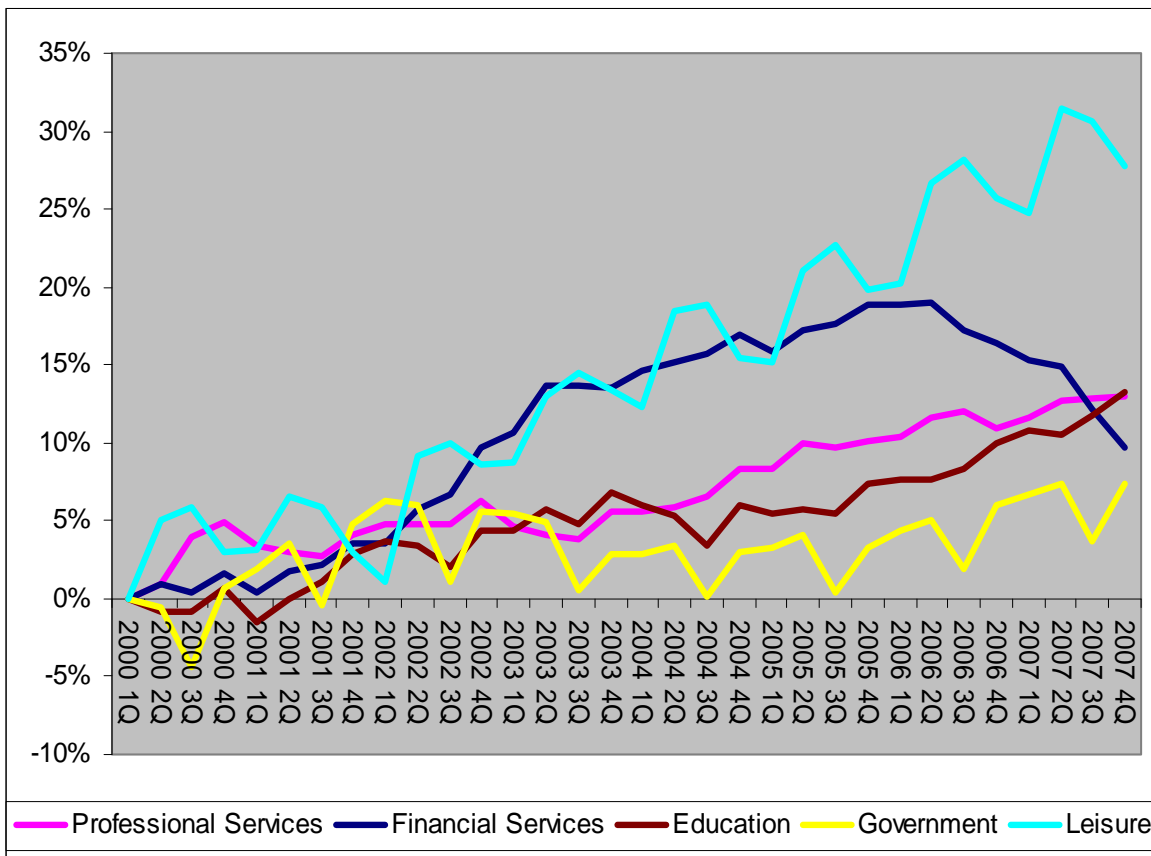




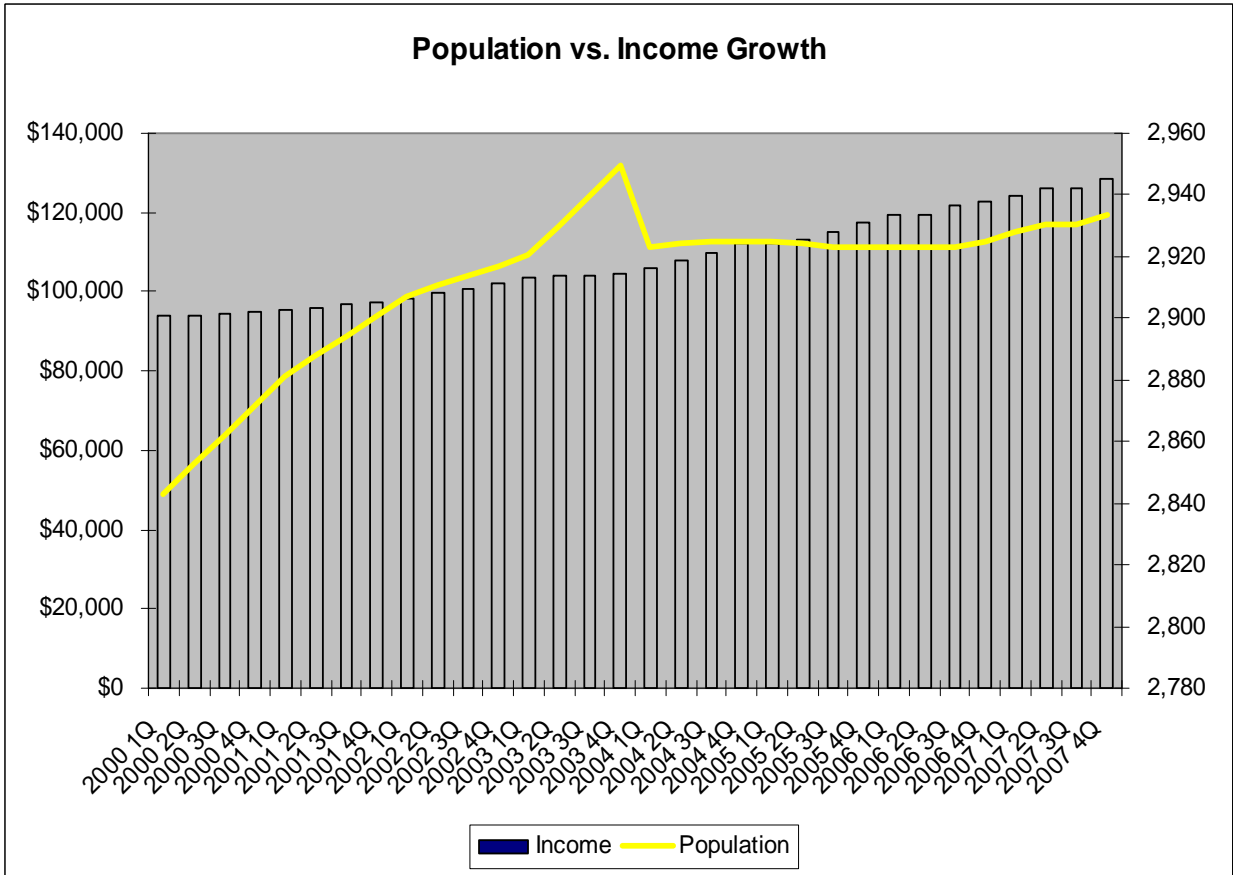
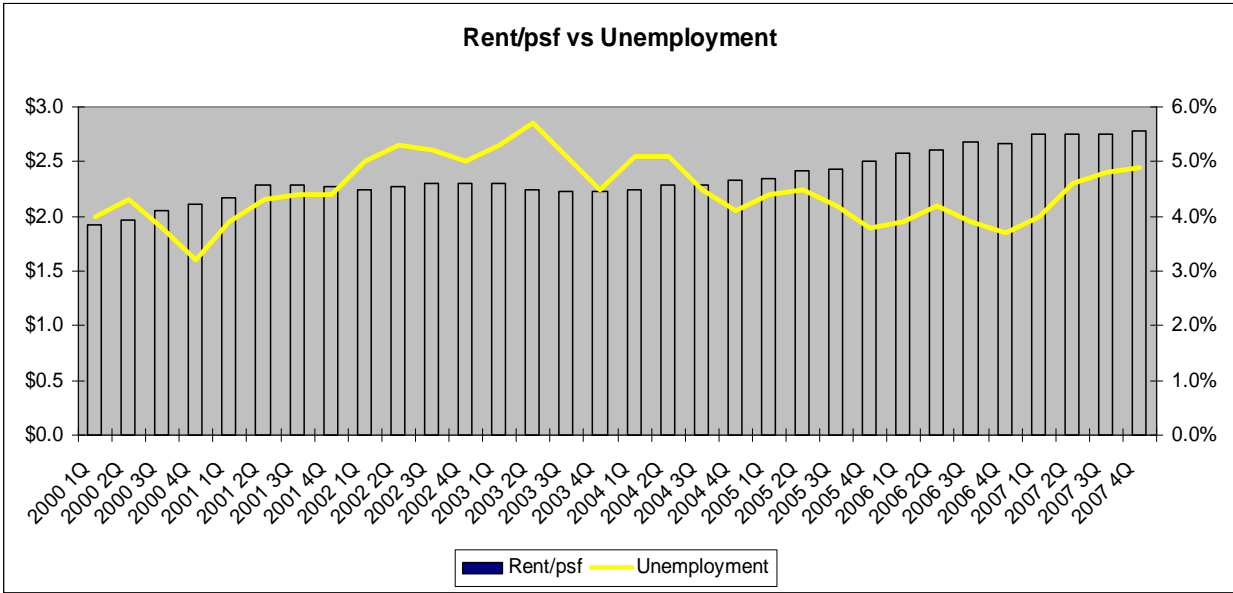
On a whole, this market is not very responsive to several of the classic metrics (absorption, unemployment) that explain office pricing growth in most markets. This market's correlation to vacancy is not surprising, however, the lack of response to total unemployment and absorption is somewhat surprising. Typically there would be a greater correlation to total unemployment than what this market exhibits.



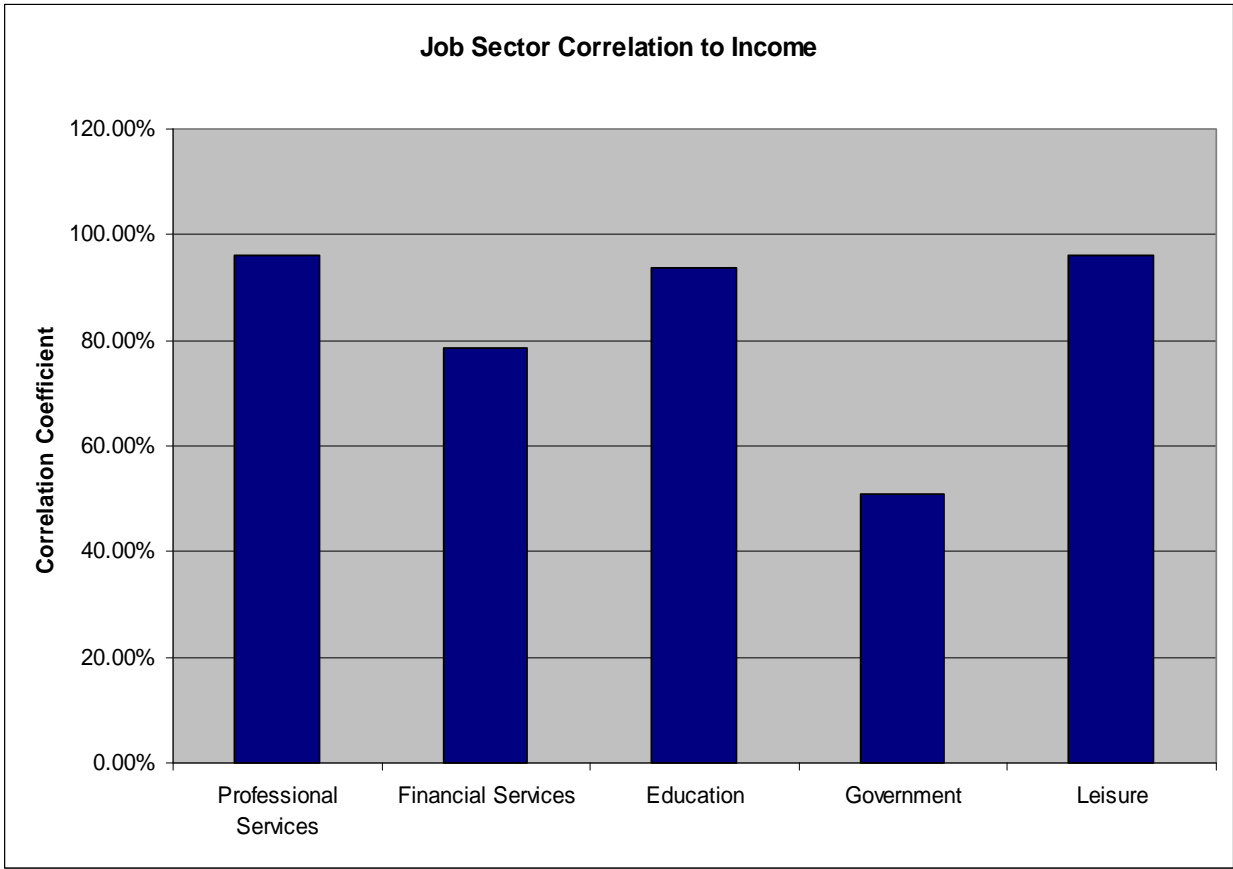
The explanation is discovered by running a 7 year correlation study of rents to the various job sectors in San Diego. Professional service, Education and Leisure appear to be the job sectors that rental rates are most sensitive to. While the correlations themselves are not unusual, the relative equivalence of the leisure sector particularly over office using sector, explains much about the true growth drivers of this market.



Over the past 7 years, the professional services and government sectors have provided most of the employment in this market. However, jobs in hospitality and leisure posted the most significant % gains of any sector. This partly explains the relationships we saw in the previous chart and provides clues for the statistical framework.



Since 2000 this market has experienced significant population growth. Average household income also increased by 20%-25% over the same period



From the correlation study of Income vs. Job sector growth it is clear that Hospitality and Leisure employment is a significant driver of growth of average household income. This is significant because this is disproportionate to that sectors share of the local job market and average income per job. This implies that future development that properly harness the leisure and professional job sectors will give the San Diego market its highest value land use, in terms of increased local incomes.

Early Conclusions

Insights:

- The professional and business services sector is large enough to sustain pricing and provide rationale for growth
- Hospitality sector jobs appear to provide “double duty”
 - ▶ Substantially supports local HH income growth
 - ▶ As well as office pricing as whole for this market
- Vacancy has historically been a non issue relative to pricing growth in this market
 - ▶ This suggests a market driven more by the national hospitality business cycle, as well one with continued redevelopment
- This tells us that other business cycle based variables will tell us more about the prospects for this markets that traditional real estate variables

Predictive Model Specifications:

- The predictive model for this market used the following variables:
 - ▶ Professional Service Jobs
 - ▶ Financial Service Jobs
 - ▶ Hospitality and Leisure Jobs
 - ▶ S&P Hospitality Sector Index
 - ▶ Current Rent
 - ▶ Moving Average Rent
 - ▶ Vacancy
 - ▶ Implied Equilibrium Vacancy
 - ▶ Unemployment Rate (Seasonally Adjusted)

8. KEARNY MESA RENT PROJECTIONS

For Scenarios 4 and 6 of the alternative occupancy scenarios, the Library Book Distribution and Publishing Services functions of the City are project to be relocated to a more industrial/flex type building in a suburban market where occupancy costs are more cost effective for this use. Kearny Mesa was concluded to be an ideal location for these departments.

It was estimated that these departments would relocate in 2008 and rental rates were \$1.80 per square foot per month on a full service basis with the following assumptions:

- Estimated 40,000 square foot space.
- 10 year lease term.
- The new lease would commence in 2009.
- Projected 2008 market rents for industrial/flex product was \$1.20 per square foot per month on a triple net basis.
- Rent assumes approximately 30% of the space is improved office space, the remaining is warehouse.
- Operating expenses were estimated to be \$0.60 per square foot per month which includes \$0.30 for common area maintenance and taxes, \$0.25 for utilities and \$0.05 for janitorial expenses.
- Assumed a \$15/SF Tenant Improvement Allowance contributed by landlord.
- Starting rent to escalate 2.5% annually.
- Assumed no monthly parking fees charged by the landlords for these locations.

Most Relevant Lease Comps:

Most relevant lease comparables for industrial flex product in Kearny Mesa have effective rates that range from \$1.10 to \$1.52 per square foot per month. The effective rate for the above lease terms for the City was \$1.34 per square foot per month.

A sample of the most relevant lease comparables are shown on the following pages.

9. SUBURBAN SUBMARKET RENT PROJECTIONS

For Scenarios 6 and 7 of the alternative occupancy scenarios, a 50,000 square foot lease was estimated to be the size that would create more leverage downtown in order to command more aggressive rental rates. The remaining square footage was estimated to relocate to a suburban submarket. The Mission Valley submarket was used as an example submarket in developing the rental rates for these scenarios. This submarket was selected because:

- it is a more cost effective submarket
- has an abundance of Class B office product, and
- is located along a transit system allowing employees and constituents to easily commute to and from the downtown City Hall.

Estimated rental rates were \$2.50 per square foot per month on a full service basis commencing 2013. The goal of relocating to the suburban market was to achieve lower rental rates and, therefore, the City's new work place standards were not planned in the leased facilities since that would require a \$45 per square foot tenant improvement allowance. However, this also means the City's space would not be as efficient.

Lease Assumptions:

- 10 year lease term.
- Projected 2006 – 2008 market rents for Class B office product to be approximately \$2.15 per square foot per month on a full service basis. 2008 rent was increased annually by a 3% escalation factor to obtain the \$2.50 per square foot rent in 2013.
- Assumed \$20/SF Tenant Improvement Allowance contributed by landlords.
- Starting rent to escalate 2.5% annually.
- Assumed no monthly parking fees charged by the landlords for these locations.

Most Relevant Lease Comps:

Most relevant 2006 to 2008 lease comparables for Class B office product in Mission Valley have effective rates that range from \$2.37 to \$2.85, a sample of which are shown on the following pages.

APPENDIX D - SUB-CONSULTANT REPORTS
Cumming Corporation Peer Review Report

SAN DIEGO CIVIC CENTER PROJECT - PEER REVIEW

SUMMARY OF ESTIMATE REVIEW

Description	Gerding Edlen		Cumming Corporation		Hines	
	Amount	Rate	Amount	Rate	Amount	Rate
Garage	15,038,255	81.025 /sf	15,804,128	85.152 /sf	18,637,888	100.420 /sf
Automated Garage	16,012,667	86.275 /sf	15,723,591	84.718 /sf	18,167,688	97.886 /sf
Office Building	141,705,084	172.698 /sf	142,383,468	173.525 /sf	137,987,625	168.168 /sf
Total Direct Work	172,756,006	210.322 /sf	173,911,187	211.948 /sf	174,793,200	213.023 /sf
General Requirements 2%	3,455,120	2.00%	3,478,224	2.00%	5,243,796	3.00%
Construction Contingency - NIC						
Performance & Payment Bond						
General Conditions 7%	12,334,779	7.00%	12,417,259	7.00%	12,602,590	7.00%
Builders Risk - NIC						
CCIP Insurance - NIC						
Pre Construction Svcs- TBD						
Fee 3%	5,656,377	3.00%	5,694,200	3.00%	6,742,386	3.50%
Escalation - NIC						
Total Indirect Work	21,446,276	236.432 /sf	21,589,683	238.260 /sf	24,588,771	242.990 /sf
Utility Connection Fees - NIC						
Permits and Fees - NIC						
Design Dev. Contingency - NIC						
Design Fees - NIC						
Owner Contingency - NIC						
Total	194,202,282	236.677 /sf	195,500,870	238.260 /sf	199,381,971	242.990 /sf

Note:
Basis of comparison - The estimate provided by Gerding Edlen was priced using Hines' unit costs where possible and Cumming Corporation unit costs.

San Diego Civic Center Project – Peer Review Report

Following receipt of the development proposals for a new City Hall and Civic Improvements project from Gerding Edlen and Hines, Cumming Corporation was requested by Jones Laing LaSalle Americas, Inc. to carry out a pricing peer review of the two proposals.

The objective was to review the pricing used by the two companies in preparing their preliminary construction estimates for reasonableness.

The steps undertaken by Cumming Corporation in achieving this objective included reviewing:

1. Pricing: analyzing the unit costs and allowances used to compile both estimates. This included comparing the unit costs and allowances used by Gerding Edlen and Hines with unit costs for similar work used by Cumming Corporation.
2. Methods used for preparing preliminary estimates: we spoke with Gerding Edlen and Hines to understand and clarify how the preliminary estimates were prepared. Both companies stated that each of the estimates was based on their experience from similar projects, both past and present, together with projects in San Diego along with historical cost data, preliminary quotations from suppliers and trade contractors and site visits.
3. Project scope: this entailed discussions with each team to ensure they had sufficiently identified and accounted for all aspects of the project as proposed by them.

This review carried out by Cumming Corporation found that the basis of both estimates were fair and reasonable. However, it was noted that Gerding Edlen underestimated the cost for the demolition work. They were asked by Jones Laing LaSalle Americas, Inc. to include an allowance of \$10,560,000 in their estimate for the demolition work.

Following this initial review, Hines had questions regarding the following components of Gerding Edlen's proposal: shell and core; parking; site improvements; and MEP. These were reviewed again by Cumming Corporation with Gerding Edlen and Jones Laing LaSalle Americas, Inc. It was found that Gerding Edlen's submission reflected the scope in their proposal and their estimate pricing was fair and reasonable.

Summary

The basis of the preliminary estimates submitted by Gerding Edlen and Hines were fair and reasonable. Gerding Edlen underestimated the cost for the demolition work and was asked to include an allowance of \$10,560,000 in their estimate for the demolition work, by Jones Laing LaSalle Americas, Inc.

September 11, 2008

APPENDIX D - SUB-CONSULTANT REPORTS
Cumming Evaluation of Developer Proposals

From: Bob Hunt
Sent: Thursday, September 04, 2008 11:31 AM
To: Jeff Graham
Cc: Tambra Martinez
Subject: Cummings evaluation of developer proposals

Jeff,

The following summarizes the scope and actions taken by Cummings in reviewing the building cost estimates contained in the developer proposals:

1. Their scope was to provide a "peer review" of each developer proposals. This involved doing an evaluation of the reasonableness of each proposal by major building systems including :
 - Demo and site improvements
 - Permits and fees
 - Shell and core
 - Interiors
 - MEP
 - Parking
2. Their methodology involved comparing the sub cost categories provided by each developer for these major cost areas against Cumming's internal data base of current costs for like items in the San Diego market. Where Cummings felt there was a significant deviation between the developer cost estimate and their cost estimates they discussed this directly with the developers to better understand the assumptions. When they felt the cost assumptions were incorrect they brought this to our attention and we then asked the respective developer to adjust their pricing accordingly.
3. The source data used for their peer review included the following:
 - The pricing submitted in the developer proposals
 - Supplemental price information provided at their request by Hines and GED Direct conversations with the developers and their contractors (Turner construction in the case of GED and Clark construction in the case of Hines)
4. Cummings findings from this review were that both developers pricing had been thorough for a building design that is only at an early schematic level and that the pricing used was reasonable with the exception of Gerding Edlen's estimate for demolition and site work. Based on Cummings review, Gerding was asked to increase their costs for this item to \$10,560,000 which matched the costs submitted by Hines.

I've attached copies of some of the supplemental cost data provided by the Developer's at Cummings request. I will also send later today copies of email correspondence that is relevant to the cost evaluation.

As Tambra mentioned in an earlier email, Cummings will have their final report ready next Tuesday. In the meantime, please let me know if you have any further questions or need additional information?

Thanks,

Bob

POTENTIAL SOLAR COLLECTION LOCATIONS

TOTAL PV SQ FOOTAGE: 101,780

Shading Device panels 2' width, Roof Panels 5' width

SOLAR THERMAL PANELS

10 ROOF PANELS

AREA = 3,500 SQ FT

25 SOUTH FACE SHADING DEVICES

AREA = 9,500 SQ FT

ROOF PANELS

AREA = 9,000 SQ FT

ROOF TERRACE/GREEN

OBSERVATION DECK

SOLAR THERMAL PANELS

22 WEST FACE SHADING DEVICES

AREA = 11,968 SQ FT

23 EAST FACE SHADING DEVICES

AREA = 6,900 SQ FT

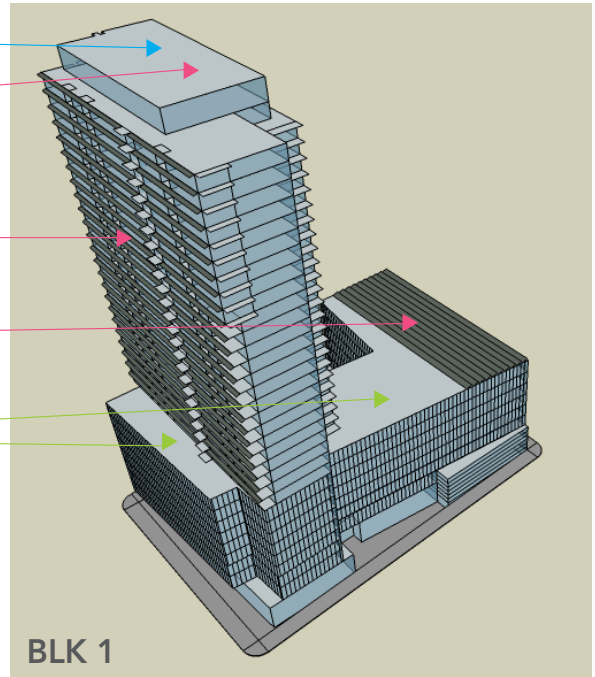
30 SOUTH FACE SHADING DEVICES

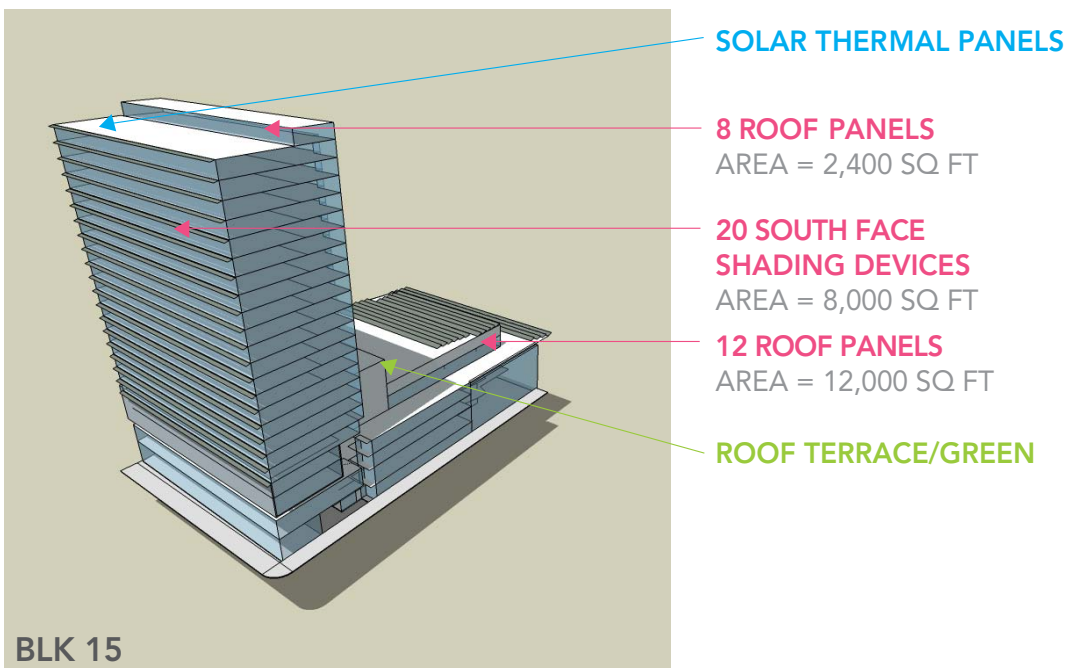
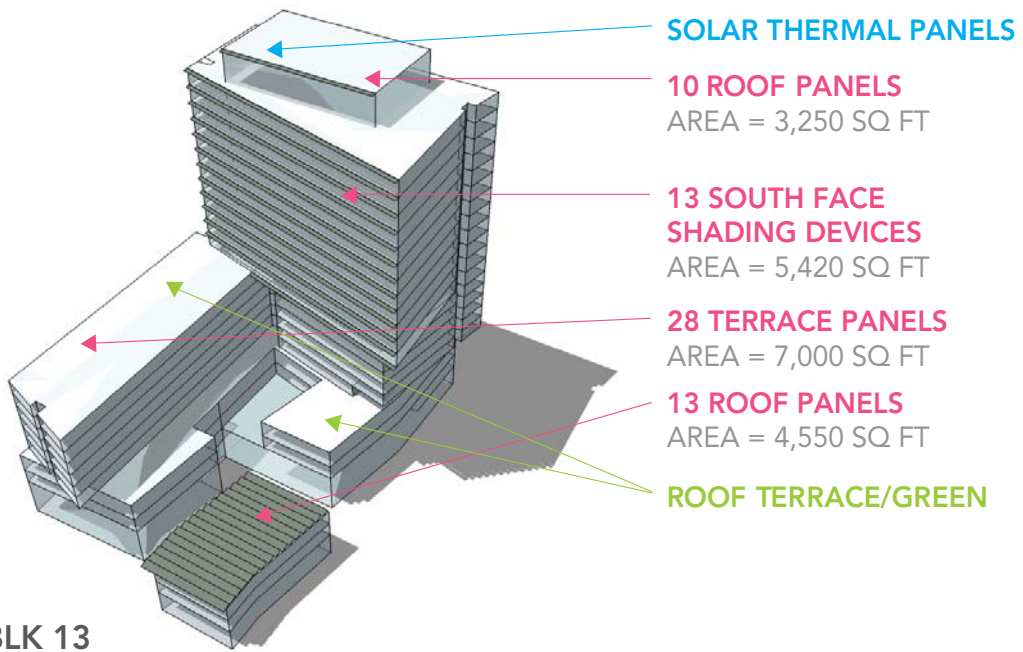
AREA = 4,500 SQ FT

ROOF PANELS CANOPY

AREA = 13,800 SQ FT

ROOF TERRACE/GREEN





**Block 14 Civic Center - GED
Conceptual Design Budget Estimate
08-12-08**

Project name Civic Center Block 14
CA

Client GED

Architect ZGF

Job size 820536 sf

Definable field 11 Turner Historical

Report format Sorted by 'Area/System'
'Detail' summary

APPENDIX D - SUB-CONSULTANT REPORTS
Cumming Evaluation of Developer Proposals

Area	System	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
Garage					
	010	Excavation & Foundations			
		Dewatering- Allowance	1.00 ls	100,000.00 /ls	100,000
		Excavate and hauling	80,000.00 cy	18.00 /cy	1,440,000
		SWPPP	2,400.00 lf	25.00 /lf	60,000
		Shoring	30,000.00 sf	40.00 /sf	1,200,000
			185,600.00	15.09	2,800,000
	015	Structural Frame			
		Reinforcing Steel - In Place	1,000.00 ton	2,000.00 /ton	2,000,000
		Shear walls	10,000.00 sf	25.00 /sf	250,000
		Concrete in place, SOG, mat foundation	8,300.00 cy	300.00 /cy	2,490,000
		Misc. cranes	1.00 ea	335,000.00 /ea	335,000
		Conc in place, elev slab, 9" thick, columns	139,200.00 sf	23.65 /sf	3,292,423
		Below grade basement walls	30,000.00 sf	20.00 /sf	600,000
		Misc. metals	25.00 tons	3,000.00 /tons	75,000
			185,600.00	48.72	9,042,423
	020	Roofing & Waterproofing			
		Membrane waterproofing,	185,600.00 sf	1.20 /sf	222,720
		Waterproofing at basement walls	30,000.00 sf	8.00 /sf	240,000
		Waterproofing at basement slab	46,400.00 sf	6.00 /sf	278,400
			185,600.00	3.99	741,120
	030	Interior Finishes & Partitions			
		Interior finishes	185,600.00 sf	3.47 /sf	644,032
		Steel stairs	8.00 flgh	7,455.00 /flgh	59,640
			185,600.00	3.79	703,672
	040	Special Requirements/Equip.			
		Code signage	185,600.00 sf	0.15 /sf	27,840
		Fire extinguisher	20.00 ea	320.00 /ea	6,400
			185,600.00	0.18	34,240
	045	Vertical Transportation			
		Passenger	12.00 stop	23,200.00 /stop	278,400
			185,600.00	1.50	278,400
	050	Fire Protection			
		Sprinkler system - building	185,600.00 sf	2.50 /sf	464,000

APPENDIX D - SUB-CONSULTANT REPORTS
Cumming Evaluation of Developer Proposals

Area	System	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
	050 Fire Protection		185,600.00	2.50	464,000
	055 Plumbing	Building plumbing	185,600.00 sf	2.00 /sf	371,200
	055 Plumbing		185,600.00	2.00	371,200
	060 HVAC	Building HVAC	185,600.00 sf	1.50 /sf	278,400
	060 HVAC		185,600.00	1.50	278,400
	065 Electrical	Complete electrical	185,600.00 sf	1.00 /sf	185,600
		installation - building			
		Fire/Life safety system, complete Building	185,600.00 sf	0.50 /sf	92,800
		Data rough-in, raceway and coax cable, devices	185,600.00 sf	0.25 /sf	46,400
	065 Electrical		185,600.00	1.75	324,800
	Garage		185,600.00	81.03	15,038,255
Garage - Automated					
	010 Excavation & Foundations				
		Dewatering- Allowance	1.00 ls	100,000.00 /ls	100,000
		Excavate and hauling	80,000.00 cy	18.00 /cy	1,440,000
		SWPPP	2,400.00 lf	25.00 /lf	60,000
		Shoring	30,000.00 sf	40.00 /sf	1,200,000
	010 Excavation & Foundations		185,600.00	15.09	2,800,000
	015 Structural Frame				
		Reinforcing Steel - In Place	1,431.50 ton	2,000.00 /ton	2,863,000
		Shear walls	15,000.00 sf	25.00 /sf	375,000
		Concrete in place, SOG, mat foundation	8,300.00 cy	326.00 /cy	2,705,798
		Misc. cranes	1.00 ea	335,000.00 /ea	335,000
		Conc in place, elev slab, 9" thick, columns	92,800.00 sf	30.17 /sf	2,799,305
		Below grade basement walls	30,000.00 sf	21.00 /sf	630,000
		Misc. metals	25.00 tons	3,000.00 /tons	75,000
	015 Structural Frame		185,600.00	52.71	9,783,103
	020 Roofing & Waterproofing				
		Membrane waterproofing,	185,600.00 sf	1.20 /sf	222,720

APPENDIX D - SUB-CONSULTANT REPORTS
Cumming Evaluation of Developer Proposals

Area	System	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
	020 Roofing & Waterproofing				
		Waterproofing at basement walls	30,000.00 sf	8.00 /sf	240,000
		Waterproofing at basement slab	46,400.00 sf	6.00 /sf	278,400
		020 Roofing & Waterproofing	185,600.00	3.99	741,120
	030 Interior Finishes & Partitions				
		Interior finishes	185,600.00 sf	3.64 /sf	675,584
		Steel stairs	4.00 flgh	7,455.00 /flgh	29,820
		030 Interior Finishes & Partitions	185,600.00	3.80	705,404
	040 Special Requirements/Equip.				
		Parking control equipment (lifts) - NIC	ea	/ea	
		Code signage	185,600.00 sf	0.15 /sf	27,840
		Fire extinguisher	20.00 ea	320.00 /ea	6,400
		040 Special Requirements/Equip.	185,600.00	0.18	34,240
	045 Vertical Transportation				
		Passenger	12.00 stop	23,200.00 /stop	278,400
		045 Vertical Transportation	185,600.00	1.50	278,400
	050 Fire Protection				
		Sprinkler system - building	185,600.00 sf	2.50 /sf	464,000
		050 Fire Protection	185,600.00	2.50	464,000
	055 Plumbing				
		Building plumbing	185,600.00 sf	2.00 /sf	371,200
		055 Plumbing	185,600.00	2.00	371,200
	060 HVAC				
		Building HVAC	185,600.00 sf	1.50 /sf	278,400
		060 HVAC	185,600.00	1.50	278,400
	065 Electrical				
		Complete electrical	185,600.00 sf	1.00 /sf	185,600
		installation - building			
		Complete electrical	185,600.00 sf	1.25 /sf	232,000
		installation - Car Lifts			
		Fire/Life safety system, complete Building	185,600.00 sf	0.50 /sf	92,800

APPENDIX D - SUB-CONSULTANT REPORTS
Cumming Evaluation of Developer Proposals

Area	System	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
	065 Electrical				
		Data rough-in, raceway and coax cable, devices	185,600.00 sf	0.25 /sf	46,400
	065 Electrical		185,600.00	3.00	556,800
	Garage - Automated		185,600.00	86.28	16,012,667
Office					
	015 Structural Frame				
		Reinforcing Steel - In Place	996.00 ton	2,000.00 /ton	1,992,000
		Shear walls	60,000.00 sf	25.00 /sf	1,500,000
		Misc. cranes	1.00 ea	1,000,000.00 /ea	1,000,000
		Conc in place, elev slab, 12" thick, columns	82,000.00 sf	23.85 /sf	1,955,286
		Conc in place,twrt,screed fin,no form/reinf, elev decks 5.5"	12,550.00 cy	200.19 /cy	2,512,323
		Structural Steel	6,500.00 tons	4,218.46 /tons	27,419,990
		Misc. metals	100.00 tons	3,000.00 /tons	300,000
		Metal decking, open, galv, 3" deep, 18 ga.	738,800.00 sf	5.00 /sf	3,694,000
		Sprayed fireproofing	738,800.00 sf	2.00 /sf	1,477,600
	015 Structural Frame		820,536.00	51.01	41,851,200
	020 Roofing & Waterproofing				
		Built up Roofing with over deck insulation	35,000.00 sf	10.00 /sf	350,000
		Flashing and sheetmetal	820,536.00 sf	1.25 /sf	1,025,670
		Membrane waterproofing,	820,536.00 sf	0.57 /sf	467,706
		Caulking	820,536.00 sf	0.25 /sf	205,134
		Green Roof	1.00 ls	2,900,000.00 /ls	2,900,000
	020 Roofing & Waterproofing		820,536.00	6.03	4,948,510
	025 Exterior Wall				
		LB ext walls	36,924.00 sf	9.78 /sf	361,117
		Metal cladding	36,924.00 sf	45.00 /sf	1,661,637
		Shades	1.00 ls	5,290,000.33 /ls	5,290,000
		Exterior Glass	147,696.00 sf	100.00 /sf	14,769,600
		Exterior Spandrel	110,772.00 sf	90.00 /sf	9,969,480
		Fritted Glass	73,848.00 sf	120.00 /sf	8,861,760
		Fenestration Premium	1.00 ls	1,300,000.00 /ls	1,300,000
	025 Exterior Wall		820,536.00	51.45	42,213,594
	030 Interior Finishes & Partitions				
		Elevator Lobbies	28,450.00 sf	35.00 /sf	995,750
		Office bathrooms	35,760.00 sf	25.00 /sf	894,000
		Main Lobby - ground flr	10,000.00 sf	50.00 /sf	500,000

APPENDIX D - SUB-CONSULTANT REPORTS
Cumming Evaluation of Developer Proposals

Area	System	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
	030 Interior Finishes & Partitions				
		Steel stairs	132.00 flgh	7,455.00 /flgh	984,060
		030 Interior Finishes & Partitions	820,536.00	4.11	3,373,810
	040 Special Requirements/Equip.				
		Window/ Washing Equipment	1.00 ls	500,000.00 /ls	500,000
		FF&E - NIC	ls	/ls	
		PV Panels - NIC	ea	/ea	
		Wind Turbines - NIC	ea	/ea	
		Code signage	820,536.00 sf	0.15 /sf	123,080
		Fire extinguisher	330.00 ea	320.00 /ea	105,600
		Chutes, trash - NIC	flrn	/flrn	
		040 Special Requirements/Equip.	820,536.00	0.89	728,680
	045 Vertical Transportation				
		Passenger	198.00 stop	31,080.91 /stop	6,154,020
		045 Vertical Transportation	820,536.00	7.50	6,154,020
	050 Fire Protection				
		Sprinkler system - building	820,536.00 sf	3.00 /sf	2,461,608
		050 Fire Protection	820,536.00	3.00	2,461,608
	055 Plumbing				
		Building plumbing	820,536.00 sf	10.00 /sf	8,205,360
		Solar Heating of Hot Water - NIC	ea	/ea	
		NRG Plant Expansion - NIC	lf	/lf	
		Thermal Storage - NIC	lf	/lf	
		NRG Plant Expansion - NIC	lf	/lf	
		Water Treatment - NIC	ea	/ea	
		055 Plumbing	820,536.00	10.00	8,205,360
	060 HVAC				
		Building HVAC	820,536.00 sf	25.00 /sf	20,513,400
		060 HVAC	820,536.00	25.00	20,513,400
	065 Electrical				

Area	System	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
	065 Electrical				
		Complete electrical	820,536.00 sf	11.50 /sf	9,436,164
		installation - building			
		Fire/Life safety system, complete Building	820,536.00 sf	1.50 /sf	1,230,804
		Data rough-in, raceway and coax cable, devices	820,536.00 sf	0.50 /sf	408,535
		065 Electrical	820,536.00	13.50	11,075,503
	070 Sitework				
		Offsite Improvements - NIC	ea	/ea	
		Office	820,536.00	172.48	141,525,684

APPENDIX D - SUB-CONSULTANT REPORTS
Cumming Evaluation of Developer Proposals

Estimate Totals

Description	Amount	Totals	Rate	Cost per Unit	Percent of Total
Labor	6,348,179			7.737 /sf	3.27%
Material	12,506,848			15.242 /sf	6.45%
Subcontract	115,096,527			140.270 /sf	59.33%
Equipment	12,658,629			15.427 /sf	6.53%
Other	25,966,424			31.646 /sf	13.38%
Total Direct Work	172,576,607	172,576,607		210.322 /sf	88.96
General Requirements 2%	3,451,532		2.000 %	4.206 /sf	1.78%
Construction Contingency - NIC					
Performance & Payment Bond -NI					
General Conditions 7%	12,321,970		7.000 %	15.017 /sf	6.35%
Builders Risk - NIC					
CCIP Insurance - NIC					
Pre Construction Svcs- TBD					
Fee 3%	5,650,503		3.000 %	6.886 /sf	2.91%
Escalation - NIC					
Total Indirect Work	21,424,005	194,000,612		236.432 /sf	11.04
Utility Connection Fees - NIC					
Permits and Fees - NIC					
Design Dev. Contingency - NIC					
Design Fees - NIC					
Owner Contingency - NIC					
Total		194,000,612		236.432 /sf	

SDCC Construction Budget

	Site	Plaza	Demo	Parkade	City Office ⁽¹⁾	City Hall	Pavillion	Totals
Demo	\$ 150,000	\$ -	\$ 15,250,000	\$ -	\$ -	\$ -	\$ -	\$ 15,400,000
Site	\$ 6,686,000	\$ 2,771,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,457,000
Excavation & Support	\$ -	\$ -	\$ -	\$ -	\$ 1,059,000	\$ 553,000	\$ 70,000	\$ 1,682,000
Foundations	\$ -	\$ -	\$ -	\$ -	\$ 2,493,000	\$ -	\$ 93,000	\$ 2,586,000
Structure	\$ -	\$ -	\$ -	\$ 2,717,325	\$ 26,180,112	\$ 12,307,000	\$ 251,500	\$ 41,455,937
Skin	\$ -	\$ -	\$ -	\$ -	\$ 19,306,998	\$ 10,855,000	\$ 1,041,000	\$ 31,202,998
Roofing & Waterproofing	\$ -	\$ -	\$ -	\$ 63,000	\$ 1,578,702	\$ 2,273,000	\$ 95,000	\$ 4,009,702
Finishes	\$ -	\$ -	\$ -	\$ 499,000	\$ 8,179,000	\$ 540,000	\$ 11,500	\$ 9,229,500
TI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specialties	\$ -	\$ -	\$ -	\$ 40,000	\$ 335,000	\$ 205,000	\$ -	\$ 580,000
Vert. Trans.	\$ -	\$ -	\$ -	\$ 440,000	\$ 8,850,000	\$ 790,000	\$ -	\$ 10,080,000
Mechanical	\$ -	\$ -	\$ -	\$ 530,000	\$ 17,922,000	\$ 3,325,000	\$ 52,000	\$ 21,829,000
Electrical	\$ -	\$ -	\$ -	\$ 2,118,000	\$ 8,932,000	\$ 2,713,000	\$ 90,000	\$ 13,853,000
Re-Ramp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Hard Cost	\$ 6,836,000	\$ 2,771,000	\$ 15,250,000	\$ 6,407,325	\$ 94,835,812	\$ 33,561,000	\$ 1,704,000	\$ 161,365,137
GCs 6.0%	\$ 410,160	\$ 166,260	\$ 915,000	\$ 384,440	\$ 5,690,149	\$ 2,013,660	\$ 102,240	\$ 9,681,908
Sub Bond 1.28%	\$ 87,501	\$ 35,469	\$ 195,200	\$ 82,014	\$ 1,213,898	\$ 429,581	\$ 21,811	\$ 2,065,474
Builder's Risk 0.2%	\$ 15,723	\$ 6,373	\$ 35,075	\$ 14,737	\$ 218,122	\$ 77,190	\$ 3,919	\$ 371,140
Insurance 0.5%	\$ 30,762	\$ 12,470	\$ 68,625	\$ 28,833	\$ 426,761	\$ 151,025	\$ 7,668	\$ 726,143
GC Bond 1.1%	\$ 72,462	\$ 29,373	\$ 161,650	\$ 67,918	\$ 1,005,260	\$ 355,747	\$ 18,062	\$ 1,710,470
Contingency 1.0%	\$ 68,360	\$ 27,710	\$ 152,500	\$ 64,073	\$ 948,358	\$ 335,610	\$ 17,040	\$ 1,613,651
Fee 3.5%	\$ 239,260	\$ 96,985	\$ 533,750	\$ 224,256	\$ 3,319,253	\$ 1,174,635	\$ 59,640	\$ 5,647,780
Subtotals Incl. Soft Cost	\$ 7,760,227	\$ 3,145,639	\$ 17,311,800	\$ 7,273,595	\$107,657,614	\$ 38,098,447	\$ 1,934,381	\$ 183,181,704
Escalation								
4.5% Annual	\$ 582,017	\$ 235,923	\$ 1,298,385	\$ 545,520	\$ 8,074,321	\$ 2,857,384	\$ 145,079	\$ 13,738,628
Total	\$ 8,342,244	\$ 3,381,562	\$ 18,610,185	\$ 7,819,115	\$115,731,935	\$ 40,955,831	\$ 2,079,459	\$ 196,920,331

Estimated GSF (incl basement)					614,990	128,004	4,500	747,494
Cost / GSF					\$ 188.19	\$ 319.96	\$ 462.10	\$ 263.44

(1) City Office Building budget excludes the cost for Fire Station #1

APPENDIX D - SUB-CONSULTANT REPORTS
Cumming Evaluation of Developer Proposals

San Diego City Commons

Base Case Development Cost Detail

Base Case Development Budget	Estimated Cost
<u>Site Cost</u>	
Community Outreach & Entitlement	300,000
Due Diligence & Legal	1,330,000
<u>Architecture & Design</u>	
A&E Fees	17,940,000
<u>Construction Hard Cost</u>	
Buildings & Site Hard Cost	200,780,000
Art Program	4,020,000
<u>Tenant Work</u>	
Temporary Move & Swing Space	2,860,000
Tenant Improvement in New Facility	45,640,000
Furniture & Move Cost	25,560,000
Technology Infrastructure	18,500,000
<u>Permits, Taxes & Insurance</u>	
Permits	4,370,000
<u>General & Administrative</u>	
G&A	18,380,000
<u>Contingency</u>	
Project Contingency	12,560,000
Total Development Budget	352,240,000

APPENDIX D - SUB-CONSULTANT REPORTS
Cumming Evaluation of Developer Proposals

Quarterly Development Cash Flows

Quarter End	Site Cost	A&E	Construction	Tenant Work	Permits, Taxes & Insurance			Leasing	G&A	Contingency	Total	
					Construction	Tenant Work	Permits, Taxes & Insurance				Development	Cash Flow
Mar-09	810,000	360,000	-	-	-	-	-	180,000	-	-	1,360,000	-
Jun-09	410,000	360,000	-	-	-	-	-	180,000	-	-	950,000	-
Sep-09	410,000	1,790,000	-	-	-	-	-	740,000	-	-	2,940,000	-
Dec-09	-	1,790,000	4,100,000	-	-	4,370,000	-	740,000	-	-	10,990,000	-
Mar-10	-	1,790,000	4,100,000	-	-	-	-	740,000	-	-	6,630,000	-
Jun-10	-	1,790,000	4,100,000	-	-	-	-	740,000	-	-	6,630,000	-
Sep-10	-	1,790,000	10,240,000	-	-	-	-	740,000	-	-	12,770,000	-
Dec-10	-	1,790,000	10,240,000	-	-	-	-	1,100,000	250,000	-	13,390,000	-
Mar-11	-	540,000	10,240,000	1,850,000	-	-	-	1,100,000	250,000	-	13,980,000	-
Jun-11	-	540,000	20,480,000	1,850,000	-	-	-	1,100,000	250,000	-	24,220,000	-
Sep-11	-	540,000	20,480,000	1,850,000	-	-	-	1,470,000	250,000	-	24,590,000	-
Dec-11	-	540,000	20,480,000	3,700,000	-	-	-	1,470,000	250,000	-	26,440,000	-
Mar-12	-	540,000	14,340,000	3,700,000	-	-	-	1,470,000	750,000	-	20,790,000	-
Jun-12	-	540,000	14,340,000	7,390,000	-	-	10,000	1,470,000	750,000	-	24,510,000	-
Sep-12	-	540,000	14,340,000	9,240,000	-	-	10,000	1,470,000	750,000	-	26,350,000	-
Dec-12	-	540,000	14,340,000	9,240,000	-	-	10,000	740,000	750,000	-	25,620,000	-
Mar-13	-	360,000	10,240,000	9,240,000	-	-	20,000	740,000	750,000	-	21,350,000	-
Jun-13	-	360,000	10,240,000	9,240,000	-	-	20,000	740,000	1,510,000	-	22,100,000	-
Sep-13	-	360,000	10,240,000	9,240,000	-	-	30,000	370,000	1,510,000	-	21,740,000	-
Dec-13	-	360,000	4,100,000	9,240,000	-	-	30,000	370,000	1,510,000	-	15,600,000	-
Mar-14	-	360,000	4,100,000	9,240,000	-	-	-	370,000	1,510,000	-	15,570,000	-
Jun-14	-	360,000	4,100,000	7,390,000	-	-	-	370,000	1,510,000	-	13,720,000	-
Sep-14	-	-	-	-	-	-	-	-	-	-	-	-
Dec-14	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,630,000	17,940,000	204,840,000	92,410,000	4,370,000	130,000	18,410,000	12,550,000	352,240,000			

Block 14 Civic Center - GED

Conceptual Design Budget Estimate

August 13, 2008

	TOTAL PROJECT		Garage		Garage - Automated		Office	
	820,536 SF	Cost/SF	185,600 GSF	Cost/GSF	185,600 GSF	Cost/GSF	820,536 GSF	Cost/GSF
	Total		Total		Total		Total	
Building System								
EXCAVATION & FOUNDATIONS	\$5,600,000	\$6.82	\$2,800,000	\$15.09	\$2,800,000	\$15.09	---	---
STRUCTURAL FRAME	\$60,676,726	\$73.95	\$9,042,423	\$48.72	\$9,783,103	\$52.71	\$41,851,200	\$51.00
ROOFING & WATERPROOFING	\$6,430,750	\$7.84	\$741,120	\$3.99	\$741,120	\$3.99	\$4,948,510	\$6.03
EXTERIOR WALL	\$42,213,594	\$51.45	---	---	---	---	\$42,213,594	\$51.45
INTERIOR FINISHES & PARTITIONS	\$4,782,886	\$5.83	\$703,672	\$3.79	\$705,404	\$3.80	\$3,373,810	\$4.11
SPECIAL REQUIREMENTS/EQUIP.	\$797,160	\$0.97	\$34,240	\$0.18	\$34,240	\$0.18	\$728,680	\$0.89
VERTICAL TRANSPORTATION	\$6,710,820	\$8.18	\$278,400	\$1.50	\$278,400	\$1.50	\$6,154,020	\$7.50
FIRE PROTECTION	\$3,389,608	\$4.13	\$464,000	\$2.50	\$464,000	\$2.50	\$2,461,608	\$3.00
PLUMBING	\$8,947,760	\$10.90	\$371,200	\$2.00	\$371,200	\$2.00	\$8,205,360	\$10.00
HVAC	\$21,070,200	\$25.68	\$278,400	\$1.50	\$278,400	\$1.50	\$20,513,400	\$25.00
ELECTRICAL	\$11,957,103	\$14.57	\$324,800	\$1.75	\$556,800	\$3.00	\$11,075,503	\$13.50
SITework	---	---	---	---	---	---	---	---
SUBTOTAL DIRECT COST	\$172,576,606	\$210.32	\$15,038,255	\$81.03	\$16,012,667	\$86.28	\$141,525,684	\$172.48
General Requirements 2%	\$3,451,532	\$4.21	\$300,765	\$1.62	\$320,253	\$1.73	\$2,830,514	\$3.45
Performance & Payment Bond -NI	---	---	---	---	---	---	---	---
Builders Risk - NIC	---	---	---	---	---	---	---	---
CCIP Insurance - NIC	---	---	---	---	---	---	---	---
TOTAL CONSTRUCTION COST	\$176,028,139	\$214.53	\$15,339,020	\$82.65	\$16,332,920	\$88.00	\$144,356,198	\$175.93
Construction Contingency - NIC	---	---	---	---	---	---	---	---
General Conditions 7%	\$12,321,970	\$15.02	\$1,073,731	\$5.79	\$1,143,304	\$6.16	\$10,104,934	\$12.32
Pre Construction Svcs- TBD	---	---	---	---	---	---	---	---
Fee 3%	\$5,650,503	\$6.89	\$492,383	\$2.65	\$524,287	\$2.82	\$4,633,834	\$5.65
Escalation - NIC	---	---	---	---	---	---	---	---
Utility Connection Fees - NIC	---	---	---	---	---	---	---	---
Permits and Fees - NIC	---	---	---	---	---	---	---	---
Design Dev. Contingency - NIC	---	---	---	---	---	---	---	---
Design Fees - NIC	---	---	---	---	---	---	---	---
Owner Contingency - NIC	---	---	---	---	---	---	---	---
TOTAL PROJECT COST	\$194,000,611	\$236.43	\$16,905,134	\$91.08	\$18,000,512	\$96.99	\$159,094,966	\$193.89





Economics Research Associates

Draft Report

**Fiscal and Economic Impact Analysis of
Civic Center Development Proposals**

Prepared for

**The Staubach Company
San Diego, California**

Submitted by

Economics Research Associates

September 10, 2008

ERA Project No. 17795

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This report is based on information that was current as of August 2008 and Economics Research Associates has not undertaken any update of its research effort since such date.

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This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.



I. Summary of Findings

CCDC and the Staubach Company retained Economics Research Associates to assist with the economic and fiscal impact analysis of the developer proposals from Gerding Edlen Development and Hines for the redevelopment of the Civic Center Complex. **Table I-1** provides a summary of the proposed development programs.

Table I-1: Proposed Development Programs

	Gerding Edlen	Hines
City Hall	1,006,416	734,883
Private office	766,322	
Retail	141,041	12,611
Residential	907,007	
Project Total	2,820,786	747,494

Source:Hines; Gerding Edlen; Economics Research Associates

Fiscal Impact Analysis

For both of the development alternatives, ERA estimated the fiscal benefit to the City of San Diego and the San Diego Redevelopment Agency. This includes three different types of revenue:

- 1.) Property tax revenues collected based on the assessed value of the redeveloped properties. For the purposes of this analysis, the assessed value is equal to the hard construction costs. Currently, the City does not receive property taxes from the Civic Center blocks, as they are city-owned tax-exempt parcels. If redeveloped into private uses, the San Diego Redevelopment Agency would receive property tax increments because the site is located in a redevelopment project area. The Redevelopment Agency receives approximately 70 percent of the property tax increment generated in the project area, with the other 30 percent allocated to other agencies.
- 2.) Sales tax revenues generated by the retail component of the redevelopment projects. The City receives about one percent of total retail sales revenues.
- 3.) Transient occupancy tax (TOT) revenues collected from hotel room revenues. The City TOT rate is 10.5 percent. The City receives 100 percent of TOT revenues.



Economic Impact Analysis

ERA also measured the economic impact of the alternatives to the regional economy. For the purposes of this analysis, the San Diego region was defined as San Diego County. ERA first estimated the number of jobs created onsite based on an industry standard of employment densities for each land use. The total wages were estimated based on wage survey data from the California Employment Development Department.

From this calculation of direct impact, ERA determined the percentage of jobs and wages that were net new to the region. Approximately 75 percent of retail jobs and wages and 15 percent of office jobs and wages were assumed to be net new to the region. ERA then utilized the Bureau of Economic Analysis RIMS II Regional Multipliers to estimate the indirect impacts on earnings and employment for each development proposal.

Summary of Impacts

The table below summarizes the fiscal and economic impacts of the two developer proposals.



Table I-2: Summary of Fiscal and Economic Impacts of Proposed Developments

	Gerding	Hines
<u>Fiscal Impact</u>		
Property Tax (TIF) Revenues	\$3,666,640	\$0
Sales Tax Revenues	\$493,644	\$44,139
TOT Revenues	\$0	\$0
Total Revenues	\$4,160,284	\$44,139
<u>Construction Impacts 1/</u>		
Jobs	9,110	2,226
Earnings	\$399,135,219	\$97,514,784
<u>Direct Private Employment and Wages</u>		
<u>Long Term Jobs 2/</u>		
Office	3,065	0
Retail	403	36
Total Jobs	3,468	36
<u>Average Annual Wage</u>		
Office	\$56,000	
Retail	\$38,000	\$38,000
Total Average Annual Wage	\$54,000	\$38,000
<u>Earnings</u>		
Office	\$171,656,128	\$0
Retail	\$15,313,000	\$1,369,000
Total Earnings	\$186,969,128	\$1,369,000
<u>Indirect Economic Impact</u>		
Jobs 3/	949	31
Earnings	\$46,063,090	\$1,339,447

1/ Includes one-time direct and indirect impacts.

2/ Includes full-time and part-time jobs.

3/ Assumes 75 percent of private retail jobs and 15 percent of private office jobs are net new to the region.

Source: California Employment Development Department; Bureau of Economic Analysis RIMS II; Economics Research Associates



II. Fiscal Impact Analysis

For each development alternative, ERA estimated the fiscal benefit to the City of San Diego and the San Diego Redevelopment Agency in terms of property tax, sales tax, and transient occupancy tax revenues.

The following are key assumptions in the analysis:

- ERA's analysis includes only fiscal benefits to both the City of San Diego's General Fund and the Redevelopment Agency. The analysis does not include municipal service costs for each of the alternatives.
- Sales tax, property tax, and transient occupancy tax revenues are calculated for each alternative scenario at buildout.
- The property tax rate for the City of San Diego is 1.12 percent of assessed value. Assessed value is based on the estimated construction costs, as provided by the developer teams.
- ERA calculates that the City of San Diego's share of sales tax revenue will be approximately one percent of total taxable retail sales. For both development proposals, ERA assumed sales of \$350 per gross square foot of retail space.
- The San Diego Redevelopment Agency receives approximately 70 percent of the property tax increment generated in the project area, with the other 30 percent allocated to other agencies including San Diego Unified School District, County of San Diego, San Diego Community College District, and San Diego Office of Education. After 2025, Downtown San Diego will most likely hit the state-mandated limit on tax increment financing collections for the project area, at which point the City of San Diego will receive a 20 percent share of the property tax revenues collected.

Gerding Edlen

Under the Gerding Edlen development alternative, the total assessed value of the development is estimated at almost \$468 million (see **Table II-1**). The Redevelopment Agency would receive 70 percent of the property tax increment, or \$3.7 million at buildout (**Table II-2**).

In addition, the City would receive sales tax revenue from the new retail and restaurant development, which are estimated to bring in about \$350 per square foot in sales for total taxable sales revenues of \$49.4 million at buildout. The City's share of the sales tax revenue is one percent of total sales, or \$494,000.



Total revenues to the City and the Redevelopment Agency at buildout are estimated at nearly \$4.2 million for the Gerding Edlen alternative. The total capitalized value is approximately \$64.0 million.

Hines

In the Hines alternative, the private component of the development includes 12,600 square feet of retail. However, the retail development will be built on existing city-owned tax-exempt land, so there will be no tax increment generated (see **Table II-3**).

Taxable sales are estimated at \$4.4 million for the retail and restaurant components. The City's share of the sales tax revenue is \$44,000. The total capitalized value is approximately \$679,000.

A comparison of the fiscal benefits generated by each alternative is presented in **Figure II-1**.

**Table II-1
ASSUMPTIONS FOR FISCAL AND LAND VALUE ANALYSIS OF CIVIC CENTER REDEVELOPMENT
GERDING EDLEN PROPOSAL**

	Building Construction and Parking Costs	Per Square Foot Costs	Assessed Value per Building SF	Sales per SF
Retail Commercial	\$36,240,529	\$257	\$257	\$350
Private Office	\$202,402,869	\$264	\$264	
Residential	\$229,040,277	\$253	\$253	
Total	\$467,683,675	\$258	\$258	

Source: Gerding Edlen Development; ERA

**Table II-2
FISCAL AND LAND VALUE ANALYSIS- GERDING**

Land Development	SF of Space	Assessed Value	Taxable Sales	Hotel Room Revenue
Retail or Restaurant Commercial	141,041	\$36,240,529	\$49,364,350	\$0
Private Office	766,322	\$202,402,869	\$0	\$0
Residential	907,007	\$229,040,277	\$0	\$0
Total (including parking)	1,814,370	\$467,683,675	\$49,364,350	\$0

Property Tax Increment @ 70%	City's Share of Sales Tax	TOT @ 10.5%	Total Tax Revenue to City & RDA
\$3,666,640	\$493,644	\$0	\$4,160,284
\$56,409,846	\$7,594,515	\$0	\$64,004,362

Source: Gerding Edlen; Centre City Development Corporation; Economics Research Associates

**Table II-3
ASSUMPTIONS FOR FISCAL AND LAND VALUE ANALYSIS OF CIVIC CENTER REDEVELOPMENT
HINES PROPOSAL**

	Assessed Value per SF 1/	Sales per SF
Retail Commercial	\$0	\$350

1/ Retail will be developed on city-owned tax-exempt properties.

Source: Hines, Economics Research Associates

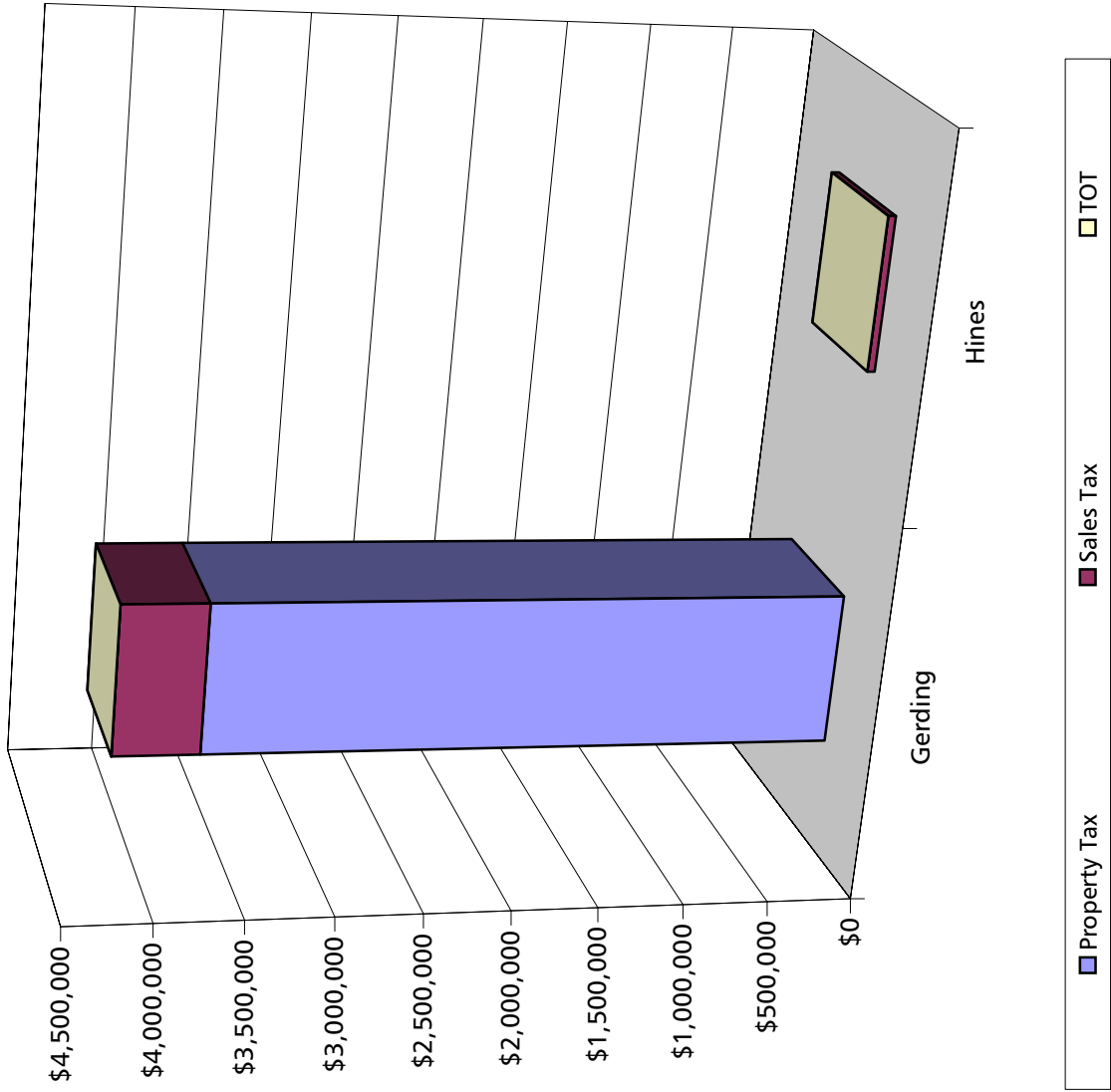
Table II-4
FISCAL AND LAND VALUE ANALYSIS- HINES

Land Development	SF of Space	Assessed Value	Taxable Sales	Hotel Room Revenue
Retail or Restaurant Commercial	12,611	\$0	\$4,413,850	\$0
Private Office	0	\$0	\$0	\$0
Residential	0	\$0	\$0	\$0
Total	12,611	\$0	\$4,413,850	\$0

Property Tax Increment @ 70%	City's Share of Sales Tax TOT @ 10.5%	Total Tax Revenue to City & RDA
Annual Tax Revenue at Buildout	\$0	\$44,139
Capitalized Value @ 6.5%	\$0	\$679,054

Source: Hines, Centre City Development Corporation; Economics Research Associates

Figure II-1: Tax Revenues to City and Redevelopment Agency





III. Economic Impact

Economic impact is defined as the effect of new development on the economy of a city, county or region. The effects on the economy include the creation of new jobs, increases in the County payroll, and new retail spending. The direct impact refers to the new jobs created by the proposed development and the wages directly earned by these employees. The indirect impact refers to the economic effect of the purchase of supplies and services by businesses on the regional economy. The indirect impacts of the proposed developments are calculated using RIMS II multipliers developed by the Bureau of Economic Analysis. ERA only measured the economic impacts of the private sector components of the projects.

Construction Impact

Tables III-1 and III-2 summarize the direct and indirect construction impacts generated by the alternatives. The Gerding Edlen development alternative generates 9,110 jobs and \$399 million in earnings. The Hines alternative provides 2,226 jobs and \$97.5 million in earnings. Figure III-1 compares the total construction impacts on earnings.

Direct Impact

To estimate the direct impact on jobs and earnings, ERA estimated permanent onsite employment generated by each redevelopment alternative. The following assumptions factored into the analysis:

- Average annual wage estimates for each occupation sector (office, civic, hotel, and retail) were obtained from the California Employment Development Department's Occupational Employment Survey.
- To calculate permanent onsite employment, ERA utilized the following estimates of employment density (gross square feet per employee):
 - 350 gross square feet per employee for retail
 - 250 gross square feet per employee for office

Tables III-3 and III-4 show the number of long-term employees onsite for each alternative. In the Gerding alternative, the civic center complex would result in 5,000 private sector jobs onsite, including more than 3,000 office employees and 400 retail employees. In the Hines alternative, the complex would accommodate approximately 36 retail employees. Estimated annual wages total \$187 million in the Gerding Edlen alternative and \$1.4 million in the Hines Alternative (see Figure III-2).



Indirect Impacts

ERA's calculation of indirect economic impacts was based on the following assumptions:

- ERA measured only the economic impacts of the private development components of each alternative. There is no economic impact for the civic component of the redevelopment alternatives, as these jobs and wages already exist in the region.
- ERA's analysis assumes that for the redevelopment alternatives, most of the new retail and restaurants placed onsite would be unique or new to the region, rather than a relocation of existing stores and restaurants from other parts of the region. A smaller percentage of the retail sales generated onsite from the new retail development will be due to a shift in spending from other areas of the county to the Civic Center area. For example, after redevelopment, civic employees may purchase coffee at the new retail shops in the redevelopment area rather than a coffee shop near their homes. This is not considered net new spending. Overall, ERA estimated that 75 percent of retail and restaurant jobs and wages would be net new to the region.
- Currently, the office vacancy rate in San Diego County is approximately 12 percent, and eight percent in Downtown San Diego. Given this high vacancy rate, it is not realistic to assume that all of the office tenants locating in the redeveloped civic center under the Gerding Edlen proposal would be new to the region. Many of them may be relocating from other parts of the region. However, because these will be new, Class A office buildings located in the highly desirable Downtown area, it is reasonable to assume that it has the potential to attract a number of firms from outside the county. ERA estimated that 15 percent of the office jobs created in the redeveloped area will be net new to the region.

Tables III-5 and **III-6** summarize the indirect economic impacts generated by the development alternatives, using the above assumptions. As shown, the Gerding Edlen development generates indirect wages totaling \$46 million and 949 indirect jobs. The Hines alternative has an indirect impact of 31 new jobs and \$1.3 million in wages. **Figure III-3** compares the indirect economic impacts of the alternatives on wages.

Summary of Fiscal and Economic Impacts

Table III-7 summarizes the economic and fiscal impacts of the two alternatives. As shown, the total fiscal impact of the Gerding Edlen proposal is approximately \$4.2 million, while the fiscal impact of the Hines proposal is about \$44,000. The construction impact of the Gerding proposal is \$399 million in wages and over 9,000 jobs. The Hines proposal's construction impact amounts to over 2,200 jobs and almost \$98 million in earnings. The Gerding proposal generates nearly 3,500 jobs onsite, and



total earnings of \$197 million, while the Hines development generates 36 direct jobs and \$1.4 million in wages. The indirect economic impacts of the Gerding Edlen proposal is 949 jobs and \$46 million in wages, while the Hines proposal generates 31 indirect jobs and \$1.3 million in wages.

**Table III-1
 CONSTRUCTION IMPACTS - GERDING**

	Construction Costs	Earnings Multiplier	Jobs Multiplier	Earnings 1/	Jobs 1/
Land Development					
Project Total	\$806,008,115	0.4952	11.3020	\$399,135,219	9,110

1/ Includes direct and indirect impacts

Source: Gerding Edlen; RIMS II; Economics Research Associates

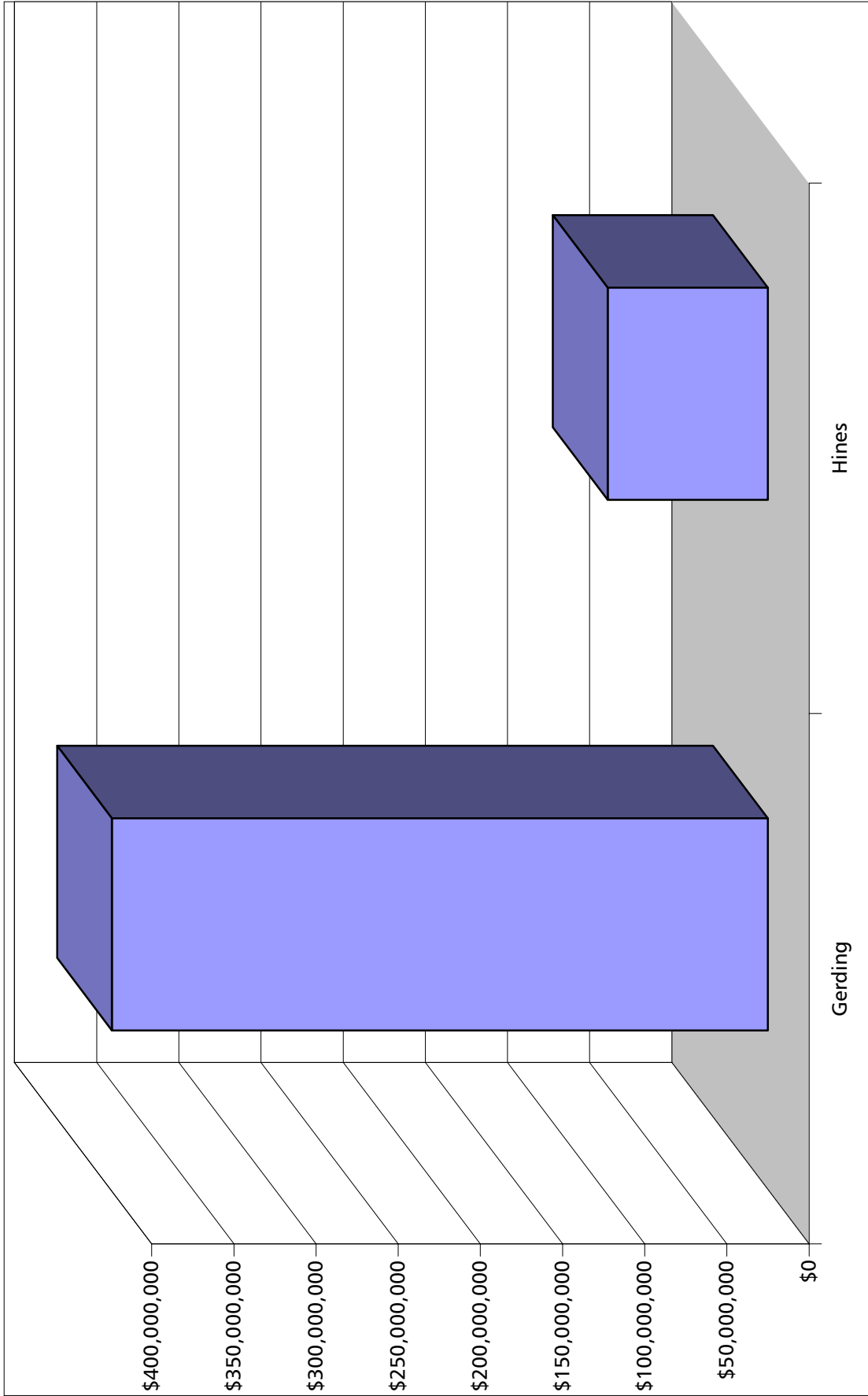
Table III-2
 CONSTRUCTION IMPACTS - HINES

Land Development	Construction Costs	Earnings Multiplier	Jobs Multiplier	Earnings 1/	Jobs 1/
	\$196,920,000	0.4952	11.3020	\$97,514,784	2,226
Project Total					

1/ Includes direct, indirect, and induced impacts

Source: Hines; RIMS II; Economics Research Associates

Figure III-1: Construction Wages Generated by Alternative



**Table III-3
 LONG TERM ONSITE EMPLOYMENT - GERDING**

	Office	Retail	Total
Gross Floor Area	766,322	141,041	907,363
Gross SF per employee	250	350	262
On-site employees	3,065	403	3,468
Average Annual Earnings	\$56,000	\$38,000	\$54,000
Total Earnings	\$171,656,128	\$15,313,000	\$186,969,128

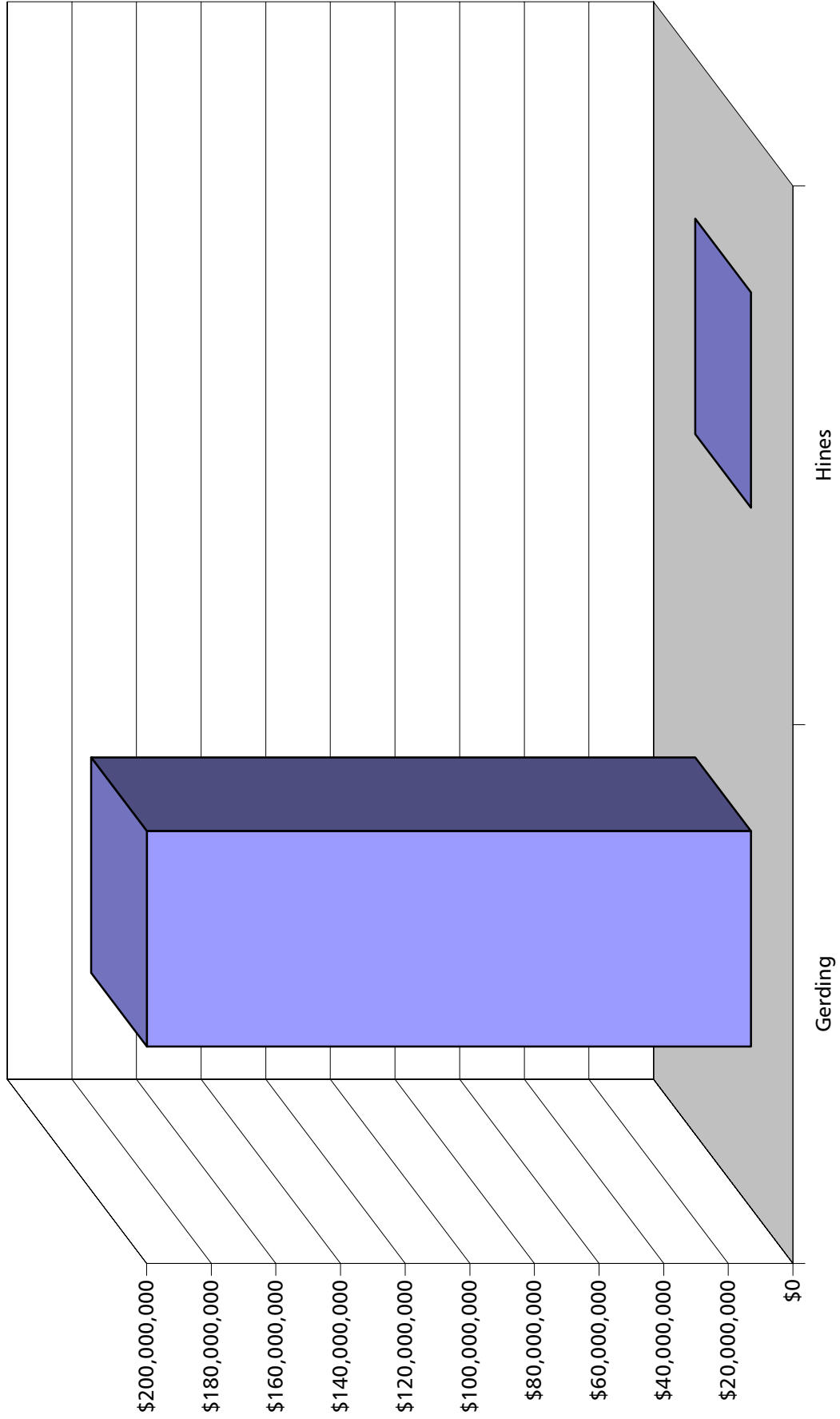
Source: Gerding Edlen; California Employment Development Department; Economics Research Associates

**Table III-4
LONG TERM EMPLOYMENT AND WAGES - HINES**

	Retail
Gross Floor Area	12,611
Gross SF per employee	350
On-site employees	36
Average Annual Wage	\$38,000
Total Annual Wage	\$1,369,000

Source: Hines; California Employment Development Department; Economics Research Associates

Figure III-2: Direct Impact on Employee Wages



**Table III-5
ECONOMIC IMPACTS - GERDING EDLEN DEVELOPMENT**

	Net New Earnings	Net New Employment	Earnings Multiplier 1/	Jobs Multiplier 1/	Indirect Wages	Indirect Jobs
Land Development						
Retail or Restaurant Commercial 2/	\$11,484,750	302	1.3046	1.1534	\$14,982,431	349
Office 3/	\$25,748,419	460			\$31,080,659	600
Project Total	\$37,233,169	762			\$46,063,090	949

1/ The jobs and earnings multipliers include indirect impacts only.

2/ Assumes 75% of jobs and earnings will be due to businesses new to the region.

3/ Assumes 15% of jobs and earnings will be due to businesses new to the region.

Source: Gerding Edlen Development; RIMS II; Economics Research Associates

Table III-6
ECONOMIC IMPACTS - HINES

	Net New Earnings	Net New Employment	Earnings Multiplier 1/	Jobs Multiplier 1/	Indirect Wages	Indirect Jobs
Land Development						
Retail or Restaurant Commercial 2/	\$1,026,750	27	1.3046	1.1534	\$1,339,447	31
Project Total	\$1,026,750	27			\$1,339,447	31

1/ Based on RIMS II direct effect multipliers. Includes indirect, and induced impacts

2/ Assumes 75% of jobs and earnings will be due to businesses new to the region.

Source: Hines; RIMS II; Economics Research Associates

Table III-7

SUMMARY OF FISCAL BENEFITS, EMPLOYMENT AND WAGES GENERATED BY EACH ALTERNATIVE

	Gerding	Hines
<u>Fiscal Impact</u>		
Property Tax (TIF) Revenues	\$3,666,640	\$0
Sales Tax Revenues	\$493,644	\$44,139
TOT Revenues	\$0	\$0
Total Revenues	\$4,160,284	\$44,139
<u>Construction Impacts 1/</u>		
Jobs	9,110	2,226
Earnings	\$399,135,219	\$97,514,784
<u>Direct Private Employment and Wages</u>		
<u>Long Term Jobs 2/</u>		
Office	3,065	0
Retail	403	36
Total Jobs	3,468	36
<u>Average Annual Wage</u>		
Office	\$56,000	
Retail	\$38,000	\$38,000
Total Average Annual Wage	\$54,000	\$38,000
<u>Earnings</u>		
Office	\$171,656,128	\$0
Retail	\$15,313,000	\$1,369,000
Total Earnings	\$186,969,128	\$1,369,000
<u>Indirect Economic Impact</u>		
Jobs 3/	949	31
Earnings	\$46,063,090	\$1,339,447

1/ Includes one-time direct and indirect impacts.

2/ Includes full-time and part-time jobs.

3/ Assumes 75 percent of private retail jobs and 15 percent of private office jobs are net new to the region.

Source: California Employment Development Department; Bureau of Economic Analysis RIMS II; Economics Research Associates

APPENDIX D - SUB-CONSULTANT REPORTS
D.F. Davis Real Estate Land Appraisal

From: Dave Davis [mailto:dave@dfdavisrealestate.com]
Sent: Thursday, July 31, 2008 7:13 PM
To: Tambra Martinez
Subject: Civic Center

Tambra:

Based on my research, it is my opinion that land values for the various uses contemplated at the Civic Center site would range between \$550 and \$600 per land square foot if market conditions justified development of mixed-use, mid and high-rise structures today. They do not, but the market for land in 2012 will likely be better, so I feel that these values are minimum threshold applicable to that date. Based on use type and floor area ratio, the range would be approximately \$400 to \$900 per square foot.

Currently, there are downtown properties listed that are not selling at \$200 per square foot. Size and critical mass (assemblage) matters and I project a premium for the Civic Center site. Buyers are speculating now and looking more to basic price per square foot of land area rather than price per square foot of FAR building area. This is because capital markets are still in turmoil.

There are several attachments that we should review.

Thanks,

Dave
858-485-5000

<http://www.dfdavisrealestate.com/>

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SUMMARY OF COMPARABLE LAND DATA

Comp. No.	Seller/Buyer Location Assessor's Parcel Number	Closing Date Contract Date	Sale Price	Net Acres (Sq. Ft.)	Sale Price PSF	Comments
1	Barreras/Bosa Development 1306 Kettner Boulevard (between A and Ash St.) San Diego (Downtown-Columbia) 533-392-03, 533-392-05	1/10/03 6/05	\$12,750,000	0.689 (30,000)	\$425.00	proposed retail-residential project, 35 stories
2	Bay Structures LLC/Columbia Downtown LLC 1261 India Street, 1270 Columbia Street San Diego (Downtown-Columbia) 533-404-01, 07	4/12/07 11/06	\$10,100,000	0.574 (25,000)	\$404.00	mixed-use hotel plan up to 47 stories
3	Bosa Development/The Irvine Company 820 Broadway (betw. Pac. Hwy. and California St.) San Diego (Downtown-Columbia) 533-471-09	1/11/07 N/A	\$60,000,000	1.420 (61,855)	\$970.01	proposed for Class A office
4	McKinnon Properties/Bosa Development 420 2nd Avenue (block-1st, 2nd, Island, J) San Diego (Downtown-Marina) 535-075-01	5/2/06 3/05	\$36,500,000	1.377 (60,000)	\$608.33	proposed for residential condominiums; demolition required
5	Wells Fargo Bank/Justin Development Northwest corner of 6th Avenue and E Street San Diego (Downtown-Gaslamp Quarter) 533-574-08, 09, 10	2/27/08 8/07	\$8,500,000	0.450 (19,602)	\$433.63	Stanford Hotels; interim parking lot with \$31,672 per month income (unadjusted for property tax increase)
6	Gaslamp Phase II/K. Hovnanian 405 5th Avenue (southwest corner Island Avenue) San Diego (Downtown-Gaslamp Quarter) 535-085-12	9/20/04 7/04	\$20,600,000	0.570 (24,829)	\$829.67	proposed 5 story project, 103 residential units over retail
7	United Enterprises/Champion Development 602 Broadway (northeast corner 6th Avenue) San Diego (Downtown-East Village) 534-186-06	5/18/04 N/A	\$5,500,000	0.230 (10,000)	\$550.00	conversion to residential over retail

SUMMARY OF COMPARABLE LAND DATA

Comp. No.	Seller/Buyer Location Assessor's Parcel Number	Closing Date Contract Date	Sale Price	Net Acres (Sq. Ft.)	Sale Price PSF	Comments
8	Legacy (Intracorp)/Strata Properties (Hanover) 945 Market Street (between 9th and 10th Avenue) San Diego (Downtown-East Village) 535-121-12	8/29/07 4/07	\$23,000,000	0.689 (30,000)	\$766.67	plus \$480,000 commission paid by the buyer; sell to pay for remediation; buyer to pay for demolition; proposed for 180 luxury class apartments
9	Western Pacific/15th Island (Oliver McMillan) 460 16th Street (block-15th, 16th, Island, J) San Diego (Downtown-East Village) 535-392-08	9/26/07 7/07	\$12,000,000	1.377 (60,000)	\$200.00	buyer to pay \$1,000,000 environmental remediation; buyer evaluating development plans;
10	EV II LLC/PPD San Diego 613 13th Street (block-13th, 14th, Market, G) San Diego (Downtown-East Village) 535-145-04, 05, 08	9/30/04 N/A	\$18,500,000	1.377 (60,000)	\$308.33	retail
11	Milicavic Trust/Oliver McMillan Foster 1207 G Street (southeast corner 12th Avenue) San Diego (Downtown-East Village) 535-146-01	3/21/06 N/A	\$4,140,000	0.230 (10,000)	\$414.00	proposed residential project
12	Ekky Investment Group/Waterfall Center West side of 8th Ave. betw. Broadway and C St. San Diego (Downtown-East Village) 534-185-09, 10	8/28/07 N/A	\$3,800,000	0.115 (5,000)	\$760.00	pay parking lot
13	Alecta Pensionsforsaking/Palladium LLC 1290 9th Avenue (southwest corner A Street) San Diego (Downtown-East Village) 534-066-01, 02, 03, 04, 06, 07	9/24/04 7/04	\$18,000,000	1.130 (49,223)	\$365.68	proposed apartments
14	Josephson Mngmnt./Ten Fifty B St. Housing 1050 B Street (between 10th and 11th Avenues) San Diego (Downtown-East Village) 534-064-09	5/9/08 10/06	\$4,700,000	0.459 (20,000)	\$235.00	existing Burger King to be demolished; proposed for 229 unit, 23 story affordable housing project; to include 13,000 square feet of retail and a new Burger King

APPENDIX D - SUB-CONSULTANT REPORTS
D.F. Davis Real Estate Land Appraisal

**COMPARABLE LAND DATA
ADJUSTMENT CHART**

Subject Property	Comp. 1 1306 Kettner Bl.	Comp. 2 1261 India St.	Comp. 3 820 Broadway	Comp. 4 420 2nd Avenue	Comp. 5 NWC 6th and E Street	Comp. 6 405 5th Avenue	Comp. 7 602 Broadway
Sale Price	\$12,750,000	\$10,100,000	\$60,000,000	\$35,500,000	\$8,500,000	\$20,600,000	\$5,500,000
Acreage	1.377	0.69	0.57	1.42	1.38	0.45	0.23
Size Sq. Ft.	60,000	30,000	25,000	61,855	60,000	19,602	10,000
Price Per Sq. Ft.	\$425.00	\$404.00	\$970.01	\$608.33	\$433.63	\$829.67	\$550.00
Financing Comparison Adjustment	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00
Property Condition Comparison Adjustment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Expend. Immed. After Purch. Comparison Adjustment	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00
Conditions of Sale Comparison Adjustment	Equal 0%	Equal 0%	Equal 0%	Equal 0%	Sl. Superior -2%	Equal 0%	Equal 0%
Adjustment Amount	\$0.00	\$0.00	\$0.00	\$0.00	(\$10.00)	\$0.00	\$0.00
Subtotal	\$425.00	\$404.00	\$970.01	\$608.33	\$423.63	\$829.67	\$550.00
Changes In Market Conditions							
Contract Date	7/08	6/05	4/07	1/07	5/06	2/08	9/04
No. of Months through 12/04	0	0	0	0	0	0	4
Adjustment 2% per month	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$66.37
No. of Months through 12/05	7	0	0	0	0	0	12
Adjustment .5% per month	\$14.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53.76
No. of Months through 12/06	12	0	0	8	0	0	12
Adjustment 0% per month	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
No. of Months through 12/07	12	9	12	12	0	0	12
Adjustment <1%> per month	(\$52.79)	(\$36.36)	(\$116.40)	(\$73.00)	\$0.00	(\$113.98)	(\$81.15)
No. of Months through 7/08	6	6	6	6	5	6	6
Adjustment <1%> per month	(\$23.23)	(\$22.06)	(\$51.22)	(\$32.12)	(\$21.18)	(\$50.15)	(\$35.71)
Subtotal	\$425.00	\$404.00	\$970.01	\$608.33	\$423.63	\$896.04	\$638.00
Size (Acreage) Comparison Adjustment	1.377 Inferior 10% Adjustment Amount \$42.50	0.574 Inferior 10% Adjustment Amount \$40.40	1.420 Equal 0% Adjustment Amount \$0.00	1.377 Equal 0% Adjustment Amount \$0.00	0.450 Inferior 10% Adjustment Amount \$42.36	0.570 Inferior 10% Adjustment Amount \$89.60	0.230 Inferior 10% Adjustment Amount \$63.80
Configuration Comparison Adjustment	Block 50% Block Sl. Inferior 5% Adjustment Amount \$21.25	40% Block Sl. Inferior 5% Adjustment Amount \$20.20	Block Equal 0% Adjustment Amount \$0.00	Block Equal 0% Adjustment Amount \$0.00	40% Block Sl. Inferior 5% Adjustment Amount \$21.18	40% Block Sl. Inferior 5% Adjustment Amount \$44.80	17% Block Inferior 10% Adjustment Amount \$63.80
Specific Location Comparison Adjustment	4 Str. Frontage Sl. Inferior 5% Adjustment Amount \$21.25	3 Str. Frontage Inferior 5% Adjustment Amount \$20.20	3 Str. Frontage Sl. Inferior 5% Adjustment Amount \$48.50	4 Str. Frontage Equal 0% Adjustment Amount \$0.00	Corn. - 2 Str. Inferior 10% Adjustment Amount \$42.36	3 Str. Frontage Sl. Inferior 5% Adjustment Amount \$44.80	Corn. - 2 Str. Inferior 10% Adjustment Amount \$63.80
Subtotal	\$510.00	\$484.80	\$1,018.51	\$608.33	\$529.53	\$1,075.25	\$829.40
General Location District - Adjustment	Downtown Core - Civic Columbia 0% Adjustment Amount \$0.00	Downtown Columbia Columbia 0% Adjustment Amount \$0.00	Downtown Columbia Columbia 0% Adjustment Amount \$0.00	Downtown Marina Marina 0% Adjustment Amount \$0.00	Downtown Gaslamp Gaslamp 0% Adjustment Amount \$0.00	Downtown Gaslamp Gaslamp 0% Adjustment Amount \$0.00	Downtown East Village East Village 5% Adjustment Amount \$0.00
Indicated Value PSF - Land	\$510.00	\$484.80	\$1,018.51	\$608.33	\$529.53	\$1,075.25	\$829.40

APPENDIX D - SUB-CONSULTANT REPORTS
D.F. Davis Real Estate Land Appraisal

**COMPARABLE LAND DATA
ADJUSTMENT CHART**

Subject Property	Comp. 8 945 Market St.	Comp. 9 460 16th St.	Comp. 10 13 13th St.	Comp. 11 1207 G Street	Comp. 12 8th—Broadw. —C Street	Comp. 13 1209 9th Avenue 5th Avenue	Comp. 14 1050 B Street	
Sale Price	\$23,000,000	\$12,000,000	\$18,500,000	\$4,140,000	\$3,800,000	\$18,000,000	\$4,700,000	
Acreage	1.377	0.69	1.38	1.38	0.23	0.11	1.13	
Size Sq. Ft.	60,000	30,000	60,000	60,000	10,000	5,000	49,223	
Price Per Sq. Ft.	\$766.67	\$200.00	\$308.33	\$414.00	\$760.00	\$365.68	\$235.00	
Financing Comparison Adjustment	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	
Property Condition Comparison Adjustment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Expend. Immed. After Purch. Comparison Adjustment	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	Equal \$0.00	
Conditions of Sale Comparison Adjustment	Equal 0%	Equal 0%	Equal 0%	Equal 0%	Sl. Superior -1%	Equal 0%	Equal 0%	
Adjustment Amount	\$0.00	\$0.00	\$0.00	\$0.00	(\$10.00)	\$0.00	\$0.00	
Subtotal	\$766.67	\$216.67	\$308.33	\$414.00	\$750.00	\$365.68	\$235.00	
Changes In Market Conditions								
Contract Date	7/08	4/07	7/07	8/04	2/06	7/07	7/04	
No. of Months through 12/04	0	0	0	5	0	0	6	
Adjustment	2% per month \$0.00	\$0.00	\$0.00	\$30.83	\$0.00	\$0.00	\$43.88	
No. of Months through 12/05	0	0	0	12	0	0	12	
Adjustment	.5% per month \$0.00	\$0.00	\$0.00	\$20.35	\$0.00	\$0.00	\$24.57	
No. of Months through 12/06	0	0	0	12	11	0	12	
Adjustment	0% per month \$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
No. of Months through 12/07	9	6	6	12	12	6	12	
Adjustment	<1%> per month (\$69.00)	(\$13.00)	(\$13.00)	(\$43.14)	(\$49.68)	(\$45.00)	(\$52.10)	
No. of Months through 7/08	6	6	6	6	6	6	6	
Adjustment	<1%> per month (\$41.86)	(\$12.22)	(\$12.22)	(\$18.98)	(\$21.85)	(\$42.30)	(\$22.92)	
Subtotal	\$766.67	\$216.67	\$339.17	\$414.00	\$750.00	\$409.57	\$235.00	
Size (Acreage) Comparison Adjustment	1.377 0.689 Inferior 10% Adjustment Amount \$76.67	1.377 Equal 0% Adjustment Amount \$0.00	1.377 Equal 0% Adjustment Amount \$0.00	1.377 Inferior 10% Adjustment Amount \$41.40	0.230 Inferior 10% Adjustment Amount \$75.00	0.115 Inferior 10% Adjustment Amount \$0.00	1.130 Equal 0% Adjustment Amount \$0.00	0.459 Inferior 10% Adjustment Amount \$23.50
Configuration Comparison Adjustment	Block 50% Block Sl. Inferior 5% Adjustment Amount \$38.33	Block Equal 0% Adjustment Amount \$0.00	Block Equal 0% Adjustment Amount \$0.00	17% Block Inferior 10% Adjustment Amount \$41.40	17% Block Inferior 10% Adjustment Amount \$75.00	80% Block Sl. Inferior 2% Adjustment Amount \$8.19	30% Block Sl. Inferior 7% Adjustment Amount \$16.45	
Specific Location Comparison Adjustment	4 Str. Frontage 3 Str. Frontage Sl. Inferior 5% Adjustment Amount \$38.33	4 Str. Frontage Equal 0% Adjustment Amount \$0.00	4 Str. Frontage Equal 0% Adjustment Amount \$0.00	Com.—2 Str. Inferior 10% Adjustment Amount \$41.40	Interior Inferior 20% Adjustment Amount \$150.00	4 Str. Frontage Equal 0% Adjustment Amount \$0.00	3 Str. Frontage Sl. Inferior 5% Adjustment Amount \$11.75	
Subtotal	\$920.00	\$216.67	\$339.17	\$538.20	\$1,050.00	\$417.76	\$286.70	
General Location District—Adjustment	Downtown Core—Civic East Village 5% Adjustment Amount \$46.00	Downtown East Village 5% Adjustment Amount \$10.83	Downtown East Village 5% Adjustment Amount \$16.96	Downtown East Village 5% Adjustment Amount \$26.91	Downtown East Village 5% Adjustment Amount \$52.50	Downtown East Village 5% Adjustment Amount \$20.89	Downtown East Village 5% Adjustment Amount \$0.00	
Indicated Value PSF—Land	\$966.00	\$227.50	\$356.12	\$565.11	\$1,102.50	\$438.65	\$286.70	

APPENDIX D - SUB-CONSULTANT REPORTS
D.F. Davis Real Estate Land Appraisal

Attached Housing Statistics
Downtown San Diego
Postal Zip Code Area 92101

Year	Average List Price	PSF	Average Sale Price	% Difference	Sale Price/ List Price PSF	Average Days on Market	% Difference PSF
2003	\$577,625	\$441.38	\$556,165	\$426.91	96.7%	66	
2004	\$736,669	\$563.16	\$709,058	\$546.49	97.0%	40	28.01%
2005	\$713,158	\$614.82	\$686,179	\$593.58	96.5%	65	8.62%
2006	\$727,390	\$603.25	\$685,858	\$586.62	97.2%	82	-1.17%
2007	\$643,733	\$554.15	\$613,926	\$530.20	95.7%	76	-9.62%
2008	\$617,704	\$514.10	\$580,123	\$486.43	94.6%	75	-8.26%

APPENDIX D - SUB-CONSULTANT REPORTS
D.F. Davis Real Estate Land Appraisal

Statistics

Comp. No.	Un-Adjusted Price PSF	Adjusted Price PSF	Adjusted Difference	(1) Lowest Total Adjustm.	(2) Largest	(3) Most Recent	(4) Adjusted Price PSF
1	\$425.00	\$484.50	14.00%	\$484.50			
2	\$404.00	\$460.56	14.00%	\$460.56		4/07	\$460.56
3	\$970.01	\$967.58	-0.25%	\$967.58	Block	1/07	\$967.58
4	\$608.33	\$577.92	-5.00%	\$577.92	Block		\$577.92
5	\$433.63	\$503.06	16.01%	\$503.06		2/08	\$503.06
6	\$829.67	\$1,021.49	23.12%				
7	\$550.00	\$829.40	50.80%				
8	\$766.67	\$920.00	20.00%	\$920.00		4/07	\$920.00
9	\$200.00	\$216.67	8.33%	\$216.67	Block	7/07	\$216.67
10	\$308.33	\$339.17	10.00%	\$339.17	Block		\$339.17
11	\$414.00	\$538.20	30.00%				
12	\$760.00	\$1,050.00	38.16%			7/07	
13	\$365.68	\$417.76	14.24%	\$417.76			
14	\$235.00	\$286.70	22.00%				
Total	\$7,270.32	\$8,613.01	18.47%	\$4,887.22			\$3,984.96
Avg.	\$519.31	\$615.22	18.47%	\$543.02			\$569.28

- (1) The best comparables have the least amount of total adjustment, 20% or less
- (2) All except these comparables required significant adjustment for size
- (3) The most recent comparables require less adjustment for changes in market conditions
- (4) Comparables with at least two measures of superior comparability as shown above

COMPARABLE LAND DATA



Comparable Land Data 7



Comparable Land Data 10



Comparable Land Data 8



Comparable Land Data 11

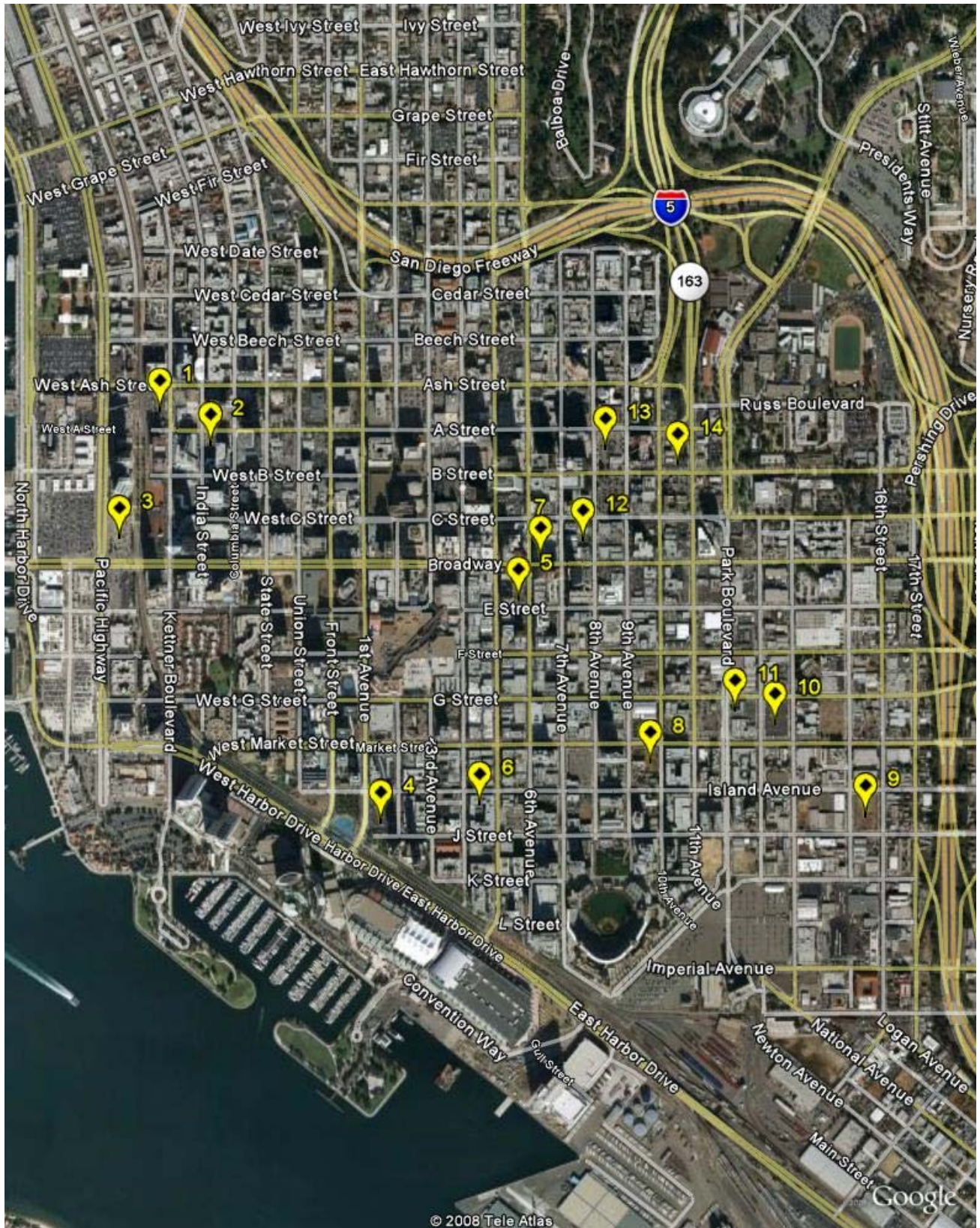


Comparable Land Data 9



Comparable Land Data 12

COMPARABLE LAND DATA



63-20 Structure Overview

IRS Revenue Ruling 63-20 Allows a Not-for-Profit Corporation to Issue Tax-exempt Debt to Finance a Facility for Government Use, Provided:

- The facility will be occupied by an appropriate governmental or 501(c)(3) entity;
- A local government endorses the financing; and,
- The facility must be conveyed by the Not-for-Profit Corporation to the endorsing local government at the retirement of the 63-20 debt

63-20 Bonds Allow for the Following:

- Private development of public buildings using private tax-exempt debt;
- Government control of the facility's use under the terms of a long-term lease or use agreement;
- A federal requirement that the facility to revert to governmental ownership at the retirement of the debt

In a 63-20 project there are generally three principal parties involved in the transaction: The governmental institution that will occupy the building, a facilitating non-profit entity that will act as landlord, and a Fee Developer.

Although there are many nuances in how various public institutions utilize alternative delivery mechanisms in public/private partnerships utilizing 63-20 financing, they typically use the following overall structure.

1. The Developer is the developer-contractor and pledges to construct and deliver the building for a guaranteed maximum price (GMP) to the design specifications developed by the public institution and assume all construction risk.
2. The nonprofit entity is brought in to act as a private sector facilitating entity. This entity assumes an ownership position during the lease term, and finances the project with privately issued 63-20 tax-exempt debt that is secured by a long term lease for the property by the public institution that is going to occupy the facility.
3. The non-profit entity then enters into a development agreement with a fee Developer. This agreement includes a GMP, a required delivery date and assumption of all development and construction risk. The lease only becomes enforceable upon actual completion of construction. In this way, construction risk remains entirely with Developer. The lease payments are equivalent to the amortized debt during the term of the financing. At the end of the financing and lease period, the nonprofit conveys title to the property to the public sector entity for a nominal payment.

APPENDIX D - SUB-CONSULTANT REPORTS
Bill Angle 63-20 Analysis

By utilizing this type of a public-private partnership approach a public institution is able to take advantage of tax exempt financing, potentially avoid adversely impacting their debt capacity, directly influence the design of the building without assuming construction risk, avoid the time, hassle and costs of a regulated design-bid-build procurement process and can significantly cut the time it takes to deliver a facility.

**Summary of Roles in a Build-to-Suit, Lease-to-Own Deal Structure
using 63-20 Tax Exempt Financing**

Public Institution:

- Provides general design specifications
- Collaborates reviews and approves design at critical milestones
- Enters into a long-term lease with the non-profit owner / landlord
- Takes title to the property at the end of the finance period

Non-Profit

- Is the owner of the property until the end of the lease / finance period
- Obtains tax exempt financing for the project (secured by revenues from a long term lease with the government entity)
- Oversees negotiation of the development agreement between the Fee Developer and the government entity

Developer

- Constructs the facility to the specifications collaboratively negotiated by the Developer and government entity, as overseen by the non-profit
- Provides a Guaranteed Maximum Price and Guaranteed Delivery Date
- Assumes 100% of construction risk

BUILD-TO-SUIT, LEASE-TO-OWN PROJECT DELIVERY

FINANCED WITH 63-20 TAX EXEMPT DEBT

I. GENERAL BACKGROUND

A variety of benefits accrue to a jurisdiction that utilizes a build-to-suit, lease-to-own project delivery strategy financed with 63-20 tax exempt debt. A summary of those benefits are identified on a single page at the end of this paper ("Exhibit A"), along with a one page chart identifying the legal relationships among the parties to such a deal structure ("Exhibit B").

A nonprofit corporation is the facilitating entity for the transaction. In very broad terms the nonprofit undertakes the following actions. First, it enters into a design-build development agreement with a private sector development team ("Developer"). This development agreement sets forth the terms, conditions, plan and specifications of the development to be constructed, at a guaranteed maximum price, delivered by a date certain. This agreement is achieved by way of a collaborative negotiation between the local government and the Developer – as overseen by the nonprofit. Next, the nonprofit issues the 63-20 tax exempt bonds in an amount sufficient to pay for the costs of the development in addition to the financing and closing costs. Finally, the non-profit enters into a long term, absolute net lease (as the landlord) with the government entity that will occupy and use the development for the term of the lease. At the end of the term of the lease, the nonprofit conveys title to the local government.

This deal structure assures that 100% of construction risk is transferred to the private sector. During month during construction, the Developer makes a draw request of the nonprofit for the previous month's construction and development costs. When the 63-20 monies are exhausted, the development should be complete. If the project is not complete, it is the absolute responsibility of the Developer to complete the project. Because there is no privity between the Developer and the local government, the construction risk and project completion requirements remain in the private sector. Lease payments cannot be required or paid by the government / tenant until the development is substantially complete pursuant to the terms and conditions of the development agreement. The nonprofit remains neutral with regard to its relationship with the Developer and the local government. Its fiduciary responsibility is to the 63-20 bond holders.

More formally, in a 63-20 financed deal structure, the nonprofit issues tax-exempt debt for the purpose of financing development of facilities that will be leased from the nonprofit by a jurisdiction (or 501(C)(3) charitable organization) that could otherwise issue tax-exempt debt of its own accord. 63-20 debt is sold as tax-exempt bonds generally in the same financial markets as governmental tax exempt bonds. The security for the 63-20 debt is the lease between the nonprofit and the jurisdiction. Revenue Ruling 63-20 and all of the subsequent positions of the Internal Revenue Service, have been compiled in a subsequent official announcement, Revenue Procedure 82-26. A summary is attached as "Exhibit C".

II. THE PROJECT AS SECURITY

In a 63-20 financing, the bonds are issued by the nonprofit corporation ("issuer"). Formation of a new (bankruptcy remote) nonprofit corporation is generally preferable. Where a new nonprofit corporation is formed, the charter may be specifically designed to finance a single project on a nonrecourse basis.

The debt is commonly denominated as "bonds". If bonds are sold as a public offering, the bonds will need to have obtained an investment grade rating from one or more of the traditional rating agencies for municipal bonds, e.g., Moody's Investors Service or Standard & Poor's. The bonds may be secured solely by the project, or they may be secured with third party credit enhancement, e.g., a policy of municipal bond insurance or letter of credit. Bond insurance is generally noncancellable, extends for the full term of the bonds and is obtained by paying a single premium at the time bonds are issued. The insurance premium is a closing cost. The credit enhancer will apply its own underwriting criteria to the bonds and the collateral.

Where the security for the bonds is based primarily upon the viability of the development project, the investor will focus on the intrinsic value of the project as well as projected cash flow. Moreover, the investor will want assurance that the jurisdiction / tenant has sufficient revenues to pledge to the lease.

Project security must be in place at the time of debt issuance and must remain in place so long as the bonds are outstanding. Therefore, the underwriting analysis evaluates the project from the date of funding through the date of maturity of the bonds. Since bond proceeds will be used to pay construction costs, the underwriting the deal will examine the development and construction period as well as the period of operations.

Project security may be summarized as follows:

1. During development / construction of the project.
 - a. Developer Guaranty. During the course of construction to substantial completion, the developer will responsible for any costs that exceed the guaranteed maximum price (GMP) and for damages in the event that delivery is delayed.
 - b. Contractor. The contractor will be required to be substantial with significant experience and a strong balance sheet. The contractor must be able to demonstrate bonding capacity sufficient to undertake the project.
 - c. Payment, Performance and Completion Bonds. The contractor may be required to obtain full bonding for the project, insuring against all risks, including those risks identified as *force majeure* (acts of God).
2. Mortgage on the Project. Title to the property will be held by the nonprofit corporation. Title will be insured by a policy of title insurance. The bonds will be secured by a first trust deed on the property. Finally, a lender's policy of title insurance will insure the

APPENDIX D - SUB-CONSULTANT REPORTS
Bill Angle 63-20 Analysis

issuer's title to the property in addition to the first lien of the mortgage on the property/project. The mortgage may also include a security interest on personal property, if any, financed with the proceeds of the bonds.

3. Lease Revenues. Rent payments made under a lease with the local government or other 501(c)(3) organizations will constitute the principal security and assurance for repayment during the term of the bonds following completion of the project.

Role of the Trustee. The nonprofit's role in the financing may be limited. It is not expected that the issuer will necessarily (i) hold and invest bond proceeds, (ii) make disbursements to pay project costs, (iii) maintain books and records with respect to the bonds, or (iv) hold and administer project collateral. When bonds are issued, the issuer is likely to enter into a trust indenture with the trust department of a bank or trust company. Under the indenture, the trust company will perform these functions. Collateral would be pledged or assigned by the issuer to a bank trustee on the date of closing and issuance of the tax-exempt bonds. The trustee may become responsible for administering construction, insurance and the operating contracts for the term of the bonds, enforcing developer guarantees or warranty claims and assuring the collection of rent and payments to the bondholders during the term of the bonds.

III. REAL ESTATE AND CONSTRUCTION RELATED ISSUES

Under a 63-20 bond issue structured as outlined above, the obligations of the issuer will be secured in a manner consistent with conventional real estate financing. The nonprofit / landlord / issuer will grant the bond trustee a first lien mortgage or trust deed on the real property and improvements intended to be financed with the proceeds of the bond issue and will grant the bond trustee an assignment of the rent to be paid by a tenant (governmental entity or 501(c)(3) corporation) which will be occupying the real property once the project is completed. The parties intend that the issuer will repay the bond issue with the rent payments made by the tenant. If the project has not been completed at the time the bond issue closes, the issuer will also assign all of its respective right, title and interest under the various architectural and construction agreements to the bond trustee as additional security for the bonds and the bonds will need to include sufficient capitalized interest to pay bondholders until the project can be completed, the tenant takes occupancy and begins making rent payments for use and occupancy of the project.

In underwriting the bonds, the underwriter and the rating agencies will be vitally interested in and carefully review the actual terms and conditions of the lease and the financial strength of the tenant, governmental or otherwise. The bond financing will be structured around the lease payments to be made by the tenant under the lease which are expected to repay the bonds -- not assets or income of the issuer itself. In many cases the issuer will be a single purpose nonprofit corporation incorporated solely to act as the issuer of the bonds and will have no assets other than the real property, the lease and any construction documents which are assigned to the bond trustee.

IV. REAL ESTATE CONSIDERATIONS

Because the basic collateral securing the bonds is real estate and the rental income to be derived therefrom, the parties need to pay particular attention to the unique risks and characteristics involved in taking real estate as collateral which are not ordinarily part of public financings.

Environmental: Because the owner of real estate is strictly liable for any environmental contamination of real property that it owns, both the issuer and the tenant will need to undertake a thorough environmental review of the real property that is selected for the project site at an early stage in the financing process. If contamination is found, the property will need to be cleaned up before the financing can proceed. Environmental contamination that is discovered during the course of construction not only will delay completion of the project, but also may be exceedingly expensive or time-consuming to remediate.

General Liability: In addition to the hazardous waste concerns unique to real estate, the parties will also be concerned about liabilities occurring on the property which can include either claims by third parties (slip and fall), claims brought by the tenant in the event the building is defective or persons injured or property damaged as a result of the faulty construction or poor maintenance of the building, or liabilities created by the tenant itself as a result of its use and occupancy of the building. Unique business needs and liability considerations need to be negotiated as part of the lease.

The parties' liability concerns can be dealt with in the financing documents in a number of ways. One common approach is to require certain types and amounts of insurance coverage or self-insurance along with provisions in the lease which clearly spell out each party's respective obligations with respect to on-going maintenance and repair of the building. The lease will also generally include broad indemnification provisions by the tenant from claims resulting from its use of the project. If the project being financed is new construction, the parties should obtain warranties from the contractor or the construction manager in the construction documents.

Terms and Conditions of the Lease: In a 63-20 financing which is dependent upon the terms and conditions of the lease, the underwriters and rating agencies will focus their attention on the terms and conditions of the lease and in particular on the rental income stream itself.

1. Term of the Lease. The term of the lease will determine the term of the bonds, since the parties expect that the rent paid by the tenant under the lease will retire the bonds.
2. Rent Commencement Date. As indicated above, the bond issue should include capitalized interest so that there is a source of funds to pay bondholders during the construction process. To alleviate underwriting concerns that the rent commencement date will be delayed because of construction delays or cost overruns, the parties can provide for guaranteed maximum price construction contracts, payment and completion guarantees, surety bonds and/or retain an independent project manager or construction consultant to monitor the course of construction.

APPENDIX D - SUB-CONSULTANT REPORTS
Bill Angle 63-20 Analysis

3. Certainty of Rent Obligation. The underwriters will eliminate as many defenses to the tenant's duty to perform as possible. A requirement that the lease be an "absolute net lease" is likely. In the event that the Tenant is unable to use the building because of damage or destruction, the underwriters will want no abatement in the duty to pay rent, with the Tenant obligated either to rebuild the project or to retire the bonds. In the event of a condemnation or loss of title to the property where restoration of the project is not possible, the condemnation or title insurance proceeds will be used to redeem bonds to the extent available. Business interruption insurance may be used to offset payments made to bondholders during the course of any repair or reconstruction of the project.

V. CONCLUSION

Using 63-20 tax exempt financing, a governmental entity or appropriate nonprofit corporation can access the tax exempt capital markets. In the case of a governmental entity, the governmental entity may avoid the practical, legal and political problems associated with the construction of its own facilities or the issuance of its own debt – with the added benefit of receiving unencumbered fee title to the facilities once the bonds are retired.

APPENDIX D - SUB-CONSULTANT REPORTS
Bill Angle 63-20 Analysis

EXHIBIT C

II. FEDERAL TAX LIMITATIONS

63-20 financing is specifically authorized by federal tax law and, therefore, is subject to the limitations established by the Internal Revenue Service. Revenue Procedure 82-26 is a compilation, in a single document, of all of the Internal Revenue Service positions concerning Revenue Ruling 63-20. Based upon this Revenue Procedure, the requirements of Revenue Ruling 63-20 are as follows:

A. Not for Profit

The issuer of the bonds must be organized under the general nonprofit corporation law of the state, and its articles of incorporation must provide that it is not organized for profit. The state of incorporation must be the same as the state where the facilities to be financed are located.

B. No Private Inurement

The articles of incorporation must provide that none of the corporation's income may inure to the benefit of any private person.

C. Public Activities

The activities of the corporation must be essentially public in nature. This requirement is automatically met if the activities and purposes of the corporation are permitted under the general nonprofit corporation law of the state.

D. Location Of Facilities

The facilities financed by the bonds must be located within the geographic boundaries of the political subdivision on whose behalf the bonds are being issued or, if outside such boundaries, there must be a substantial economic nexus between such facilities and the political subdivision.

E. Finance Tangible Property

All of the original and investment proceeds of the bond issue must be applied to tangible real or personal property, costs of issuance, underwriters' discount, interest during construction, or to fund a reserve. There are several significant points made with regard to this requirement:

1. The bonds must be sized so as to take into account the fact that there will be earnings available from the investment of bond proceeds during the construction period.
2. There is no five percent insubstantial portion as is available for private activity bonds. However, up to \$5,000 of excess bond proceeds is permitted so as to allow for rounding of the size of the bond issue.
3. Bond proceeds cannot be used to finance working capital. Likewise, bond proceeds may not be used to purchase an existing facility from a person who will continue to use the facility after the bonds are issued.
4. Any excess bond proceeds remaining after construction is completed must be treated in the same manner as provided in Revenue Procedure 79-5 (invest at bond yield until used to purchase or call bonds at par).
5. Since only tangible property may be financed, bond proceeds must not be applied to intangibles such as mortgages or student loans.
6. Personal property may be financed. Before publication of Revenue Procedure 82-26, the Internal Revenue Service had allowed 63-20 bonds to be used to finance personal property only if such property were an integral part of a real property financing (e.g., a hospital financing could include the beds, x-ray equipment, etc.). Now, there can be a 63-20 financing of personal property alone.
7. No more than two percent of the bond proceeds may be used to pay for costs of issuance or underwriter's discount.

F. Political Subdivision Approval

The political subdivision on whose behalf the bonds are being issued must, before the date of issuance, approve both the nonprofit corporation and the issuance of the particular bonds. Although the Revenue Procedure is not explicit, it appears that the governing body of the political subdivision (as opposed to its chief executive officer) must make the approval. Such approval must occur within one year of the date of issuance of the bonds, although a single approval of a series of bond issues for a single project over a five-year period is acceptable.

APPENDIX D - SUB-CONSULTANT REPORTS
Bill Angle 63-20 Analysis

G. Beneficial Interest in Corporation

The political subdivision on whose behalf the bonds are being issued must have a beneficial interest in the nonprofit corporation. This is satisfied if one of the following is true.

1. The political subdivision (or an instrumentality thereof) has exclusive use and possession of 95% or more (measured by fair rental value) of the facilities financed by the bonds (including any additions to such facilities). Such exclusive use and possession must extend for the full term of the bonds, or any refunding bonds, or any bonds issued to finance improvements to the facilities.

or

2. The nonprofit corporation has exclusive use and possession of 95% or more (measured by fair rental value) of the facilities financed by the bonds (including any additions to such facilities), and the political subdivision on whose behalf the bonds are issued controls the nonprofit corporation. The political subdivision is deemed to control the nonprofit corporation if the political subdivision appoints or approves 80% or more of the directors of the corporation, and the political subdivision has the power to remove, for cause, any director and appoint the successor. Officials of the political subdivision who serve as ex-officio directors count toward satisfying the 80% test.

or

3. The political subdivision on whose behalf the bonds are issued has the right to acquire, at any time, unencumbered title and exclusive possession of the property financed by the bonds (including any additions thereto) by paying a sum sufficient to defease the bonds. This alternative is intended to apply where neither the political subdivision nor the nonprofit corporation has exclusive use and possession of the facilities financed by the bonds, or, even if the nonprofit corporation does have exclusive use and possession, it is not controlled by the political subdivision (e.g., an industrial development bond where a private person or entity is the lessee of the facilities, or the financing of a hospital for an organization that is not controlled by the political subdivision). The problem posed by this alternative is that the private user runs the risk of being removed at any time if the political subdivision is able to defease the bonds (the private user is allowed 90 days to vacate the facilities after defeasance).

H. Option to Purchase upon Default

The political subdivision on whose behalf the bonds are issued must have the option of buying the facilities in the event of default on the bonds. The political subdivision would have to pay an amount sufficient to defease the bonds. This will enable the political subdivision to prevent a default sale of the property. The political subdivision must be given 90 days notice before it must exercise this option to buy, and another 90 days before it must actually pay for the facilities. This option to buy is not necessary where the political subdivision has been the exclusive user of the facilities financed by the bonds.

I. Title Vesting

The political subdivision on whose behalf the bonds are issued must receive full legal and unencumbered title to the facilities upon retirement of the bonds for no additional consideration. In this regard, the political subdivision may not share its title with any other person, even another political subdivision. Therefore, the nonprofit corporation may not issue on behalf of more than one political subdivision. This appears to be more restrictive than the prior position of the Internal Revenue Service. The vesting of unencumbered title requires that all leases and management contracts cease upon discharge of the bonds. However, the Internal Revenue Service has indicated that it will issue a favorable ruling where, at the end of the term of the bonds, the user of the facilities has the option to lease the facilities for the then fair rental value. Finally, it is not necessary for title vesting to occur upon discharge of temporary financing of five years or less, as long as title vesting will occur upon discharge of the permanent financing.

J. Resolution to Accept Title

In order to assure the political subdivision's good faith intention to accept title to the property at the end of the term of the bonds, the Internal Revenue Service requires that, before the bonds are issued, the political subdivision adopt a resolution agreeing to accept future delivery of unencumbered title to the property.

K. Improvement and Refunding Bonds

Any subsequent bonds issued by the nonprofit corporation to improve the facilities or to refund the original bonds must mature no later than the last maturity date of the prior bonds that were issued to originally provide the facility. This assures that title vesting will not be indefinitely deferred by issuing subsequent series of bonds. Furthermore, the prior issue must be redeemed within 90 days of the date of issuance of the refunding bonds. These requirements need not be fulfilled if the political subdivision has exclusive use and possession of the facilities.

APPENDIX D - SUB-CONSULTANT REPORTS
Bill Angle 63-20 Analysis

L. Insurance Proceeds

Any insurance proceeds received as a result of damage or destruction to the facilities financed by the bonds (including any additions thereto) must be used to prepay bonds or reconstruct the facilities or be remitted to the political subdivision on whose behalf the bonds were issued. This assures that a fully operational facility will vest in the political subdivision upon discharge of the bonds.

M. Residual Value

At the time of issuance of the bonds, it must be determined that the fair market value of the facilities financed by the bonds is estimated to be, upon maturity of the bonds, at least 20% of the original cost of the facilities without regard to inflation. Similarly, it must be determined at the time of issuance of the bonds that, on the date of maturity of the bonds, at least 20% of the useful life of the facilities will remain. With regard to items like equipment, which generally will have a useful life that is shorter than the term of the bonds, this requirement may be met by requiring that such equipment be maintained and replaced periodically, such that the replacement property will, upon maturity of the bonds, have at least 20% residual value and life. The residual value and life tests need not be met if the political subdivision has had exclusive use and possession of the facilities for the term of the bonds.

N. Conveyance of Title

Upon defeasance of the bonds (other than by issuing a 63-20 refunding bond), the political subdivision may agree to convey its interest in the property to any other person, provided the political subdivision had not agreed or committed, before the defeasance, to convey its interest in the property. However, if the political subdivision is conveying its interest in the property to a person who was a user of the property before the defeasance occurred, or related to such person, then such conveyance or agreement to convey must not occur any earlier than 90 days after the defeasance. For example, if a charitable organization has been the lessee of facilities financed by a 63-20 bond issue, this organization could acquire title to the facilities (thereby, negating any title vesting in the political subdivision) by causing a defeasance of the bonds and, 90 days later, having the political subdivision convey its future right to title. During the 90-day period, the charitable organization is at risk that the political subdivision will, at the end of that period of time, refuse to convey its interest in the property to the organization. On the other hand, if the person who desires to acquire the facilities had not been the user of those facilities prior thereto, the defeasance and conveyance could occur simultaneously.

O. Other Tax Considerations Affecting Tax Exemption

The primary purpose of a 63-20 financing is to obtain tax exempt rates, thereby lowering interest costs. The Internal Revenue Code includes a wide variety of tests and requirements that must be met and observed throughout the term of a bond issue in order to maintain tax exempt status.

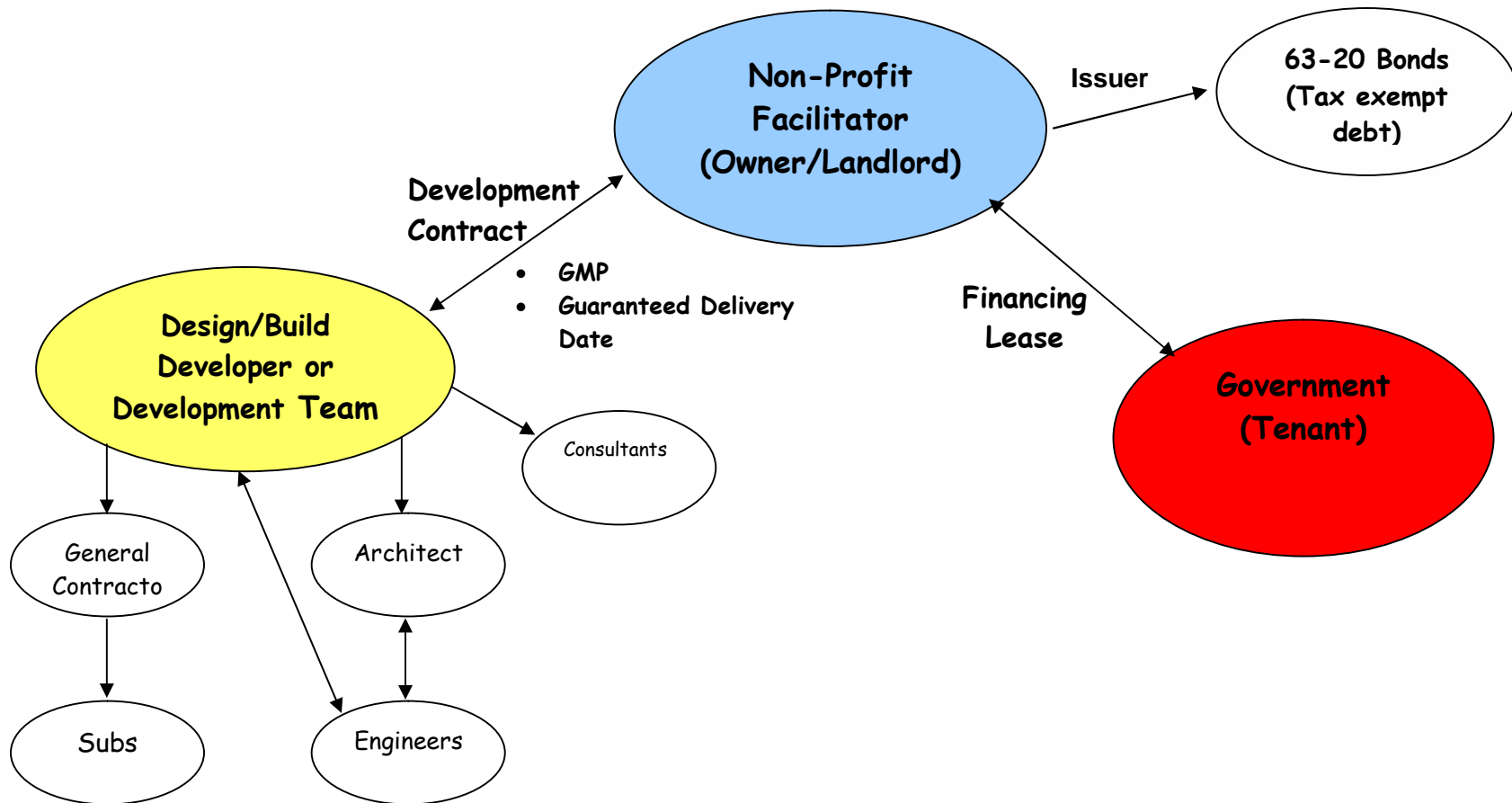
In a 63-20 financing, one of the critical requirements involves compliance with "private use" requirements. Interest on private activity bonds is not excludable from gross income under Section 103(a) of the Internal Revenue Code of 1986 (the "Code") unless the bonds are qualified bonds (for example, qualified 501(c)(3) bonds or an exempt facility bond provided for by Section 142 of the Code). The purpose of the private activity bond tests is to limit the volume of tax-exempt bonds that finance the activities of nongovernmental persons (persons or entities other than state or local governmental units). The private activity bond tests serve to identify arrangements that have the potential to transfer the benefits of tax-exempt financing, as well as arrangements that actually transfer these benefits. Bonds generally are private activity bonds if they meet both (1) the private business use test and (2) the private payment or security test.

The private business use test relates to the use of the proceeds of the bonds. The test is met if more than 10% of the proceeds of the bonds are used in a trade or business carried on by a nongovernmental person. For this purpose, use of the financed property is treated as the use of the bond proceeds. In addition, indirect as well as direct uses of the proceeds are taken into account.

The private payment or security test relates to the nature of the security for, and the source of, the payment of debt service on the bonds. Payments are taken into account under this test if they are derived from the financed property used for a private business use as well as if debt service on the bonds is secured by an interest in the financed property used for a private business use. The present value of these private payments is compared to the present value of the debt service to be paid over the term of the bonds. If the present value of the private payments is more than 10% of the present value of the debt service on the bonds, the test is met.

If the bonds will be private activity bonds, then the limitations imposed by the Code with respect to private activity bonds must also be considered. In a "dock/wharf/airport financing, the facilities financed with bond proceeds must be government owned. They may subject to a lease, provided that the lease does not exceed 80% of the useful life of the facilities financed. In addition, the lessee must make an irrevocable election not to take depreciation with respect to the financed facilities. Dock and wharf facilities do not require a volume-cap allocation.

Business & Legal Structure (63-20)



PUBLIC-PRIVATE DEVELOPMENT SOLUTIONS

Public Sector Benefits Resulting from a Build-to-Suit, Lease-to-Own Development Strategy

Financed with Certificates of Participation (COPs) or 63-20 Tax Exempt Bonds

Approval Authority: Jurisdiction maintains complete control and approval authority during the design and development process

Timeliness: Projects can be delivered much more quickly than the traditional design-bid-build procurement and delivery method

GMP: The developer identifies a guaranteed maximum price (GMP) near the middle of the design development stage

Development Risks: are appropriately shared:

- Interest rate risk -- public sector
- Lease up risk - public sector
- Construction risk (schedule and price) - private sector

Flexibility: Trade-offs regarding budget, schedule & quality can be assessed in light of alternatives that the private sector developer presents to the local jurisdiction

Ultimate Ownership: Jurisdiction is the effective owner of the project during the lease - becoming the actual fee simple owner upon retirement of the debt and expiration of the lease.

Development & Market Expertise: Reliance upon a private sector developer that is actively engaged in substantial and ongoing development projects

Development Coordination: Developer acts as central design-build coordinator of all aspects of development, achieving the local jurisdiction's programmatic requirements

Negotiated Contracts: Ongoing developer relationships with contractors, architects, engineers, and consultants are utilized and maximized on behalf of the project

Project Appropriate Incentives and Disincentives: Identified in the development contract and based upon the issues relating to the project requirements

Open Book: All aspects of the development project are entirely open book & subject to audit

Non-Profit Facilitator: The non-profit facilitator / issuer of the 63-20 tax exempt debt provides expertise and underwriting perspective in terms of accurately assessing project parameters

Property Management: Can be accomplished using private sector contractors and approaches or blended with local jurisdictional management

Avoids: Delays; Changes; Claims; Litigation

APPENDIX E - ADDITIONAL SOURCE DOCUMENTS
Ace Parking - Parking Revenue Projections

From: Tambra Martinez
Sent: Thursday, July 31, 2008 10:27 AM
To: Michael McShea; Bob Hunt
Subject: Parking Revenue
Importance: High

I spoke to Steve Burton, president for Ace Parking and here's the information he shared with me:

1. First, Ace does manage some of Hines' buildings. However, they weren't contracted by Hines to do a study for this project. What probably happened was that Hines got this information from their property management team.
2. He estimates on average parking revenue for 2008 - \$170/stall a 4% annual increase is typical. The buildings that they manage in the core district are 100% sold out (stall increases are usually \$10/stall which averages to about 4%).
3. Ace uses an oversell rate of 15% as a conservative number. 20-25% is typically the average.
4. Event parking for the parking structures at the City and Civic Center Plaza are currently charging \$10/stall for afterhours. That is a good number to start in 2008 and escalate 4% per year. If there were multiple events then the rate would go up. But to be conservative we can use the \$10 number. We need to confirm the demand....MIKE – was the theatre parking revenue provided to us? I'll look through my files.

My recommendation would be to use what ACE suggested: \$170/stall with 4% annual increases, 15% oversell/visitor. Should we add theatre rev too?

Let me know what you both think. Thanks.

The Staubach Company has merged with Jones Lang LaSalle. My new contact information is below:

Tambra C. Martinez
Executive Vice President
Jones Lang LaSalle Americas, Inc.
11988 El Camino Real Suite 150
San Diego California 92130
tel +1 858 523 2100 fax +1 858 523 2101
direct +1 858 523 2119 mobile +1 619 972 3778
tambra.martinez@am.jll.com www.us.joneslanglasalle.com

[Link to San Diego Tenant Representation Services](#)

From: Tambra Martinez
Sent: Wednesday, July 30, 2008 2:02 PM
To: Steve Burton (steve_burton@aceparking.com); brian_gansert@aceparking.com; claudia_yap@aceparking.com
Cc: Michael McShea; Bob Hunt
Subject: Civic Center Redevelopment Project
Importance: High

Steve, Brian and Claudia:

Per Bob Hunt's conversation with Steve this afternoon, we are working with the CCDC and City of San Diego to analyze the two developer proposals received for the potential redevelopment of the Civic Center Complex. We need your help in analyzing the parking rates and the annual fee escalations each of the developers proposed. We hope to get feedback from you this week, if possible. Please let us know if you can meet that date and what fee you would charge for these services.

APPENDIX E - ADDITIONAL SOURCE DOCUMENTS
Ace Parking - Parking Revenue Projections

One developer proposed the 2008 monthly parking rate per non-reserved stall to be \$170 with 4.34% annual increases. This group also assumes a 15% visitor/oversell allocation. The second developer assumed the 2008 monthly parking rate per non-reserved stall to be \$158 with 3% annual increases and no allocation for visitor/oversell.

Please provide us with your thoughts on the market rates for downtown in a parking structure for a mixed-use complex. Keep in mind that this parking structure would also provide night-time and weekend parking for the Civic Theatre and potential other retail uses. Can you provide the market rate for office parking during the day and then an evening rate? Also, please let us know if there are any additional factors we should consider.

You can reach me at the number below if you have any questions. We really appreciate your help!

The Staubach Company has merged with Jones Lang LaSalle. My new contact information is below:

Tambra C. Martinez
Executive Vice President
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11988 El Camino Real Suite 150
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[Link to San Diego Tenant Representation Services](#)

APPENDIX E - ADDITIONAL SOURCE DOCUMENTS
City Meeting Space Revenue

Jeff Graham
Assistant Vice President, Redevelopment
Centre City Development Corporation
401 B Street, Suite 400
San Diego, California 92101
(619) 533-7181

Begin forwarded message:

From: "Geitz, Kristin" <KGeitz@sandiego.gov>
Date: December 10, 2008 2:38:59 PM PST
To: Jeff Graham <jgraham@ccdc.com>
Subject: RE: Civic Center Complex - Concourse Revenues

Hi Jeff,

The annual revenues that we have are as follows:

FY 09: \$236,074 (YTD) --- we have budgeted a total of \$600,00 for FY09

FY 08: \$673,002

FY 07: \$637,310

FY06: \$279,550

Hope that is what you were looking for. This is income from events only, not the parkade.

Kristi Geitz
Supervising Property Agent - Real Estate Assets
619-236-7031

SAN DIEGO CONCOURSE

202 C Street MS57C, San Diego Ca. 92101 / 619-615-4100 / Fax 619-236-5994

The San Diego Concourse is a mid-sized multiple use facility conveniently located in the heart of Downtown San Diego. The Concourse is extremely versatile, and can accommodate a wide variety of functions such as conferences, civic events, trade shows, exams, receptions and dances. Our goal is to provide exemplary service to you and your guests. Please use this Ancillary Services, Equipment Rental and Facility Information as your guide to acquaint yourself with our facility and services offered. The Facility Services Management is available to assist you throughout your event planning and use of the Concourse.

FACILITY SERVICES MANAGEMENT

Rick Romio, Facility Services Manager
619-236-7029 / Fax 619-236-5994
Email : rromio@sandiego.gov

Erick Erickson, Assistant Facility Services Manager
619-236-7016 / Fax 619-236-5994
Email : eerickson@sandiego.gov

Kristi Johnson, City of San Diego Property Agent
619-236-7031 / Fax 619-236-6706
Email : kejohnson@sandiego.gov

PARKING

The City of San Diego contracts with Ace Parking to provide service to the Concourse Parkade. Parking rates are established at the discretion of the City of San Diego. There are no "In/out privileges".

Monday - Friday (daytime) \$2.00 per half hour / \$18.00 max
Evenings (after 5:30pm) & weekends \$10.00 per day
For additional information, please contact Ace Parking 619-236-7110.

* The San Diego Trolley stops at the Concourse (Civic Center stop)

ANCILLARY SERVICES

AUDIO/VISUAL SERVICE

Audio/visual equipment may be provided through our in-house inventory, the San Diego Concourse's preferred audio/visual contractor or other qualified audio/visual contractors. For complete assistance in coordinating services, equipment and personnel to meet your needs, contact the Facility Services Management.

BANNERS

Banners may be hung inside several areas of the facility. Exterior banners visible from the surrounding streets are prohibited by the City of San Diego. Contact Facility Services Management for additional information and associated charges.

ELECTRICAL SERVICES

One 110/20 amp wall outlet service is available for your use at no charge (one per hall and/or meeting room).

For electrical distributions or additional power drops, contact Facility Services Management to coordinate available options, resources and associated charges.

FIRE MARSHAL SERVICE

For events that require a presence of a Fire Marshal(s), the organizer will be responsible for all charges related to this requirement. Generally coverage will begin one hour before the event, and will end one hour after the event.

FOOD & BEVERAGE SERVICE

Currently the San Diego Concourse does not offer an in-house caterer, and there is a \$500 maximum fee for the use of an outside caterer. Contact Facility Services Management for a list of preferred caterers, or alternative options.

LINEN SERVICE

Linen service is available for \$5.00 per linen. Contact Facility Services Management to discuss your requirements.

MARQUEES

For events utilizing the Golden Hall and/or Plaza Hall, one (major) marquee and one line on the coming attractions will be provided at no charge. Your event will be posted immediately following the conclusion of the preceding event. Once the marquee has been posted, there will be a minimum charge of \$65 for any change. Contact Facility Services Management for specific marquee information.

SAN DIEGO CONCOURSE

202 C Street MS57C, San Diego Ca. 92101 / 619-615-4100/ Fax 619-236-5994

ANCILLARY SERVICES CONT.

ROOM CHANGE-OVERS

One room set up is included in the rental fee. After the room is originally set for your event, there will be a labor charge for any additional change-overs or adjustments throughout the duration of the event. The cost for any such changes or adjustments will be billed at \$30.00 per hour.

CLEANING SERVICES

Basic cleaning of your event area will be done before, during and after your event, and is inclusive with your license fee. Basic cleaning consist of emptying trash receptacles, sweeping/vacuuming floor and carpets, and maintaining restrooms. If your event requires additional cleaning above the basic cleaning, you will be billed at \$25.00 per hour. Any objects that cannot be swept or vacuumed are considered above basic cleaning. This includes, but is not limited to : pallets, boxes, food, wood, banners, decorations, booth materials, and equipment. This includes items and materials brought into the facility by event staff, exhibitors and attendees before, during and after the event, within the license agreement period. If your event will produce hazardous waste, an excess amount of trash, or trash that cannot be placed into our trash compactor, you will be responsible for additional charges required to dispose of the waste as required by the City of San Diego. See Facility Management for additional information.

SECURITY SERVICE

The Concourse can provide uniformed security for your event. Contact Facility Services Management for information and associated charges.

FACILITY ALTERATIONS

Generally facility alterations are not permitted. Alterations may include, but are not limited to : window or door removal, window or door coverings, carpet removal, and painting or modification of any facility surface.

If your event requires alterations to be made to the facility, contact Facility Services Management for consideration and additional information.

PERSONNEL RATES

Service Worker	\$30.00
Housekeeper	\$30.00
Security Officer, uniformed	\$25.00

TELECOMMUNICATIONS, INTERNET, CABLE TV

Single phone line w/o phone	\$250.00
Additional phone lines w/o phone	\$150.00
Single phone line w/ phone	\$275.00
Additional phone lines w/phone	\$175.00
Internet, single IP address	\$125.00
Additional IP address	\$85.00
Cable TV , basic cable w/o TV monitor	\$125.00
Cable TV, basic cable w/ TV monitor	\$150.00

EQUIPMENT RENTAL

AUDIO VISUAL

Cassette player/recorder	\$35 day / \$105 week
CD Player	\$35 day / \$105 week
Microphone, regular	\$20 day / \$60 week
Microphone, wireless	\$75 day / \$225 week
Paging system	\$60 day / \$180 week
Press patch	\$80 day / \$240 week
Projector, overhead	\$35 day / \$105 week
Projector, 35mm slide	\$35 day / \$105 week
Projection screen, 70"x70"	\$15 day / \$45 week
Projection screen, 96"x96"	\$25 day / \$75 week
Projection screen, 7'6"x10' or 12'	\$50 day / \$150 week
Sound system, portable	\$50 day / \$150 week
TV monitor	\$85 day / \$255 week
DVD/VHS player	\$60 day / \$180 week
TV monitor w/ DVD/VHS player	\$125 day / \$375 week

TABLES

4' plain table	\$8.00
4' draped table	\$19.00
6' plain table	\$10.00
6' draped table	\$21.00
8' plain table	\$11.00
8' draped table	\$25.00
6' serpentine	\$10.00
Cocktail table	\$10.00

MISCELLANEOUS EQUIPMENT

Elevated audience seating (Golden Hall)	\$2000.00
42'x42' dance floor (if available)	\$400.00
Staging (3'x8')	\$15.00
Flag (American, California)	\$10.00
10' banner pole, 3'/8'	\$10.00
Whiteboard w/markers	\$25.00
Curtained exhibitor booth (8'-10'x10')	
Includes (1) 8' draped table, (2) chairs, 8' back/3' sides	\$45.00
Chair	\$1.00
Executive chair	\$10.00
Easel	\$5.00
Lectern	\$30.00
Table linen, all sizes	\$5.00
3' pipe and drape, per foot	\$1.50
8' pipe and drape, per foot	\$2.00
12' pipe and drape, per foot	\$2.50
Coatrack	\$10.00
Mirror	\$10.00
Bike Rack (crowd control barrier)	\$10.00
Stanchions	\$10.00

WASTE REMOVAL

Full trash compactor	\$520.00
1/2 trash compactor / 1/4 trash compactor	\$260.00 / \$130.00
3 yard dumpster	\$160.00
40 yard dumpster	\$350.00

SAN DIEGO CONCOURSE

202 C Street MS57C, San Diego Ca. 92101 / 619-615-4100/ Fax 619-236-5994

FACILITY INFORMATION AND EVENT LICENSE FEES

	Size	Area (sq. ft.)	Ceiling Height	Theatre Seating	Classroom	Banquet	Reception	Booths 8'x10'	Booths 10'x10'	Daily License Fee	Move in or out Day
Golden Hall	157'x151'	23,707	31' 45"	4,344	1,300	1,600	2,500	166	140	\$4,250	\$2,125
Balcony	157'x70'	10,000	varies	**1144	-	-	-	-	-	-	-
Room 172	22'x19'	418	8'10"	50	32	32	-	-	-	\$500	-
Main Lobby	157'x100'	10,000	13'4"	448	324	440	800	28	28	\$1,400	\$700
Room 104	11'x8'	200	11'10"	-	-	-	-	-	-	\$500	-
Copper Room 227-8	47'x97'	4,559	12'11"	550	224	360	600	20	15	\$1,200	-
Room 227	47'x38'	1,786	12'11"	220	96	144	255	7	7	\$600	-
Room 228	47'x58'	2,726	12'11"	260	152	184	390	8	8	\$750	-
Silver Room 250	57'x59'	2,966	12'4" / 9'10"	370	180	224	425	16	16	\$850	-
Glass Room 202	37'x17'	629	12'5"	80	45	48	49	-	-	\$500	-
N. Terrace Rooms 206-9	38'x76'	2,888	12'6"	268	200	248	400	14	14	\$1,100	-
Room 206	38'x19'	722	12'6"	80	40	56	100	-	-	\$500	-
Room 207	38'x19'	722	12'6"	80	40	56	100	-	-	\$500	-
Room 208	38'x19'	722	12'6"	80	40	56	100	-	-	\$500	-
Room 209	38'x19'	722	12'6"	80	40	56	100	-	-	\$500	-
Staff Rooms 216-20											
Room 216	19'x13'	247	8'	35	12	-	-	-	-	\$500	-
Room 219	22'x13'	286	8'	42	12	-	-	-	-	\$500	-
Room 220	22'x13'	286	8'	42	12	-	-	-	-	\$500	-

*Golden Hall seating : Max seating (including the 1144 permanent seating in the Balcony) is 4344 / Max seating on the main (flat) floor is 3200.
Max seating with elevated main floor (including the 1144 permanent seating in the Balcony) is 4044/ Max seating on the main (elevated) floor is 2900.

**There are 13 wheelchair transfer seats located on the Golden Hall Balcony, in addition to the 1144 stationary seats.

Centre City Development Corporation

Mr. Jeff Graham
Assistant Vice President, Redevelopment
225 Broadway, Suite 1100
San Diego, California 92101
August 11, 2008

RE: Proposed land purchase

Dear Mr. Graham:

The purpose of this letter is to clarify our commitment regarding the land purchase component of our proposal. One of the many significant merits of our proposal is our plan to build the entire city requirement on a single block, thereby "unlocking" the value of the two remaining northern land parcels and producing revenue for the city. In our proposal we suggest that we be allowed to purchase parcels from the city and to develop them. Post-selection and by way of a development agreement, we are willing to provide security regarding performance in the form of a deposit equal to ten percent of the purchase price of the property. We are 100% committed to this. We expect the city will bind the chosen developer to the details of their proposal, including the necessary assurances described above.

Thank you for this opportunity and please do not hesitate to contact me with any questions.

Sincerely,



Thomas E. Cody
Gerding Edlen Development

CC: Michael B. McShea, Jones Lang LaSalle

Gerding Edlen

DEVELOPMENT

503.299.6000 t

503.299.6703 f

1120 NW COUCH ST. #600

PORTLAND, OR 97209

CALIFORNIA

OREGON

WASHINGTON



New San Diego Civic Center Complex

Let us promote your standard for quality, transparency, stewardship, and the development of a new civic forum where all of these will thrive.

sandiegociviccenter@gerdingedlen.com
www.gerdingedlen.com/civiccenter

Pro-forma Update

September 15, 2008

Bob and Tandra,

Please find attached the following information as discussed in our meeting on September 11, 2008

1. Map that shows the delineation of Phase 1 as a stand-alone project.
2. Chart with refined GSF, RSF, and USF for Phase 1, the City Hall Building.
3. The latest pro-forma (SD Civic Center – Proforma 9.15.08_JLL.xls) with the approved changes The adjustments result in a drop of the 50 Year NPV by ~\$18.4 million and increase in the 15 Year NPV by ~1 million.
 - GSF Refinement: city building, garage, site improvements and plaza/open space. Hard costs were reallocated per the adjusted GSF.
 - USF Refinement: USF of the building increased by ~59,000 sf. The City's rent backing the bond issuance dropped to \$2.61 per USF. The master lease rent was adjusted to a 7% premium over the avg office rent (i.e. the rent backing the bonds for all usable office space, both City occupied space and expansion space) to reflect the total psf rent drop as a result of the ~59,000 additional USF and to account for the increased lease-up risk of the ~59,000 USF.
 - Adjusted Operating Expenses: \$7.66 in 2008 with 4% growth
 - Adjusted Capital Reserve: \$.75 in 2008 with 4% growth
 - Revenue in 2013: Adjusted revenue for the master lease retail, office, and parking to 6 months of revenue in 2013. This corresponds to the building delivery date of May 2013.
 - A&E: Reallocated 4% A&E costs during pre-development, 2% during construction. This shift in pay schedule added \$180,000 to the carry cost during pre-development.
 - Contingency – Adjusted to 5.94% to reconcile with original budget.
4. Items for further discussion:
 - B-Street Improvements
 - \$4.5mm budget add, need confirmation
 - Reconstruction of B-Street already in Phase I budget
 - Gensler USF recommendation for City in 2013 vs. current GED proposal
 - Request Gensler make a recommendation regarding our proposal – is the USF to be provided in 2013 adequate, too much or too little? As well, have Gensler reconcile their recommendation with their expansion space projections.

See attached GED Revised Proposal dated 9-15-2008

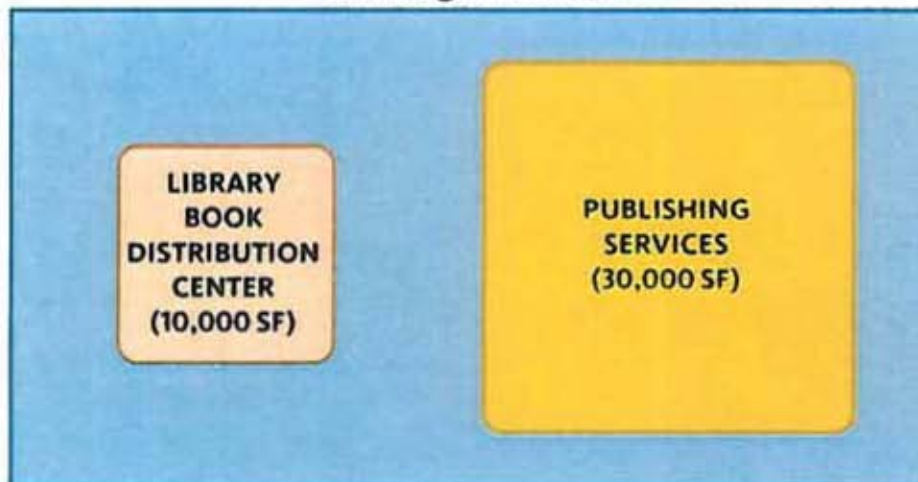


Access and Departmental Adjacencies

Under-Utilized Real Estate Asset

The Library Book Distribution Center and the Publishing Services Print Shop are located on the ground floor of the existing concourse. These services require industrial processes and equipment, and specialized access for heavy duty vehicles. While these needs require ground floor access, they currently occupy highly visible, publicly accessible space that is better suited for retail oriented services.

Existing Concourse



The Book Distribution Center (top) and Publishing Services (bottom) are space intensive operations located on aluable 'retail' ground floor space.





THE CITY OF SAN DIEGO

September 29, 2006

Legacy Partners II SD B Street, LLC
c/o Legacy Partners Commercial
4 Park Plaza, Suite 620
Irvine, CA 92614

Sent Certified Mail #7004 1350 0000 7826 7064

Reference: City of San Diego Lease – 600 B Street, San Diego

Dear Sir or Madam;

Subject: Consolidation Option

Pursuant to the terms of Article 2.8 of the Lease, as replaced in its entirety by Article 11 of the Fourth Amendment of the Lease, the City of San Diego is providing nine (9) months prior written notice of its election to exercise its Contraction Rights. Effective June 30, 2007, the City will vacate the entire 13th floor of the building consisting of 14,303 rentable square feet. As required by Article 11, this is the highest full floor currently occupied by the City. As of July 1, 2007 the total square footage leased by the City at 600 B Street will be reduced to 153,265 rentable square feet.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Barwick".

James F. Barwick

Director, Real Estate Assets Department

cc: Diane Bartko, Supervising Property Agent
Debi Valdivia, Building Manager, Legacy Partners



Real Estate Assets
202 C Street, MS 9B • San Diego, CA 92101
Tel (619) 236-6144 Fax (619) 236-7003



600 B Street

City of San Diego

Suite # 300-1200

Rentable Sq. Ft. 153,265

Lease # 5559

BU# 32172

ESTIMATED 2008 OPERATING EXPENSE ADDITIONAL RENT CHARGES

SUMMARY		
Annual Charges	\$/Sq Ft Per Year	Monthly Charges
\$285,724	\$1.86	\$23,811
		\$/Sq Ft Per Month
		\$0.16

Tenant's Pro-rata Share of Op Exp

Description	Project Expensurs	2002A Base Year	Increase	%	Annual Charges	\$/Sq Ft Per Year	Monthly Charges
Common Area Property Taxes	2,735,208	2,141,321	593,887	45.61%	270,859	1.77	22,572
	291,275	258,694	32,591	45.61%	14,864	0.10	1,239
Total	<u>\$3,026,483</u>	<u>\$2,400,005</u>	<u>\$626,478</u>		<u>\$285,724</u>	<u>\$1.86</u>	<u>\$23,811</u>

600 B Street

**Operating Expense Recovery Pools
2008 Budget Estimates**

		Budget Numbers	
		Total	
		Actual	95%
PROPERTY MANAGEMENT FEE		278,499	288,818
RECOVERABLE PROJECT ADMINISTRATIVE		134,266	134,266
PAYROLL & BURDEN		259,511	259,511
UTILITIES		744,846	764,789
BUILDING SERVICES & SUPPLIES		1,257,387	1,264,544
GROUNDS & MAINTENANCE		48,612	49,110
REPAIRS & MAINTENANCE		51,426	51,426
PROPERTY TAXES		1,199,821	1,199,821
INSURANCE		374,972	374,972
	TOTAL	4,349,340	4,387,257
Per Budget		0	0
Variance		4,349,340	4,387,257

				Expense Recovery Pools		
				1	2	3
				Actual	95%	5% Exp cap Prop. 13
Management Fee				278,499	278,499	278,499
On-Site Office/Gen. Admin				134,266	134,266	134,266
Payroll & Burden				259,511	259,511	259,511
Utilities				744,846	744,846	744,846
Building Services & Supplies				1,257,387	1,257,387	1,257,387
Grounds Maintenance				48,612	48,612	48,612
Repairs & Maintenance				51,426	51,426	51,426
Property Taxes				1,199,821	1,199,821	1,199,821
Insurance				374,972	374,972	374,972
Entire GrossUp @ 90%						
Entire GrossUp @ 95%					37,918	37,918
Entire GrossUp @ 100%						
Operating expense cap						(452,230)
Taxes- cap						(908,546)
Total Operating Expenses				4,349,340	4,387,258	3,026,482

337,123 = \$12.90



INVOICE

Legacy Partners Commercial, Inc.

4000 East Third Avenue, Suite 600
Foster City, CA 94404

DUE DATE	ACCOUNT NUMBER	PAGE NO.
02/01/08	32172 - 00005559	01 of 01

PLEASE DIRECT BILLING INQUIRIES TO THE PROPERTY MANAGER

TENANT/PROPERTY LOCATION
THE CITY OF SAN DIEGO 600 B STREET, SUITE 300-1300

INVOICE NUMBER	DATE
00005559 - 0208	1/18/08

DATE	CODE	CATEGORY DESCRIPTION	CHARGES	CREDITS	AMOUNT DUE	
01/01/08		Balance Forward			915.32-	
01/01/08	RPAR	09/01/07 PARKING	150.00		150.00	
01/01/08	RPAR	10/07 PARKING	150.00		150.00	
01/01/08	ELEC	10/30-11/29 UTILITY BILL BAC	15.12		15.12	
01/01/08	CYAR	ADDITIONAL RENT	23,811.00		23,811.00	
01/01/08	CYAR	ADDITIONAL RENT		26,003.00-	26,003.00-	
02/01/08	RENT	BASE RENT	300,399.40		300,399.40 ✓	
02/01/08	CYAR	ADDITIONAL RENT	23,811.00		23,811.00 ✓	
CURRENT		30	60	90	120+	BALANCE DUE
324,210.40			1,876.88-	16.24	26.13	321,418.20

PAYMENTS RECEIVED AFTER THE 11TH OF THE MONTH ARE NOT REFLECTED ON THIS INVOICE.

"REMINDER: Your lease requires a payment of late charges if your rent, additional rent or other charges payable under the terms of your lease are not paid when due. Late charges will be assessed in accordance with the terms of your lease."

KEEP THE UPPER PORTION FOR YOUR RECORDS
RETURN THE LOWER PORTION WITH PAYMENT

FORM LRB-8/1805

INVOICE NUMBER
00005559 - 0208

DUE DATE	ACCOUNT NUMBER
02/01/08	32172 - 00005559

PAY THIS AMOUNT
321,418.20

PLEASE MAKE CHECKS PAYABLE TO:

LEGACY PARTNERS II SD B STREET, LLC
Federal Tax ID: 20 - 5044724

BILLED TO:

SEND PAYMENTS TO:

THE CITY OF SAN DIEGO
1200 THIRD AVE.
SUITE 1700 MS-51A
SAN DIEGO CA 92101

LEGACY PARTNERS II SD B STREET, LLC
DEPT #2054
PO BOX 29675
PHOENIX AZ 85038

SOURCE DOCUMENT - 15

SEVENTH AMENDMENT TO OFFICE LEASE

THIS SEVENTH AMENDMENT TO OFFICE LEASE ("Amendment") is dated for reference purposes only as April 12, 2003, by and between 400 West Broadway LLC, a California limited liability company ("Landlord"), and The City of San Diego, a California municipal corporation ("Tenant"), with reference to the facts set forth below.

RECITALS

- A. Landlord and Tenant entered into that certain Office Lease dated October 17, 1991, filed in the Office of the City Clerk, San Diego, California, on November 25, 1991, as Document No. 00-17718 as amended on October 17, 1991, as Document No. 0-17718, and on September 18, 1997, as Document No. RR-289265, and on January 10, 2000, as Document No. 00-18805, and on March 29, 2001, as Document No. 00-18947, and by that Fifth Amendment to Office Lease dated September 26, 2001 and by that Sixth Amendment to Office Lease dated October 8, 2001 (collectively, the "Lease"). The Lease covers certain space within the building located at 600 B Street, San Diego, California (the "Building").
- B. The parties desire to amend the Lease to expand the Premises on the terms and conditions set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agrees as set forth below.

1. Defined Terms. Terms with initial capitalized letters that are not otherwise defined herein shall have the respective meanings set forth in the Lease.
2. Expansion Space: Commencing upon the date Landlord tenders the premises to Tenant for occupancy, which is estimated to be Sep 1, 2003, Tenant's Premises shall be expanded by 5,962 rentable square feet (5,086 usable square feet), consisting of Suite 1420 (1,459 r.s.f.), Suite 1430 (1,083 r.s.f.), and Suite 2210 (3,420 r.s.f.) (collectively, "Seventh Amendment Expansion Space"). The Lease Term for the Seventh Amendment Expansion Space shall be coterminous with the existing lease term, being until May 31, 2013. For clarification purposes, the May 13, 2013 date stated in Section 2 of the Sixth Amendment is hereby changed to read May 31, 2013.
3. Base Monthly Rent: The Base Monthly Rent per rentable square foot for the Seventh Amendment Expansion Space shall be as follows:

Sep 1, 2003 -- May 31, 2004:	\$1.70
June 1, 2004 -- May 31, 2005:	\$1.76
June 1, 2005 -- May 31, 2006:	\$1.82
June 1, 2006 -- May 31, 2007:	\$1.89
June 1, 2007 -- May 31, 2008:	\$1.96 ✓
June 1, 2008 -- May 31, 2009:	\$2.03 ✓
June 1, 2009 -- May 31, 2010:	\$2.10
June 1, 2010 -- May 31, 2011:	\$2.18
June 1, 2011 -- May 31, 2012:	\$2.26
June 1, 2012 -- May 31, 2013:	\$2.34

4. Tenant's Percentage Share of Operating Expenses: Section 12 of the Basic Lease Provisions of the Lease is hereby modified, effective as of the date Tenant takes occupancy of the Seventh Amendment Expansion Space, to provide that Tenant's


SOURCE DOCUMENT - 15

Percentage Share of Operating Expenses shall be 49.1085% based on Tenant's revised square footage of 165,556 and the Rentable Area of the Building being 337,123.

- 5. Relocation Right: Landlord reserves and is hereby granted the right, upon not less than sixty (60) days' written notice to Tenant, to relocate Tenant's space on the 14th floor to a substitute within the Building for all uses and purposes as though originally leased to Tenant at the time of the execution hereof; provided, however, that the substituted premises shall contain an area not less than the square footage contained on the 14th floor, all without increase in the rent hereunder. Landlord agrees to pay the expenses reasonably incurred by Tenant incidental to such substitution of the 14th floor, including but not limited to, moving expenses, door lettering and expenses in connection with change of telephone and stationery. Landlord agrees to furnish the substituted premises with decoration and improvements similar to those in the originally leased 14th floor premises.
- 7. Tenant Improvements: Landlord shall provide the tenant improvements highlighted in Exhibit A.
- 8. Miscellaneous: Except as expressly modified hereby, the Lease shall remain in full force and effect. This Amendment may only be modified by subsequent written agreement executed by both parties.

IN WITNESS WHEREOF, this ^{Seventh} Fifth Amendment is executed by Tenant acting by and through its City Manager, and by Landlord acting by and through its lawfully authorized officers.

TENANT: THE CITY OF SAN DIEGO, a California municipal corporation

By: 
William T. Griffith
Real Estate Assets Director

LANDLORD: 400 WEST BROADWAY LLC,
a California limited liability company

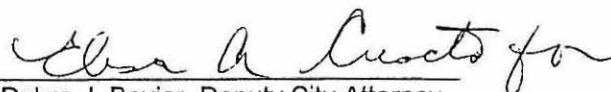
By: Foxfire, L.L.C., an Arizona limited liability company, its manager

By: Milro Corporation, an Arizona corporation, its manager

By: 
Mark Schlossberg, Secretary

APPROVED AS TO FORM AND LEGALITY this ²¹ day of November, 2003.

CASEY GWINN, CITY ATTORNEY

By: 
Debra J. Bevier, Deputy City Attorney

SOURCE DOCUMENT - 15

EXHIBIT A

SCOPE OF WORK

FRAMING/DRYWALL/DOORS

- Frame to finish three wing walls under grid app. 6 l.f. total
- Patch wall scars throughout including any damage done to hard lid by electricians.
- Add one owner supplied building standard door as shown on plan.
- Relocate one floor mount door stop in granite floor.
- Provide and install either paint grade door or bi-fold doors (most cost effective) as shown on plan.

MILLWORK

- Relocate reception desk as shown on plan.
- Add app. 6 l.f. standard base and upper cabinets. Must include doors and adjustable shelves. Finish to be plastic laminate color TBD and white melamine interior.

ELECTRICAL

- Add eleven recessed fluorescent down lights in reception area as shown on plan.
- Add three surface mount fixtures in conference room (J-boxes are in place). Provide tenant with catalog to select fixtures from.
- Add one convenience receptacle.
- Raise one receptacle from std. ht. to accommodate new base cabinets.
- Reconnect surface mount receptacles under reception desk after relocation.

FLOORING

- Replace VCT in copy/file room as shown on plan.

PAINT

- Touch up throughout as needed.
- Paint accent colors as shown on plan

THIRTEENTH AMENDMENT TO LEASE

This THIRTEENTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes June 15, 2007, is entered into by and between Civic Center Associates, a California limited liability company, as successor to Pacific Southwest Realty Company, a Delaware corporation ("Landlord"), and The City of San Diego, a California municipal corporation ("Tenant"), as an amendment to that certain Lease dated October 21, 1991, as amended by that certain Amendment to Lease dated, February 1, 1997, that certain Second Amendment to lease dated December 31, 1997, that certain Third Amendment to Lease dated July 1, 1999, that certain Fourth Amendment to Lease dated October 18, 1999, that certain Fifth Amendment to lease dated November 8, 1999, that certain Sixth Amendment to Lease dated March 16, 2000, and that certain Seventh Amendment to Lease dated August 15, 2000, that certain Eighth Amendment to Lease dated September 5, 2000, that certain Ninth Amendment to lease dated January 30, 2001, and that certain Tenth Amendment to Lease dated April 25, 2002, that certain Eleventh Amendment to Lease dated July 10, 2003 and that certain Twelfth Amendment to Lease dated May 16, 2007, between Landlord and Tenant (the "Lease"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Lease.

Landlord and Tenant hereby amend the Lease as follows:

1. Expansion Premises. The premises described in the lease shall be expanded to include the following described areas on the 13th floor of the building ("Expansion Premises"):

<u>Suite</u>	<u>Rentable Area</u>
Suite 1326	3,385

The Expansion Premises are particularly shown on Exhibit "A" attached hereto and incorporated herein by this reference. As used in the Lease, the term "Premises" shall include the Expansion Premises, effective on the Commencement Date (defined below). The Premises, as so expanded, shall be comprised of approximately 243,176 square feet of Rentable Area.

2. Commencement Date. Tenant's rights and obligations with respect to Suite 1326 of the Expansion Premises under the Lease, as amended herein, shall commence March 1, 2008 (Commencement Date). Upon that date, Tenant shall commence paying Base Monthly Rent and Tenant's Share of Operating Expenses for the entire Expansion Premises, including suite 1326.
3. Base Monthly Rent. The Base Monthly Rent for the Expansion Premises shall commence on the Commencement Date and will be as follows:

<u>Period</u>	<u>Monthly Rent</u>
3/1/08 – 3/31/08	\$4,739.00 (\$1.40 per RSF)
4/1/08 – 7/23/14	\$4,908.25 (\$1.45 per RSF)

If the Commencement Date begins on a day other than the first day of a month, the rent for the partial month shall be prorated on a per diem basis.

SOURCE DOCUMENT - 17

4. Tenant's Percentage Share of Operating Expenses. Tenant's Percentage Share of Operating Expenses shall increase from 89.82% to 91.09% on the Commencement Date.
5. Base Year for Expansion Premises. Per Paragraph 5 of the Second Amendment to Lease, the Base Year was adjusted to a new Base Year of 2003 effective April 1, 2003.
6. No Relocation Allowance. Because the Expansion Premises are not being leased hereunder during the first three (3) years of the Term of the Lease, Tenant shall not receive a Relocation Allowance for the Expansion Premises.
7. Tenant Improvements. In accordance with the letter agreement between Tenant and Landlord dated June 15, 2005, Landlord shall not be obligated to make any further modifications, changes or additional improvements to the Expansion Premises or expend any additional sums therefore.
8. Brokers. In accordance with the letter agreement between Tenant and Landlord dated June 15, 2005, each party warrants to the other that there are no brokerage commissions or fees payable in connection with this Amendment. Each party further agrees to indemnify and hold the other party harmless from any cost, liability and expense (including attorney's fees and the allocated costs of Landlord's in house attorneys) which the other party may incur as the result of any breach of this Paragraph 8.
9. Ratification. Landlord and Tenant hereby confirm that the Lease, as modified herein, remains in full force and effect, and each party is bound by all of the provisions set forth therein.

IN WITNESS WHEREOF, this Amendment to Lease is executed by the City of San Diego acting by and through its City Manager, and by Landlord acting by and through its lawfully authorized officers. This Amendment is subject to City Council approval.

LANDLORD:

Civic Center Associates, LLC,
a California limited liability company

By: Rock Asset Management, Inc.
a California corporation, Manager

By: _____
Name: Richard Wolfen
Title: President

By: _____
Name: Richard Wolfen
Title: Secretary

TENANT:

The City of San Diego,
a California municipal corporation

By: _____
Name:
Title: Director
Real Estate Assets Department

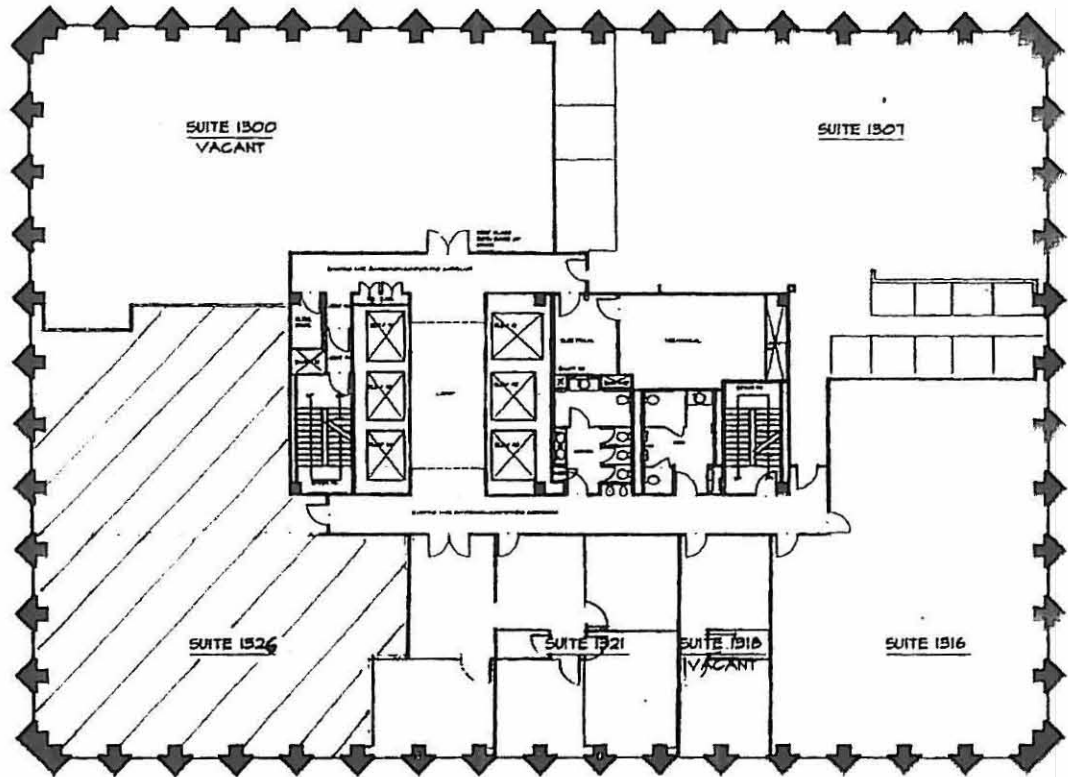
APPROVED AS TO FORM AND LEGALITY THIS

_____ day of _____, 2007

_____, City Attorney

By: _____

Deputy City Attorney



CIVIC CENTER PLAZA

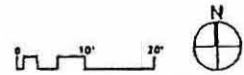
FLOOR 13

MULTI-TENANT
00,000 U.S.F.
00,000 R.B.F.
0,0000000 R/U



KOLL MANAGEMENT SERVICES

1200 THIRD AVENUE, SUITE 405
SAN DIEGO, CALIFORNIA 92101
(619) 232 8810
PLOT DATE 05/06/84



CBRE EXPENSE CODE	DESCRIPTION		COST PER SQ FT (268,500)
	UTILITIES		
5110	Electricity	524,594.02	1.95
5120	Gas	36,450.55	0.14
5130	Water & Sewer	37,815.28	0.14
5195	Utility Reimbursement	(10,904.00)	(0.04)
	TOTAL UTILITIES	587,955.85	2.19
	JANITORIAL		
5210	Contract Service - Janitorial	308,863.90	1.15
5220	Supplies - Janitorial	35,006.38	0.13
5230	Window Washing	10,639.69	0.04
5290	Other - Janitorial	18.08	0.00
	TOTAL JANITORIAL	354,528.05	1.32
	ELEVATOR		
5310	Contract Service - Elevator	38,607.12	0.14
5320	Repairs & Maintenance - Elevator	4,602.33	0.02
	TOTAL ELEVATOR	43,209.45	0.16
	HVAC		
5410	Contract Service - Chilled Water	222,275.79	0.83
5420	Supplies - HVAC	2,002.81	0.01
5430	Repairs & Maintenance - HVAC	10,444.95	0.04
	TOTAL HVAC	234,723.55	0.87
	REPAIRS & MAINTENANCE		
5520	Electrical Repairs	44,398.59	0.17
5530	Plumbing Repairs	42,662.86	0.16
5540	Exterior Repairs	1,570.00	0.01
5561	Engineering Services	216,110.54	0.80
5570	Fire/Life Safety	23,013.44	0.09
5590	Repair & Maintenance - Other	1,622.67	0.01
	TOTAL R & M	329,378.10	1.23

SOURCE DOCUMENT - 18

CBRE EXPENSE			COST PER SQ FT
CODE	DESCRIPTION		(268,500)
	LOT & LANDSCAPE		
5620	Pest Control	2,160.00	0.01
5630	Trash Removal	20,356.21	0.08
5640	Contract Services - Landscape	4,536.00	0.02
5650	Repair & Maintenance - Landscape	4,180.55	0.02
5660	Interior Landscaping.	9,150.00	0.03
	TOTAL LOT & LANDSCAPE	40,382.76	0.15
	SECURITY		
5710	Security	185,978.37	0.69
	TOTAL SECURITY	185,978.37	0.69
	MANAGEMENT		
5810	Management Fee	117,444.39	0.44
5820	On-Site Office Expenses	13,793.29	0.05
5830	On-Site Wages & Benefits	128,070.30	0.48
5850	License/Permits	3,015.00	0.01
7270	Professional Fees	4,337.16	0.02
	TOTAL MANAGEMENT	266,660.14	0.99
	PROPERTY TAXES		
5910	Real Estate Taxes	280,374.84	1.04
	TOTAL PROPERTY TAXES	280,374.84	1.04
	INSURANCE		
6010	Property Damage/Liability	(76,618.20)	(0.29)
6020	Earthquake/Flood	294,769.24	1.10
	TOTAL INSURANCE	218,151.04	0.81
	COMMON AREA MAINTENANCE		
6140	Common Area Maintenance	8,602.67	0.03
	TOTAL CAM	8,602.67	0.03
	TOTAL BUILDING EXPENSES	2,549,944.82	9.50

79/ma

COPY

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease ("Amendment"), dated for identification purposes December 31, 1997, is entered into by and between Pacific Southwest Realty Company, a Delaware corporation ("Landlord") and The City of San Diego, a municipal corporation ("Tenant") as an amendment to that certain Lease dated October 21, 1991, with Addendum to Lease attached thereto, between Landlord and Tenant (the "Lease"). The Lease was previously amended by an Amendment to Lease dated February 1, 1997 between Landlord and Tenant (the "First Amendment"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Lease and the First Amendment.

Landlord and Tenant hereby amend the Lease, as previously modified by the First Amendment, as follows:

1. Term. Section 6 of the Basic Lease Provisions is hereby modified to extend the Term of the Lease to July 23, 2014 ("Expiration Date"). Addendum Provision 4, which provides for two Renewal Options, is deleted in its entirety.

2. Base Monthly Rent. Section 8 of the Basic Lease Provisions (as modified by Addendum Provision 5) and Section 3 of the First Amendment are modified to provide for Base Monthly Rent for the entire 181,630 Rentable Area currently comprising the Premises for the remainder of the Term as follows:

<u>Period</u>	<u>Base Monthly Rent</u>
1/1/98-3/31/03	Per Lease and First Amendment
4/1/03-3/31/08	\$254,282.00 (\$1.40 per rsf)
4/1/08-7/23/14	\$263,363.50 (\$1.45 per rsf)

3. Termination of Right to Cancel Lease. Section 2.7 of the Lease (added by Addendum Provision 6), which provides Tenant with a Cancellation Right, is deleted in its entirety.

4. Refurbishment Allowance. Article 38 of the Lease (added by Addendum Provision 12), which provides for a Refurbishment Allowance, is deleted in its entirety and the following revised Article 38 is added in lieu thereof:

ARTICLE 38 - REFURBISHMENT ALLOWANCE

38.1 Initial Payment. Within thirty (30) days following the Effective Date (defined below), Landlord shall pay to Tenant Seven Hundred Seventy-Eight Thousand Four Hundred Ten Dollars (\$778,410) (155,682 square feet of Modified Rentable Area x \$5.00) which may be used by Tenant for any purpose.

OC-95621.3

DOCUMENT NO. 00-18465FILED FEB 17 1998OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

07/20/2002

FIFTH AMENDMENT TO LEASE
(Executive Complex)

THIS FIFTH AMENDMENT TO LEASE ("**Fifth Amendment**") is dated for reference purposes only this 16th day of July 2002, by and between EXECUTIVE ONE ASSOCIATES, an Illinois limited partnership ("**Landlord**") and THE CITY OF SAN DIEGO, a California municipal corporation ("**Tenant**").

RECITALS:

A. Landlord and Tenant entered into that certain Office Lease dated as of January 28, 1999 (the "**Original Lease**"), as amended by (i) that certain First Amendment to Lease dated as of May 30, 2000 by and between Landlord and Tenant ("**First Amendment**"), (ii) that certain Second Amendment to Lease dated as of May 26, 2000 by and between Landlord and Tenant ("**Second Amendment**"), (iii) that certain Third Amendment to Lease dated as of October 31, 2000 by and between Landlord and Tenant ("**Third Amendment**"), and that certain Fourth Amendment to Lease dated as of November 30, 2001 by and between Landlord and Tenant ("**Fourth Amendment**"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain office space located in that certain building located and addressed at 1010 Second Avenue, San Diego, California (the "**Building**"). The Original Lease, as amended by the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment is hereinafter referred to as the "**Lease**."

B. By this Fifth Amendment, Landlord and Tenant desire to expand the Existing Premises (as defined below) and to otherwise modify the Lease as provided herein.

C. Unless otherwise defined herein, capitalized terms as used herein shall have the same meanings as given thereto in the Lease.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The Existing Premises. Landlord and Tenant hereby agree that pursuant to the Lease, Landlord currently leases to Tenant and Tenant currently leases from Landlord that certain office space in the Building, which office space is stipulated by Landlord and Tenant to contain 125,832 rentable square feet and is located on the third (3rd) floor of the Building (commonly known as Suite 300), the fourth (4th) floor of the Building (commonly known as Suite 400), the fifth (5th) floor of the west tower of the Building (commonly known as Suite 555), the fifth (5th) floor of the east tower of the Building (commonly known as Suite 500), the sixth (6th) floor of the west tower of the Building (commonly known as Suite 666), the eighth (8th)

floor of the east tower of the Building (commonly known as Suite 800), the ninth (9th) floor of the Building (commonly known as Suite 900), pursuant to the Fourth Amendment, a portion of the tenth (10th) floor of the Building (commonly known as Suite 1060), the eleventh (11th) floor of the Building (commonly known as Suite 1100), the twelfth (12th) floor of the Building (commonly known as Suite 1200), pursuant to the First Amendment, the fourteenth (14th) floor of the Building (commonly known as Suite 1400), pursuant to the Second Amendment, the nineteenth (19th) floor of the Building (commonly known as Suite 1900), pursuant to the Third Amendment, a portion of the thirteenth (13th) floor of the Building (commonly known as Suite 1325), all as outlined on Exhibit "A" to the Lease (and, with respect to Suite 1400, Exhibit "A" to the First Amendment, with respect to Suite 1900, Exhibit "A" to the Second Amendment, with respect to Suite 1325, Exhibit "A" to the Third Amendment, and, with respect to Suite 1060, Exhibit "A" to the Fourth Amendment), together with (i) a portion of the fifteenth (15th) floor of the Building (commonly known as Suite 1520) and (ii) a portion of the fifteenth (15th) floor of the Building (commonly known as Suite 1530) (collectively, the "**Existing Premises**").

2. Expansion of the Existing Premises. That certain space located on the sixth (6th) floor of the Building and commonly known as Suite 600, as outlined on the floor plan attached hereto as Exhibit "A", and made a part hereof, may be referred to herein as the "**Expansion Space**". Landlord and Tenant hereby stipulate that the Expansion Space contains 10,489 rentable square feet. Effective as of the date (the "**Suite 600 Expansion Commencement Date**") that is the earlier to occur of (i) the date that the Expansion Space is Ready for Occupancy (as that term is defined in the Tenant Work Letter (defined below)), and (ii) the date Tenant commences its business operations in the Expansion Space, Tenant shall lease from Landlord and Landlord shall lease to Tenant the Expansion Space. Accordingly, effective upon the Suite 600 Expansion Commencement Date, the Existing Premises shall be increased to include the Expansion Space. The Suite 600 Expansion Space Commencement Date is anticipated to be October 1, 2002. Landlord and Tenant hereby agree that such addition of the Expansion Space to the Existing Premises shall, effective as of the Suite 600 Expansion Commencement Date, increase the number of rentable square feet leased by Tenant in the Building to a total of 136,321 rentable square feet. Effective as of the Suite 600 Expansion Commencement Date, all references to the "Premises" shall mean and refer to the Existing Premises as expanded by the Expansion Space. Tenant hereby acknowledges that the Expansion Space is currently leased by an existing tenant and that Landlord shall have no liability to Tenant for any damages resulting from any delay in delivering possession of the Expansion Space to Tenant on or before the anticipated Suite 600 Expansion Commencement Date. In the event Landlord is unable to deliver the Expansion Space on or before the anticipated Suite 600 Expansion Commencement Date, then the Suite 600 Expansion Commencement Date shall be extended until such date as Landlord actually delivers the Expansion Space to Tenant.

3. Term and Base Monthly Rent. The Term for Tenant's lease of the Expansion Space ("**Expansion Space Term**") shall commence on the Suite 600 Expansion Commencement Date, and shall expire coterminously with Tenant's lease of the Existing Premises. During the Expansion Space Term, Tenant shall pay, in accordance with the provisions of this Section 3, the same Base Monthly Rent for the Expansion Space (on a per rentable square foot basis as provided in Section 8 of the Basic Lease Provisions of the Lease) as is then payable by Tenant for the Existing Premises on a per rentable square foot basis (and subject to increases in such Base Monthly Rent as provided in Section 8 of the Basic Lease Provisions of the Lease);

SOURCE DOCUMENT - 27

provided, however, that Section 3.1.2 of the Lease shall not apply to Tenant's Base Monthly Rent obligations for the Expansion Space. Accordingly, effective as of the Suite 600 Expansion Commencement Date, Section 8 of the Basic Lease Provisions of the Lease will be deemed modified as follows (on account of the addition of the Expansion Space to the Existing Premises):

<u>Period During Lease Term</u>	<u>Annual Base Rent</u>	<u>Base Monthly Rent</u>	<u>Base Monthly Rent Rate per Rentable Square Foot</u>
Suite 600 Expansion Commencement Date through March 31, 2003	\$2,339,268.36	\$194,939.03	\$1.43
April 1, 2003 through March 31, 2004	\$2,371,985.40	\$197,665.45	\$1.45
April 1, 2004 through March 31, 2005	\$2,404,702.44	\$200,391.87	\$1.47
April 1, 2005 through March 31, 2006	\$2,437,419.48	\$203,118.29	\$1.49
April 1, 2006 through March 31, 2007	\$2,470,136.52	\$205,844.71	\$1.51
April 1, 2007 through March 31, 2008	\$2,502,853.56	\$208,571.13	\$1.53
April 1, 2008 through March 31, 2009	\$2,535,570.60	\$211,297.55	\$1.55
April 1, 2009 through March 31, 2010	\$2,568,287.64	\$214,023.97	\$1.57
April 1, 2010 through March 31, 2011	\$2,601,004.68	\$216,750.39	\$1.59
April 1, 2011 through March 31, 2012	\$2,633,721.72	\$219,476.81	\$1.61
April 1, 2012 through March 31, 2013	\$2,666,438.76	\$222,203.23	\$1.63
April 1, 2013 through March 31, 2014	\$2,699,155.80	\$224,929.65	\$1.65

4. Tenant's Percentage Share, Base Year and Parking.

SOURCE DOCUMENT - 27

4.1. Tenant's Percentage Share. Notwithstanding anything to the contrary in the Lease, during the Expansion Space Term, Tenant's Percentage Share of Operating Expenses for the Expansion Space only shall be 3.23%. Accordingly, effective as of the commencement of the Expansion Space Term, Tenant's Percentage Share of Operating Expenses as set forth in Section 12 of the Basic Lease Provisions of the Lease shall be deemed revised to be 42.03%. For purposes of this Fifth Amendment, the term rentable square feet shall be deemed to mean square feet of "Rentable Area". Landlord and Tenant acknowledge and agree that the Building contains 324,341 square feet of Rentable Area.

4.2. Base Year. The Base Year for the Premises (including the Expansion Space) shall remain the calendar year 2003.

4.3. Parking. Tenant shall have the right to rent from Landlord up to ten (10) additional parking passes in connection with Tenant's lease of the Expansion Space, provided that (i) Tenant complies with all of the terms and conditions set forth in Article 26 of the Original Lease, including, without limitation, the obligation to pay the prevailing parking rate for such parking passes and (ii) in the event Tenant fails to use any of such parking passes for a period of nine (9) or more consecutive months, Tenant shall no longer have the right to use such parking passes except on an "as available" basis.

5. Condition of the Expansion Space; Tenant Improvements. Landlord and Tenant agree that the Expansion Space will be improved in accordance with the terms of the Tenant Work Letter attached hereto as Exhibit B ("Tenant Work Letter"). Except as specifically set forth in the Lease, as amended hereby, and the Tenant Work Letter, Tenant shall accept the Expansion Space in its presently existing, "as is" condition, and Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Expansion Space.

6. Termination Premises. Tenant acknowledges that Tenant has no further rights to terminate portions of the Premises pursuant to the terms of Section 2.1.5, Termination Premises, of the Original Lease.

7. Condition Precedent. Landlord and Tenant acknowledge and agree that the effectiveness of this Fifth Amendment is conditioned upon the approval of the same by the San Diego City Council. If such approval has not been obtained on or before August 14, 2002, then Tenant shall provide Landlord with written notice (the "**Amendment Termination Notice**") thereof on or before August 21, 2002. Upon receipt of the Amendment Termination Notice, this Fifth Amendment shall be of no further force or effect and the Lease shall continue in full force and effect on the terms and conditions set forth therein (without reference to this Fifth Amendment); provided, however, that the failure of Tenant to provide Landlord with such Amendment Termination Notice on or before August 21, 2002 shall waive Tenant's right to provide Landlord with such Amendment Termination Notice and such approval shall be deemed to have been obtained and the Lease (as modified by this Fifth Amendment) shall remain in full force and effect.

8. Brokers. Except for Irving Hughes ("**Tenant's Broker**") and A.W. Arendsee Real Estate, Inc. ("**Landlord's Broker**"), each party represents and warrants to the other that no broker, agent or finder negotiated or was instrumental in negotiating or consummating this Fifth Amendment. Each party further agrees to defend, indemnify and hold harmless the other party

from and against any claim for commission or finder's fee by any entity (other than Landlord's Broker and Tenant's Broker) who claims or alleges that they were retained or engaged by the first party or at the request of such party in connection with this Fifth Amendment.

9. Defaults. Tenant hereby represents and warrants to Landlord that, as of the date of this Fifth Amendment, Tenant is in full compliance with all terms, covenants and conditions of the Lease and that there are no breaches or defaults under the Lease by Landlord or Tenant, and that Tenant knows of no events or circumstances which, given the passage of time, would constitute a default under the Lease by either Landlord or Tenant.

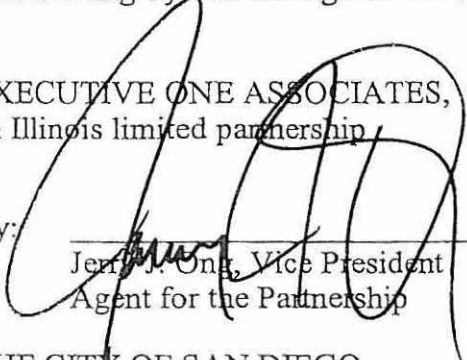
10. No Further Modification. Except as set forth in this Fifth Amendment, all of the terms and provisions of the Lease shall apply with respect to the Expansion Space and shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, this Fifth Amendment is executed by the City of San Diego, acting through its City manager, and by Landlord acting by and through its lawfully authorized officers.

"LANDLORD"

EXECUTIVE ONE ASSOCIATES,
an Illinois limited partnership

By:



Jerry J. Ong, Vice President
Agent for the Partnership

"TENANT"

THE CITY OF SAN DIEGO,
a California municipal corporation

By: Real Estate Assets Department


By:


Name: Tim C. Rothans
Its: Deputy Director

APPROVED AS TO FORM AND LEGALITY
THIS 5th DAY OF July 2002

CASEY GWINN, CITY ATTORNEY

By:


Name: Debra J. Bevier
Title: Deputy City Attorney

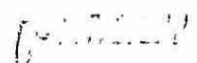
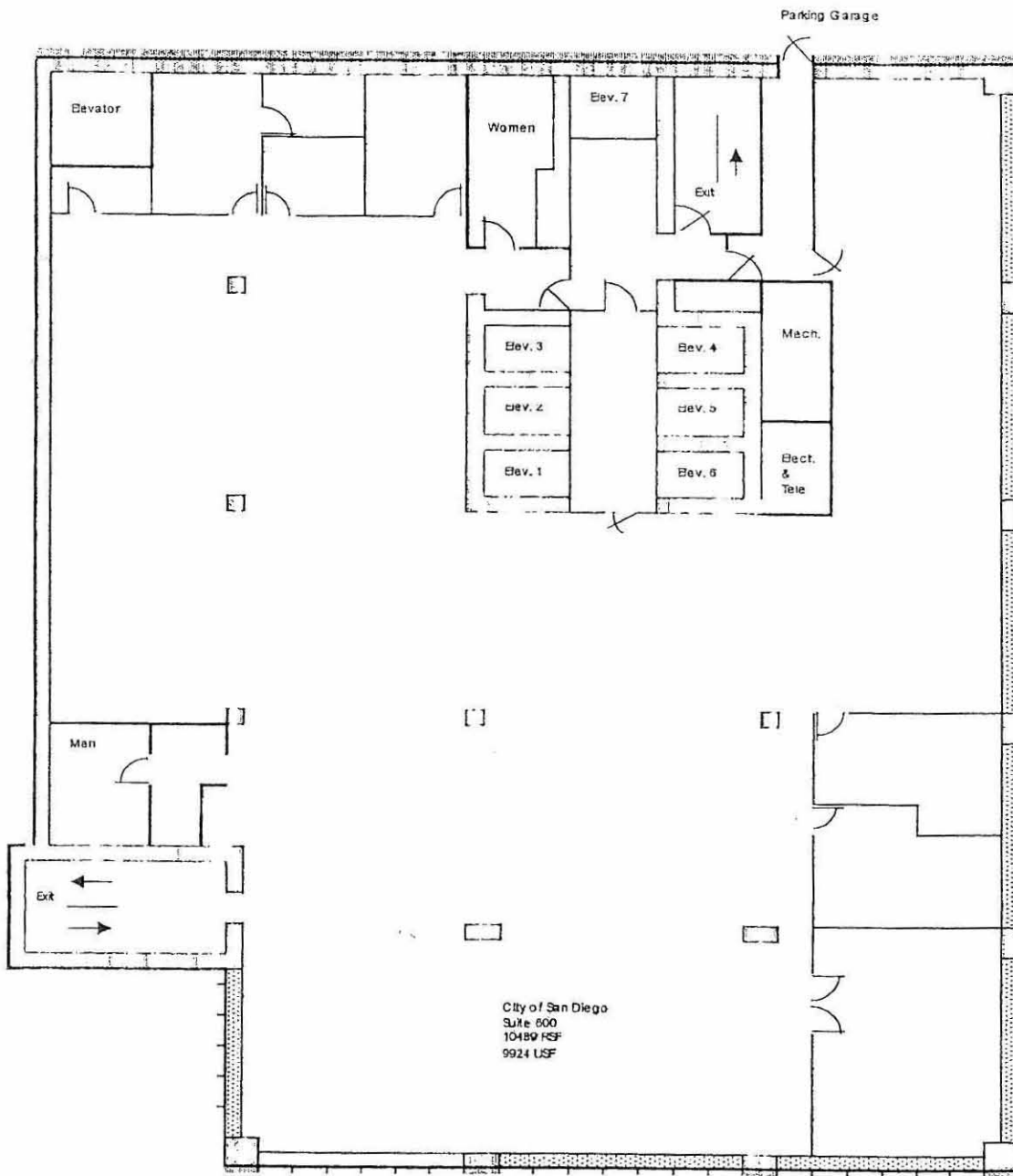


EXHIBIT "A"

OUTLINE OF THE EXPANSION SPACE



6th East Tower Floor

Single Tenant
9924 USF
10489 RSF
1.056881 R/U

NOT TO SCALE
FOR ILLUSTRATION ONLY

544605.03/WLA
J4497-002/7-15-02jml/jsm

EXHIBIT "A"
-2-

EXHIBIT "B"

TENANT WORK LETTER

This Tenant Work Letter shall set forth the terms and conditions relating to the construction of the tenant improvements in the Expansion Space. This Tenant Work Letter is essentially organized chronologically and addresses the issues of the construction of the Expansion Space, in sequence, as such issues will arise during the actual construction of the Expansion Space. All references in this Tenant Work Letter to Sections of "this Fifth Amendment" shall mean the relevant portion of Sections 1 through 10 of the Fifth Amendment to which this Tenant Work Letter is attached as Exhibit B and of which this Tenant Work Letter forms a part, and all references in this Tenant Work Letter to Sections of "this Tenant Work Letter" shall mean the relevant portion of Sections 1 through 6 of this Tenant Work Letter.

SECTION 1

CONDITION OF EXPANSION SPACE

Tenant shall accept the Expansion Space in its presently existing, "as is" condition and Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Expansion Space except to the extent otherwise specifically provided in the Approved Working Drawings (defined in Section 3.4 below) and this Tenant Work Letter or covered by the Tenant Improvement Allowance (defined in Section 2.1 below).

SECTION 2

TENANT IMPROVEMENTS

2.1 Tenant Improvement Allowance. Tenant shall be entitled to a one-time tenant improvement allowance (the "Tenant Improvement Allowance") in the amount of Two Hundred Sixty-Two Thousand Two Hundred Twenty-Five and No/100 Dollars (\$262,225.00) (i.e., Twenty-Five and No/100 Dollars (\$25.00) per rentable square foot of the Expansion Space) for the costs relating to the initial design and construction of Tenant's improvements which are permanently affixed to the Expansion Space (the "Tenant Improvements"). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter in a total amount which exceeds the Tenant Improvement Allowance. All Tenant Improvements for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under the terms of the Lease, as amended by the Fifth Amendment.

2.2 Disbursement of the Tenant Improvement Allowance. Except as otherwise set forth in this Tenant Work Letter, the Tenant Improvement Allowance shall be disbursed by Landlord (each of which disbursements shall be made pursuant to Landlord's disbursement process) for costs related to the construction of the Tenant Improvements and for the following items and costs (collectively, the "Tenant Improvement Allowance Items"): (i) payment of the fees of the "Architect" and the "Engineers," as those terms are defined in Section 3.1 of this Tenant Work Letter, and payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Drawings," as that term is defined in Section 3.1 of this Tenant

Work Letter; (ii) the cost of any changes in the base, shell and core of the Building when such changes are required by the Construction Drawings; and (iii) the cost of any changes to the Construction Drawings or Tenant Improvements required by all applicable building codes (the "Code").

2.3 Standard Tenant Improvement Package. Landlord has established specifications (the "Specifications") for the Building standard components to be used in the construction of the Tenant Improvements in the Expansion Space (collectively, the "Standard Improvement Package"), which Specifications shall be supplied to Tenant by Landlord. The quality of Tenant Improvements shall be equal to or of greater quality than the quality of the Specifications, provided that Landlord may, at Landlord's option, require the Tenant Improvements to comply with certain Specifications. Landlord may make changes to the Specifications for the Standard Improvement Package from time to time.

SECTION 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Landlord shall, on behalf of Tenant, retain Maggetti Elam Associates (the "Architect") to prepare the "Construction Drawings," as that term is defined in this Section 3.1. Landlord shall, on behalf of Tenant, retain engineering consultants or subcontractors designated by Landlord (the "Engineers") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work of the Tenant Improvements. Tenant hereby acknowledges and agrees that Landlord is hiring the Architect and the Engineers as an accommodation to Tenant. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "Construction Drawings." All Construction Drawings shall comply with the drawing format and specifications as determined by Landlord, shall be consistent with, and a logical extension of the Final Space Plan (defined in Section 3.2 below) and shall be subject to Landlord's and Tenant's approval.

3.2 Final Space Plan. The Architect has prepared, and Tenant has approved, that certain final space plan for Tenant Improvements in the Expansion Space, dated March 12, 2002 and revised March 14, 2002 (collectively, the "Final Space Plan").

3.3 Final Working Drawings. Landlord, the Architect and the Engineers shall work diligently to complete the final architectural and engineering working drawings for the Expansion Space ("Final Working Drawings"), which Final Working Drawings shall be in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits, and shall submit the same to Tenant for Tenant's approval. The Final Working Drawings shall be consistent with, and a logical extension of, the Final Space Plan. Tenant shall, exercising its diligent, good faith efforts, cooperate with Landlord, the Architect and the Engineers in the completion of the Final Working Drawings, and shall promptly respond to all requests from Landlord, the Architect or the Engineers for any information required to complete the Final Working Drawings.

3.4 Approved Working Drawings. The Final Working Drawings shall be approved by Tenant (the "Approved Working Drawings") within three (3) days after Tenant's receipt of the Final Working Drawings. Architect shall immediately submit the Approved Working Drawings

to the appropriate municipal authorities for all applicable building permits necessary to allow "Contractor," as that term is defined in Section 4.1, below, to commence and fully complete the construction of the Tenant Improvements (the "Permits"). No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, provided that Landlord may withhold its consent, in its sole discretion, to any change in the Approved Working Drawings if such change would directly or indirectly delay the "Substantial Completion" of the Expansion Space as that term is defined in Section 5.1 of this Tenant Work Letter.

3.5 Time Deadlines. Tenant shall use its best, good faith, efforts and all due diligence to cooperate with the Architect, the Engineers, and Landlord to complete all phases of the Construction Drawings and the permitting process and to receive the permits, and with Contractor for approval of the "Cost Proposal," as that term is defined in Section 4.2 of this Tenant Work Letter, as soon as possible after the execution of the Fifth Amendment, and, in that regard, shall meet with Landlord on a scheduled basis to be determined by Landlord, to discuss Tenant's progress in connection with the same. The applicable dates for approval of items, plans and drawings as described in this Section 3, Section 4, below, and in this Tenant Work Letter are set forth and further elaborated upon in Schedule 1 (the "Time Deadlines"), attached hereto. Tenant agrees to comply with the Time Deadlines.

SECTION 4

CONSTRUCTION OF THE TENANT IMPROVEMENTS

4.1 Contractor. A contractor designated by Landlord ("Contractor") shall construct the Tenant Improvements.

4.2 Cost Proposal. After the Approved Working Drawings are signed by Landlord and Tenant, Landlord shall provide Tenant with a cost proposal in accordance with the Approved Working Drawings, which cost proposal shall include, as nearly as possible, the cost of all Tenant Improvement Allowance Items to be incurred by Tenant in connection with the design and construction of the Tenant Improvements (the "Cost Proposal"). Tenant shall approve and deliver the Cost Proposal to Landlord within three (3) days of the receipt of the same, and upon receipt of the same by Landlord, Landlord shall be released by Tenant to purchase the items set forth in the Cost Proposal and to commence the construction relating to such items. The date by which Tenant must approve and deliver the Cost Proposal to Landlord shall be known hereafter as the "Cost Proposal Delivery Date".

4.3 Construction of Tenant Improvements by Contractor under the Supervision of Landlord.

4.3.1 Over-Allowance Amount. On the Cost Proposal Delivery Date, Tenant shall deliver to Landlord cash in an amount (the "Over-Allowance Amount") equal to the difference between (i) the amount of the Cost Proposal and (ii) the amount of the Tenant Improvement Allowance. The Over-Allowance Amount shall be disbursed by Landlord prior to the disbursement of any then remaining portion of the Tenant Improvement Allowance, and such disbursement shall be pursuant to the same procedure as the Tenant Improvement Allowance. In the event that, after the Cost Proposal Delivery Date, any revisions, changes, or substitutions shall be made to the Construction Drawings or the Tenant Improvements, any additional costs

which arise in connection with such revisions, changes or substitutions requested by Tenant shall be paid by Tenant to Landlord immediately upon Landlord's request as an addition to the Over-Allowance Amount.

4.3.2 Landlord's Retention of Contractor. Landlord shall independently retain Contractor, on behalf of Tenant, to construct the Tenant Improvements in accordance with the Approved Working Drawings and the Cost Proposal and Landlord shall supervise the construction by Contractor.

4.3.3 Contractor's Warranties and Guaranties. Landlord hereby assigns to Tenant all warranties and guaranties by Contractor, Architect and Engineers, if any, relating to the Tenant Improvements, and Tenant hereby waives all claims against Landlord relating to, or arising out of the construction of, the Tenant Improvements.

4.3.4 Tenant's Covenants. Tenant hereby indemnifies Landlord for any loss, claims, damages or delays arising from the actions of Architect on the Premises or in the Building. Within ten (10) days after completion of construction of the Tenant Improvements, Tenant shall cause Contractor and Architect to cause a Notice of Completion to be recorded in the office of the County Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute and furnish a copy thereof to Landlord upon recordation, failing which, Landlord may itself execute and file the same on behalf of Tenant as Tenant's agent for such purpose.

SECTION 5

COMPLETION OF THE TENANT IMPROVEMENTS; SUITE 600 EXPANSION COMMENCEMENT DATE

5.1 Ready for Occupancy. The Expansion Space shall be deemed "Ready for Occupancy" upon the Substantial Completion of the Expansion Space. For purposes of the Fifth Amendment, "Substantial Completion" of the Expansion Space shall occur upon the completion of construction of the Tenant Improvements in the Expansion Space pursuant to the Approved Working Drawings, with the exception of any punch list items and any tenant fixtures, telephones and computers and any cabling related thereto, photocopy machines, and workstations, built-in furniture, or equipment the purchase and installation of which shall be Tenant's sole responsibility.

5.2 Delay of the Substantial Completion of the Expansion Space. Except as provided in this Section 5.2, the Suite 600 Expansion Commencement Date shall occur as set forth in the Fifth Amendment and Section 5.1, above. If there shall be a delay or there are delays in the Substantial Completion of the Expansion Space or in the occurrence of any of the other conditions precedent to the Suite 600 Expansion Commencement Date, as set forth in the Fifth Amendment, as a direct, indirect, partial, or total result of:

5.2.1 Tenant's failure to comply with the Time Deadlines;

5.2.2 Tenant's failure to timely approve any matter requiring Tenant's approval;

SOURCE DOCUMENT - 27

5.2.3 A breach by Tenant of the terms of this Tenant Work Letter or the Lease, as amended by the Fifth Amendment;

5.2.4 Tenant's request for changes in the Approved Working Drawings;

5.2.5 Tenant's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time given the anticipated date of Substantial Completion of the Expansion Space, as set forth in the Fifth Amendment, or which are different from, or not included in, the Standard Improvement Package;

5.2.6 Changes to the base, shell and core of the Building required by the Approved Working Drawings;

5.2.7 The requirement of any work or improvements in the Expansion Space that are inconsistent with or not a logical extension of the Final Space Plan; or

5.2.8 Any other acts or omissions of Tenant, or its agents, or employees;

then, notwithstanding anything to the contrary set forth in the Lease, as amended by the Fifth Amendment, or this Tenant Work Letter and regardless of the actual date of the Substantial Completion of the Expansion Space, the date of Substantial Completion of the Expansion Space shall be deemed to be the date the Substantial Completion of the Expansion Space would have occurred if no Tenant delay or delays, as set forth above, had occurred.

SECTION 6

MISCELLANEOUS

6.1 Tenant's Entry Into the Expansion Space Prior to Substantial Completion. Provided that Tenant and its agents do not interfere with Contractor's work in the Building and the Expansion Space, Contractor shall allow Tenant access to the Expansion Space prior to the Substantial Completion of the Expansion Space for the purpose of Tenant installing overstandard equipment or fixtures (including Tenant's data and telephone equipment) in the Expansion Space. Prior to Tenant's entry into the Expansion Space as permitted by the terms of this Section 6.1, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Building or Expansion Space and against injury to any persons caused by Tenant's actions pursuant to this Section 6.1.

6.2 Freight Elevators. Landlord shall, consistent with its obligations to other tenants of the Building, make the freight elevator reasonably available to Tenant in connection with initial decorating, furnishing and moving into the Expansion Space.

6.3 Tenant's Representative. Tenant has designated Diana Monaco as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

SOURCE DOCUMENT - 27

6.4 Landlord's Representative. Landlord has designated Peter Tietz as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

6.5 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where Tenant is required to approve or deliver an item, if no written notice of approval is given or the item is not delivered within the stated time period, at Landlord's sole option, at the end of such period the item shall automatically be deemed approved or delivered by Tenant and the next succeeding time period shall commence.

6.6 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in this Lease, as amended by the Fifth Amendment, if an event of default as described in the Lease, as amended by the Fifth Amendment, or a default by Tenant under this Tenant Work Letter, has occurred at any time on or before the Substantial Completion of the Expansion Space, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, as amended by the Fifth Amendment, Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Landlord may cause Contractor to cease the construction of the Expansion Space (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Expansion Space caused by such work stoppage as set forth in Section 5 of this Tenant Work Letter), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease, as amended by the Fifth Amendment.

SOURCE DOCUMENT - 27

SCHEDULE 1 TO EXHIBIT B

TIME DEADLINES

	<u>Dates</u>	<u>Actions to be Performed</u>
A.	Approved, March 14, 2002	Final Space Plan to be completed by Tenant and delivered to Landlord.
B.	Three (3) days after the receipt of the Final Working Drawings by Tenant	Tenant to approve Final Working Drawings and deliver Approved Working Drawings to Landlord.
C.	Three (3) days after the receipt of the Cost Proposal by Tenant	Tenant to approve Cost Proposal and deliver Cost Proposal to Landlord.

Executive Complex
2005 Budgeted Operating Expenses
Exhibit B

Tenant Suite Square Feet Base Year	City of San Diego Various 136321 2003	2005 Budget Expenses	Per Foot
---	--	----------------------------	-------------

OPERATING EXPENSES			
Cleaning	\$	383,325	\$ 1.18
Elevator		138,187	0.43
Electrical/Lighting		34,942	0.11
Landscaping		10,538	0.03
Plumbing		8,150	0.03
Security		202,702	0.62
General Building		608,053	1.87
Utilities		936,864	2.89
General Administrative		52,360	0.16
Salaries		300,494	0.93
Real Estate Tax		315,571	0.97
Insurance		154,908	0.48
Management Fees		239,577	0.74
Total Expenses	\$	3,384,671	\$ 10.44

2005 Monthly Operating Expense Adjustment			
2005 Budgeted Expenses		\$ 3,384,671.00	
2005 Budget Expenses Per Sq. Ft.		\$ 10.44	
Base Year Operating Expenses		\$ 9.41	
Difference (Base Year to 2005 Estimate)		1.03	
Square Feet		136321	
Est. Annual Amount Owed		\$ 139,801.60	
Est. Monthly Charge		\$ 11,650.13	



Bill Lane
City/Secretary
One
Associates

Thursday, April 07, 2005

Jim Braun
City of San Diego
Real Estate Asset Department
Civic Center Plaza M.S. 51-A
1200 Third Avenue Suite 1700
San Diego, CA 92101

Re: 2004/2005 Operating Expense Adjustments

Dear Jim:

Our staff and vendors try very hard to provide you with the highest level of service at the least possible expense. Your Lease Agreement calls for an operating expense adjustment in the event expenses increase over the base year stated in the Lease Agreement. We had budgeted expenses to be \$10.37 per square foot in 2004 and billed your firm accordingly. We are pleased to report expenses came in at \$10.25 per square foot. The attached exhibit A shows the reconciliation between what was billed and what the actual expenses were for 2004.

With the help of our vendors and through changes in our operating procedures the increase in expenses over the 2004 budget is \$0.07 per square foot per year or just 0.67%. This is despite a 10% projected increase in insurance, a 2% increase in taxes and \$26,000 projected increase due to the union janitorial contract. The attached Exhibit B shows the new expense billing due to this slight increase in expected expenses.

The attached invoice highlights the amounts indicated in the reconciliations. If you have not yet paid your April rent please pay the amount listed. The invoice also indicates the new rent due in May under the new budgeted operating expense estimate. Future invoices will not be sent out so please make a note of this new rent figure. If you have already paid your April rent we will send you a statement indicating the amount due in May during the last week of April.

Thank you for your continued support. It is with your help that we can hold the line on expenses and reduce expenses for everyone. We thank you for choosing Executive Complex to house your facility.

Sincerely,

H. Peter Tietz
Regional Manager

1010 SECOND AVENUE, SUITE 2250 SAN DIEGO, CA 92101 619/239-1500 FAX: 619/239-1008

HOUSTON LOS ANGELES CHICAGO SAN FRANCISCO ATLANTA DALLAS DENVER DETROIT ORLANDO PHOENIX NEW YORK
HONOLULU NEWPORT BEACH WASHINGTON DC CINCINNATI SEATTLE LAS VEGAS



INVOICE

City of San Diego
1010 Second Avenue
Suite various
San Diego, CA, 92101

Rent 4/05		203,118.29
CAM 4/05 (New 2005 Estimate)	\$	11,650.13
2005 CAM difference for Jan, Feb & March		2,574.18
2004 CAM Adjustment		(15,535.29)
Storage Rent (1G, 4F, 4G)		331.50
Amount due @ 4/1/05	\$	202,138.81

Rent 5/05		203,118.29
CAM 5/05 (New 2005 Estimate)		11,650.13
Storage Rent (1G, 4F, 4G)		331.50
Amount due @ 5/1/05 and thereafter until the Lease calls for a modification	\$	215,099.92

Please remit payment to:
Executive One Associates
1010 Second Avenue
Suite 2250
San Diego, CA 92101

Executive Complex
2004 Actual Summary Operating Expenses
Exhibit A

Tenant	City of San Diego	
Suite	Various	
Square Feet	136321	
Base Year	2003	
	2004	Actual
	Actual	Per
	Expenses	Foot

OPERATING EXPENSES		
Cleaning	351,764	1.08
Elevator	141,307	0.44
Electrical/Lighting	21,873	0.07
Landscaping	9,856	0.03
Plumbing	35,118	0.11
Security	210,916	0.65
General Building	650,132	2.00
Utilities	877,938	2.71
General Administrative	44,938	0.14
Salaries	304,609	0.94
Real Estate Tax	310,187	0.96
Insurance	134,274	0.41
Management Fees	230,298	0.71
Total Expenses	3,323,210	\$ 10.25

2004 Actual Expenses		\$ 3,323,210.24
2004 Actual Expenses Per Sq. Ft.		\$ 10.25
2003 Actual Base Year Expenses		\$ 9.41
Difference Per Sq. Ft.		\$ 0.84
Square Feet		136,321
2004 Total Owed		<u>\$ 113,969.55</u>
2004 Expenses Charged		\$ 10,792.07
Monthly Expenses Charged		\$ 12.0
# Months Charged		\$ 129,504.84
2004 Total Actual Charged		<u>\$ (15,535.29)</u>
Additional Amount Currently Owed for 2004		

**0.1 Representative Program Detail
2013 year of occupancy**

**City of San Diego Downtown Civic Center
Staff and Space Requirements Summary**

Program Summary

<i>Workplace</i>	sf	QTY	avg sf	% of gross
Private Office	400	15	6,000	
Private Office	200	85	17,000	
Private Office	120	400	48,000	
Open Office	80	650	52,000	
Open Office	64	1,300	83,200	
Open Office	48	690	33,120	
		3,140	239,320	76
				42% of USF

<i>Support</i>	sf	QTY	avg sf	
Reception	240	22	5,280	
Service Counter	8,500	1	8,500	
L Conference	650	11	7,150	
M Conference	420	33	13,860	
S Conference	240	33	7,920	
Quiet Room	120	88	10,560	
L Work / copy	480	6	2,880	
Work / copy	240	22	5,280	
Print	120	66	7,920	
XL File	1,500	6	9,000	
L File	400	11	4,400	
File	240	22	5,280	
L Storage	800	11	8,800	
Storage	240	22	5,280	
Supply	92	22	2,024	
			-	
Break	240	22	5,280	
Pantry	120	44	5,280	
Technology	400	6	2,400	
IDF	240	22	5,280	
		3,140	122,374	39
				22% of USF

<i>Circulation</i>	sf	FTE	avg sf	
		3,140	204,100	65
				36% of USF

Useable Area	3,140	565,794	180	100% of USF
				86% of RSF

**0.1 Representative Program Detail
2013 year of occupancy**

**City of San Diego Downtown Civic Center
Staff and Space Requirements Summary**

<i>Building Common Area</i>	sf	QTY	avg sf		
Chambers - 400 seat	8,000	1	8,000		
Committee	2,500	2	5,000		
Caucus	800	1	800		
Pantry	120	1	120		
Restroom	64	2	128		
Coat room	64	1	64		
Green Room	1,200	1	1,200		
Media Room	480	1	480		
City TV Control & Equipment	240	1	240		
Foyer	3,000	1	3,000		
Press Conference	1,200	1	1,200		
Press Room	480	1	480		
Public Meeting Room - Lg	3,600	1	3,600		
Public Meeting Room - Med	840	1	840		
Public Meeting Room - Med	600	1	600		
Public Meeting Room - Sm	300	2	600		
Training Room	1,000	1	1,000		
Break-out Room	240	3	720		
Foyer	1,200	1	1,200		
Civil Service Hearing	1,200	1	1,200		
One-stop shop queuing	3,000	1	3,000		
Business Center	1,000	1	1,000		
Data Center	10,000	1	10,000		
<i>Circulation</i>	5,114	1	5,114		
			49,586	15.8	7.5% of RSF
<i>Floor Common Area Allowance</i>		3,140	45,530	14.5	6.9% of RSF
Rentable Area			660,910	210.5	100.0% of RSF
					93.6% of GSF
<i>Grossing Factor Allowance</i>		3,140	45,530	14.5	6.4% of GSF
Total Gross			706,440	225.0	100.0% of GSF

CUMMING CORPORATION

BUILDING VALUE THROUGH EXPERTISE

San Diego Civic Center, Version 4
San Diego, CA

ROM SOPC
October 9, 2008
CCorp Project No. 08-00279.00

Prepared For Jones Lang LaSalle Americas, Inc.

25 ENTERPRISE, SUITE 590 • ALISO VIEJO • CALIFORNIA • 92656
PHONE: 949-900-0440 • FAX: 949-900-0450

INTRODUCTION

1. Basis Of Estimate

This revised statement is based on ROM level is based on information provided by Jones Lang LaSalle Americas, Inc along with verbal direction from the project manager.

- A Email from Jones Lang LaSalle Americas, Inc; received October 1, 2008
- B Discussions with Jones Laing LaSalle Americas, Inc's Project Manager on October 3, 2008

2. Items Not Included Within Estimate

The following cost items are excluded from this estimate.

- A Professional fees, inspections and testing.
- B Escalation, the ROM estimates are based on current prices. JLLSA, Inc will include escalation in their report.
- C Plan check fees and building permit fees.
- D Furnishings, fixtures and equipment (FF&E), except built-in cabinets, counters and other casework indicated.
- E Construction contingency.
- F Protection of adjacent buildings.

3. Notes

We recommend that the client review this statement, and that any interpretations contrary to those intended by the design documents be fully addressed. The statement is based upon a detailed measurement of quantities when possible, and reasonable allowances for items not clearly defined in the documents.

The statement reflects probable construction costs obtainable in a competitive and stable bidding market. This estimate is based upon a minimum of four (4) competitive bids from qualified general contractors, with bids from a minimum of three (3) subcontractors per trade. This statement is a determination of fair market value for the construction of the project and is not intended to be a prediction of low bid. Experience indicates that a fewer number of bidders may result in a higher bid amount, and more bidders may result in a lower bid result.

SOURCE DOCUMENT - 35

**San Diego Civic Center, Version 4
ROM SOPC**

San Diego Civic Center, Version 4

SOURCE DOCUMENT - 35

San Diego Civic Center, Version 4
San Diego, CA
ROM SOPC

10/09/08

Construction Cost Summary

Element	TOTAL	Cost Per GSF
Phase 1 - Demolish Existing 2 Story 158,000 sf Exhibit Hall while protecting in place The Central Plant	\$5,551,207	\$35.13
Phase 2 - Demolish Existing 11 Story 580,000 sf Parking Structure	\$5,813,924	\$10.02
Phase 3 - Construct New 25 Story 849,000 sf City Hall	\$320,139,404	\$377.08
Phase 4 - Construct New 11 Story 580,000 sf Parking Structure With 3 Stories Below Grade	\$54,631,581	\$94.19
Phase 5 - Remove and Replace Central Plant Equipment	\$24,092,145	
Phase 6 - CAB and COB Staff Relocated To New City Hall	\$1,314,950	
Total Construction Cost	\$411,543,210	

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San Diego Civic Center, Version 4

ROM SOPC

10/09/08

Detail Elements

Element	Quantity	Unit	Unit Cost	Total
Phase 1 - Demolish Existing 2 Story 158,000 sf Exhibit Hall while protecting in place The Central Plant				
Relocate equipment stored in Central plant to new temporary location, and reconnect to existing site infrastructure	1	ls	\$2,250,000.00	\$2,250,000
Demolish 2 story steel framed exhibit hall including premium for restricted site conditions	158,000	sf	\$9.00	\$1,422,000
Asbestos abatement	158,000	sf	\$5.00	\$790,000
Dust and noise control	1	ls	\$100,000.00	\$100,000
<hr/>				
Subtotal				\$4,562,000
General Conditions	3	mon	\$50,000.00	\$150,000
<hr/>				
Subtotal				\$4,712,000
Fee			5.0%	\$235,600
<hr/>				
Subtotal				\$4,947,600
Bonds and Insurance			2.0%	\$98,952
<hr/>				
Subtotal				\$5,046,552
Design Contingency			10.0%	\$504,655
<hr/>				
Subtotal				\$5,551,207
Escalation				Excluded
<hr/>				
Total - Phase 1 - Demolish Existing 2 Story 158,000 sf Exhibit Hall while protecting in place The Central Plant				<u>\$5,551,207</u>
Phase 2 - Demolish Existing 11 Story 580,000 sf Parking Structure				
Demolish 11 story concrete parking structure	580,000	sf	\$8.25	\$4,785,000
Dust and noise control	1	ls	\$50,000.00	\$50,000
<hr/>				
Subtotal				\$4,835,000
General Conditions	2	mon	\$50,000.00	\$100,000
<hr/>				
Subtotal				\$4,935,000
Fee			5.0%	\$246,750
<hr/>				
Subtotal				\$5,181,750
Bonds and Insurance			2.0%	\$103,635
<hr/>				

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San Diego Civic Center, Version 4

ROM SOPC

10/09/08

Detail Elements

Element	Quantity	Unit	Unit Cost	Total
Subtotal				\$5,285,385
Design Contingency			10.0%	\$528,539
Subtotal				\$5,813,924
Escalation				Excluded
Total - Phase 2 - Demolish Existing 11 Story 580,000 sf Parking Structure				<u>\$5,813,924</u>
Phase 3 - Construct New 25 Story 849,000 sf City Hall				
Earthwork				
Overexcavate and recompact	8,301	cy	\$5.94	\$49,310
Import / export, Allowance	249	cy	\$30.00	\$7,471
Fine grading	33,960	sf	\$0.30	\$10,188
Erosion control	33,960	sf	\$0.75	\$25,470
Site Paving and Landscaping				
Upgrade sitework directly around new City Hall	45,000	sf	\$8.00	\$360,000
Wet Pipe Utilities				
Extend existing utility systems to support new City Hall	1	ls	\$350,000.00	\$350,000
Electrical Utilities				
Upgrade power and communications to support City Hall	1	ls	\$700,000.00	\$700,000
Site lighting	1	ls	\$75,000.00	\$75,000
Miscellaneous Sitework				
ADA premiums including ramps, railings, truncated domes, ADA specific signage, etc	45,000	sf	\$0.35	\$15,750
Site furnishings	45,000	sf	\$0.20	\$9,000
Architectural features	45,000	sf	\$0.40	\$18,000
Grade Beams, assumed 6' wide x 6' deep				
Concrete	1,372	cy	\$215.00	\$294,980
Formwork	11,760	sf	\$6.50	\$76,440
Rebar	274,400	lbs	\$1.16	\$318,304
Excavation	1,578	cy	\$18.00	\$28,400
Backfill	206	cy	\$16.00	\$3,293
Haul-off	1,372	cy	\$15.70	\$21,540
Spread Footings, assumed 22 ea x 8' x 8' x 4'				
Concrete	219	cy	\$215.00	\$47,090
Formwork	2,816	sf	\$8.00	\$22,528
Rebar	35,044	lbs	\$1.16	\$40,651
Excavation	296	cy	\$18.00	\$5,322
Backfill	77	cy	\$16.00	\$1,227
Haul-off	219	cy	\$15.70	\$3,439

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San Diego Civic Center, Version 4

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10/09/08

Detail Elements

Element	Quantity	Unit	Unit Cost	Total
Concrete caissons, 30' deep	20	ea	\$5,350.00	\$107,000
Elevator pit	6	ea	\$10,000.00	\$60,000
8" Slab On Grade				
Concrete	927	cy	\$215.00	\$199,301
Add for thickened edges	34	cy	\$215.00	\$7,358
Formwork	870	lf	\$7.05	\$6,134
Base	33,960	sf	\$3.00	\$101,880
Rebar	67,920	lbs	\$1.16	\$78,787
Finish to slab	33,960	sf	\$0.68	\$23,093
Vapor barrier	33,960	sf	\$0.38	\$12,905
Elevated Floor Framing				
Wide flange structural steel	5,705	ton	\$4,000.00	\$22,821,120
Tube steel columns	2,445	ton	\$4,600.00	\$11,247,552
Braced frames	1,019	ton	\$4,700.00	\$4,788,360
Miscellaneous bolts and connections	917	ton	\$4,800.00	\$4,401,216
Fireproofing	10,086	ton	\$340.00	\$3,429,281
3', 18 gauge metal decking	815,040	sf	\$6.15	\$5,012,496
Lightweight concrete topping	815,040	sf	\$5.90	\$4,808,736
Roof Framing				
Wide flange structural steel	119	ton	\$4,000.00	\$475,440
Tube steel columns	102	ton	\$4,600.00	\$468,648
Miscellaneous bolts and connections	530	ton	\$4,800.00	\$2,542,925
Fireproofing	751	ton	\$340.00	\$255,175
1 1/2', 18 gauge metal decking	33,960	sf	\$4.65	\$157,914
Stairs Construction				
Metal pan stairs with concrete fill	50	flts	\$26,000.00	\$1,300,000
Exterior Closure				
6", 18 gauge metal stud framing	40,313	sf	\$16.75	\$675,234
Densglass sheathing	40,313	sf	\$3.85	\$155,203
R-19 batt insulation	40,313	sf	\$1.55	\$62,484
Plaster finish	40,313	sf	\$14.00	\$564,375
Miscellaneous metals	40,313	sf	\$0.50	\$20,156
Miscellaneous exterior wall specialties	40,313	sf	\$0.75	\$30,234
Exterior Glazing				
Curtain wall with spandrel glazing	228,438	sf	\$150.00	\$34,265,625
Exterior Doors				
Paired glazed doors in aluminum frame	4	pr	\$8,000.00	\$32,000
Roofing				
Single ply membrane roofing	33,960	sf	\$7.00	\$237,720

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San Diego Civic Center, Version 4

ROM SOPC

10/09/08

Detail Elements

Element	Quantity	Unit	Unit Cost	Total
Rigid Insulation	33,960	sf	\$4.00	\$135,840
Miscellaneous roofing accessories	33,960	sf	\$1.50	\$50,940
Interior Construction (areas and allowances provided by JLLSA Inc)				
City occupied spaces	805,400	sf	\$60.00	\$48,324,000
Meeting and training space	26,400	sf	\$125.00	\$3,300,000
Council chambers	17,200	sf	\$200.00	\$3,440,000
Conveying				
25 stop gearless elevator	6	ea	\$480,000.00	\$2,880,000
Plumbing				
HVAC	849,000	sf	\$12.00	\$10,188,000
Wet Pipe Fire Protection	849,000	sf	\$35.00	\$29,715,000
Electrical	849,000	sf	\$5.00	\$4,245,000
Security installations	849,000	sf	\$43.00	\$36,507,000
Data Center / technology (Budget allowance provided by JLLSA, Inc.)	1	ls	\$18,500,000.00	\$18,500,000
Furnishings, excluded				
Excluded				
<hr/>				
Subtotal			\$264,485,035	
General Conditions	42	mon	\$235,000.00	\$9,870,000
<hr/>				
Subtotal			\$274,355,035	
Fee			4.0%	\$10,974,201
<hr/>				
Subtotal			\$285,329,237	
Bonds and Insurance			2.0%	\$5,706,585
<hr/>				
Subtotal			\$291,035,821	
Design Contingency			10.0%	\$29,103,582
<hr/>				
Subtotal			\$320,139,404	
Escalation				Excluded
<hr/>				

Total - Phase 3 - Construct New 25 Story 849,000 sf City Hall

\$320,139,404

Phase 4 - Construct New 11 Story 580,000 sf Parking Structure With 3 Stories Below Grade

Below Grade Earthwork				
Site cut	85,439	cy	\$20.00	\$1,708,778
Haul off	73,233	cy	\$18.00	\$1,318,200
Backfill	12,206	cy	\$17.00	\$207,494
Fine grading	52,728	sf	\$0.30	\$15,818
Erosion control	52,728	sf	\$2.00	\$105,456

SOURCE DOCUMENT - 35

San Diego Civic Center, Version 4

ROM SOPC

10/09/08

Detail Elements

Element	Quantity	Unit	Unit Cost	Total
Shoring	42,400	sf	\$50.00	\$2,120,000
Site Paving and Landscaping				
Upgrade sitework directly around new parking structure	10,000	sf	\$8.00	\$80,000
Wet Pipe Utilities				
Extend storm drain lines to new parking structure	1	ls	\$35,000.00	\$35,000
Electrical Utilities				
Upgrade power and communications to support Civic Center	1	ls	\$50,000.00	\$50,000
Site lighting	1	ls	\$20,000.00	\$20,000
Miscellaneous Sitework				
ADA premiums including ramps, railings, truncated domes, ADA specific signage, etc	10,000	sf	\$1.00	\$10,000
Grade Beams, assumed 5' wide x 5' deep				
Concrete	1,624	cy	\$215.00	\$349,160
Formwork	13,920	sf	\$6.50	\$90,480
Rebar	324,800	lbs	\$1.16	\$376,768
Excavation	1,868	cy	\$18.00	\$33,617
Backfill	244	cy	\$16.00	\$3,898
Haul-off	1,624	cy	\$15.70	\$25,497
Spread Footings, assumed 60 ea x 8' x 8' x 4'				
Concrete	597	cy	\$215.00	\$128,427
Formwork	7,680	sf	\$8.00	\$61,440
Rebar	95,573	lbs	\$1.16	\$110,865
Excavation	806	cy	\$18.00	\$14,515
Backfill	209	cy	\$16.00	\$3,345
Haul-off	597	cy	\$15.70	\$9,378
Concrete caissons, 30' deep	60	ea	\$5,350.00	\$321,000
Elevator pit	2	ea	\$10,000.00	\$20,000
8" Slab On Grade				
Concrete	1,440	cy	\$215.00	\$309,504
Add for thickened edges	43	cy	\$215.00	\$9,285
Formwork	1,060	lf	\$7.05	\$7,473
Sub base	52,738	sf	\$3.00	\$158,214
Rebar	105,476	lbs	\$1.16	\$122,352
Finish to slab	52,738	sf	\$0.68	\$35,862
Vapor barrier	52,738	sf	\$0.38	\$20,040
Elevated Concrete Decks				
Concrete pour	16,114	cy	\$225.00	\$3,625,738
Formwork to underside	527,380	sf	\$11.80	\$6,223,084

SOURCE DOCUMENT - 35

San Diego Civic Center, Version 4

ROM SOPC

10/09/08

Detail Elements

Element	Quantity	Unit	Unit Cost	Total
Formwork to sides	10,600	lf	\$8.00	\$84,800
Rebar	4,219,040	lbs	\$1.16	\$4,894,086
Finish	527,380	sf	\$0.75	\$395,535
Concrete Columns, 60 EA x 5' x 5' x 100'				
Concrete	6,111	cy	\$250.00	\$1,527,778
Formwork	120,000	sf	\$14.00	\$1,680,000
Rebar	1,833,333	lbs	\$1.16	\$2,126,667
Finish	120,000	sf	\$0.75	\$90,000
8" Thick Low Height Perimeter Walls				
Concrete	397	cy	\$250.00	\$99,259
Formwork	32,000	sf	\$14.00	\$448,000
Rebar	71,467	lbs	\$1.16	\$82,901
Finish	32,000	sf	\$0.75	\$24,000
12" Thick Concrete Retaining Walls				
Concrete	1,727	cy	\$325.00	\$561,407
Formwork	84,800	sf	\$18.00	\$1,526,400
Rebar	310,933	lbs	\$1.16	\$360,683
Finish	84,800	sf	\$0.75	\$63,600
Metal pan stairs with concrete fill				
Parking stall striping	580,000	fts	\$26,000.00	\$572,000
Signage	580,000	sf	\$0.30	\$174,000
Entrance booth and barrier	580,000	sf	\$0.12	\$69,600
11 stop gearless elevator	1	set	\$150,000.00	\$150,000
Ventilation at below grade levels	2	ea	\$300,000.00	\$600,000
Water drainage	158,184	sf	\$6.00	\$949,104
Sprinklers	580,000	sf	\$0.60	\$348,000
Electrical	580,000	sf	\$5.00	\$2,900,000
	580,000	sf	\$12.00	\$6,960,000
<hr/>				
Subtotal				\$44,418,508
General Conditions	12	mon	\$200,000.00	\$2,400,000
<hr/>				
Subtotal				\$46,818,508
Fee			4.0%	\$1,872,740
				<hr/>

SOURCE DOCUMENT - 35

San Diego Civic Center, Version 4

ROM SOPC

10/09/08

Detail Elements

Element	Quantity	Unit	Unit Cost	Total
Subtotal				\$48,691,248
Bonds and Insurance			2.0%	\$973,825
Subtotal				\$49,665,073
Design Contingency			10.0%	\$4,966,507
Subtotal				\$54,631,581
Escalation				Excluded
<hr/>				
Total - Phase 4 - Construct New 11 Story 580,000 sf Parking Structure With 3 Stories				<u>\$54,631,581</u>
Phase 5 - Remove and Replace Central Plant Equipment				
Remove and replace all Central Plant equipment, Allowance	1	ls	\$20,000,000.00	\$20,000,000
Subtotal				\$20,000,000
General Conditions	6	mon	\$75,000.00	\$450,000
Subtotal				\$20,450,000
Fee			5.0%	\$1,022,500
Subtotal				\$21,472,500
Bonds and Insurance			2.0%	\$429,450
Subtotal				\$21,901,950
Design Contingency			10.0%	\$2,190,195
Subtotal				\$24,092,145
Escalation				Excluded
<hr/>				
Total - Phase 5 - Remove and Replace Central Plant Equipment				<u>\$24,092,145</u>
Phase 6 - CAB and COB Staff Relocated To New City Hall				
Staff relocation, box move (Staff count and allowance as JLLSA, Inc)	3,757	ea	\$350.00	\$1,314,950
<hr/>				

SOURCE DOCUMENT - 35

San Diego Civic Center, Version 4

ROM SOPC

10/09/08

Detail Elements

Element	Quantity	Unit	Unit Cost	Total
Subtotal General Conditions	2	mon	Not Required	\$1,314,950 Not Required
Subtotal Fee			Not Required	\$1,314,950 Not Required
Subtotal Bonds and Insurance			Not Required	\$1,314,950 Not Required
Subtotal Design Contingency			Not Required	\$1,314,950 Not Required
Subtotal Escalation				\$1,314,950 Excluded

Total - Phase 6 - CAB and COB Staff Relocated To New City Hall

\$1,314,950

EVJ -107 (2007 Revenue)

Month	Transient Revenue	# of Monthly Parkers	\$160 Rate	Monthly Revenue
		\$75 until 7/1/07 \$80 after 7/1/07		
January	\$ 55,276.80	954 EVJ	\$75	\$ 79,714.93
February	\$ 50,948.66	3 EVJ	\$75	\$ 71,166.92
March	\$ 54,930.65	3 EVJ	\$75	\$ 74,957.66
April	\$ 54,903.31	3 EVJ	\$75	\$ 74,885.30
May	\$ 51,126.00	3 EVJ	\$75	\$ 90,375.73
June	\$ 55,402.78	1007 EVJ	\$75	\$ 72,099.99
July	\$ 49,584.79	3 EVJ	\$80	\$ 79,071.08
August	\$ 51,801.91	3 EVJ	\$80	\$ 89,341.63
September	\$ 47,980.84	3 EVJ	\$80	\$ 79,084.15
October	\$ 50,453.83	3 EVJ	\$80	\$ 67,401.94
November	\$ 46,683.04	3 EVJ	\$80	\$ 111,358.46
December	\$ 41,376.95	1000 EVJ	\$80	\$ 76,649.57
Totals	\$ 610,469.56	\$0	\$	\$ 966,107.36
Avg. Month	\$ 50,872.46	987	\$	80,508.95

* \$80 is the Regular, Non Reserved Rate - Discounted for City Employees

* \$160 is for Non-City but City Approved parking. (City News, MEA)

* We have Reserved parking for Directors, Elected Officials etc.. But no reserved rate

*** Monthly Revenue is based on Revenue collected through Payroll deduction and manual payments but minus refunds for vacation, leave of absence etc.**

SOURCE DOCUMENT - 52a

Evan V. Jones Parkade - Lot 107
 Fiscal Year 2007 Budget
 Revenues Name

Darnell

	Jul	Aug	Sep	Oct	Nov
40000 Monthly Revenue	79450	79450	79450	79450	79450
41000 Transient Revenue	35500	35500	35500	35500	35500
41002 ETIP Income	4500	4500	4500	4500	4500
42100 Theater Event Income	38000	35000	35000	35000	35000
43000 Coupon	900	900	900	900	900
42000 Transient Nights	2000	2000	2000	2000	2000
44000 Keycard	0	0	0	0	0
49210 Bike Locker Income	0	0	0	0	0
Total Revenues	160350	157350	157350	157350	157350

Operating Expenses

60000 Wages & Salaries	8663	8663	8663	8663	8663
60050 Golden Hall Event Staffing (wages)	900	900	900	900	900
61000 Payroll Overhead	3504	3504	3504	3504	3504
61200 Health and Welfare	748	748	748	748	748
62000 Shopping Test	50	50	50	50	50
63000 Supplies	0	0	0	0	0
63100 Uniforms	172	182	182	182	182
63200 Tickets and Decals	25	25	25	25	25
63300 Signs	0	0	0	0	0
63500 Keys & Locks	0	0	0	0	0
63700 Janitorial	0	0	0	0	0
64000 Office Supplies	50	50	50	50	50
64100 Xerox and Printing	25	25	25	25	25
65050 Sweeping	7750	7750	7750	7750	7750
65060 Degreasing	0	0	0	0	0
65100 Equipment Repairs	1550	550	550	550	550
66200 Electrical	0	0	0	0	0
65700 Electrical & Lamping	0	0	0	0	0
65500 Paint and Décor	0	0	0	0	1500
66000 Telephone and Pager	250	250	250	250	250
67000 Liability Insurance	1273	1273	1273	1273	1273
67100 Car Damages	0	0	0	0	0
70000 Business License and Taxes	0	0	0	0	0
70300 Depreciation	0	0	0	0	0
70600 Bank Service Charge	0	0	0	0	0
71000 Base Management Fee	833	833	833	833	833
71100 Incentive Fee	0	0	0	0	0
72300 Mileage	0	0	0	0	0
72700 Misc Expense	50	50	800	50	50
73120 Customer Service	50	50	50	50	50

Total Expenses 25893 24903 25653 24903 26403

Net Income 134457 132447 131697 132447 130947

SOURCE DOCUMENT - 52a

Dec	Jan	Feb	Mar	Apr	May	Jun	Year Annual
79450	79450	79450	79450	79450	79450	79450	953400
35500	35500	35500	35500	35500	35500	35500	426000
4500	4500	4500	4500	4500	4500	4500	54000
35000	33000	33000	33000	33000	33000	38000	416000
900	900	900	900	900	900	900	10800
2000	2000	2000	2000	2000	2000	2000	24000
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
157350	155350	155350	155350	155350	155350	160350	1884200
8663	8663	8663	8663	8663	8663	8663	103956
900	900	900	900	900	900	900	10800
3504	3504	3504	3504	3504	3504	3504	42048
748	748	748	748	748	748	748	8976
50	50	50	50	50	50	50	600
0	0	0	0	0	0	0	0
182	169	128	163	125	139	141	1947
25	25	25	25	25	25	25	300
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
50	50	50	50	50	50	50	600
25	25	25	25	25	25	25	300
7750	7750	7750	7750	7750	7750	7750	93000
0	0	0	0	0	0	0	0
550	550	550	550	550	550	550	7600
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	1500	0	0	1500	0	4500
250	250	250	250	250	250	250	3000
1273	1273	1273	1273	1273	1273	1273	15276
0	0	0	0	0	0	0	0
125	0	0	0	0	0	0	125
0	0	0	0	0	0	0	0
0	0	0	0	3500	3500	3500	42048
833	833	833	833	833	833	833	9996
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
50	50	50	50	50	50	50	1350
50	50	50	50	50	50	50	600
25028	24890	26349	24884	24846	26360	24862	304974
132322	130460	129001	130466	130504	128990	135488	1579226

CUMMING CORPORATION
BUILDING VALUE THROUGH EXPERTISE

New Mezzanine Floor
San Diego, California

Conceptual Statement of Probable Cost
April 23, 2008
Cumming Corporation Project No. 08-00279.00

Provided for The Staubach Company

INTRODUCTION

1. Basis Of Estimate

This statement is based on the email dated April 21, 2008 from The Staubach Company.

The information listed above is considered Conceptual design level for estimating purposes.

2. Items Not Included Within Estimate

The following cost items are excluded from this estimate.

- A Professional fees, inspections and testing.
- B Escalation beyond MOC Apr 2009 - assumed start date Jan 2009 and project completion June 2009.
- C Plan check fees and building permit fees.
- D Furnishings, fixtures and equipment (FF&E), except built-in cabinets, counters and other casework indicated.
- E Major site and building structures demolition unless noted in body of estimate.
- F Costs of hazardous material surveys, abatements, and disposals unless noted in estimate.
- G Construction contingency costs.

3. Notes

We recommend that the client review this statement, and that any interpretations contrary to those intended by the design documents be fully addressed. The statement is based upon a detailed measurement of quantities when possible, and reasonable allowances for items not clearly defined in the documents.

The statement reflects probable construction costs obtainable in a competitive and stable bidding market. This estimate is based upon a minimum of four (4) competitive bids from qualified general contractors, with bids from a minimum of three (3) subcontractors per trade. This statement is a determination of fair market value for the construction of the project and is not intended to be a prediction of low bid. Experience indicates that a fewer number of bidders may result in a higher bid amount, and more bidders may result in a lower bid result.

SOURCE DOCUMENT - 58

New Mezzanine Floor
Conceptual Statement of Probable Cost

Project #: 08-00279.00
April 23, 2008

Construction Cost Summary

Element		Cost/SF	Total
New Mezzanine Floor	20,000 SF	\$83.97	\$1,679,490
Total Construction Cost			\$1,679,490

SOURCE DOCUMENT - 58

New Mezzanine Floor
Conceptual Statement of Probable Cost

Project #: 08-00279.00
April 23, 2008

Detail Elements

Element	Quantity	Unit	Unit Cost	Total
<i>New Mezzanine Floor</i>				
Demolition				
Remove existing flooring	1	ls	\$2,000.00	\$2,000
Saw-cut remove existing slab-on-grade for new footings	64	ea	\$270.00	\$17,280
Miscellaneous demolition	1	ls	\$5,000.00	\$5,000
Protect existing structures / finishes	1	ls	\$5,000.00	\$5,000
New Construction				
Concrete footings	64	ea	\$389.58	\$24,933
Structural steel frame	106	tn	\$4,200.00	\$446,250
Metal deck, 3" 18 ga	20,000	sf	\$6.00	\$120,000
Concrete filled metal stair w, railings	2	flt	\$12,750.00	\$25,500
Concrete deck fill, 3" thick	20,000	sf	\$6.03	\$120,600
Patch / repair existing slab-on-grade at new footings	64	ea	\$202.50	\$12,960
Sealed concrete	20,000	sf	\$1.80	\$36,000
Miscellaneous				
Metal pipe guard rails	570	lf	\$128.00	\$72,960
Miscellaneous building specialties	20,000	sf	\$0.55	\$11,000
Electrical				
Power, lighting / data	20,000	sf	\$10.50	\$210,000
Modify existing lighting above new mezzanine floor	20,000	sf	\$1.50	\$30,000
Subtotal				\$1,139,483
General Conditions	10.0%			\$113,948
Subtotal				\$1,253,432
Contractor's Fee	5.0%			\$62,672
Subtotal				\$1,316,103
Bonds & Insurance	2.0%			\$26,322
Subtotal				\$1,342,425
Design Contingency	10.0%			\$134,243
Subtotal				\$1,476,668
Escalation to MOC Apr 2009	13.7%			\$202,822
Total - New Mezzanine Floor				<u>\$1,679,490</u>



THE CITY OF SAN DIEGO

Office of the Chief Information Officer

- o Information Technology Division
- o Communications Division

Rough Order of Magnitude (ROM) Budget Estimate for:

The New Civic Center Plaza (Downtown SD)

- I. Minimal Infrastructure Requirements
 - A. Data Center
 - B. Voice/Data
 - C. Public Safety Wireless
- II. ROM Budget Estimate
- III. Potential Operational Savings

SOURCE DOCUMENT - 64a

Civic Center Plaza Voice/Data Infrastructure

I. Minimal Infrastructure Requirements

A. Data Center

<u>Item</u>	<u>Quantity</u>	<u>Comments</u>
Motor Generator	2	Redundant, 1MW (supports Data Center and other Critical voice/data/wireless infrastructure)
UPS / Batteries	1	1MW, 1 hr. supply
Power Dist. Units	10	
CRAC Units	6	30-ton unit, redundancy
Fire Suppression Sys	2	Inergen & Dry-Pipe
Raised Floor	1	\$30/sq. ft, 10,000
Security Access Sys.	1	cctv, monitors

Assumptions:

- All costs are based on 10,000 sq. ft. data center
- Office space for data center personnel is assumed in 10,000 sq. ft footprint.
- Additional 1200 – 1500 data center warehouse/staging space not included in data center footprint.
- Freight elevator may be needed depending on location of data center.
- Loading dock may be needed depending on location of data center.
- Cost to incorporate network/PBX/other special hardware may require some adjustments to cost totals.
- Costs for server racks, office furniture, operations work center, etc. not estimated at this time.
- Consulting, Planning, Construction, Installation costs for above items may not be included.
- Costs for conduit, plenum, and other extraneous costs are not estimated at this time.

SOURCE DOCUMENT - 64a

Civic Center Plaza Voice/Data Infrastructure

B. Voice and Data Infrastructure

<u>Item</u>	<u>Quantity</u>	<u>Comments</u>
MDF/MPOE	1	1200 sq ft supporting data/voice build-out
IDF	50 closets	10X12 closets supporting 80 v/d drops
UPS	50 units	UPS for network LAN equipment
LAN/WAN	4000 port	Cisco data switch equipment
Voice/PBX	4000 port	Standard NEC telephone switch and plenum cable (3-4pr. CAT6 per drop)

Assumptions:

- Building size approximately 720,000sq ft, supporting up to 3100 users
- All MDF/IDF locations will be centrally located and have sufficient pathways (conduits to be provided by others)
- All Telecom spaces will be provisioned with HVAC and sufficient electrical outlets (to be provided by others)
- Any Automated Call Distribution (ACD) provisions by others
- Conformance to **EIA/TIA telecommunications wiring standards** for commercial buildings, pathways and spaces.

C. Public Safety/Service Wireless infrastructure

- 600 square feet of space in a room directly under the roof and adjacent to the elevator shaft to house public safety/public service wireless communications equipment
- 500 square feet on the ground floor or basement, as appropriate, for equipment, storage and technician area (size dependent on Emergency Operations Center requirements)
- Full access to the roof for wireless communications antennas.
- Sufficient cable access and conduits between floors, top to bottom, for cable routing
- Minimum two (2) parking spaces for Comm. Division, and dock access for heavy equipment transfer

Civic Center Plaza Voice/Data Infrastructure

- Thirty foot lattice tower directly over item 1 room (assumes overall elevation of the new Civic Center building to be equal to or higher than the existing City Admin Building)
- Special structural considerations for roof mount of antenna support structure and ancillary antennas
- Intense structural load bearing floor design, top and bottom floors (up to 4,000 lbs.)
- HVAC for all rooms
- High capacity 120/240VAC power to all floors with UPS
- Telephone, enterprise data access cabling to all rooms
- Static electricity treatments for all equipment room floors
- Direct access to building ground on a main grounding buss for lightning protection at roof level, equipment room below the roof, and ground level
- Emergency generator power available to equipment rooms and any public safety/EOC areas
- Inclusion in the planning of Bi-Directional Amplifiers (for in-building wireless coverage), security, camera, CCTV, voice paging, and other systems

II. Rough Order of Magnitude Budget Estimate

- A. Data Center \$3.5M
- B. Voice/Data infrastructure \$13M
- C. Public Safety Wireless \$2M

Does not include labor cost for infrastructure planning and design.

III. Operational Savings

Consolidation of Data Center services downtown would likely allow closing the Data Center at Rose Canyon (potential savings not projected). Infrastructure savings could result if City employees at 600B and WTC are relocated to the Civic Center (~\$10k/mo. for leased lines).