

IBA ANALYSIS OF LEASE PROPOSAL

**City of San Diego
Library Project**

Square Feet	71809
Lease Rate Years 1 - 10	\$17
Lease Rate Years 11 - 20	\$21
Lease Rate Years 21 - 30	\$27
Lease Rate Years 31 - 40	\$33
Discount Rate	5.05%
NPV	0
IRR	5.05%

Year	0	1	2	3	4	5	6	7	8	9	10
Total Revenue Years 1-10	(23,700,000)	-	-	1,220,753	1,220,753	1,220,753	1,220,753	1,220,753	1,220,753	1,220,753	1,220,753
Parking Revenue	-	-	-	-	-	-	-	-	-	-	-
Net Income Years 1-10	(23,700,000)	-	-	1,220,753	1,220,753	1,220,753	1,220,753	1,220,753	1,220,753	1,220,753	1,220,753
DCF Years 1-10	(23,700,000)	-	-	1,053,027	1,002,406	954,218	908,346	864,680	823,113	783,544	745,877

Year	0	11	12	13	14	15	16	17	18	19	20
Total Revenue Years 11-20	-	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989
Parking Revenue	-	-	-	-	-	-	-	-	-	-	-
Net Income Years 11-20	-	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989	1,507,989
DCF Years 11-20	-	877,085	834,921	794,785	756,577	720,207	685,585	652,627	621,254	591,389	562,959

Year	0	21	22	23	24	25	26	27	28	29	30
Total Revenue Years 21-30	-	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843
Parking Revenue	-	-	-	-	-	-	-	-	-	-	-
Net Income Years 21-30	-	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843	1,938,843
DCF Years 21-30	-	689,010	655,888	624,358	594,343	565,772	538,574	512,683	488,037	464,576	442,243

Year	0	31	32	33	34	35	36	37	38	39	40
Total Revenue Years 31-40	-	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697
Parking Revenue	-	-	-	-	-	-	-	-	-	-	-
Net Income Years 31-40	-	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697	2,369,697
DCF Years 31-40	-	514,535	489,800	466,254	443,840	422,504	402,193	382,859	364,454	346,934	330,256

Year	0	41	42
Total Revenue Years 41-42	-	2,369,697	2,369,697
Parking Revenue	-	-	-
Net Income Years 41-42	-	2,369,697	2,369,697
DCF Years 41-42	-	314,380	299,267

TOTAL NPV **\$24,585,360**