



KEYSER MARSTON ASSOCIATES

ECONOMIC ANALYSIS OF PHASE I COMMUNITY BENEFITS PROGRAM

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City of Boulder

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1.0 INTRODUCTION AND SUMMARY OF FINDINGS

This report presents an economic analysis to support an update to the City of Boulder's ("City") community benefits program. Keyser Marston Associates Inc. (KMA) prepared this report on behalf of the City.

The proposed community benefits program would require development projects that exceed the by-right height limit to provide community benefits. The first phase of the proposed community benefits program update is focused on affordable housing as the primary benefit to be provided in connection with additional allowable height. The program may be expanded to address other types of community benefits as part of a subsequent phase update effort. Residential bonus height projects would be required to provide additional affordable housing over and above the existing 25% inclusionary requirement. Commercial bonus height projects would be required to provide an additional commercial linkage fee.

The purpose of the economic analysis is to evaluate the additional Inclusionary Housing (IH) requirement or commercial linkage fee that could be supported by projects receiving a height modification based on the economics of residential and commercial development in Boulder. The report also provides recommendations for how an affordable housing community benefits requirement could be structured.

1.1 Study Approach

KMA evaluated the development economics of a set of base and bonus prototype projects representative of the type of development likely to occur in community benefits zoning districts, including rental residential, for-sale residential, office and hotel. Base projects reflect the height allowed by-right in community benefits zoning districts (35 to 38 feet), while bonus projects reflect the additional height to be permitted in conjunction with the provision of community benefits (up to 55 feet).

A development pro forma was prepared for each prototype project to assess the incremental value created by the increase in floor area above the by-right height limit. The development pro forma analysis models the development costs and revenues of the base and bonus projects. The pro forma uses a "residual land value" approach. The residual land value represents the amount a project can afford to pay for a development site. With this approach, the estimated cost of developing the project is subtracted from the supported investment to determine the amount that projects can afford to pay for land.

Community benefits supported by bonus projects are estimated based on the incremental land value created by bonus projects in comparison to the base prototypes. For commercial and hotel projects, the analysis estimates the supported additional commercial linkage fee per square foot of bonus floor area. For residential projects, the analysis estimates the supported

increase in the 25% Inclusionary Housing (IH) requirement that could be required in conjunction with the height modification.

1.2 Base and Bonus Projects Evaluated

Table 1 summarizes the programmatic assumptions for base and bonus projects compared in the analysis. Programmatic assumptions are informed by zoning standards in community benefits zoning districts, review of previous development projects in Boulder, interviews with local development professionals, and discussions with City staff. Base projects reflect by-right height and zoning standards. Bonus scenarios reflect height up to 55 feet and assume other land use controls are also modified, if necessary, to permit utilization of the bonus height.

Base and bonus programmatic assumptions differ for downtown versus other community benefits zoning districts based on the type of residential and commercial development likely to be built in each area. Market assumptions regarding rents and sales prices also differ for downtown and other areas.

The analysis of each land use outside downtown compares one bonus prototype assuming additional height (55 feet) with two base prototypes (35 feet). The purpose of including two base prototypes is to understand whether the supported level of community benefits is different for projects in FAR-constrained zoning districts that require a significant FAR bonus in addition to the height bonus versus projects that require no change to the by-right FAR other than for floor area located above the by-right height limit.

For the downtown market area, the analysis compares one bonus prototype assuming additional height (55 feet) with one base prototype that reflects DT-5 zoning (38 feet), where the by-right FAR can reach 2.7 if certain conditions are met. The assumed development intensity of bonus projects in downtown is typically higher than outside downtown based on a review of precedent projects.

All development scenarios assume compliance with the base 25% affordability requirement for residential projects and the commercial linkage fee for office and hotel projects. For-sale residential is assumed to meet the base 25% requirement by providing 50% of units onsite and the remainder through CIL. Rental residential is assumed to meet 100% of the base IH requirement through CIL. Office development scenarios have been modeled with the fully phased-in commercial linkage fee of \$30 per square foot. Hotel scenarios reflect the current commercial linkage fee of \$5,024 per room, which is already fully phased in.

Table 1: Programmatic Assumptions of Base and Bonus Projects					
	Outside Downtown			Downtown	
	Base FAR @ 0.6	Base Flexible FAR	Bonus	Base Flexible FAR	Bonus
Height	35 ft	35 ft	55 ft	38 ft	55 ft
Stories	3 stories	3 stories	4-5 stories	3 stories	4-5 stories
Site Size	2 acres	2 acres	2 acres	2 acres	2 acres
Floor Area Ratio	0.6 FAR	1.3 - 1.5 FAR	2.0 FAR	1.5 - 1.8 FAR	2.2 - 2.4 FAR
Residential Density	Below 27 du/acre	57 - 65 du/acre	75 - 87 du/acre	63 - 78 du/acre	83 - 105 du/acre
Parking Type	Surface or Tuck Under	Underground	Underground	Underground	Underground
<u>Parking Ratios</u>					
Residential	Above 1.0/du	Above 1.0/du	Above 1.0/du	0.9/du	0.9/du
Office	500sf:1	500sf:1	500sf:1	600sf:1	600sf:1
Hotel	0.9/key	0.9/key	0.9/key	0.9/key	0.9/key

1.3 Summary of Pro Forma Analysis

Findings of the pro forma analysis are summarized in Tables 2 through 4. The technical analysis is provided in Tables 22 through 48, attached to this report.

Table 2 summarizes the incremental land value created by bonus development scenarios in comparison to base development scenarios of the same land use and market area, and the share of the incremental value that could potentially support community benefits. Tables 3 and 4 summarize the additional community benefits supported by the economics of the bonus development scenarios.

For purposes of this analysis, “bonus floor area” encompasses both:

- (1) **Height Bonus floor area** – consisting of the gross area of floors located above by-right height limits of 35 to 38 feet, generally the fourth and fifth stories¹; and
- (2) **FAR Bonus floor area** – consisting of additional gross floor area within by-right height limits, generally on the first three floors of the building, but which exceeds by-right floor area ratio (FAR) limits².

¹ For purposes of this analysis, Height Bonus floor area includes floor area above the by-right height limit, regardless of whether the floor area would be allowable for purposes of applicable FAR limits.

² FAR Bonus floor area would not include that portion of floor area which is in excess of by-right FAR limits, but which is otherwise captured as part of the Height Bonus floor area.

KMA found that, depending on the zoning district, both types of bonuses were needed for a project to utilize a height bonus program; therefore, both categories of bonus floor area are addressed in the analysis.

Findings are reflective of the specific development scenarios tested. Economics of additional height and density will vary as a function of development program assumptions, allowable base and bonus projects, and are quite sensitive to variations in market factors such as rents and construction costs.

The following is a summary of the key findings of the analysis:

1. The analysis indicates support for a community benefits program for all uses and market areas. As shown in Table 2, the economics of additional height increases residual land values for residential, office, and hotel uses. As a percentage of the base residual land value, all scenarios generate a land value increment at least 25% greater than the base land value. Downtown bonus scenarios generally support the largest land value increment in absolute terms. Bonus scenarios outside downtown that have a low by-right FAR of 0.6 tend to support the largest land value increment in percentage terms.
2. The value of community benefits supported by the bonus scenarios is estimated to range from less than \$1 million to more than \$3 million, depending on the land use, location and base zoning, as shown in Table 2. Supportable community benefits are estimated based on the incremental project value supported by the bonus, less a portion of the incremental value estimated to be needed to incentivize a developer to proceed with the more complex bonus project instead of building to base zoning. Estimates assume the greater of a 15% increase in land value or \$1 million is needed to provide an incentive to the developer to proceed with the larger and more complex bonus project.
3. As shown in Table 3, rental residential bonus projects outside the downtown support a 41% inclusionary housing (IH) requirement applied to the bonus floor area. Rental residential bonus projects are assumed to meet the IH requirement through cash-in-lieu (CIL), which was found to be the lowest cost option for rental projects. The IH requirement applicable to the bonus floor area would be combined with the 25% IH requirement applicable to the by-right floor area to determine the overall IH requirement for bonus residential projects. All other provisions of the Inclusionary Housing ordinance, such as incentives for providing units onsite, are assumed to remain the same.

For-sale residential bonus projects support a 36% inclusionary housing (IH) requirement applied to the bonus floor area. For-sale projects support a lower community benefits requirement because land values supported by for-sale bonus scenarios are less than rental bonus scenarios. The for-sale analysis assumes that developers meet the base 25% IH requirement by providing 50% of units onsite and the remainder through CIL.

Our pro forma testing indicates that for-sale residential developers would be unlikely to participate in the community benefits program if the City requires bonus project to meet 100% of the IH requirement onsite.

Findings for areas with a base FAR of 0.6 are similar, suggesting that community benefits requirements need not be differentiated in terms of zoning district or application to Height Bonus versus FAR Bonus floor area.

4. Office development outside the downtown supports an additional commercial linkage fee of approximately \$15 per square foot applied to Height Bonus floor area, assuming a flexible by-right FAR, as shown in Table 4. A lower requirement of \$13 per square foot is supported by the office bonus scenario assuming a base FAR of 0.6 due to the cost of transitioning from a project with surface parking with the by-right FAR to a project with structured parking under the bonus scenario.
5. Findings regarding the additional office commercial linkage fee supported by bonus floor area are extremely sensitive to variation in office rents. Section 3.4 provides the results of sensitivity testing indicating that a \$0.50 per square foot change in annual office rents outside the downtown translates into a change in the supported additional commercial linkage fee of \$4 to \$7 per bonus square foot. Utilization of the community benefits program may vary significantly based on market conditions.
6. As shown in Table 4, the bonus hotel development scenario outside the downtown would support an additional commercial linkage fee of \$9 per square foot of bonus floor area above the base height, assuming a flexible by-right FAR. The linkage fee supported by bonus area in excess of a base FAR of 0.6 is indicated as much higher; however, less weight should be given to this result because it reflects a comparison to an FAR-constrained base case hotel project that has weak or marginal feasibility and is therefore somewhat of a false point of comparison for ascertaining the value of the bonus.
7. Downtown bonus scenarios would support a higher community benefits requirement than other areas of the City. The following community benefits requirements are supported by downtown bonus scenarios:
 - *Residential*: IH requirement of 53% applicable to the bonus floor area for rental residential projects and 51% with for-sale residential projects.
 - *Office*: additional commercial linkage fee of \$56 per gross square foot of bonus area
 - *Hotel*: additional commercial linkage fee of \$44 per gross square foot of bonus area.

Table 2: Pro Forma Analysis Findings

Bonus Scenario	Base Scenario	Base Residual Land Value	Bonus Residual Land Value	Land Value Increment/ % Increase Before Comm. Benefits	Portion of Value Available for Comm. Benefits	Land Value Increment/ % Increase After Comm. Benefits
Rental Residential						
A3. Outside Downtown	A2. Flex. FAR	\$6.6M	\$8.6M	\$2.0M / 30%	\$1.0M	\$1.0M / 15%
A3. Outside Downtown	A1. FAR 0.6	\$4.8M	\$8.6M	\$3.7M / 76%	\$2.7M	\$1.0M / 21%
A5. Downtown	A4. Flex. FAR	\$17.6M	\$22.3M	\$4.6M / 26%	\$2.0M	\$2.6M / 15%
For Sale Residential						
B3. Outside Downtown	B2. Flex. FAR	\$6.5M	\$8.2M	\$1.7M / 26%	\$0.7M	\$1.0M / 15%
B3. Outside Downtown	B1. FAR 0.6	\$4.9M	\$8.2M	\$3.3M / 68%	\$2.3M	\$1.0M / 20%
B5. Downtown	B4. Flex. FAR	\$13.0M	\$17.1M	\$4.1M / 32%	\$2.2M	\$1.9M / 15%
Office						
C3. Outside Downtown	C2. Flex. FAR	\$4.3M	\$6.0M	\$1.7M / 38%	\$0.7M	\$1.0M / 23%
C3. Outside Downtown	C1. FAR 0.6	\$3.5M	\$6.0M	\$2.5M / 73%	\$1.5M	\$1.0M / 29%
C5. Downtown	C4. Flex. FAR	\$12.9M	\$17.5M	\$4.6M / 36%	\$2.7M	\$1.9M / 15%
Hotel						
D3. Outside Downtown	D2. Flex. FAR	\$4.6M	\$6.1M	\$1.5M / 33%	\$0.5M	\$1.0M / 22%
D3. Outside Downtown	D1. FAR 0.6	\$1.9M	\$6.1M	\$4.2M / 221%	\$3.2M	\$1.0M / 53%
D5. Downtown	D4. Flex. FAR	\$9.9M	\$14.3M	\$4.4M / 44%	\$2.9M	\$1.5M / 15%

Table 3: Residential Community Benefits Supported by Residential Bonus Scenarios

Bonus Scenario	Base Scenario	IH Requirement Applicable to Bonus Sq. Ft.
Rental		
A3. Outside Downtown	A2. Flexible FAR	41%
A3. Outside Downtown	A1. FAR 0.6	41%
A5. Downtown	A4. Flexible FAR	53%
For Sale		
B3. Outside Downtown	B2. Flexible FAR	36%
B3. Outside Downtown	B1. FAR 0.6	37%
B5. Downtown	B4. Flexible FAR	51%

Table 4: Commercial Community Benefits Supported by Commercial Bonus Scenarios

Bonus Scenario	Base Scenario	Add'l Commercial Linkage Fee Per Bonus Gross Sq. Ft.
Office		
C3. Office - ODT	C2. Flexible FAR	\$15/sf
C3. Office - ODT	C1. FAR 0.6	\$13/sf
		(\$15/sf Height Bonus + \$11/sf FAR Bonus)
C5. Office - DT	C4. Flexible FAR	\$56/sf
Hotel		
D3. Outside Downtown	D2. Flexible FAR	\$9/sf
D3. Outside Downtown	D1. FAR 0.6	\$27/sf
D5. Downtown	D4. Flexible FAR	\$44/sf

1.4 Recommendations

The following summarizes KMA's recommendations for community benefits requirements based on the findings of the pro forma analysis.

- *Residential* – Require increased Inclusionary Housing (IH) requirements applicable to bonus floor area of 41% for rental projects and 36% with for-sale projects. Or, if the City would prefer a consistent requirement, a 36% bonus area IH requirement for both rental and for-sale projects.
- *Office* – Require an additional commercial linkage fee of \$13 per square foot of bonus floor area. This requirement can be broken into two components: an additional commercial linkage fee of \$15 per square foot Height Bonus floor area and an additional commercial linkage fee of \$11 per square foot of FAR Bonus floor area on lower building floors that do not exceed existing height limits. The recommended additional commercial linkage fee of \$13 per bonus square foot represents an approximately 43% increase over the base requirement.
- *Hotel* – Require an additional commercial linkage fee of \$9 per square foot of bonus floor area over and above the base requirement. The recommended additional commercial linkage fee of \$9 per bonus square foot is equivalent to an approximately 116% increase in the base requirement for hotels.

Recommended requirements align with the community benefits supported by development outside the downtown. A higher community benefits requirement could be supported in the downtown should the City prefer to differentiate the program between zoning districts applicable to the downtown and other locations.

Table 5: Recommended Community Benefits Requirements				
	Bonus Area IH Requirement		Bonus Area Commercial Linkage Fee	
	For-Sale Residential	Rental Residential	Office	Hotel
Base Requirement	25% (on-site units, CIL or combination)	25% (CIL assumed)	\$30.00/gsf ¹	\$7.70/gsf ²
Additional Requirement Supported	11% (on-site units, CIL or combination)	16% (CIL assumed)	\$13/sf bonus (\$15/sf Height Bonus \$11/sf FAR Bonus) 43% increase	\$9/sf bonus 116% increase
Total Requirement Applicable to Bonus Area	36% (on-site units, CIL or combination)	41% (CIL assumed)	\$43.00/sf bonus	\$16.70/sf bonus

¹ Base office commercial linkage includes affordable housing component only at 2021 rate.

² Base hotel commercial linkage fee converted to a per square foot requirement (assuming average of 650 gsf/room).

In many zoning districts, changes to other land use controls beyond height limits, such as FAR limits, would need to be modified for projects to utilize the community benefits program. Other changes also support community benefits to the extent they result in bonus floor area. The extent of changes needed for projects to utilize the program will depend on the zoning district and the physical characteristics of the bonus project. In zoning districts with a by-right FAR of 0.6, increasing the bonus FAR to 1.0 could support additional community benefits proportionate to the additional floor area. For projects to utilize bonus floor area beyond a 1.0 FAR, we estimate an increase to approximately a 1.5 FAR is necessary to support both the cost of transitioning from surface to underground parking and the cost of community benefits on the bonus floor area. For projects to utilize bonus height over 35 feet, we estimate an increase to an FAR of approximately 2.0 to 2.2 could accommodate one additional floor of development above existing height limits. If the bonus FAR is significantly less than 2.0, developers in zoning districts with a by-right FAR of 1.5 may prefer to maximize development potential within the by-right height limit instead of adding more floors of development subject to community benefits requirements.

1.5 Development Community Contacts

KMA conducted interviews with development professionals involved in the development of residential, office, and hotel projects in Boulder who provided insight into the development economics of their respective projects, their outlook on the real estate market, and the circumstances where additional height is most likely to be utilized.

Local developers affirmed that allowing additional height would benefit many types of projects. Value is created by the additional floor area as well as the flexibility to increase floor to ceiling heights. Floor to ceiling heights achievable in a 35-foot height district are below typical standards for three-story office and mixed-use buildings. Projects receiving a height bonus have the potential to command premium rents relative to projects built under a constrained by-right height.

In deciding whether to seek additional height, developers weigh the financial return created by the height allowance to the risk and cost of undertaking a more complex project. One factor that is perceived to increase the risk of height bonus projects is the site review process. To compensate for this additional risk, developers expect to earn a return that is significantly greater than what can be achieved with a by-right project. To the extent that the proposed community benefits program is able to reduce the perceived risk of the site review process, then developers would potentially reduce their return expectations, which would allow a greater share of the incremental value created by the height bonus to be made available for community benefits and / or increase the utilization of the program.

2.0 RESIDENTIAL PRO FORMA ANALYSIS

2.1 Base and Bonus Projects Evaluated

a. Rental Residential

Table 6 summarizes the base and bonus rental residential prototypes that were evaluated. The prototypes differ by market area based on the type of development likely to be built in downtown versus other community benefits zoning districts:

- Two Base Projects and One Bonus Project Outside Downtown* – The analysis of rental residential development outside of downtown compares one bonus prototype assuming additional height (55 feet) with two base prototypes (35 feet) reflecting the range of development intensity permitted by-right in community benefits zoning districts. One base prototype assumes a by-right FAR of 0.6 and a residential density of 27 units per acre and the second assumes a by-right FAR of 1.5 and a residential density of 65 units per acre. With additional height, the bonus scenario has a 2.0 FAR and residential density of 87 units per acre. Parking is assumed to be surface and tuck-under for the base case with a 0.6 FAR and underground for the two other scenarios.
- One Base Project and One Bonus Project in Downtown* – The analysis of rental residential development in downtown compares one bonus prototype assuming additional height (55 feet) with one base prototype consistent with DT-5 zoning (38 feet). The residential density of the bonus project in downtown is higher than the bonus prototype outside downtown based on precedent projects. Parking for both prototypes is underground.

Table 6. Base and Bonus Rental Residential Projects Analyzed					
Scenario	Outside Downtown			Downtown	
	A1 Base Zoning, FAR Limit @ 0.6	A2 Base Zoning, Flexible FAR	A3 Bonus Project	A4 Base Zoning, Flexible FAR	A5 Bonus Project
Site Size	2 acres	2 acres	2 acres	2 acres	2 acres
Residential Units	54 units	130 units	174 units	156 units	209 units
Height (feet)	35 ft	35 ft	55 ft	38 ft	55 ft
Floor Area Ratio	0.6 FAR	1.5 FAR	2.0 FAR	1.8 FAR	2.4 FAR
Density	27 du/ac	65 du/ac	87 du/ac	78 du/ac	105 du/ac
Parking Ratio	1.1 /du	1.1 /du	1.1 /du	0.9 /du	0.9 /du
Parking Type	Surface/ tuck-under	Underground	Underground	Underground	Underground

The base IH requirement for rental projects is assumed to be satisfied through payment of CIL. This assumption is used because incentives to provide affordable units on-site under the IH program are not applicable for rental projects and payment of CIL was determined to be the

lowest cost option based on an earlier analysis of the proposed community benefits program prepared by KMA in August 2018. This assumption was selected to reflect the most likely choice by market rate developers in satisfying the base IH requirement.

To simplify the analysis and findings, market rate commercial space as part of a mixed-use development is not specifically modeled. The ability of commercial development to support community benefits is evaluated separately in a subsequent section of this report.

b. For-Sale Residential

Table 7 summarizes the base and bonus for-sale residential prototypes that were evaluated. The prototypes differ by market area based on the type of development likely to be built in downtown versus other community benefits zoning districts:

- *Two Base Projects and One Bonus Project Outside Downtown* – The analysis of for-sale residential development outside of downtown compares one bonus prototype assuming additional height (55 feet) with two base prototypes (35 feet). One base prototype assumes a by-right FAR of 0.6 and a residential density of 23 units per acre and the second assumes a by-right FAR of 1.5 and a residential density of 57 units per acre. With additional height, the bonus scenario has an FAR of 2.0 and residential density of 75 units per acre. All scenarios are assumed to be stacked condominiums, as townhomes were found to yield a lower land value, even under the lowest-density base case. Parking is assumed to be surface and tuck-under for the base case with a 0.6 FAR and underground for the two other scenarios.
- *One Base Project and One Bonus Project in Downtown* – The analysis of for-sale residential development in downtown compares one bonus prototype assuming additional height (55 feet) with one base prototype consistent with DT-5 zoning (38 feet). The base prototype in downtown is assumed to be stacked condominiums with a by-right FAR of 1.7 and a residential density of 63 units per acre. With additional height, the bonus condominium prototype has an FAR of 2.2 and residential density of 83 units per acre.

In areas of downtown without requirements for active ground floor uses, our pro forma testing indicates that townhomes would yield a higher land value than stacked condominiums under base zoning. KMA selected stacked condominiums as the base prototype in downtown based on the assumption that projects on sites better suited to condominium development would be more likely to participate in the community benefits program than projects on sites better suited to townhome development.

Table 7. Base and Bonus For-Sale Residential Projects Analyzed

Scenario	Outside Downtown			Downtown	
	B1 Base Zoning, FAR Limit @ 0.6	B2 Base Zoning, Flexible FAR	B3 Bonus Project	B4 Base Zoning, Flexible FAR	A5 Bonus Project
Site Size	2 acres	2 acres	2 acres	2 acres	2 acres
Product Type	Condos	Condos	Condos	Condos	Condos
Residential Units	45 units	113 units	150 units	126 units	166 units
Height (feet)	35 ft	35 ft	55 ft	38 ft	55 ft
Density	23 du/ac	57 du/ac	75 du/ac	63 du/ac	83 du/ac
Parking Ratio	1.2/du	1.2/du	1.2/du	0.9/du	0.9/du
Parking Type	Surface/ Tuck-Under	Underground	Underground	Underground	Underground

The base IH requirement for for-sale prototypes is satisfied by providing half of the required units on site and the remainder through CIL. KMA tested other IH compliance scenarios for for-sale projects including payment of all CIL and providing more than 50% of units on-site and found that providing 50% of units onsite was financially favorable to other scenarios for the higher-density prototypes analyzed.

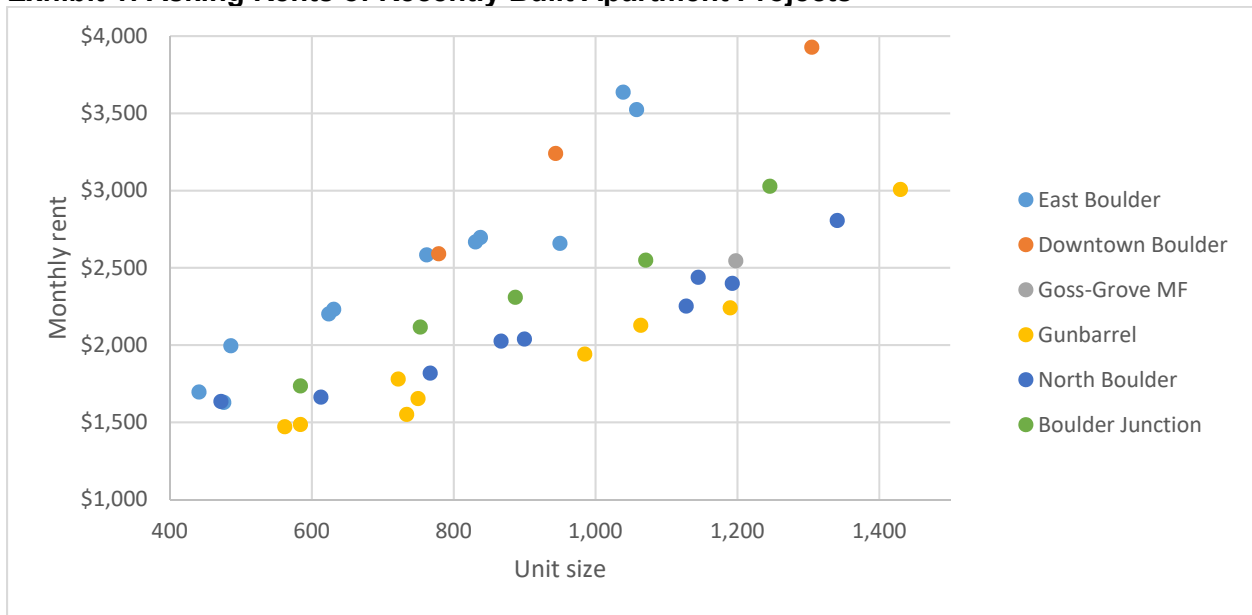
2.2 Pro Forma Methodology

To assess the financial feasibility of the five development scenarios, KMA prepared a development pro forma analysis which models the development costs and revenues of the base and bonus projects.

Key assumptions of the pro forma analysis are reviewed below.

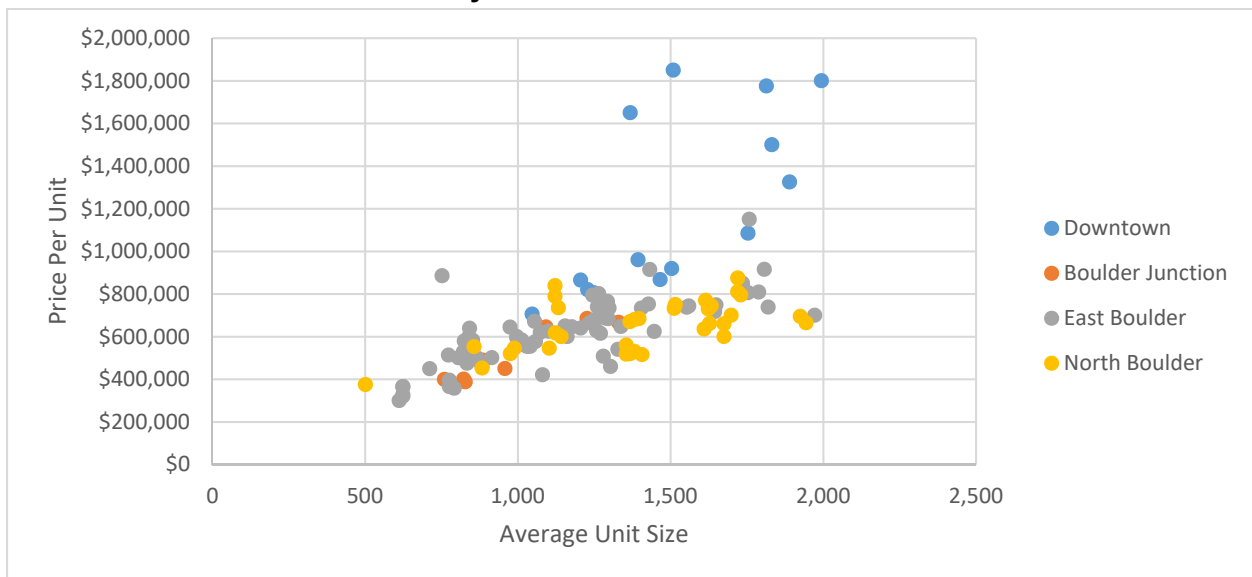
Residential Rental Income – Market rate rents for an 850 square foot average-sized rental unit are estimated at \$2,400 per month outside the downtown and \$2,850 per month in downtown. Rents are based on the average asking rents of recently built apartment projects, as shown in the chart below.

Exhibit 1: Asking Rents of Recently Built Apartment Projects



Residential Sale Prices– Sale prices for a 1,000 square foot-average sized stacked condominium unit are estimated at \$590,000 per unit outside of downtown and \$680,000 per unit in the downtown. Sale prices are based on sale prices for recently built attached for-sale residential units, as shown in the chart below.

Exhibit 2: Sales Prices of Recently Built Attached Residential Units



Supported Investment – To calculate the supported investment of the rental units, KMA first estimated the Net Operating Income (NOI), which is equal to rental income minus operating expenses. Net Operating Income is calculated by subtracting operating expenses from the net

rent generated by the unit. The NOI is then divided by a return on cost (ROC)³ to estimate the developer investment supported. For market rate units, a 5.1% developer return on cost requirement is utilized. The estimated return on cost reflects a spread of approximately 0.9% over the estimated cap rate⁴ of 4.2% for market rate multifamily projects in Boulder drawn from a combination of sources including review of recent sales of built apartment properties and publications such as CBRE. For on-site affordable units (tested in community benefits scenarios), developer return on cost is estimated at 5.6%, or 0.5% above the market rate units. The higher return is in recognition of the limited rent growth potential for affordable units. The “blended return” shown in the attached Tables 27 and 30 represents a weighted average of the market rate and affordable components. In the case of for-sale scenarios, the investment supported is calculated based on the sales price, less a risk-adjusted developer return and closing costs totaling 17.5% of the sales price.

Development Costs Excluding Land – Development costs excluding land represent all costs to design, finance, and construct the project other than the cost of acquiring a site. Development cost estimates are drawn from a series of developer interviews as well as third party sources including Marshall and Swift Valuation Service and RS Means, which estimate costs for a variety of building types in varying locales. In addition to hard construction costs, development cost estimates include all indirect or soft costs of development such as architecture and engineering, governmental fees and permits costs, taxes, insurance, financing, and developer overhead and administration. The construction cost estimates assume quality construction, architecture, and finishes but do not assume any extraordinary costs that would be atypical for the market.

Land Value Supported – The residual land value represents the amount a project can afford to pay for a development site. Residual land value is calculated as the difference between the supported investment (based on the unit values or sale prices) and the development costs other than land.

2.3 Pro Forma Findings

Tables 8 and 9 compare the land values supported by base and bonus projects before consideration of community benefits requirements. The purpose is to enable the value of the bonus to be understood independently of assumptions regarding the provision of community benefits.

³ Return on Cost (ROC) is a development return metric that relates the estimated NOI of the property once built to the total development cost (ROC = NOI / development cost).

⁴ Capitalization rate or “cap rate” is a percentage relating the market value of a property to the annual NOI it generates (cap rate = NOI / value).

a. *Rental Residential*

Table 8 shows that for rental projects outside the downtown, the density bonus without community benefits increases the supported land value for a 2-acre site by an estimated \$2.0 million when compared to a base project with a flexible by-right FAR and by \$3.7 million relative to a base project with a by right-FAR of 0.6. In the downtown, the land value of the bonus scenario exceeds the base scenario by \$4.6 million. A portion of the incremental value created by the bonus could be contributed toward the cost of providing community benefits of one kind or another. This additional value is not available to projects built to existing zoning; it is created by the significant increased height and density over existing zoning limits reflected in the analysis.

The land value increment supported by the bonus scenario outside the downtown is higher when compared to the base project with a 0.6 FAR because of the more significant increase in floor area reflected in the bonus scenario. While the bonus scenario analyzed has about three times as many residential units as the base scenario with a by-right FAR of 0.6, it does not result in three times the supported land value. This is because development costs for the higher density project are around \$65,000 per unit higher, primarily due to the cost of the subterranean parking garage.

Table 8. Pro Forma Analysis of Rental Residential Projects Before Community Benefits					
Scenario	Outside Downtown			Downtown	
	A1, Base FAR @ 0.6	A2, Base Flexible FAR	A3, Bonus	A4, Base Flexible FAR	A5, Bonus
<u>Number of Units</u>	54 units	130 units	174 units	156 units	209 units
<u>Pro Forma Summary (\$millions)</u>					
Supported Investment	\$20.8M	\$53.3M	\$71.4M	\$77.1M	\$103.3M
Development Cost Excl. Land	<u>-\$15.9M</u>	<u>-\$46.7M</u>	<u>-\$62.8M</u>	<u>-\$59.4M</u>	<u>-\$81.0M</u>
Supported Land Value	\$4.8M	\$6.6M	\$8.6M	\$17.6M	\$22.3M
Per Acre	\$2.4M	\$3.3M	\$4.3M	\$8.8M	\$11.1M
<u>Land Value Increase</u>					
vs. Base with FAR of 0.6	n/a	\$1.7M	\$3.7M	n/a	n/a
vs. Base with Flexible FAR	n/a	n/a	\$2.0M	n/a	\$4.6M

b. *For-Sale Residential*

Table 9 shows that the density bonus scenario outside the downtown increases the supported land value for a 2-acre site by an estimated \$1.7 million when compared to a base project with a flexible by-right FAR or by \$3.3 million when compared to a base project with a by right-FAR of 0.6. In the downtown, the land value of the bonus scenario exceeds the base scenario by \$4.1 million. The incremental land value supported by for-sale bonus scenarios is less than the

incremental value supported by rental bonus scenarios because the economics of for-sale development are estimated to be slightly less favorable. This finding is consistent with recent higher-density residential development activity in Boulder, most of which has consisted of rental projects.

The pro forma findings assume that for-sale projects meet the base 25% IH requirement by providing 50% of units onsite and the remainder through CIL. KMA tested the economics of requiring that bonus projects satisfy a greater percentage of the base IH requirement onsite. Requiring that for-sale bonus projects satisfy 100% of the base requirement onsite is likely to deter developers from participating in the community benefits program. Requiring that bonus projects provide 75% of the base requirement onsite would potentially be feasible for certain projects, but no additional community benefits would be supported.

Table 9. Pro Forma Analysis of For-Sale Residential Projects Before Community Benefits					
Scenario	Outside Downtown			Downtown	
	B1, Base FAR @ 0.6	B2, Base Flexible FAR	B3, Bonus	B4, Base Flexible FAR	B5, Bonus
<u>Number of Units</u>	45 units	113 units	150 units	126 units	166 units
<u>Pro Forma Summary (\$millions)</u>					
Supported Investment	\$19.8M	\$50.3M	\$66.6M	\$64.1M	\$84.5M
Development Cost Excl. Land	<u>-\$14.9M</u>	<u>-\$43.8M</u>	<u>-\$58.4M</u>	<u>-\$51.1M</u>	<u>-\$67.3M</u>
Supported Land Value	\$4.9M	\$6.5M	\$8.2M	\$13.0M	\$17.1M
<i>Per Acre</i>	<i>\$2.4M</i>	<i>\$3.2M</i>	<i>\$4.1M</i>	<i>\$6.5M</i>	<i>\$8.6M</i>
<u>Land Value Increase</u>					
vs. Base with FAR of 0.6	n/a	\$1.6M	\$3.3M	n/a	n/a
vs. Base with Flexible FAR	n/a	n/a	\$1.7M	n/a	\$4.1M

2.4 Community Benefits Supported by Additional Height and Floor Area

Tables 10 and 11 provide an estimate of the community benefits supported by the bonus rental and for-sale scenarios in proportion to the amount of bonus floor area requested. Bonus floor area includes all gross floor area above the third floor as well as floor area below the third floor that would exceed the assumed by-right FAR.

For the community benefits program to represent an attractive option for developers, residual values with the density bonus must exceed that of the base zoning after considering the cost of providing required community benefits. The larger the increase in value over the base zoning, the stronger the incentive to utilize the program (and vice versa).

To determine the amount of community benefits supported, KMA targeted a land value in the bonus scenarios that is the greater of 15% or \$1 million more than the base zoning land value (e.g., after community benefits, Scenario A3 has a supported land value that is \$1 higher than Scenario A2, an increase of 15%). This assumption reflects the need to provide an incentive to encourage developers to consider the more complex project with community benefits over building to the base zoning. The remainder of the land value increment is assumed to be available to support the cost of additional affordable housing or other community benefits.

As shown in Table 10, assuming a flexible by-right FAR, rental residential development outside the downtown would support a 41% inclusionary housing (IH) requirement applied to bonus area. A similar requirement is supported by the rental residential bonus scenario assuming a base FAR of 0.6, suggesting that the above community benefits requirement can be applied equally in zoning districts with a flexible by-right FAR and zoning districts that require a significant FAR bonus in addition to the height bonus. Rental residential development in the downtown would support a higher community benefits requirement than other areas.

Table 10. Community Benefits Supported by Rental Bonus Scenarios			
	Bonus Scenario A3 Outside Downtown Flex. Base FAR (A2)	Bonus Scenario A3 Outside Downtown 0.6. Base FAR (A1)	Bonus Scenario A5 Downtown Flex. Base FAR (A4)
Number of Units	174	174	209
Gross Building Area	174,000	174,000	209,000
Bonus Floor Area (Gross Sq. Ft.)	43,500	121,700	52,250
-Type of Bonus	Height Only	Height + FAR	Height Only
<u>Supported Community Benefits</u>			
Bonus IH Requirement	41%	41%	53%
<u>Incremental Land Value</u>			
Base Land Value	\$6.6M	\$4.8M	\$17.6M
Incremental Land Value	\$2.0M	\$3.7M	\$4.6M
(less) Community Benefits	<u>(\$1.0M)</u>	<u>(\$2.7M)</u>	<u>(\$2.0M)</u>
Remaining Value	\$1.0M	\$1.0M	\$2.6M
% Increase in Base Land Value	15%	21%	15%

Table 11 presents the findings for for-sale development scenarios. For-sale residential development supports a lower community benefits requirement versus rental scenarios because the economics of for-sale development are estimated to be slightly less favorable. Assuming a flexible by-right FAR, for-sale residential bonus projects support a 36% inclusionary housing (IH) requirement applied to bonus area.

Table 11. Community Benefits Supported by For-Sale Bonus Scenarios			
	Bonus Scenario B3 Outside Downtown Flex. Base FAR (B2)	Bonus Scenario B3 Outside Downtown 0.6. Base FAR (B1)	Bonus Scenario B5 Downtown Flex. Base FAR (B4)
<u>Bonus Program</u>			
Number of Units	150	150	166
Gross Building Area	173,118	173,118	191,588
Bonus Floor Area	43,300	120,800	48,000
-Type of Bonus	Height Only	Height + FAR	Height Only
<u>Supported Community Benefits</u>			
Bonus IH Requirement	36%	37%	51%
<u>Incremental Land Value</u>			
Base Land Value	\$6.5M	\$4.9M	\$13.0M
Incremental Value	\$1.7M	\$3.3M	\$4.1M
(less) Community Benefits ¹	<u>(\$0.7M)</u>	<u>(\$2.0M)</u>	<u>(\$2.1M)</u>
Remaining Value	\$1.0M	\$1.3M	\$2.0M
% Increase in Base Land Value	16%	26%	15%

¹ Value of community benefits differs slightly from targeted community benefits amount due to rounding of onsite IH requirement. See attached Tables 32 and 35.

2.5 Residential Community Benefits Recommendations

Based on the findings of the pro forma analysis, KMA recommends aligning the community benefits requirement for residential projects with the community benefits supported by rental and for-sale residential development outside the downtown. A higher community benefits requirement would be supported in the downtown should the City prefer to differentiate by geographic area.

Table 12 summarizes the Inclusionary Housing (IH) requirement that could be feasibly applied to the bonus floor area of residential projects seeking additional height or FAR above the by-right limit. As shown, for-sale residential bonus projects support a 36% inclusionary housing (IH) requirement applied to bonus area. Rental residential bonus projects support a 41% IH requirement applied to bonus area. If the City would like to apply a consistent requirement to both rental and for-sale bonus projects, we would recommend use of the lower 36% bonus IH requirement that is supported with for-sale projects.

The IH requirement applicable to the bonus floor area can be combined with the 25% IH requirement applicable to the by-right floor area to determine the overall IH requirement for bonus residential projects. All other provisions of the Inclusionary Housing ordinance, such as incentives for providing units onsite, can remain the same. Given the IH requirement is applied as a percentage of units, it will be important to avoid creating a potential “loophole” for projects that provide just a few larger penthouse-type units within the bonus floor area which would not result in a significant additional bonus IH requirement. One approach to avoid this possible

“loophole” would be to determine the number of residential units attributable to the bonus based on a proportionate allocation of overall project floor area. Specifically, the total number of units in the project would be multiplied by the fraction of total floor area that constitutes bonus floor area to determine the number of bonus residential units. The bonus IH requirement would then be applied to the number of bonus residential units.

Table 12. Recommended Residential Community Benefits Requirements	
Community Benefit	Recommendation
<u>Bonus IH Requirement</u>	
For-Sale	36% of bonus units
Rental	41% of bonus units

3.0 OFFICE PRO FORMA ANALYSIS

3.1 Base and Bonus Projects Evaluated

Table 13 summarizes the base and bonus office prototypes that were evaluated. The prototypes differ by market area based on the type of development likely to be built in downtown versus other community benefits zoning districts:

- Two Base Projects and One Bonus Project Outside Downtown* – The analysis of office development outside of downtown compares one bonus prototype assuming additional height (55 feet) with two base prototypes (35 feet). One base prototype assumes a by-right FAR of 0.6 and the second assumes a by-right FAR of 1.5. With additional height, the bonus scenario has a 2.0 FAR. Parking is assumed to be surface parking for the base scenario with a 0.6 FAR and underground for the two other scenarios. Parking ratios assume 500 square per space based on recently built, higher-density office projects, assuming a reduction from the applicable by-right ratio as required by the zoning district.
- One Base Project and One Bonus Project in Downtown* – The analysis of office development in downtown compares one bonus prototype assuming additional height (55 feet) with one base prototype consistent with DT-5 zoning (38 feet). The FAR of the bonus project in downtown is higher than the bonus prototype outside downtown based on a review of precedent projects. Parking for both prototypes is underground and provided at a ratio of 600 square feet per space.

Table 13. Base and Bonus Office Projects Analyzed					
Scenario	Outside Downtown			Downtown	
	C1 Base Zoning, FAR Limit @ 0.6	C2 Base Zoning, Flexible FAR	C3 Bonus Project	C4 Base Zoning, Flexible FAR	C5 Bonus Project
Site Size	2 acres	2 acres	2 acres	2 acres	2 acres
Gross Bldg. Area	52,300 sf	130,700 sf	174,200 sf	143,700 sf	191,700 sf
Height (feet)	35 ft	35 ft	55 ft	38 ft	55 ft
Floor Area Ratio	0.6 FAR	1.5 FAR	2.0 FAR	1.7 FAR	2.2 FAR
Parking Ratio	500 sf:1	500 sf:1	500 sf:1	600 sf:1	600 sf:1
Parking Type	Surface	Underground	Underground	Underground	Underground

For purposes of this analysis, the base commercial linkage fee requirement for office projects is assumed to reflect the fully phased-in rate of \$30 per square foot scheduled to take effect in 2021. The intent of this assumption is to ensure the community benefits program is still workable after scheduled increases in the commercial linkage fee take effect.

3.2 Pro Forma Methodology

To assess financial feasibility, KMA prepared a development pro forma analysis which models the development costs and revenues of the base and bonus projects. The pro forma uses a “residual land value” approach. The residual land value represents the amount a project can afford to pay for a development site. With this approach, the model starts with an estimate of lease income, which is used to calculate the net operating income and the developer investment that can be supported. The estimated cost of developing the project is subtracted to determine the amount projects can afford to pay for land.

Commercial Rental Income – Market rate office space is estimated to be leased for a triple net rent of approximately \$40 per square foot in the downtown and \$36 per square foot outside the downtown based on market rates for new commercial space and the lease rates implied by recent commercial property transactions (around \$60 per square foot and \$54 per square foot as a full service lease). For the base case outside downtown with a 0.6 FAR, a discounted triple net rent of \$33 per square foot is assumed due to smaller floorplates, which would potentially limit this prototype’s ability to attract top-paying commercial tenants. Bonus scenarios are assumed to command a slight rent premium (up to \$0.50 per square foot) due to the higher floor to ceiling heights made possible by the height bonus.

Supported Investment – To determine the developer investment supported by the commercial prototypes, KMA first estimated the commercial Net Operating Income (NOI), which is equal to rental income minus operating expenses and vacancy. The NOI is then divided by an estimated 6.5% return on cost (ROC) to estimate the developer investment supported. The return on cost reflects a spread of approximately 100 to 150 basis points over the estimated cap rate range of 5% to 5.5% for office in Boulder based on recent sales of office properties.

Development Costs Excluding Land – Development costs excluding land represent all costs to design, finance, and construct the project other than the cost of acquiring a site. Development cost estimates are drawn from a series of developer interviews and from estimates published by Marshall and Swift Valuation Service and RS Means, which estimate costs for a variety of building types in varying locales. In addition to hard construction costs, development cost estimates include all indirect or soft costs of development such as architecture and engineering, governmental fees and permits costs, taxes, insurance, financing, and developer overhead and administration. As noted above, development costs assume payment of the fully phased in commercial linkage fee of \$30 per square foot scheduled to take effect in 2021.

Land Value Supported - The residual land value represents the amount a project can afford to pay for a development site. Residual land value is calculated as the difference between the supported investment based on the net operating income and development costs other than land.

3.3 Pro Forma Summary

Table 14 compares the land values supported by bonus projects before community benefits to the land values supported by base projects. The analysis shows that for office projects outside the downtown, the density bonus without community benefits increases the supported land value for a 2-acre site by \$1.7 million when compared to a base project with a flexible by-right FAR and by \$2.5 million when compared to a base project with a by-right FAR of 0.6. In the downtown, the land value of the bonus scenario exceeds the base scenario by \$4.6 million. A portion of the incremental value created by the bonus scenarios would be available to contribute toward the cost of providing community benefits of one kind or another. The land value increment is not necessarily proportional to the magnitude of the height/ floor area bonus due to the cost of providing subterranean parking.

Table 14. Pro Forma Analysis of Office Development Scenarios					
Scenario	Outside Downtown			Downtown	
	C1, Base FAR @ 0.6	C2, Base Flexible FAR	C3, Bonus	C4, Base Flexible FAR	C5, Bonus
Gross Building Area (GSF)	52,300 sf	130,700 sf	174,200 sf	143,700 sf	191,700 sf
<u>Pro Forma Summary (\$millions)</u>					
Supported Investment	\$23.4M	\$68.1M	\$92.2M	\$84.3M	\$113.1M
Development Cost Excl. Land	<u>-\$20.0M</u>	<u>-\$63.7M</u>	<u>-\$86.2M</u>	<u>-\$71.5M</u>	<u>-\$95.6M</u>
Supported Land Value	\$3.5M	\$4.3M	\$6.0M	\$12.9M	\$17.5M
Per Acre	\$1.7M	\$2.2M	\$3.0M	\$6.4M	\$8.7M
<u>Land Value Increase</u>					
vs. Base with FAR of 0.6	n/a	\$0.9M	\$2.5M	n/a	n/a
vs. Base with Flexible FAR	n/a	n/a	\$1.7M	n/a	\$4.6M

3.4 Community Benefits Supported by Additional Height and Floor Area

Table 15 provides an estimate of the community benefits supported by the bonus scenarios in proportion to the amount of bonus floor area requested. Bonus floor area includes all gross floor area above the third floor as well as floor area below the third floor that exceed the by-right FAR.

To determine the amount of community benefits supported, KMA targeted a land value in the bonus scenarios that is the greater of 15% or \$1 million more than the base zoning land value. This assumption reflects the need to provide an incentive to encourage developers to consider the more complex project with community benefits over building to the base zoning. The remainder of the land value increment is assumed to be available to fund community benefits such as an additional commercial linkage fee payment.

As shown, assuming a flexible by-right FAR, the bonus office development scenario outside the downtown would support an additional commercial linkage fee of \$15 per square foot of bonus floor area above the base height.

A lower \$13 per square foot of bonus floor area requirement is supported by the office bonus scenario assuming a base FAR of 0.6. This \$13/sf finding can be separated into two components: \$11/sf supportable with respect to FAR Bonus floor area and \$15/sf supportable with respect to Height Bonus floor area.

Office development in the downtown would support a significantly higher community benefits requirement than other areas.

Table 15. Community Benefits Supported by Office Bonus Scenarios			
	Bonus Scenario C3 Outside Downtown Flex. Base FAR (C2)	Bonus Scenario C3 Outside Downtown 0.6. Base FAR (C1)	Bonus Scenario C5 Downtown Flex. Base FAR (C4)
Gross Building Area (GSF)	174,200 sf	174,200 sf	191,700 sf
Bonus Floor Area (GSF)	43,600	122,000	47,900
-Bonus type	Height only	Height + FAR	Height only
<u>Community Benefits</u>			
Add'l Commercial Linkage Fee Per Bonus GSF	\$15	\$13 (\$15/sf for Height Bonus + \$11/sf for FAR Bonus)	\$56
<u>Incremental Land Value vs. Base Scenario</u>			
Base Land Value	\$4.3M	\$3.5M	\$12.9M
Incremental Value	\$1.7M	\$2.5M	\$4.6M
(less) Community Benefits	<u>(\$0.7M)</u>	<u>(\$1.5M)</u>	<u>(\$2.7M)</u>
Remaining Incremental Value	\$1.0M	\$1.0M	\$1.9M
% Increase in Base Land Value	23%	29%	15%

The supported commercial linkage fee is highly sensitive to changes in office rent assumptions. Table 16 illustrates the additional linkage fee under a range of office rent assumptions outside downtown. As shown in Table 16, a \$0.50 shift in annual office rents outside the downtown would change the supported commercial linkage fee by \$4 to \$7 per bonus square foot. Assuming an annual office rent of \$34.50 per square foot or less outside downtown (\$1.50 per square foot less than the current base estimate), no additional commercial linkage fee is supported. Assuming an annual office rent of \$37.50 (\$1.50 per square foot more than the current estimate), an additional commercial linkage fee of \$34 per square foot is estimated to be supported.

Table 16. Sensitivity Analysis of Office Rents Outside Downtown and Additional Linkage Fee Supported	
Annual Office Rent Outside Downtown¹	Supported Add'l Commercial Linkage Fee Per Height Bonus Gross Sq. Ft.
\$34.50/sf NNN or less	None
\$35.00/sf NNN	\$2/sf bonus
\$35.50/sf NNN	\$9/sf bonus
\$36.00/sf NNN	\$15/sf bonus
\$36.50/sf NNN	\$22/sf bonus
\$37.00/sf NNN	\$29/sf bonus
\$37.50/sf NNN	\$34/sf bonus
\$38.00/sf NNN	\$38/sf bonus
\$38.50/sf NNN	\$42/sf bonus
\$39.00/sf NNN	\$45/sf bonus

¹ Office rent outside of downtown before adjustments for floorplate size and floor to ceiling height.

3.5 Office Recommendation

Based on the findings of the pro forma analysis, KMA recommends setting the community benefits requirement as an additional commercial linkage fee of \$13 per square foot of bonus floor area. This requirement can be separated into two components: \$15 per square foot of Height Bonus floor area and \$11 for each square foot of FAR Bonus floor area that is not already included as part of the Height Bonus floor area. Recommendations are aligned with the community benefits supportable by office projects located outside of the downtown. A higher community benefits requirement would be supported in the downtown should the City prefer to differentiate the fee by geographic area.

Table 17. Recommended Office Community Benefits		
Community Benefit	Recommendation	
Additional Commercial Linkage Fee	\$13	per bonus gross sq. ft.
-By Component	\$15	per Height Bonus gross sq. ft.
	\$11	per FAR Bonus gross sq.ft.

4.0 HOTEL PRO FORMA ANALYSIS

4.1 Base and Bonus Projects Evaluated

Table 18 summarizes the base and bonus hotel prototypes that were evaluated. The prototypes differ by market area based on the type of development likely to be built in downtown versus other community benefits zoning districts:

- *Two Base Projects and One Bonus Project Outside Downtown* – The analysis of hotel development outside of downtown compares one bonus prototype assuming additional height (55 feet) with two base prototypes (35 feet). One base prototype assumes a limited service hotel with a by-right FAR of 0.6 and 40 rooms per acre and the second assumes a select service hotel with a by-right FAR of 1.3 or greater and 87 rooms per acre. With additional height, the bonus scenario reflects a select service hotel with a 2.0 FAR and 131 rooms per acre. Parking is assumed to be surface for the base case with a 0.6 FAR and underground for the two other scenarios. Parking ratios assume 0.9 spaces per room based on recently built hotel projects, assuming a reduction from the applicable by-right ratio as required by the zoning district.
- *One Base Project and One Bonus Project in Downtown* – The analysis of hotel development in downtown compares one bonus prototype assuming additional height (55 feet) with one base prototype consistent with DT-5 zoning (38 feet). The FAR of the bonus project in downtown is assumed to be slightly higher than the bonus prototype outside downtown. Parking for both prototypes is underground and provided at a ratio of 0.9 rooms per space.

Table 18. Base and Bonus Hotel Projects Analyzed					
Scenario	Outside Downtown			Downtown	
	D1 Base Zoning, FAR Limit @ 0.6	D2 Base Zoning, Flexible FAR	D3 Bonus Project	D4 Base Zoning, Flexible FAR	D5 Bonus Project
Site Size	2 acres	2 acres	2 acres	2 acres	2 acres
Product Type	Limited Service	Select Service	Select Service	Full Service	Full Service
Floor Area Ratio	0.6 FAR	1.3 FAR	2.0 FAR	1.5 FAR	2.2 FAR
Hotel Rooms	80 rooms	174 rooms	262 rooms	174 rooms	261 rooms
Height (feet)	35 ft	35 ft	55 ft	38 ft	55 ft
Room Density	40 rm/acre	87 rm/acre	131 rm/acre	87 rm/acre	131 rm/acre
Parking Ratio	0.9/key	0.9/key	0.9/key	0.9/key	0.9/key
Parking Type	Surface	Underground	Underground	Underground	Underground

4.2 Pro Forma Methodology

To assess the financial feasibility of the five development scenarios, KMA prepared a development pro forma analysis which models the development costs and revenues of the base and bonus projects, using a residual value approach consistent with the analysis of other land uses.

Room Revenues – Hotel room rates are estimated to be \$180 per night for the limited service hotel outside downtown, \$200 per night for the select service hotel outside of downtown, and \$300 per night for the full service hotel in the downtown. The average daily rate (ADR) for the limited service hotel reflects the current ADR of recently built hotels in Boulder, as reported by Smith Travel Research (STR). The select service hotel assumes an approximately 10% premium over current hotel rates. The full-service ADR is based on the reported rates of luxury boutique hotels in downtown Boulder such as St. Julien Hotel and Spa. Stabilized occupancy is projected at 75%, in line with recent performance levels. Revenues from food and beverage operations and other non-room revenues are estimated to represent a combined 14% of gross revenue for the select service hotel and 30% of revenue for the full service hotel.

Supported Investment – The level of investment supported by the operational income of the hotel prototypes was estimated utilizing the return on cost method. This measure of return identifies the blended return on debt and equity supported by a Project's net operating income (NOI). Based on the level of risk, quality of development, and project scope, the supported investment is estimated based on a target return on cost of 10.5% for the limited service hotel and 9.5% for the select service and full service hotel prototypes. A spread in returns between limited service and select/ full service is consistent with capitalization rates reported by HVS, a hotel research firm. The estimated level of return combined with the estimated NOI results in a supported investment of \$213,000 per room for the limited service hotel, \$274,000 per room for the select service hotel, and \$398,000 per room for the full service hotel.

Development Costs – Total development costs except land are estimated at \$190,000 per room for the limited service hotel, up to \$251,000 per room for select service hotel, and \$341,000 per room for the full service hotel. Estimates include site improvements, hotel construction, furniture and fixtures, fees and permits, indirect costs, and financing. Estimates are based on KMA's experience with comparable hotel and resort projects and use of third-party construction data sources such as RS Means and Marshall and Swift. The analysis assumes that base and bonus scenarios pay the current commercial linkage fee for hotel projects of \$5,024 per room.

Residual Land Value – The residual land value represents the amount the project can afford to pay for a development site based upon the difference between the warranted private investment and the development costs of the project, other than land.

4.3 Pro Forma Summary

Table 19 compares the land values supported by bonus projects before community benefits to the land values supported by the corresponding base projects. The analysis shows that for hotel projects outside the downtown, the density bonus without community benefits increases the supported land value for a 2-acre site by an estimated \$1.5 million when compared to a base project with a flexible by-right FAR and by \$4.2 million when compared to a base project with a by right-FAR of 0.6. In the downtown, the land value of the bonus scenario exceeds the base scenario by \$4.4 million.

The supported residual land value of the FAR-constrained base case, at \$900,000 per acre, approaches the \$1.3 million/acre purchase price for a development site acquired by the developer of a recently proposed low-density hotel. However, the supported land value is significantly less than the residual value supported by residential development in FAR-constrained areas. This suggests that the FAR-constrained hotel base case has a weaker ability to compete for sites that are also attractive for other land uses. Because the FAR-constrained base case is a weaker project, it provides somewhat of a false point of comparison for purposes of estimating community benefits because other land uses are estimated to be more attractive in feasibility terms under base zoning limits.

Table 19. Pro Forma Analysis of Hotel Development Scenarios					
Scenario	Outside Downtown			Downtown	
	D1, Base FAR @ 0.6	D2, Base Flexible FAR	D3, Bonus	D4, Base Flexible FAR	D5, Bonus
<u>Number of Rooms</u>	80 rooms	174 rooms	262 rooms	174 rooms	261 rooms
<u>Pro Forma Summary (\$millions)</u>					
Supported Investment	\$17.1M	\$47.7M	\$71.8M	\$69.3M	\$103.9M
Development Cost Excl. Land	<u>-\$15.2M</u>	<u>-\$43.2M</u>	<u>-\$65.8M</u>	<u>-\$59.4M</u>	<u>-\$89.7M</u>
Supported Land Value	\$1.9M	\$4.6M	\$6.1M	\$9.9M	\$14.3M
<i>Per Acre</i>	<i>\$0.9M</i>	<i>\$2.3M</i>	<i>\$3.0M</i>	<i>\$5.0M</i>	<i>\$7.1M</i>
<u>Land Value Increase</u>					
vs. Base with FAR of 0.6	n/a	\$2.7M	\$4.2M	n/a	n/a
vs. Base with Flexible FAR	n/a	n/a	\$1.5M	n/a	\$4.4M

4.4 Community Benefits Supported by Additional Height and Floor Area

Table 20 provides an estimate of the community benefits supported by the bonus hotel scenarios in proportion to the amount of bonus floor area requested.

To determine the amount of community benefits supported, KMA targeted a land value in the bonus scenarios that is the greater of 15% or \$1 million more than the base zoning land value. This assumption reflects the need to provide an incentive to encourage developers to consider the more complex project with community benefits over building to the base zoning. The remainder of the land value increment is assumed to be used to fund the cost of community benefits.

As shown, assuming a flexible by-right FAR, the bonus hotel development scenario outside the downtown would support an additional commercial linkage fee of \$9 per square foot of bonus floor area.

With a base FAR of 0.6, an additional linkage fee of \$29 per square foot is indicated to be supported. However, less importance is placed on this finding because, as discussed above, the marginal feasibility of the FAR-constrained base case provides for somewhat of a false point of comparison for estimating supported community benefits due to its marginal feasibility. For this reason, KMA advises against designing community benefits requirements around the results of this scenario.

The hotel bonus scenario in downtown would support a higher community benefits requirement than other areas based on the assumption that hotel development in downtown is likely to take the form of a full service, luxury hotel which supports a higher land value.

Table 20. Community Benefits Supported by Hotel Bonus Scenarios			
	Bonus Scenario D3 Outside Downtown Flex. Base FAR (D2)	Bonus Scenario D3 Outside Downtown 0.6. Base FAR (D1)	Bonus Scenario D5 Downtown Flex. Base FAR (D4)
Hotel Rooms	262 rooms	262 rooms	261 rooms
Gross Building Area (GSF)	170,300	170,300	195,750
Bonus Floor Area (GSF)	56,800	118,000	65,250
-Type of bonus	Height only	Height + FAR	Height only
<u>Community Benefits</u>			
Add'l Commercial Linkage Fee Per Bonus GSF	\$9	\$27	\$44
<u>Incremental Land Value vs. Base Scenario</u>			
Base Land Value	\$4.6M	\$1.9M	\$9.9M
Incremental Value	\$1.5M	\$4.2M	\$4.4M
(less) Community Benefits	(\$0.5M)	(\$3.2M)	(\$2.9M)
Remaining Incremental Value	\$1.0M	\$1.0M	\$1.5M
% Increase in Base Land Value	22%	53%	15%

4.5 Hotel Conclusions and Recommendations

Based on the findings of the pro forma analysis, KMA recommends setting the community benefits requirement for hotel projects as an additional commercial linkage fee of \$9 per square foot of bonus floor area, aligning with the community benefits supported by hotel development outside of downtown. A higher requirement would be supported in the downtown should the City prefer to differentiate the program by geographic area or zoning district.

Table 21. Recommended Hotel Community Benefits	
Community Benefit	Recommendation
Additional Commercial Linkage Fee	\$9/sf per bonus gross sq. ft.

Table 22
Potential Community Benefits: Residential Development
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

*All scenarios reflect base height of 35-38 ft.
and bonus height of 55 ft.*

Use	Market Area	Base FAR ¹	IH Requirement
			<u>Bonus Floor Area</u>
Rental Residential	Outside Downtown	Above 1.5	41%
Rental Residential	Outside Downtown	Below 1.5	41%
Rental Residential	Downtown	Above 1.5	53%
For-Sale Residential	Outside Downtown	Above 1.5	36%
For-Sale Residential	Outside Downtown	Below 1.5	37%
For-Sale Residential	Downtown	Above 1.5	51%

¹ Height is the primary constraint on development potential in zoning districts with a base FAR above 1.5. In zoning districts with a lower base FAR, the FAR would need to be adjusted to maximize development potential under the base height. The "bonus area" in these districts would include the floor area above the base height as well as the floor area on lower floors that exceeds the base FAR/ density.

Recommended Residential Community Benefits Requirement

For-Sale: 36% IH requirement applied to bonus floor area
Rental: 41% IH requirement applied to bonus floor area

Table 23
Potential Community Benefits: Commercial Development
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

*All scenarios reflect base height of 35-38 ft.
and bonus height of 55 ft.*

Use	Market Area	Base FAR²	Additional Comm. Linkage Fee Per Bonus Gross Sq. Ft.
Office ¹	Outside Downtown	Above 1.5	\$15
Office ¹	Outside Downtown	Below 1.5	\$13
Office ¹	Downtown	Above 1.5	\$56
Hotel	Outside Downtown	Above 1.5	\$9
Hotel	Outside Downtown	Below 1.5	\$27
Hotel	Downtown	Above 1.5	\$44

¹ Supported community benefits calculated assuming payment of base commercial linkage fee at 2021 rate of \$30/sf.

² Height is the primary constraint on development potential in zoning districts with a base FAR above 1.5. In zoning districts with a lower base FAR, the FAR would need to be adjusted to maximize development potential under the base height. The "bonus area" in these districts would include the floor area above the base height as well as the floor area on lower floors that exceeds the base FAR/ density.

Recommended Commercial Community Benefits Requirements:

Office	\$15 per sq. ft. height bonus gross floor area; \$11 per sq. ft. FAR bonus floor area
Hotel	\$9 per sq. ft. bonus gross floor area

Table 24
Summary of Development Scenarios Analyzed
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

Land Use	Market Area	Scenario	Height Limit (ft.)	Stories	FAR	Avg Unit Size (mkt)	Resi Density	Parking Ratio
Rental Residential	Outside Downtown	A1 Base, FAR Limit @ 0.6 ¹	35	3	0.6	850	27	1.1 /du
		A2 Base, Flexible FAR ²	35	3	1.5	850	65	1.1 /du
		A3 Bonus, Flexible FAR ³	55	4 to 5	2.0	850	87	1.1 /du
	Downtown	A4 Base, Flexible FAR ²	38	3	1.8	850	78	0.9 /du
		A5 Bonus, Flexible FAR ³	55	4 to 5	2.4	850	105	0.9 /du
For Sale Residential	Outside Downtown	B1 Base, Condos, FAR Limit @ 0.6 ¹	35	3	0.6	1,000	23	1.2 /du
		B2 Base, Condos, Flexible FAR ²	35	3	1.5	1,000	57	1.2 /du
		B3 Bonus, Condos, Flexible FAR ³	55	4 to 5	2.0	1,000	75	1.2 /du
	Downtown	B4 Base, Condos, Flexible FAR ²	38	3	1.7	1,000	63	0.9 /du
		B5 Bonus, Condos, Flexible FAR ³	55	4 to 5	2.2	1,000	83	0.9 /du
Office	Outside Downtown	C1 Base, FAR Limit @ 0.6 ¹	35	3	0.6			500 sf:1 ⁴
		C2 Base, Flexible FAR ²	35	3	1.5			500 sf:1 ⁴
		C3 Bonus, Flexible FAR ³	55	4	2.0			500 sf:1 ⁴
	Downtown	C4 Base, Flexible FAR ²	38	3	1.7			600 sf:1
		C5 Bonus, Flexible FAR ³	55	4	2.2			600 sf:1
Hotel	Outside Downtown	D1 Base, FAR Limit @ 0.6 ¹	35	3	0.6			0.9 /key ⁴
		D2 Base, Flexible FAR ²	35	3	1.3			0.9 /key ⁴
		D3 Bonus, Flexible FAR ³	55	4 to 5	2.0			0.9 /key ⁴
	Downtown	D4 Base, Flexible FAR ²	38	3	1.5			0.9 /key
		D5 Bonus, Flexible FAR ³	55	4 to 5	2.2			0.9 /key

¹ Reflective of zoning districts such as MU-1 where maximum FAR is a constraint on development potential even under base height.

² Reflective of zoning districts where the maximum FAR is not a primary constraint on development potential (DT-5 or BC-2 for commercial projects).

³ Bonus scenarios assume that City would allow adjustments to FAR limit where necessary to realize development potential of additional height.

⁴ Hotels and office assumed to receive a greater parking reduction based on recently built projects.

Table 25
Rental Residential Development Outside Downtown- Base and Bonus Projects Analyzed
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario A1 Base Zoning FAR Limit @ 0.6	Scenario A2 Base Zoning Flexible FAR	Scenario A3 Bonus Project
Land Use Market Area	Rental Residential Outside Downtown	Rental Residential Outside Downtown	Rental Residential Outside Downtown
Site Size	87,120 square feet 2 acres	87,120 square feet 2 acres	87,120 square feet 2 acres
Number of Units / Density	54 units 27 du/ac.	130 units 65 du/ac.	174 units 87 du/ac.
Maximum Height	35 feet	35 feet	55 feet
Number of stories above grade	3 stories	3 stories	4 to 5 stories
Floor area ratio (FAR)	0.6 FAR	1.5 FAR	2.0 FAR
Height Bonus Area (> 3 stories)			43,500 square feet
FAR Bonus Area (> 0.6 FAR)			78,200 square feet
Gross Building Area (excl. parking)	51,000 square feet	130,000 square feet	174,000 square feet
Efficiency	90% efficiency	85% efficiency	85% efficiency
Residential Net Leasable	45,900 square feet	110,500 square feet	147,900 square feet
Average Unit Size - mkt	850 square feet	850 square feet	850 square feet
Average Unit Size - aff	770 square feet	770 square feet	770 square feet
Construction Type	Type V	Type V	Type V
Parking Type	surface and tuck under	subterranean garage	subterranean garage
Parking Ratio	1.09 /unit	1.08 /unit	1.08 /unit
Parking Spaces	59 spaces	141 spaces	188 spaces
<u>Unit Mix</u>			
Studios	5%	5%	5%
One Bedrooms	60%	60%	60%
Two Bedrooms	30%	30%	30%
Three Bedrooms	5%	5%	5%

Table 26
Community Benefits Potential of Rental Residential Development Outside Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Comm. Benefits Potential - Height			Comm. Benefits Potential - Height + FAR		
	Base Flexible FAR	Bonus Before Benefits	Bonus with Add'l IH Req.	Base FAR @ 0.6	Bonus Before Benefits	Bonus with Add'l IH Req.
Total Number of Units	130	174	174	54	174	174
Number of Stories	3	4 to 5	4 to 5	3	4 to 5	4 to 5
Floor Area Ratio	1.5	2.0	2.0	0.6	2.0	2.0
<u>Bonus Floor Area</u>						
Height Bonus Floor Area (sq. ft.)	n/a	43,500	43,500	n/a	43,500	43,500
FAR Bonus Floor Area (sq. ft.)	<u>n/a</u>	<u>0</u>	<u>0</u>	<u>n/a</u>	<u>78,200</u>	<u>78,200</u>
Total Bonus Area (sq. ft.)	n/a	43,500	43,500	n/a	121,700	121,700
<u>Community Benefits</u>						
Bonus IH Requirement	n/a	25%	41%	n/a	25%	41%
<u>Project Affordability</u>						
Onsite Units	0	0	0	0	0	0
Cash-in-Lieu	\$4.5M	\$6.0M	\$6.9M	\$4.5M	\$6.0M	\$8.7M
Percent with / without CIL units	25% / 0%	25% / 0%	29% / 0%	25% / 0%	25% / 0%	36% / 0%
<u>Pro Forma Summary (\$Millions)</u>						
Supported Investment	\$53.3M	\$71.4M	\$71.4M	\$20.8M	\$71.4M	\$71.4M
Development Cost Excl Land	<u>-\$46.7M</u>	<u>-\$62.8M</u>	<u>-\$63.8M</u>	<u>-\$15.9M</u>	<u>-\$62.8M</u>	<u>-\$65.5M</u>
Supported Land Value	\$6.6M	\$8.6M	\$7.6M	\$4.8M	\$8.6M	\$5.8M
<i>Per Acre</i>	<i>\$3.3M</i>	<i>\$4.3M</i>	<i>\$3.8M</i>	<i>\$2.4M</i>	<i>\$4.3M</i>	<i>\$2.9M</i>
<u>Land Value Increase Over Base</u>						
Land Value Increase Over Base	n/a	\$2.0M	\$1.0M	n/a	\$3.7M	\$1.0M
% Value Increase Over Base	n/a	30%	15%	n/a	76%	21%

Table 27
Pro Forma Analysis of Rental Residential Development Outside Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario A1			Scenario A2			Scenario A3		
	Base Zoning Scenario			Base Zoning Scenario			Bonus Scenario		
	FAR Limit @ 0.6			Flexible FAR			Before Community Benefits		
Density	27 du/acre			65 du/acre			87 du/acre		
Market Area	Outside Downtown			Outside Downtown			Outside Downtown		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	100%	54	850	100%	130	850	100%	174	850
Middle Income (80% AMI)	0%	0	770	0%	0	770	0%	0	770
Low/Mod (60% AMI)	0%	0	770	0%	0	770	0%	0	770
	100%	54	850	100%	130	850	100%	174	850
	<i>[pay cash in-lieu for IH reqrmt]</i>			<i>[pay cash in-lieu for IH reqrmt]</i>			<i>[pay cash in-lieu for IH reqrmt]</i>		
Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,400	\$2.82		\$2,400	\$2.82		\$2,400	\$2.82
Middle Income (80% AMI)		\$1,777	\$2.31		\$1,777	\$2.31		\$1,777	\$2.31
Low/Mod (60% AMI)		\$1,316	\$1.71		\$1,316	\$1.71		\$1,316	\$1.71
Weighted Average		\$2,400	\$2.82		\$2,400	\$2.82		\$2,400	\$2.82
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent	\$28,800	\$34	\$34	\$28,800	\$34	\$34	\$28,800	\$34	\$34
Other Income	\$600	\$1	\$1	\$1,800	\$2	\$2	\$1,800	\$2	\$2
(Less) Vacancy/Bad Debt	(\$1,470)	(\$2)	(\$2)	(\$1,530)	(\$2)	(\$2)	(\$1,530)	(\$2)	(\$2)
Effective Gross Income	\$27,930	\$33	\$33	\$29,070	\$34	\$34	\$29,070	\$34	\$34
(Less) OPEX	(\$8,300)	(\$10)	(\$10)	(\$8,150)	(\$10)	(\$10)	(\$8,150)	(\$10)	(\$10)
Total NOI	\$1,060,020	\$19,630	\$23	\$2,719,600	\$20,920	\$25	\$3,640,080	\$20,920	\$25
Return on Cost (blended)	5.10%			5.10%			5.10%		
Supported Investment	\$20,784,600	\$384,900	\$453	\$53,326,000	\$410,200	\$483	\$71,374,800	\$410,200	\$483
Development Costs excl. Land									
Directs	\$10,455,000	\$193,600	\$228	\$32,350,000	\$248,800	\$293	\$43,530,000	\$250,200	\$294
A&E	\$522,750	\$9,700	\$11	\$1,617,500	\$12,400	\$15	\$2,176,500	\$12,500	\$15
Fees & Permits	\$1,242,000	\$23,000	\$27	\$2,990,000	\$23,000	\$27	\$4,002,000	\$23,000	\$27
CIL for IH reqrmt	\$1,854,117	\$34,336	\$40	\$4,463,615	\$34,336	\$40	\$5,974,377	\$34,336	\$40
Taxes/Ins./Legal/Marketing	\$156,825	\$2,900	\$3	\$485,250	\$3,700	\$4	\$652,950	\$3,800	\$4
Overhead/Admin/Other	\$313,650	\$5,800	\$7	\$970,500	\$7,500	\$9	\$1,305,900	\$7,500	\$9
Contingency	\$635,000	\$11,800	\$14	\$1,921,000	\$14,800	\$17	\$2,583,000	\$14,800	\$17
Financing	\$756,000	\$14,000	\$16	\$1,937,000	\$14,900	\$18	\$2,592,600	\$14,900	\$18
Total Costs	\$15,935,342	\$295,100	\$347	\$46,734,865	\$359,400	\$423	\$62,817,327	\$361,000	\$425
Residual Land Value	\$4,849,200	\$89,800	\$106	\$6,604,000	\$50,800	\$60	\$8,560,800	\$49,200	\$58
per acre	\$2,424,600			\$3,302,000			\$4,280,400		
Residual Land Value Increment									
vs. base (FAR 0.6)	n/a			\$1,754,800	36%		\$3,711,600	77%	
vs. base (flexible FAR)	n/a			n/a			\$1,956,800	30%	

Table 28
Rental Residential Development In Downtown- Base and Bonus Projects Analyzed
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario A4 Base Zoning Flexible FAR	Scenario A5 Bonus Project
Land Use Market Area	Rental Residential Downtown	Rental Residential Downtown
Site Size	87,120 square feet 2 acres	87,120 square feet 2 acres
Number of Units / Density	156 units 78 du/ac.	209 units 105 du/ac.
Maximum Height	38 feet	55 feet
Number of stories above grade	3 stories	4 to 5 stories
Floor Area Ratio (FAR)	1.8 FAR	2.4 FAR
Height bonus area (> 3 stories)		52,250 square feet
Gross Building Area (excl. parking)	156,000 square feet	209,000 square feet
Efficiency	85% efficiency	85% efficiency
Residential Net Leasable	132,600 square feet	177,650 square feet
Average Unit Size - mkt	850 square feet	850 square feet
Average Unit Size - aff	770 square feet	770 square feet
Construction Type	Type V	Type V
Parking Type	subterranean garage	subterranean garage
Parking Ratio	0.90 /unit	0.90 /unit
Parking Spaces	141 spaces	189 spaces
<u>Unit Mix</u>		
Studios	5%	5%
One Bedrooms	60%	60%
Two Bedrooms	30%	30%
Three Bedrooms	5%	5%

Table 29
Community Benefits Potential of Rental Residential Development in Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Comm. Benefits Potential - Height		
	Base Flexible FAR	Bonus Before Benefits	Bonus with Add'l IH Req.
Total Number of Units	156	209	209
Number of Stories	3	4 to 5	4 to 5
Floor Area Ratio	1.8	2.4	2.4
<u>Bonus Area</u>			
Height Bonus Floor Area (sq. ft.)	n/a	52,250	52,250
<u>Community Benefits</u>			
Bonus IH Requirement	n/a	25%	53%
<u>Project Affordability</u>			
Onsite Units	0	0	0
Cash-in-Lieu	\$5.4M	\$7.2M	\$9.2M
Percent with / without CIL units	25% / 0%	25% / 0%	32% / 0%
<u>Pro Forma Summary (\$Millions)</u>			
Supported Investment	\$77.1M	\$103.3M	\$103.3M
Development Cost Excl Land	<u>-\$59.4M</u>	<u>-\$81.0M</u>	<u>-\$83.0M</u>
Supported Land Value	\$17.6M	\$22.3M	\$20.3M
<i>Per Acre</i>	<i>\$8.8M</i>	<i>\$11.1M</i>	<i>\$10.1M</i>
<u>Land Value Increase Over Base</u>			
Land Value Increase Over Base	n/a	\$4.6M	\$2.6M
% Value Increase Over Base	n/a	26%	15%

Table 30
Pro Forma Analysis of Rental Residential Development In Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario A4			Scenario A5				
	Base Zoning Scenario Flexible FAR			Bonus Scenario Before Community Benefits				
Density	78 du/acre			105 du/acre				
Market Area	Downtown			Downtown				
<u>Residential Unit Mix</u>	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF		
Market Rate	100%	156	850	100%	209	850		
Middle Income (80% AMI)	0%	0	770	0%	0	770		
Low/Mod (60% AMI)	0%	0	770	0%	0	770		
	100%	156	850	100%	209	850		
	<i>[pay cash in-lieu for IH reqrmt]</i>			<i>[pay cash in-lieu for IH reqrmt]</i>				
<u>Rents</u>		<u>\$/Unit</u>	<u>\$/NSF</u>		<u>\$/Unit</u>	<u>\$/NSF</u>		
Market Rate		\$2,850	\$3.35		\$2,850	\$3.35		
Middle Income (80% AMI)		\$1,777	\$2.31		\$1,777	\$2.31		
Low/Mod (60% AMI)		<u>\$1,316</u>	<u>\$1.71</u>		<u>\$1,316</u>	<u>\$1.71</u>		
Weighted Average		\$2,850	\$3.35		\$2,850	\$3.35		
<u>Operating Income</u>		<u>Total</u>	<u>\$/Unit</u>	<u>\$/NSF</u>		<u>Total</u>	<u>\$/Unit</u>	<u>\$/NSF</u>
Gross Rent		\$34,200	\$40	\$40		\$34,200	\$40	\$40
Other Income		\$1,800	\$2	\$2		\$1,800	\$2	\$2
(Less) Vacancy/Bad Debt		<u>(\$1,800)</u>	<u>(\$2)</u>	<u>(\$2)</u>		<u>(\$1,800)</u>	<u>(\$2)</u>	<u>(\$2)</u>
Effective Gross Income		\$34,200	\$40	\$40		\$34,200	\$40	\$40
(Less) OPEX		<u>(\$9,000)</u>	<u>(\$11)</u>	<u>(\$11)</u>		<u>(\$9,000)</u>	<u>(\$11)</u>	<u>(\$11)</u>
Total NOI		\$3,931,200	\$25,200	\$30		\$5,266,800	\$25,200	\$30
<i>Return on Cost (blended)</i>		5.10%			5.10%			
Supported Investment		\$77,079,600	\$494,100	\$581		\$103,266,900	\$494,100	\$581
<u>Development Costs excl. Land</u>								
Directs		\$41,332,500	\$265,000	\$312		\$56,547,500	\$270,600	\$318
A&E		\$2,066,625	\$13,200	\$16		\$2,827,375	\$13,500	\$16
Fees & Permits		\$3,588,000	\$23,000	\$27		\$4,807,000	\$23,000	\$27
CIL for IH reqrmt		\$5,356,338	\$34,336	\$40		\$7,176,120	\$34,336	\$40
Taxes/Ins./Legal/Marketing		\$619,988	\$4,000	\$5		\$848,213	\$4,100	\$5
Overhead/Admin/Other		\$1,239,975	\$7,900	\$9		\$1,696,425	\$8,100	\$10
Contingency		\$2,442,000	\$15,700	\$18		\$3,336,000	\$16,000	\$19
Financing		<u>\$2,792,400</u>	<u>\$17,900</u>	<u>\$21</u>		<u>\$3,741,100</u>	<u>\$17,900</u>	<u>\$21</u>
Total Costs		\$59,437,826	\$381,000	\$448		\$80,979,732	\$387,500	\$456
Residual Land Value		\$17,643,600	\$113,100	\$133		\$22,279,400	\$106,600	\$125
<i>per acre</i>		\$8,821,800			\$11,139,700			
Residual Land Value Increment vs. base (flexible FAR)		n/a			\$4,635,800	26%		

Table 31
For-Sale Residential Development Outside Downtown- Base and Bonus Projects Analyzed
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario B1 Base Zoning Base FAR @ 0.6	Scenario B2 Base Project Flexible FAR	Scenario B3 Bonus Project
Land Use	For-Sale Residential	For-Sale Residential	For-Sale Residential
Market Area	Outside Downtown	Outside Downtown	Outside Downtown
Product Type	Condos	Condos	Condos
Site Size	87,120 square feet 2 acres	87,120 square feet 2 acres	87,120 square feet 2 acres
Number of Units / Density	45 units 23 du/ac.	113 units 57 du/ac.	150 units 75 du/ac.
Maximum Height	35 feet	35 feet	55 feet
Number of stories above grade	3 stories	3 stories	4 to 5 stories
Floor area ratio	0.6 FAR	1.5 FAR	2.0 FAR
Height bonus area (>3 stories)			43,300 square feet
FAR bonus area (> 0.6 FAR)			77,500 square feet
Gross Building Area	51,882 square feet	130,471 square feet	173,118 square feet
Efficiency	85% efficiency	85% efficiency	85% efficiency
Residential Net Leasable	44,100 square feet	110,900 square feet	147,150 square feet
Average Unit Size - mkt	1,000 square feet	1,000 square feet	1,000 square feet
Average Unit Size - aff	850 square feet	850 square feet	850 square feet
Construction Type	Type V	Type V	Type V
Parking Type	surface and tuck-under	subterranean garage	subterranean garage
Parking Ratio	1.22 /unit	1.22 /unit	1.22 /unit
Parking Spaces	55 spaces	138 spaces	183 spaces
<u>Unit Mix</u>			
Studios	0%	0%	0%
One Bedrooms	45%	45%	45%
Two Bedrooms	40%	40%	40%
Three Bedrooms	15%	15%	15%

Table 32
Community Benefits Potential of For-Sale Residential Development Outside Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Comm. Benefits Potential - Height			Comm. Benefits Potential - Height + FAR		
	Base Flexible FAR	Bonus Before Benefits	Bonus with Add'l IH Req.	Base FAR @ 0.6	Bonus Before Benefits	Bonus with Add'l IH Req.
Total Number of Units	113	150	150	45	150	151
Number of Stories	3	4 to 5	4 to 5	3	4 to 5	4 to 5
Floor Area Ratio	1.5	2.0	2.0	0.6	2.0	2.0
<u>Bonus Area</u>						
Height Bonus Floor Area (sq. ft.)	n/a	43,300	43,300	n/a	43,300	43,300
FAR Bonus Floor Area (sq. ft.)	n/a	n/a	n/a	n/a	77,500	77,500
Total Bonus Area (sq. ft.)	n/a	43,300	43,300	n/a	120,800	120,800
<u>Community Benefits</u>						
Bonus IH Requirement	n/a	25%	36%	n/a	25%	37%
<u>Project Affordability</u>						
Onsite Units	14	19	21	6	19	25
Cash-in-Lieu	\$1.1M	\$1.4M	\$1.6M	\$0.4M	\$1.4M	\$1.9M
Percent with / without CIL units	25% / 12%	25% / 13%	28% / 14%	25% / 13%	25% / 13%	33% / 17%
<u>Pro Forma Summary (\$Millions)</u>						
Supported Investment	\$50.3M	\$66.6M	\$66.4M	\$19.8M	\$66.6M	\$65.1M
Development Cost Excl Land	-\$43.8M	-\$58.4M	-\$58.9M	-\$14.9M	-\$58.4M	-\$58.9M
Supported Land Value	\$6.5M	\$8.2M	\$7.5M	\$4.9M	\$8.2M	\$6.1M
Per Acre	\$3.2M	\$4.1M	\$3.8M	\$2.4M	\$4.1M	\$3.1M
<u>Land Value Increase Over Base</u>						
Land Value Increase Over Base	n/a	\$1.7M	\$1.0M	n/a	\$3.3M	\$1.3M
% Value Increase Over Base	n/a	26%	16%	n/a	68%	26%

Table 33
Pro Forma Analysis of For-Sale Residential Development Outside Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario B1 Base Scenario FAR @ 0.6			Scenario B2 Base Scenario Flexible FAR			Scenario B3.1 Bonus Scenario Before Community Benefits			Scenario B3.2 Bonus Scenario Add'l IH, Flexible Base FAR			Scenario B3.3 Bonus Scenario Add'l IH, 0.6 Base FAR		
	23 du/acre			57 du/acre			75 du/acre			76 du/acre			76 du/acre		
	Condos Outside Downtown			Condos Outside Downtown			Condos Outside Downtown			Condos Outside Downtown			Condos Outside Downtown		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	87%	39	1,000	88%	99	1,000	87%	131	1,000	86%	130	1,000	83%	126	1,000
Middle Income	2%	1	850	3%	3	850	3%	4	850	3%	4	850	3%	5	850
Low/Mod	11%	5	850	10%	11	850	10%	15	850	11%	17	850	13%	20	850
	100%	45	980	100%	113	981	100%	150	981	100%	151	979	100%	151	975
	[50% cash in-lieu for IH reqmt]			[50% cash in-lieu for IH reqmt]			[50% cash in-lieu for IH reqmt]			[50% cash in-lieu for IH reqmt]			[50% cash in-lieu for IH reqmt]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$590,000	\$590		\$590,000	\$590		\$590,000	\$590		\$590,000	\$590		\$590,000	\$590
Middle Income		\$212,000	\$249		\$279,000	\$328		\$262,000	\$308		\$262,000	\$308		\$266,000	\$313
Low/Mod		\$160,903	\$189		\$160,903	\$189		\$160,903	\$189		\$160,903	\$189		\$160,903	\$189
Low/Mod		\$533,900	\$545		\$540,000	\$550		\$538,300	\$549		\$533,000	\$544		\$522,400	\$536
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$24,025,500	\$533,900	\$545	\$61,020,000	\$540,000	\$550	\$80,745,000	\$538,300	\$549	\$80,483,000	\$533,000	\$544	\$78,882,400	\$522,400	\$536
(Less) Closing Costs	(\$1,081,148)	(\$24,000)	(\$24)	(\$2,745,900)	(\$24,300)	(\$25)	(\$3,633,525)	(\$24,200)	(\$25)	(\$3,621,735)	(\$24,000)	(\$25)	(\$3,549,708)	(\$23,500)	(\$24)
(Less) Risk Adjusted Return	(\$3,123,315)	(\$69,400)	(\$71)	(\$7,932,600)	(\$70,200)	(\$72)	(\$10,496,850)	(\$70,000)	(\$71)	(\$10,462,790)	(\$69,300)	(\$71)	(\$10,254,712)	(\$67,900)	(\$70)
Net Sales Proceeds	\$19,821,038	\$440,500	\$449	\$50,341,500	\$445,500	\$454	\$66,614,625	\$444,100	\$453	\$66,398,475	\$439,700	\$449	\$65,077,980	\$431,000	\$442
Development Costs excl. Land															
Directs	\$11,154,706	\$247,900	\$253	\$33,548,824	\$296,900	\$303	\$44,754,706	\$298,400	\$304	\$44,982,647	\$297,900	\$304	\$44,834,412	\$296,900	\$304
A&E	\$557,735	\$12,400	\$13	\$1,677,441	\$14,800	\$15	\$2,237,735	\$14,900	\$15	\$2,249,132	\$14,900	\$15	\$2,241,721	\$14,800	\$15
Fees & Permits	\$1,192,500	\$26,500	\$27	\$2,994,500	\$26,500	\$27	\$3,975,000	\$26,500	\$27	\$3,986,400	\$26,400	\$27	\$3,971,300	\$26,300	\$27
CIL for IH reqmt	\$402,938	\$8,954	\$9	\$1,093,688	\$9,679	\$10	\$1,419,875	\$9,466	\$10	\$1,611,750	\$10,674	\$11	\$1,918,750	\$12,707	\$13
Taxes/Ins./Legal/Marketing	\$446,188	\$9,900	\$10	\$1,341,953	\$11,900	\$12	\$1,790,188	\$11,900	\$12	\$1,799,306	\$11,900	\$12	\$1,793,376	\$11,900	\$12
Overhead/Admin/Other	\$334,641	\$7,400	\$8	\$1,006,465	\$8,900	\$9	\$1,342,641	\$9,000	\$9	\$1,349,479	\$8,900	\$9	\$1,345,032	\$8,900	\$9
Contingency	\$127,000	\$2,800	\$3	\$351,000	\$3,100	\$3	\$467,000	\$3,100	\$3	\$469,000	\$3,100	\$3	\$468,000	\$3,100	\$3
Financing	\$720,000	\$16,000	\$16	\$1,830,600	\$16,200	\$17	\$2,415,000	\$16,100	\$16	\$2,416,000	\$16,000	\$16	\$2,355,600	\$15,600	\$16
Total Costs	\$14,935,708	\$331,900	\$339	\$43,844,470	\$388,000	\$395	\$58,402,146	\$389,300	\$397	\$58,863,715	\$389,800	\$398	\$58,928,191	\$390,300	\$400
Residual Land Value	\$4,887,000	\$108,600	\$111	\$6,497,500	\$57,500	\$59	\$8,220,000	\$54,800	\$56	\$7,534,900	\$49,900	\$51	\$6,145,700	\$40,700	\$42
per acre	\$2,443,500			\$3,248,750			\$4,110,000			\$3,767,450			\$3,072,850		
Residual Land Value Increment															
vs. base (FAR 0.6)	n/a			\$1,610,500	48%		\$3,333,000	68%		\$2,647,900	54%		\$1,258,700	26%	
vs. base (flexible FAR)	n/a			n/a			\$1,722,500	27%		\$1,037,400	16%		(\$351,800)	-5%	

Table 34
For-Sale Residential Development In Downtown- Base and Bonus Projects Analyzed
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario B4 Base Project Condos, Flexible FAR	Scenario B5 Bonus Project
Land Use	For-Sale Residential	For-Sale Residential
Market Area	Inside Downtown	Inside Downtown
Product Type	Condos	Condos
Site Size	87,120 square feet 2 acres	87,120 square feet 2 acres
Number of Units / Density	126 units 63 du/ac.	166 units 83 du/ac.
Maximum Height	38 feet	55 feet
Number of stories above grade	3 stories	4 to 5 stories
Floor area ratio	1.7 FAR	2.2 FAR
Height bonus area (> 3 stories)		48,000 square feet
Gross Building Area (excl. parking)	145,412 gross building area	191,588 gross building area
Efficiency	85% efficiency	85% efficiency
Residential Net Leasable	123,600 net leasable	162,850 net leasable
Average Unit Size - mkt	1,000 square feet	1,000 square feet
Average Unit Size - aff	850 square feet	850 square feet
Construction Type	Type V	Type V
Parking Type	subterranean garage	subterranean garage
Parking Ratio	0.90 /unit	0.90 /unit
Parking Spaces	114 spaces	150 spaces
<u>Unit Mix</u>		
Studios	0%	0%
One Bedrooms	45%	45%
Two Bedrooms	40%	40%
Three Bedrooms	15%	15%

Table 35

**Community Benefits Potential of For-Sale Residential Development in Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO**

9/3/2019

	Comm. Benefits Potential - Height		
	Base Flexible FAR	Bonus Before Benefits	Bonus with Add'l IH Req.
Total Number of Units	126	166	166
Number of Stories	3	4 to 5	4 to 5
Floor Area Ratio	1.7	2.2	2.2
<u>Bonus Area</u>			
Height Bonus Floor Area (sq. ft.)	n/a	48,000	48,000
<u>Community Benefits</u>			
Bonus IH Requirement	n/a	25%	51%
<u>Project Affordability</u>			
Onsite Units	16	21	26
Cash-in-Lieu	\$1.2M	\$1.6M	\$2.0M
Percent with / without CIL units	25% / 13%	25% / 13%	32% / 16%
<u>Pro Forma Summary (\$Millions)</u>			
Supported Investment	\$64.1M	\$84.5M	\$82.4M
Development Cost Excl Land	<u>-\$51.1M</u>	<u>-\$67.3M</u>	<u>-\$67.5M</u>
Supported Land Value	\$13.0M	\$17.1M	\$15.0M
<i>Per Acre</i>	<i>\$6.5M</i>	<i>\$8.6M</i>	<i>\$7.5M</i>
<u>Land Value Increase Over Base</u>			
Land Value Increase Over Base		\$4.1M	\$2.0M
% Value Increase Over Base		32%	15%

Table 36
Pro Forma Analysis of For-Sale Residential Development In Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario B4			Scenario B5.1			Scenario B5.2		
	Bonus Scenario			Bonus Scenario			Bonus Scenario		
	Condos, Flexible FAR			Before Community Benefits			Add'l IH Requirement		
Density	63 du/acre			83 du/acre			83 du/acre		
Product Type	Condos			Condos			Condos		
Market Area	Inside Downtown			Inside Downtown			Inside Downtown		
Inclusionary %	25%			25%			32%		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	87%	110	1,000	87%	145	1,000	84%	140	1,000
Middle Income	2%	3	850	2%	4	850	3%	5	850
Low/Mod	10%	13	850	10%	17	850	13%	21	850
	100%	126	981	100%	166	981	100%	166	977
	<i>[50% cash in-lieu for IH req.]</i>			<i>[50% cash in-lieu for IH req.]</i>			<i>[50% cash in-lieu for IH req.]</i>		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$680,000	\$680		\$680,000	\$680		\$680,000	\$680
Middle Income		\$279,000	\$328		\$262,000	\$308		\$266,000	\$313
Low/Mod		\$160,903	\$189		\$160,903	\$189		\$160,903	\$189
Weighted Average		\$616,900	\$629		\$616,800	\$629		\$601,900	\$616
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$77,729,400	\$616,900	\$629	\$102,388,800	\$616,800	\$629	\$99,915,400	\$601,900	\$616
(Less) Closing Costs	(\$3,497,823)	(\$27,800)	(\$28)	(\$4,607,496)	(\$27,800)	(\$28)	(\$4,496,193)	(\$27,100)	(\$28)
(Less) Risk Adjusted Return	(\$10,104,822)	(\$80,200)	(\$82)	(\$13,310,544)	(\$80,200)	(\$82)	(\$12,989,002)	(\$78,200)	(\$80)
Net Sales Proceeds	\$64,126,755	\$508,900	\$519	\$84,470,760	\$508,900	\$519	\$82,430,205	\$496,600	\$509
Development Costs excl. Land									
Directs	\$39,144,706	\$310,700	\$317	\$51,565,294	\$310,600	\$317	\$51,362,353	\$309,400	\$317
A&E	\$1,957,235	\$15,500	\$16	\$2,578,265	\$15,500	\$16	\$2,568,118	\$15,500	\$16
Fees & Permits	\$3,339,000	\$26,500	\$27	\$4,399,000	\$26,500	\$27	\$4,382,400	\$26,400	\$27
CIL for IH reqrmt	\$1,189,625	\$9,441	\$10	\$1,573,375	\$9,478	\$10	\$2,033,875	\$12,252	\$13
Taxes/Ins./Legal/Marketing	\$1,565,788	\$12,400	\$13	\$2,062,612	\$12,400	\$13	\$2,054,494	\$12,400	\$13
Overhead/Admin/Other	\$1,174,341	\$9,300	\$9	\$1,546,959	\$9,300	\$9	\$1,540,871	\$9,300	\$10
Contingency	\$402,000	\$3,200	\$3	\$529,000	\$3,200	\$3	\$527,000	\$3,200	\$3
Financing	\$2,331,000	\$18,500	\$19	\$3,071,000	\$18,500	\$19	\$2,988,000	\$18,000	\$18
Total Costs	\$51,103,696	\$405,600	\$413	\$67,325,504	\$405,600	\$413	\$67,457,110	\$406,400	\$416
Residual Land Value	\$13,015,800	\$103,300	\$105	\$17,147,800	\$103,300	\$105	\$14,973,200	\$90,200	\$92
<i>per acre</i>	<i>\$6,507,900</i>			<i>\$8,573,900</i>			<i>\$7,486,600</i>		
Residual Land Value Increment vs. base (condos)	n/a			\$4,132,000	31.7%		\$1,957,400	15.0%	

Table 37
Office Development Outside Downtown- Base and Bonus Projects Analyzed
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario C1 Base Zoning FAR Limit @ 0.6	Scenario C2 Base Zoning Flexible FAR	Scenario C3 Bonus Project
Land Use	Office	Office	Office
Market Area	Outside Downtown	Outside Downtown	Outside Downtown
Site Size	87,120 square feet 2 acres	87,120 square feet 2 acres	87,120 square feet 2 acres
Maximum Height	35 feet	35 feet	55 feet
Number of stories above grade	3 stories	3 stories	4 stories
Floor area ratio	0.6 FAR	1.5 FAR	2.0 FAR
Height bonus area (>3 stories)			43,600 square feet
FAR bonus area (>0.6 FAR)			78,400 square feet
Gross Building Area (excl. parking)	52,272 square feet	130,680 square feet	174,240 square feet
Efficiency	95% efficiency	95% efficiency	95% efficiency
Office Net Leasable	49,658 square feet	124,146 square feet	165,528 square feet
Construction Type	Type II	Type II	Type II
Parking Type	surface	subterranean garage	subterranean garage
Parking Ratio	500 sf:1	500 sf:1	500 sf:1
Parking Spaces	105 spaces	261 spaces	348 spaces

Table 38
Community Benefits Potential of Office Development Outside Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Comm. Benefits Potential - Height			Comm. Benefits Potential - Height + FAR		
	Base Flexible FAR	Bonus Before Benefits	Bonus w/ Comm. Linkage	Base FAR @ 0.6	Bonus Before Benefits	Bonus, w/ Comm. Linkage
Number of Stories	3	4	4	3	4	4
Floor Area Ratio	1.5	2.0	2.0	0.6	2.0	2.0
<u>Bonus Area</u>						
Height Bonus Floor Area (sq. ft.)	n/a	43,600	43,600	n/a	43,600	43,600
FAR Bonus Floor Area (sq. ft.)	n/a	n/a	n/a	n/a	78,400	78,400
Total Bonus Floor Area	n/a	43,600	43,600	n/a	122,000	122,000
<u>Community Benefits</u>						
Commercial Linkage Fee Per Sq. Ft. Bonus Area	n/a	\$0	\$15	n/a	\$0	\$13
<u>Total Commercial Linkage Fee</u>						
Base Fee (2019)	\$3.9M	\$5.2M	\$5.2M	\$1.6M	\$5.2M	\$5.2M
Bonus Commercial Linkage Fee	n/a	<u>\$0.0M</u>	<u>\$0.7M</u>	n/a	<u>\$0.0M</u>	<u>\$1.5M</u>
Total Commercial Linkage Fee	\$3.9M	\$5.2M	\$5.9M	\$1.6M	\$5.2M	\$6.8M
Per Square Foot of Building Area	\$30/sf	\$30/sf	\$34/sf	\$30/sf	\$30/sf	\$39/sf
<u>Pro Forma Summary (\$Millions)</u>						
Supported Investment	\$68.1M	\$92.2M	\$92.2M	\$23.4M	\$92.2M	\$92.2M
Development Cost Excl Land	<u>-\$63.7M</u>	<u>-\$86.2M</u>	<u>-\$86.8M</u>	<u>-\$20.0M</u>	<u>-\$86.2M</u>	<u>-\$87.7M</u>
Supported Land Value	\$4.3M	\$6.0M	\$5.3M	\$3.5M	\$6.0M	\$4.5M
Per Acre	\$2.2M	\$3.0M	\$2.7M	\$1.7M	\$3.0M	\$2.2M
<u>Land Value Increase Over Base</u>						
Land Value Increase Over Base	n/a	\$1.7M	\$1.0M	n/a	\$2.5M	\$1.0M
% Value Increase Over Base	n/a	38%	23%	n/a	73%	29%

Table 39
Pro Forma Analysis of Office Development Outside Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario C1			Scenario C2			Scenario C3		
	Base Zoning Scenario FAR Limit @ 0.6			Base Zoning Scenario Flexible FAR			Bonus Scenario Before Community Benefits		
Market Area	Outside Downtown			Outside Downtown			Outside Downtown		
Land Use	Office			Office			Office		
Floor Area Ratio (excl. Pkg)	0.6 FAR			1.5 FAR			2.0 FAR		
Rentable Building Area	49,658 sq. ft.			124,146 sq. ft.			165,528 sq. ft.		
Rent	\$33.00 /SF NNN			\$36.00 /SF NNN			\$36.50 /SF NNN		
<u>Operating Income</u>	<u>Total</u>	<u>\$/RSF</u>	<u>%Gross</u>	<u>Total</u>	<u>\$/RSF</u>	<u>%Gross</u>	<u>Total</u>	<u>\$/RSF</u>	<u>%Gross</u>
Gross Rent	\$1,638,727	\$33	100%	\$4,469,256	\$36	94%	\$6,041,772	\$37	94%
Parking Income	\$0	\$0	0%	\$289,200	\$2	6%	\$400,800	\$2	6%
(Less) Vacancy/Bad Debt	(\$81,936)	(\$2)	-5%	(\$237,923)	(\$2)	-5%	(\$322,129)	(\$2)	-5%
Effective Gross Income	\$1,556,791	\$31	95%	\$4,520,533	\$36	95%	\$6,120,443	\$37	95%
(Less) OPEX	(\$32,775)	(\$1)	-2%	(\$95,169)	(\$1)	-2%	(\$128,851)	(\$1)	-2%
Commercial NOI	\$1,524,016	\$31	93%	\$4,425,364	\$36	93%	\$5,991,592	\$36	93%
Return on Cost		6.5%			6.5%			6.5%	
Supported Investment	\$23,446,400	\$472		\$68,082,500	\$548		\$92,178,300	\$557	
<u>Development Costs excl. Land</u>	<u>Total</u>	<u>\$/RSF</u>	<u>\$/GSF</u>	<u>Total</u>	<u>\$/RSF</u>	<u>\$/GSF</u>	<u>Total</u>	<u>\$/RSF</u>	<u>\$/GSF</u>
Directs, incl parking	\$11,499,840	\$232	\$220	\$40,511,200	\$326	\$310	\$54,991,600	\$332	\$316
Commercial TIs	\$3,227,796	\$65	\$62	\$8,069,490	\$65	\$62	\$10,759,320	\$65	\$62
Total Directs	\$14,727,636	\$297	\$282	\$48,580,690	\$391	\$372	\$65,750,920	\$397	\$377
A&E	\$515,467	\$10	\$10	\$1,700,324	\$14	\$13	\$2,301,282	\$14	\$13
Commercial Linkage Fee (2021)	\$1,568,160	\$32	\$30	\$3,920,400	\$32	\$30	\$5,227,200	\$32	\$30
Other Fees & Permits	\$351,791	\$7	\$7	\$879,476	\$7	\$7	\$1,172,635	\$7	\$7
Taxes/Ins./Legal/Marketing	\$220,915	\$4	\$4	\$728,710	\$6	\$6	\$986,264	\$6	\$6
Leasing Commissoins	\$491,600	\$10	\$9	\$1,340,800	\$11	\$10	\$1,812,500	\$11	\$10
Overhead/Admin/Other	\$441,829	\$9	\$8	\$1,457,421	\$12	\$11	\$1,972,528	\$12	\$11
Contingency	\$812,882	\$16	\$16	\$2,667,331	\$21	\$20	\$3,609,181	\$22	\$21
Financing	\$850,909	\$17	\$16	\$2,470,827	\$20	\$19	\$3,345,304	\$20	\$19
Total Costs	\$19,981,200	\$402	\$382	\$63,746,000	\$513	\$488	\$86,177,800	\$521	\$495
Residual Land Value	\$3,465,200	\$70	\$66	\$4,336,500	\$35	\$33	\$6,000,500	\$36	\$34
per acre	\$1,732,600			\$2,168,250			\$3,000,250		
Residual Land Value Increment vs. base (0.6 FAR)	n/a			\$871,300	25%		\$2,535,300	73%	
vs. base (flexible FAR)	n/a			n/a			\$1,664,000	38%	

Table 40
Office Development in Downtown- Base and Bonus Projects Analyzed
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario C4 Base Zoning Flexible FAR	Scenario C5 Bonus Project Flexible FAR
Land Use	Office	Office
Market Area	Downtown	Downtown
Site Size	87,120 square feet 2 acres	87,120 square feet 2 acres
Maximum Height	38 feet	55 feet
Number of stories above grade	3 stories	4 stories
Floor Area Ratio (FAR)	1.7 FAR	2.2 FAR
Bonus floor area (< 3rd floor)		47,900 square feet
Gross Building Area (excl. parking)	143,748 square feet	191,664 square feet
Efficiency	95% efficiency	95% efficiency
Office Net Leasable	136,561 square feet	182,081 square feet
Construction Type	Type II	Type II
Parking Type	subterranean garage	subterranean garage
Parking Ratio	600 sf:1	600 sf:1
Parking Spaces	240 spaces	319 spaces

Table 41
Community Benefits Potential of Office Development in Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Community Benefits Potential - Height		
	Base Flexible FAR	Bonus Before Benefits	Bonus w/ Comm. Linkage
Number of Stories	3	4	4
Floor Area Ratio	1.7	2.2	2.2
<u>Bonus Area</u>			
Height Bonus Floor Area (sq. ft.)	n/a	47,900	47,900
<u>Community Benefits</u>			
Commercial Linkage Fee Per Sq. Ft. Bonus Area	n/a	\$0	\$56
<u>Total Commercial Linkage Fee</u>			
Base Fee	\$4.3M	\$5.7M	\$5.7M
Bonus Commercial Linkage Fee	<u>n/a</u>	<u>\$0.0M</u>	<u>\$2.7M</u>
Total Commercial Linkage Fee	\$4.3M	\$5.7M	\$8.4M
<i>Per Square Foot of Building Area</i>	<i>\$30/sf</i>	<i>\$30/sf</i>	<i>\$44/sf</i>
<u>Pro Forma Summary (\$Millions)</u>			
Supported Investment	\$84.3M	\$113.1M	\$113.1M
Development Cost Excl Land	<u>-\$71.5M</u>	<u>-\$95.6M</u>	<u>-\$98.3M</u>
Supported Land Value	\$12.9M	\$17.5M	\$14.8M
<i>Per Acre</i>	<i>\$6.4M</i>	<i>\$8.7M</i>	<i>\$7.4M</i>
<u>Land Value Increase Over Base</u>			
Land Value Increase Over Base	n/a	\$4.6M	\$1.9M
% Value Increase Over Base	n/a	36%	15%

Table 42
Pro Forma Analysis of Office Development In Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario C4			Scenario C5		
	Base Zoning Scenario Flexible FAR			Bonus Scenario Before Community Benefits		
Market Area	Downtown			Downtown		
Land Use	Office			Office		
Floor Area Ratio (excl. Pkg)	1.7 FAR			2.2 FAR		
Rentable Building Area	136,561 sq. ft.			182,081 sq. ft.		
Rent	\$40.00 /SF NNN			\$40.25 /SF NNN		
<u>Operating Income</u>	<u>Total</u>	<u>\$/RSF</u>	<u>%Gross</u>	<u>Total</u>	<u>\$/RSF</u>	<u>%Gross</u>
Gross Rent	\$5,462,424	\$40	93%	\$7,328,752	\$40	93%
Parking Income	\$432,000	\$3	7%	\$574,200	\$3	7%
(Less) Vacancy/Bad Debt	(\$294,721)	(\$2)	-5%	(\$395,148)	(\$2)	-5%
Effective Gross Income	\$5,599,703	\$41	95%	\$7,507,805	\$41	95%
(Less) OPEX	(\$117,888)	(\$1)	-2%	(\$158,059)	(\$1)	-2%
Commercial NOI	\$5,481,814	\$40	93%	\$7,349,746	\$40	93%
Return on Cost		6.5%			6.5%	
Supported Investment	\$84,335,600	\$618		\$113,073,000	\$621	
<u>Development Costs excl. Land</u>	<u>Total</u>	<u>\$/RSF</u>	<u>\$/GSF</u>	<u>Total</u>	<u>\$/RSF</u>	<u>\$/GSF</u>
Directs, incl parking	\$43,265,820	\$317	\$301	\$57,912,760	\$318	\$302
Commercial TIs	\$10,924,848	\$80	\$76	\$14,566,464	\$80	\$76
Total Directs	\$54,190,668	\$397	\$377	\$72,479,224	\$398	\$378
A&E	\$1,896,673	\$14	\$13	\$2,536,773	\$14	\$13
Commercial Linkage Fee (2021)	\$4,312,440	\$32	\$30	\$5,749,920	\$32	\$30
Other Fees & Permits	\$967,424	\$7	\$7	\$1,289,899	\$7	\$7
Taxes/Ins./Legal/Marketing	\$812,860	\$6	\$6	\$1,087,188	\$6	\$6
Leasing Commissions	\$1,638,727	\$12	\$11	\$2,198,626	\$12	\$11
Overhead/Admin/Other	\$1,625,720	\$12	\$11	\$2,174,377	\$12	\$11
Contingency	\$2,974,667	\$22	\$21	\$3,978,373	\$22	\$21
Financing	\$3,060,679	\$22	\$21	\$4,103,608	\$23	\$21
Total Costs	\$71,479,900	\$523	\$497	\$95,598,000	\$525	\$499
Residual Land Value	\$12,855,700	\$94	\$89	\$17,475,000	\$96	\$91
<i>per acre</i>	<i>\$6,427,850</i>			<i>\$8,737,500</i>		
Residual Land Value Increment vs. base (flexible FAR)	n/a			\$4,619,300	36%	

Table 43
Hotel Development Outside Downtown- Base and Bonus Projects Analyzed
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario D1 Base Zoning FAR Limit @ 0.6	Scenario D2 Base Zoning Flexible FAR	Scenario D3 Bonus Project
Land Use Market Area	Limited Service Hotel Outside Downtown	Select Service Hotel Outside Downtown	Select Service Hotel Outside Downtown
Site Size	87,120 square feet 2 acres	87,120 square feet 2 acres	87,120 square feet 2 acres
Number of Rooms / Density	80 rooms 40 keys/ac.	174 rooms 87 keys/ac.	262 rooms 131 keys/ac.
Maximum Height	35 feet	35 feet	55 feet
Number of stories above grade	3 stories	3 stories	4 to 5 stories
Floor Area Ratio (FAR)	0.6 FAR	1.3 FAR	2.0 FAR
Bonus floor area (> 3rd floor)			56,800 square feet
Bonus floor area (>0.6 FAR)			61,200 square feet
Gross Building Area (excl. parking)	52,000 square feet	113,100 square feet	170,300 square feet
Average Room Size	650 gross sq. ft.	650 gross sq. ft.	650 gross sq. ft.
Construction Type	Type II	Type II	Type II
Parking Type	surface	subterranean garage	subterranean garage
Parking Ratio	0.88 /key	0.87 /key	0.87 /key
Parking Spaces	70 spaces	152 spaces	229 spaces

Table 44
Community Benefits Potential of Hotel Development Outside Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Community Benefits Potential - Height			Community Benefits Potential - Height + FAR		
	Base Flexible FAR	Bonus Before Benefits	Bonus, w/ Comm. Linkage	Base FAR @ 0.6	Bonus Before Benefits	Bonus, w/ Comm. Linkage
Hotel Rooms	174	262	262	80	262	262
Number of Stories	3	4 to 5	4 to 5	3	4 to 5	4 to 5
Floor Area Ratio	1.3	2.0	2.0	0.6	2.0	2.0
<u>Bonus Floor Area</u>						
Height Bonus Floor Area (sq. ft.)	n/a	56,800	56,800	n/a	56,800	56,800
FAR Bonus Floor Area (sq. ft.)	n/a	n/a	n/a	n/a	61,200	61,200
Total Bonus Floor Area	n/a	56,800	56,800	n/a	118,000	118,000
<u>Community Benefits</u>						
Commercial Linkage Fee Per Sq. Ft. Bonus Area	n/a	\$0	\$9	n/a	\$0	\$27
<u>Total Commercial Linkage Fee</u>						
Base Fee	\$0.9M	\$1.3M	\$1.3M	\$0.4M	\$1.3M	\$1.3M
Bonus Commercial Linkage Fee	n/a	\$0.0M	\$0.5M	n/a	\$0.0M	\$3.2M
Total Commercial Linkage Fee	\$0.9M	\$1.3M	\$1.8M	\$0.4M	\$1.3M	\$4.5M
<i>Per Hotel Room</i>	<i>\$5,024/key</i>	<i>\$5,024/key</i>	<i>\$7,032/key</i>	<i>\$5,024/key</i>	<i>\$5,024/key</i>	<i>\$17,208/key</i>
<u>Pro Forma Summary (\$Millions)</u>						
Supported Investment	\$47.7M	\$71.8M	\$71.8M	\$17.1M	\$71.8M	\$71.8M
Development Cost Excl Land	<u>-\$43.2M</u>	<u>-\$65.8M</u>	<u>-\$66.3M</u>	<u>-\$15.2M</u>	<u>-\$65.8M</u>	<u>-\$68.9M</u>
Supported Land Value	\$4.6M	\$6.1M	\$5.6M	\$1.9M	\$6.1M	\$2.9M
<i>Per Acre</i>	<i>\$2.3M</i>	<i>\$3.0M</i>	<i>\$2.8M</i>	<i>\$0.9M</i>	<i>\$3.0M</i>	<i>\$1.4M</i>
<u>Land Value Increase Over Base</u>						
Land Value Increase Over Base	n/a	\$1.5M	\$1.0M	n/a	\$4.2M	\$1.0M
% Value Increase Over Base	n/a	33%	22%	n/a	221%	53%

Table 45
Pro Forma Analysis of Hotel Development Outside Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario D1			Scenario D2			Scenario D3		
	Base Zoning Scenario FAR Limit @ 0.6			Base Zoning Scenario Flexible FAR			Bonus Scenario Before Community Benefits		
Market Area	Outside Downtown			Outside Downtown			Outside Downtown		
Land Use	Limited Service Hotel			Select Service Hotel			Select Service Hotel		
Density	40 rms/acre			87 rms/acre			131 rms/acre		
Hotel Rooms	80 rooms			174 rooms			262 rooms		
Average Room Size	650 GSF			650 GSF			650 GSF		
Average Room Rate	\$180 /room			\$200 /room			\$200 /room		
Stabilized Occupancy	75%			75%			75%		
Revenue	Total	\$/Key	% Gross	Total	\$/Key	% Gross	Total	\$/Key	% Gross
Room Revenues	\$3,942,000	\$49,300	97%	\$9,526,500	\$54,800	87%	\$14,344,500	\$54,800	87%
Food & Beverage	\$0	\$0	0%	\$823,142	\$4,700	8%	\$1,239,444	\$4,700	8%
Other Revenues	\$105,228	\$1,300	3%	\$625,588	\$3,600	6%	\$941,978	\$3,600	6%
(Less) Operating Expenses	(\$2,254,387)	(\$28,200)	-56%	(\$6,442,790)	(\$37,000)	-59%	(\$9,701,212)	(\$37,000)	-59%
Net Operating Income	\$1,792,841	\$22,400	44%	\$4,532,441	\$26,000	41%	\$6,824,710	\$26,000	41%
<i>Return on Cost</i>	10.5%			9.5%			9.5%		
Supported Investment	\$17,074,700	\$213,400		\$47,709,900	\$274,200		\$71,839,100	\$274,200	
Development Costs excl. Land	Total	\$/Key	\$/GSF	Total	\$/Key	\$/GSF	Total	\$/Key	\$/GSF
Directs	\$12,000,000	\$150,000	\$231	\$34,540,000	\$198,500	\$305	\$52,685,000	\$201,100	\$309
A&E	\$516,000	\$6,500	\$10	\$1,485,220	\$8,500	\$13	\$2,265,455	\$8,600	\$13
Fees & Permits	\$696,000	\$8,700	\$13	\$1,513,800	\$8,700	\$13	\$2,279,400	\$8,700	\$13
Taxes/Ins./Legal/Marketing	\$72,000	\$900	\$1	\$207,240	\$1,200	\$2	\$316,110	\$1,200	\$2
Working Capital	\$228,000	\$2,900	\$4	\$656,300	\$3,800	\$6	\$1,001,000	\$3,800	\$6
Overhead/Admin/Other	\$360,000	\$4,500	\$7	\$1,036,200	\$6,000	\$9	\$1,580,550	\$6,000	\$9
Contingency	\$693,600	\$8,700	\$13	\$1,971,938	\$11,300	\$17	\$3,006,376	\$11,500	\$18
Financing	\$616,000	\$7,700	\$12	\$1,740,000	\$10,000	\$15	\$2,620,000	\$10,000	\$15
Total Costs	\$15,181,600	\$189,900	\$292	\$43,150,700	\$248,000	\$382	\$65,753,900	\$250,900	\$386
Residual Land Value <i>per acre</i>	\$1,893,100 \$946,550	\$23,500	\$36	\$4,559,200 \$2,279,600	\$26,200	\$40	\$6,085,200 \$3,042,600	\$23,300	\$36
Residual Land Value Increment vs. base (0.6 FAR)	n/a			\$2,666,100	140.8%		\$4,192,100	221.4%	
vs. base (flexible FAR)	n/a			n/a			\$1,526,000	33.5%	

Table 46
Hotel Development in Downtown- Base and Bonus Projects Analyzed
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario D4 Base Zoning Flexible FAR	Scenario D5 Bonus Project Flexible FAR
Land Use Market Area	Full Service Hotel Downtown	Full Service Hotel Downtown
Site Size	87,120 square feet 2 acres	87,120 square feet 2 acres
Number of Rooms / Density	174 rooms 87 keys/ac.	261 rooms 131 keys/ac.
Maximum Height	38 feet	55 feet
Number of stories above grade	3 stories	4 to 5 stories
Floor area ratio	1.5 FAR	2.2 FAR
Bonus floor area (> 3rd floor)		65,250 square feet
Gross building area (excl parking)	130,500 square feet	195,750 square feet
Average Room Size	750 square feet	750 square feet
Construction Type	Type II	Type II
Parking Type	subterranean garage	subterranean garage
Parking Ratio	0.87 /key	0.87 /key
Parking Spaces	152 spaces	228 spaces

Table 47
Community Benefits Potential of Hotel Development in Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Community Benefits Potential - Height		
	Base Flexible FAR	Bonus Before Benefits	Bonus w/ Comm. Linkage
Hotel Rooms	174	261	261
Number of Stories	3	4 to 5	4 to 5
Floor Area Ratio	1.5	2.2	2.2
<u>Bonus Area</u>			
Height Bonus Floor Area (sq. ft.)	n/a	65,250	65,250
<u>Community Benefits Per 1,000 Sq. Ft. Bonus Area</u>			
Commercial Linkage Fee Per Sq. Ft. Bonus Area	n/a	\$0	\$44
<u>Total Commercial Linkage Fee</u>			
Base Fee	\$0.9M	\$1.3M	\$1.3M
Bonus Commercial Linkage Fee	<u>n/a</u>	<u>\$0.0M</u>	<u>\$2.9M</u>
Total Commercial Linkage Fee	\$0.9M	\$1.3M	\$4.2M
<i>Per Hotel Room</i>	<i>\$5,024/key</i>	<i>\$5,024/key</i>	<i>\$16,023/key</i>
<u>Pro Forma Summary (\$Millions)</u>			
Supported Investment	\$69.3M	\$103.9M	\$103.9M
Development Cost Excl Land	<u>-\$59.4M</u>	<u>-\$89.7M</u>	<u>-\$92.5M</u>
Supported Land Value	\$9.9M	\$14.3M	\$11.4M
<i>Per Acre</i>	<i>\$5.0M</i>	<i>\$7.1M</i>	<i>\$5.7M</i>
<u>Land Value Increase Over Base</u>			
Land Value Increase Over Base	n/a	\$4.4M	\$1.5M
% Value Increase Over Base	n/a	44%	15%

Table 48
Pro Forma Analysis of Hotel Development in Downtown
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

	Scenario D4			Scenario D5		
	Base Zoning Scenario Flexible FAR			Bonus Scenario Before Community Benefits		
Market Area	Downtown			Downtown		
Land Use	Full Service Hotel			Full Service Hotel		
Density	87 rms/acre			131 rms/acre		
Hotel Rooms	174 rooms			261 rooms		
Average Room Size	750 GSF			750 GSF		
Average Room Rate	\$300 /room			\$300 /room		
Stabilized Occupancy	75%			75%		
Revenue	Total	\$/Key	% Gross	Total	\$/Key	% Gross
Room Revenues	\$14,289,750	\$82,100	70%	\$21,434,625	\$82,100	70%
Food & Beverage	\$4,878,435	\$28,000	24%	\$7,317,653	\$28,000	24%
Other Revenues	\$1,158,628	\$6,700	6%	\$1,737,943	\$6,700	6%
(Less) Operating Expenses	-\$13,743,569	(\$79,000)	-68%	-\$20,615,353	(\$79,000)	-68%
Net Operating Income	\$6,583,245	\$37,800	32%	\$9,874,868	\$37,800	32%
<i>Return on Cost</i>	9.50%			9.50%		
Supported Investment	\$69,297,300	\$398,300		\$103,946,000	\$398,300	
Development Costs excl. Land	Total	\$/Key	\$/GSF	Total	\$/Key	\$/GSF
Directs	\$47,940,000	\$275,500	\$367	\$72,430,000	\$277,500	\$370
A&E	\$2,061,420	\$11,800	\$16	\$3,114,490	\$11,900	\$16
Fees & Permits	\$1,513,800	\$8,700	\$12	\$2,270,700	\$8,700	\$12
Taxes/Ins./Legal/Marketing	\$287,640	\$1,700	\$2	\$434,580	\$1,700	\$2
Working Capital	\$910,900	\$5,200	\$7	\$1,376,200	\$5,300	\$7
Overhead/Admin/Other	\$1,438,200	\$8,300	\$11	\$2,172,900	\$8,300	\$11
Contingency	\$2,707,598	\$15,600	\$21	\$4,089,944	\$15,700	\$21
Financing	\$2,523,000	\$14,500	\$19	\$3,784,500	\$14,500	\$19
Total Costs	\$59,382,600	\$341,300	\$455	\$89,673,300	\$343,600	\$458
Residual Land Value	\$9,914,700	\$57,000	\$76	\$14,272,700	\$54,700	\$73
<i>per acre</i>	\$4,957,350			\$7,136,350		
Residual Land Value Increment vs. base (flexible FAR)	n/a			\$4,358,000	44.0%	

**Appendix A1
Apartment Asking Rents
Phase 1 Community Benefits Analysis
City of Boulder, CO**

9/3/2019

Source: Costar

	Type	Size	Number	\$/Mo	\$/SF	Promo %
<u>Downtown</u>						
17*Walnut						
1707 Walnut St	1BR	779	12	\$2,590	\$3.32	0.6%
Downtown Boulder MF	2BR	944	11	\$3,239	\$3.43	0.8%
Year Built: 2015	3BR	<u>1,305</u>	<u>3</u>	<u>\$3,927</u>	<u>\$3.01</u>	<u>0.6%</u>
Floors: 3	All	909	26	\$3,019	\$3.32	0.7%
Vacancy: 3.9%						
DT2						
<u>Goss-Grove</u>						
1725 18th St.						
1725 18th St	2BR	<u>1,198</u>	<u>3</u>	<u>\$2,544</u>	<u>\$2.12</u>	<u>0.5%</u>
Goss-Grove MF	All	1,198	3	\$2,544	\$2.12	0.5%
Year Built: 2015						
Floors: 2						
Vacancy: 0.0%						
RH2						
<u>Boulder Junction</u>						
Two Nine North						
1955 30Th St	1BR	887	103	\$2,308	\$2.60	0.0%
Boulder Junction	2BR	<u>1,246</u>	<u>135</u>	<u>\$3,027</u>	<u>\$2.43</u>	<u>0.0%</u>
Year Built: 2010	All	1,091	238	\$2,716	\$2.49	0.0%
Floors: 4						
Vacancy: 5.9%						
BR-1						
<u>Griffis 3100 Pearl</u>						
3100 Pearl St	Studio	584	36	\$1,735	\$2.97	4.2%
Boulder Junction	1BR	753	158	\$2,116	\$2.81	3.1%
Year Built: 2014	2BR	<u>1,071</u>	<u>125</u>	<u>\$2,549</u>	<u>\$2.38</u>	<u>2.6%</u>
Floors: 4	All	858	319	\$2,242	\$2.61	3.0%
Vacancy: 6.3%						
MU-4						

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**Appendix A1
Apartment Asking Rents
Phase 1 Community Benefits Analysis
City of Boulder, CO**

9/3/2019

Source: Costar

	Type	Size	Number	\$/Mo	\$/SF	Promo %
North Boulder						
Uptown Broadway Apartments						
4560 13th St	1BR	767	80	\$1,817	\$2.37	0.4%
North Broadway-Holiday MF	<u>2BR</u>	<u>1,128</u>	<u>36</u>	<u>\$2,251</u>	<u>\$2.00</u>	<u>1.0%</u>
Year Built: 2005	All	879	116	\$1,952	\$2.22	0.6%
Floors: 3						
Vacancy: 6.0%						
MU2						
Violet on Broadway						
4456 Broadway St	Studio	472	9	\$1,634	\$3.46	1.0%
North Broadway-Holiday MF	1BR	613	29	\$1,662	\$2.71	0.5%
Year Built: 2014	<u>2BR</u>	<u>867</u>	<u>60</u>	<u>\$2,025</u>	<u>\$2.34</u>	<u>0.4%</u>
Floors: 3	All	756	98	\$1,881	\$2.49	0.5%
Vacancy: 3.1%						
MU2						
Farm at Broadway						
3505-3517 N Broadway St	2BR	900	4	\$2,038	\$2.26	0.2%
Newlands MF	3BR	1,145	2	\$2,438	\$2.13	0.2%
Year Built: 2008	<u>4BR</u>	<u>2,040</u>	<u>1</u>	<u>\$3,386</u>	<u>\$1.66</u>	<u>0.3%</u>
Floors: 1	All	1,133	7	\$2,345	\$2.07	0.3%
Vacancy: 0.0%						
RR2						
Wonderland Creek Townhomes						
3683 Paseo Del Prado	2BR	1,193	32	\$2,398	\$2.01	0.3%
Sale Lake MF	<u>3BR</u>	<u>1,341</u>	<u>5</u>	<u>\$2,805</u>	<u>\$2.09</u>	<u>0.3%</u>
Year Built: 2017	All	1,213	37	\$2,453	\$2.02	0.3%
Floors: 2						
Vacancy: 0.0%						
RM1						
East Boulder						
The Hive at 9Seventy						
970 28th St	Studio	486	6	\$1,995	\$4.10	1.0%
Baseline Sub MF	1BR	631	30	\$2,231	\$3.54	0.2%
Year Built: 2015	2BR	950	89	\$2,657	\$2.80	0.3%
Floors: 4	<u>3BR</u>	<u>1,039</u>	<u>13</u>	<u>\$3,636</u>	<u>\$3.50</u>	<u>0.2%</u>
Vacancy: 1.5%	All	869	138	\$2,627	\$3.02	0.3%
RH-3						
East Village Flats						
2885 E Aurora Ave	1BR	476	3	\$1,628	\$3.42	0.5%
Baseline Sub MF	2BR	838	3	\$2,696	\$3.22	0.5%
Year Built: 2014	<u>3BR</u>	<u>831</u>	<u>43</u>	<u>\$2,667</u>	<u>\$3.21</u>	<u>0.5%</u>
Floors: 2	All	809	49	\$2,605	\$3.22	0.5%
Vacancy: 0.0%						
RH5						

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Appendix A1
Apartment Asking Rents
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

Source: Costar

	Type	Size	Number	\$/Mo	\$/SF	Promo %
3/3						
Parc Mosaic						
5290 Arapahoe Ave	Studio	441	167	\$1,695	\$3.84	0.0%
Arapahoe Ridge MF	1BR	762	27	\$2,583	\$3.39	0.0%
Year Built: 2019	2BR	1,058	23	\$3,523	\$3.33	0.0%
Vacancy: 0.0%	3BR	<u>1,358</u>	<u>23</u>	<u>\$4,108</u>	<u>\$3.03</u>	<u>0.0%</u>
BC2	All	624	240	\$2,201	\$3.53	0.0%
Gunbarrel						
Gunbarrel Center						
5340 Gunbarrel Central Ct	1BR	722	166	\$1,779	\$2.46	0.7%
Gunbarrel MF	2BR	1,190	59	\$2,240	\$1.88	0.7%
Year Built: 2015	3BR	<u>1,430</u>	<u>26</u>	<u>\$3,006</u>	<u>\$2.10</u>	<u>0.7%</u>
Floors: 3	All	905	251	\$2,014	\$2.23	0.7%
Vacancy: 6.4%						
BR2						
Boulder View						
6655 Lookout Rd	Studio	562	3	\$1,470	\$2.62	1.0%
Gunbarrel MF	1BR	750	50	\$1,653	\$2.20	0.4%
Year Built: 2014	2BR	<u>985</u>	<u>16</u>	<u>\$1,941</u>	<u>\$1.97</u>	<u>0.7%</u>
Floors: 3	All	796	69	\$1,712	\$2.15	0.5%
Vacancy: 4.4%						
XBO						
Apex 5510 Apartments						
5510 Spine Rd	Studio	584	14	\$1,485	\$2.54	0.0%
Gunbarrel MF	1BR	734	140	\$1,550	\$2.11	0.0%
Year Built: 2014	2BR	<u>1,064</u>	<u>77</u>	<u>\$2,127</u>	<u>\$2.00</u>	<u>0.0%</u>
Floors: 3	All	835	231	\$1,738	\$2.08	0.0%
Vacancy: 5.2%						
RH5						

Appendix A2
Office Asking Rents
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

Source: Costar

Building Name	Building Address	Submarket	Year Built	RBA	Average Asking Rent/SF	%Leased
William Building	1650 Canyon Boulevard	Downtown	2020	25,146	\$43 NNN	0%
19 Eleven	1911 11th St	Downtown	2019R	23,000	\$40 NNN	
Iris Park Prof. Campus	3107 Iris Ave	North Boulder	2018	40,000	\$27 NNN	52%
Boulder Commons	2440 Junction Pl	Boulder Junction	2017	120,200	\$28 NNN	88%
1155 Canyon Blvd	1155 Canyon Blvd	Downtown	2007	90,000	\$28 NNN	84%
1505 Pearl St ¹	1505 Pearl St	Downtown	2007	13,956	\$35 NNN	82%
One Boulder Plaza	1801 13th Street	Downtown	2003	216,261	\$32 NNN	
Canyon Center	1881 Ninth Street	Downtown	1984	78,433	\$33 NNN	

¹ Available space is on the ground floor and could serve as retail or office.

Appendix A3
Hotel Performance - Competitive Set
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

Source: Smith Travel Research

1-Year Average as of:	Daily Rate	Occ %	RevPar
Apr 19	\$179	72%	\$130
May 19	\$180	74%	\$132
Jun 19	\$180	74%	\$133

Competitive Set (Recently Built)	Yr Built	Rooms
Hyatt Place Boulder Pearl Street	2015	150
Hampton Inn Boulder North	2013	100
Residence Inn Boulder Canyon Boulevard	2018	155
Hilton Garden Inn Boulder	2017	172
Embassy Suites by Hilton Boulder	2017	204

Appendix A4
Multifamily Property Sales
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

Source: Costar

Building Name	Property Address	Submarket	Year	Units	Density	Sale Yr	Price		Cap Rate	
			Built				\$millions	\$/Unit		
Wonderland Creek	3683 Paseo Del Prado	North	2017	41	8	2018	\$21M	\$512,000	\$425	
The Hive at 9Seventy	970 28th St	East	2015	138	62	2017	\$57M	\$413,000	\$385	
17*Walnut	1707 Walnut St	Downtown	2015	26	84	2017	\$16M	\$600,000	\$521	4.2%
Griffis 3100 Pearl	3100 Pearl St	Boulder Junction	2014	319	75	2016	\$134M	\$420,000	\$385	3.8%
Apex 5510 Apartments	5510 Spine Rd	Gunbarrel	2014	231	27	2017	\$75M	\$326,000	\$307	
Boulder View	6655 Lookout Rd	Gunbarrel	2014	69	27	2016	\$22M	\$320,000	\$278	4.0%
Uptown Broadway	4560 13th St	North	2005	116	18	2017	\$35M	\$302,000	\$248	

Appendix A5
Office Property Sales
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

Source: Costar

Building Name	Address	Submarket	Year Built	Sq Ft	Sale Yr	Price (\$M)	\$/sf	Cap Rate
Pearl Place (Google)	2930 Pearl St	Transit Village	2017	210,000	2017	\$131M	\$624	
BoulderCentre for Ortho	4740 Pearl St	East	2016	61,717	2017	\$21M	\$336	
Pearl West	1048 Pearl St	Downtown	2016	175,027	2016	\$123M	\$700	5.2%
Westpeak Building	1470 Walnut St	Downtown	2001	52,566	2017	\$30M	\$573	5.0%

Appendix A6
Hotel Property Sales
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

Source: Costar

Building Name	Address	Submarket	Year Built	Sq Ft	Keys	Rooms/ Acre	Sale Yr	Price (\$M)	\$/key	\$/sf	Cap Rate
Hyatt Place	2280 Junction Pl	Boulder Junction	2014	104,717	150	TBD	2019	\$53M	\$350,000	\$501	
Marriott Boulder	2660 Canyon Blvd	Whittier	1997	167,797	157	47	2016	\$61M	\$391,000	\$366	7.6%
Residence Inn Boulder	3030 Center Green Dr	North	1986	79,832	128	46	2018	\$22M	\$168,000	\$269	
Lookout Inn	6901 Lookout Rd	Gunbarrel	1986	12,780	13	21	2015	\$2M	\$144,000	\$147	
Boulder Twin Lakes Inn	6485 Twin Lakes Rd	Gunbarrel	1984	15,888	32	45	2019	\$4M	\$126,000	\$254	
Days Inn	5397 S Boulder Rd	Southeast	1974	72,500	76	76	2016	\$6M	\$80,000	\$83	
Foot Of The Mtn. Motel	200 Arapahoe Ave	West	1934	7,184	20	19	2017	\$4M	\$188,000	\$522	7.0%

**Appendix A7
Condominium Sales
Phase 1 Community Benefits Analysis
City of Boulder, CO**

9/3/2019

Source: Corelogic Listsource, 2/6/2019

<u>Address</u>	<u>Yr Built</u>	<u>Sale Date</u>	<u># Bed</u>	<u># Bath</u>	<u>SF</u>	<u>Sale Price</u>	<u>\$/SF</u>
<u>Downtown</u>							
<u>1505 Pearl St</u>							
1505 Pearl St 111	2007	04/12/2018	2	2	1,466	\$867,000	\$591
1505 Pearl St 201	2007	07/30/2018	2	1	1,250	\$805,000	\$644
1505 Pearl St 304	2007	01/20/2017	2	2	1,832	\$1,500,000	\$819
<u>1655 Walnut Street</u>							
1655 Walnut St 204	2008	07/31/2017	1	2	1,206	\$865,000	\$717
1655 Walnut St 208	2008	06/21/2018	1	1	1,229	\$820,000	\$667
<u>1155 Canyon Blvd</u>							
1155 Canyon Blvd 204	2006	09/29/2017	2	3	1,994	\$1,800,000	\$903
1155 Canyon Blvd 209	2006	04/16/2018	1	2	1,890	\$1,325,000	\$701
<u>Other- Downtown & Nearby</u>							
700 Pearl St 3	2006	10/26/2018	2	2	1,509	\$1,850,000	\$1,226
820 Pearl St C	2007	05/18/2018	2	3	1,814	\$1,775,000	\$979
370 Arapahoe Ave A	2015	12/20/2018	3	3	1,368	\$1,650,000	\$1,206
1824 Pearl St B	2009	11/17/2017	2	3	1,504	\$919,000	\$611
1944 Arapahoe Ave A	2012	03/28/2018	2	2	1,047	\$705,000	\$673
2044 Walnut St B	2010	10/26/2017	2	2	1,394	\$960,000	\$689
2400 Broadway St A-2	2008	06/29/2018	2	2	1,754	\$1,085,000	\$619
<u>Boulder Junction</u>							
<u>2445 Junction Place</u>							
2445 Junction Pl 201	2015	12/07/2018	2	2	1,227	\$685,100	\$558
2445 Junction Pl 303	2015	02/16/2018	3	2	1,330	\$667,100	\$502
2445 Junction Pl 304	2015	02/27/2017	2	2	1,092	\$645,000	\$591
<u>2910-2920 Bluff St</u>							
2910 Bluff St 124	2006	06/30/2017	1	1	958	\$450,000	\$470
2910 Bluff St 135	2006	08/02/2017	1	1	760	\$399,000	\$525
2920 Bluff St 213	2006	06/29/2018	2	1	886	\$489,000	\$552
2920 Bluff St 232	2006	10/25/2017	1	1	823	\$400,100	\$486
2930 Bluff St 321	2006	09/08/2017	1	1	828	\$387,500	\$468
2930 Bluff St 333	2006	07/23/2018	2	2	1,023	\$560,000	\$547
<u>East Boulder</u>							
<u>3301 - 3701 Arapahoe Ave</u>							
3301 Arapahoe Ave 101	2006	12/21/2018	2	2	1,058	\$576,950	\$545
3301 Arapahoe Ave 102	2006	08/02/2018	2	2	1,296	\$684,400	\$528
3301 Arapahoe Ave 109	2006	08/06/2018	2	2	1,074	\$619,700	\$577
3301 Arapahoe Ave 110	2006	04/18/2018	2	2	1,299	\$733,500	\$565
3301 Arapahoe Ave 117	2006	12/03/2018	1	2	1,428	\$752,500	\$527
3301 Arapahoe Ave 202	2006	11/09/2018	2	2	1,304	\$460,000	\$353
3301 Arapahoe Ave 210	2006	07/19/2018	2	2	1,158	\$641,900	\$554
3301 Arapahoe Ave 211	2006	09/28/2018	2	2	1,155	\$649,900	\$563

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**Appendix A7
 Condominium Sales
 Phase 1 Community Benefits Analysis
 City of Boulder, CO**

9/3/2019

Source: Corelogic Listsource, 2/6/2019

<u>Address</u>	<u>Yr Built</u>	<u>Sale Date</u>	<u># Bed</u>	<u># Bath</u>	<u>SF</u>	<u>Sale Price</u>	<u>\$/SF</u>	
3301 Arapahoe Ave 212	2006	11/13/2018	1	1	1,206	\$640,000	\$531	2/4
3301 Arapahoe Ave 218	2006	06/29/2018	1	1	846	\$499,000	\$590	
3301 Arapahoe Ave 304	2006	08/31/2018	1	1	837	\$546,500	\$653	
3301 Arapahoe Ave 306	2006	08/30/2018	2	2	1,405	\$733,950	\$522	
3301 Arapahoe Ave 310	2006	09/25/2018	2	2	1,649	\$749,000	\$454	
3301 Arapahoe Ave 311	2006	10/26/2018	2	2	1,560	\$743,600	\$477	
3301 Arapahoe Ave 316	2006	06/04/2018	2	2	1,261	\$739,900	\$587	
3301 Arapahoe Ave 319	2006	04/10/2018	1	1	1,162	\$600,450	\$517	
3301 Arapahoe Ave 401	2006	06/26/2018	2	2	1,055	\$671,075	\$636	
3301 Arapahoe Ave 402	2006	01/14/2019	2	2	1,294	\$764,500	\$591	
3301 Arapahoe Ave 404	2006	04/06/2018	0	1	825	\$579,100	\$702	
3301 Arapahoe Ave 416	2006	06/12/2018	2	2	1,245	\$794,400	\$638	
3301 Arapahoe Ave 420	2006	07/12/2018	1	1	822	\$528,000	\$642	
3301 Arapahoe Ave 431	2006	05/22/2018	2	2	1,432	\$914,900	\$639	
3401 Arapahoe Ave 103	2006	08/28/2018	2	2	1,553	\$737,500	\$475	
3401 Arapahoe Ave 105	2006	05/18/2018	1	1	883	\$463,100	\$524	
3401 Arapahoe Ave 106	2006	07/06/2018	1	1	712	\$449,500	\$631	
3401 Arapahoe Ave 118	2006	12/08/2017	0	1	773	\$513,300	\$664	
3401 Arapahoe Ave 119	2006	12/14/2017	1	1	1,013	\$583,650	\$576	
3401 Arapahoe Ave 201	2006	12/21/2018	2	2	1,271	\$615,000	\$484	
3401 Arapahoe Ave 205	2006	09/21/2018	1	1	880	\$476,900	\$542	
3401 Arapahoe Ave 210	2006	09/28/2018	2	2	1,258	\$628,000	\$499	
3401 Arapahoe Ave 215	2006	11/29/2017	2	2	1,235	\$664,465	\$538	
3401 Arapahoe Ave 301	2006	05/02/2018	2	2	1,265	\$801,200	\$633	
3401 Arapahoe Ave 305	2006	08/06/2018	1	1	877	\$483,500	\$551	
3401 Arapahoe Ave 307	2006	05/18/2018	2	2	1,789	\$809,000	\$452	
3401 Arapahoe Ave 308	2006	01/22/2018	2	2	1,754	\$806,000	\$460	
3401 Arapahoe Ave 318	2006	03/27/2018	1	1	842	\$570,800	\$678	
3401 Arapahoe Ave 401	2006	02/28/2018	2	2	1,255	\$792,800	\$632	
3401 Arapahoe Ave 404	2006	12/15/2017	1	1	1,177	\$645,900	\$549	
3401 Arapahoe Ave 406	2006	01/04/2018	1	2	1,031	\$553,900	\$537	
3401 Arapahoe Ave 408	2006	06/01/2018	2	2	1,736	\$849,900	\$490	
3401 Arapahoe Ave 410	2006	04/09/2018	2	2	1,251	\$678,000	\$542	
3401 Arapahoe Ave 411	2006	12/22/2017	2	2	1,807	\$915,000	\$506	
3401 Arapahoe Ave 413	2006	12/19/2017	1	1	1,287	\$686,300	\$533	
3401 Arapahoe Ave 418	2006	03/28/2018	1	1	840	\$599,000	\$713	
3401 Arapahoe Ave 419	2006	10/19/2018	0	1	975	\$644,680	\$661	
3601 Arapahoe Ave 114	2006	10/04/2017	2	2	1,338	\$647,000	\$484	
3601 Arapahoe Ave 119	2006	01/04/2018	1	1	834	\$475,000	\$570	
3601 Arapahoe Ave 304	2006	03/12/2018	2	2	997	\$595,000	\$597	
3601 Arapahoe Ave 320	2006	12/28/2018	3	2	1,758	\$1,150,000	\$654	
3601 Arapahoe Ave 415	2006	09/05/2018	2	2	1,100	\$625,000	\$568	
3601 Arapahoe Ave 422	2006	08/25/2017	2	2	997	\$600,000	\$602	
3701 Arapahoe Ave 205	2006	05/04/2018	1	1	1,081	\$421,000	\$389	
3701 Arapahoe Ave 207	2006	04/16/2018	1	1	1,041	\$554,500	\$533	
3701 Arapahoe Ave 303	2006	05/03/2018	1	1	852	\$582,550	\$684	
3701 Arapahoe Ave 313	2006	07/25/2018	1	1	868	\$490,000	\$565	
3701 Arapahoe Ave 314	2006	08/08/2018	2	2	1,447	\$624,000	\$431	

**Appendix A7
Condominium Sales
Phase 1 Community Benefits Analysis
City of Boulder, CO**

9/3/2019

Source: Corelogic Listsource, 2/6/2019

<u>Address</u>	<u>Yr Built</u>	<u>Sale Date</u>	<u># Bed</u>	<u># Bath</u>	<u>SF</u>	<u>Sale Price</u>	<u>\$/SF</u>	
3701 Arapahoe Ave 316	2006	01/06/2017	1	1	915	\$501,000	\$548	3/4
3701 Arapahoe Ave 317	2006	04/13/2018	1	1	752	\$885,115	\$1,177	
3701 Arapahoe Ave 403	2006	05/01/2018	1	1	842	\$639,000	\$759	
3701 Arapahoe Ave 408	2006	05/30/2017	1	1	806	\$500,000	\$620	
3701 Arapahoe Ave 413	2006	12/17/2018	1	1	868	\$498,750	\$575	
3701 Arapahoe Ave 418	2006	05/25/2018	2	2	1,287	\$719,900	\$559	
<u>2810 E College</u>								
2810 E College Ave 108	2008	04/17/2017	1	1	624	\$327,500	\$525	
2810 E College Ave 303	2008	06/20/2018	2	3	1,328	\$540,000	\$407	
2810 E College Ave 308	2008	12/17/2018	4	3	1,820	\$738,000	\$405	
2810 E College Ave 401	2008	04/28/2017	2	3	1,645	\$717,500	\$436	
2830 E College Ave 106	2008	06/20/2017	3	2	1,360	\$527,000	\$388	
2830 E College Ave 310	2008	03/03/2017	1	1	624	\$365,000	\$585	
2830 E College Ave 311	2008	06/16/2017	1	1	624	\$365,000	\$585	
2850 E College Ave 102	2008	03/23/2017	1	1	792	\$357,500	\$451	
2850 E College Ave 109	2008	03/23/2017	1	1	624	\$320,000	\$513	
2850 E College Ave 2	2008	09/27/2017	1	1	612	\$300,000	\$490	
2850 E College Ave 303	2008	08/28/2017	1	1	776	\$395,000	\$509	
2850 E College Ave 306	2008	03/29/2018	2	3	1,280	\$507,500	\$396	
2870 E College Ave 312	2008	02/17/2017	1	1	776	\$365,000	\$470	
2870 E College Ave 401	2008	09/29/2017	2	3	1,972	\$700,000	\$355	
North Boulder								
<u>2930 Broadway</u>								
2930 Broadway St 4204	2016	10/03/2018	2	2	1,122	\$839,000	\$748	
2930 Broadway St B202	2016	08/15/2018	2	2	1,122	\$789,000	\$703	
<u>3515 Broadway</u>								
3515 Broadway St A	2008	10/26/2018	3	2	1,133	\$735,000	\$649	
3515 Broadway St C	2008	10/26/2018	2	2	857	\$553,000	\$645	
3517 Broadway St D	2008	08/31/2018	3	2	1,103	\$545,000	\$494	
<u>4602-4612 16th St</u>								
4602 16th St	2011	03/09/2018	2	3	976	\$520,000	\$533	
4612 16th St	2011	07/12/2018	3	3	1,383	\$680,550	\$492	
<u>1820 Mary Ln</u>								
1820 Mary Ln 10	2013	10/20/2017	3	2	1,634	\$745,000	\$456	
1820 Mary Ln 11	2013	05/12/2017	3	2	1,624	\$729,900	\$449	
1820 Mary Ln 14	2013	05/15/2017	2	2	1,615	\$770,000	\$477	
1820 Mary Ln 8	2013	07/19/2018	3	2	1,610	\$635,000	\$394	
<u>4522 13th St</u>								
4522 13th St 6e	2008	10/19/2017	2	3	1,720	\$874,500	\$508	
4522 13th St 6g	2008	02/14/2017	2	3	1,720	\$810,000	\$471	
4524 14th St 7h	2009	03/10/2017	2	3	1,730	\$795,000	\$460	

**Appendix A7
 Condominium Sales
 Phase 1 Community Benefits Analysis
 City of Boulder, CO**

9/3/2019

Source: Corelogic Listsource, 2/6/2019

<u>Address</u>	<u>Yr Built</u>	<u>Sale Date</u>	<u># Bed</u>	<u># Bath</u>	<u>SF</u>	<u>Sale Price</u>	<u>\$/SF</u>	
4525 13th St 4f	2009	11/08/2017	2	2	989	\$545,000	\$551	4/4
<u>4645 Broadway St</u>								
4645 Broadway St	2006	09/28/2017	1	1	1,407	\$515,000	\$366	
4645 Broadway St	2006	11/03/2017	1	1	1,355	\$517,500	\$382	
4645 Broadway St	2006	06/13/2017	1	1	1,368	\$520,000	\$380	
4645 Broadway St A4	2006	07/30/2018	1	1	1,675	\$660,000	\$394	
4645 Broadway St B5	2006	09/10/2018	1	1	1,355	\$560,000	\$413	
4645 Broadway St C3	2006	07/13/2018	2	2	1,382	\$530,000	\$384	
4645 Broadway St C4	2006	01/30/2018	1	3	1,675	\$600,000	\$358	
<u>4585 13th St</u>								
4585 13th St 1e	2008	03/08/2017	0	1	501	\$375,000	\$749	
4585 13th St 1f	2008	02/16/2018	2	2	1,123	\$617,000	\$549	
<u>4166-4182 Longview Ln</u>								
4174 Longview Ln	2011	10/05/2018	2	3	1,397	\$684,000	\$490	
4178 Longview Ln E	2011	06/08/2018	3	4	1,944	\$665,000	\$342	
4182 Longview Ln	2011	03/26/2018	3	4	1,925	\$695,000	\$361	
<u>Other - North</u>								
1310 Rosewood Ave 5c	2013	08/31/2018	2	3	1,699	\$700,000	\$412	
1850 Yaupon Ave C3	2010	10/01/2018	2	3	1,142	\$600,000	\$525	
3644 Pinedale St H	2010	06/25/2018	2	2	1,628	\$662,000	\$407	
5070 Ralston St C	2014	12/10/2018	2	2	883	\$452,000	\$512	
4555 13th St 2d	2008	03/09/2017	2	3	1,367	\$670,000	\$490	
4659 17th St 6	2007	11/29/2017	3	4	1,512	\$732,000	\$484	
4628 16th St 23	2011	07/14/2017	3	3	1,516	\$750,000	\$495	

**Appendix A8
Active Condo Listings
Phase 1 Community Benefits Analysis
City of Boulder, CO**

9/3/2019

Source: Zillow.com

<u>Address</u>	<u>Yr Built</u>	<u># Bed</u>	<u># Bath</u>	<u>SF</u>	<u>List Price</u>	<u>List Price \$/SF</u>	<u>Zillow Est. \$/SF</u>
<u>S'Park (Boulder Junction)</u>							
3127 Bluff St	Constr.	3	2	1,632	\$785,000	\$481	\$391
3125 Bluff St	Constr.	3	3	2,027	\$950,000	\$469	\$380
3105 Bluff St	Constr.	3	3	1,964	\$921,000	\$469	\$387
3111 Bluff St	Constr.	3	4	1,964	\$971,000	\$494	
2907 32nd St	Constr.	3	4	2,116	\$955,000	\$451	\$392
2795 32nd St	Constr.	3	4	2,226	\$989,000	\$444	\$381
<u>Pearl 21 (Downtown)</u>							
2116 Pearl St	Constr.	3	3	1,873	\$1,645,000	\$878	\$776
2118 Pearl St	Constr.	3	2	1,494	\$1,350,000	\$904	\$734
2126 Pearl St, #A	Constr	4	3	1,646	\$1,650,000	\$1,002	\$968
2126 Pearl St, #C	Constr	3	3	1,702	\$1,650,000	\$969	\$946
2126 Pearl St # B	Constr	4	3	1,623	1,550,000	\$955	\$931
<u>The Mark on Pearl (Downtown)</u>							
2304 Pearl St # 3	Constr.	3	3	1,612	\$1,290,000	\$800	\$775
2304 Pearl St # 2	Constr.	3	2	1,372	\$1,290,000	\$940	
<u>630 Terrace (North)</u>							
630 Terrace Ave E	Constr.	2	2	1,692	1,097,000	\$648	\$653

Appendix A9
Residential Land Sales
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

Site	Land SF	Zoning	Est. Units	Units/Acre	Sale Yr	Price (\$M)	\$/Land SF	\$/Unit	Mixed Use ¹	Type
<u>Downtown</u>										
The Collective (15th St)	84,942	DT-5	147	75	2018	\$17.9M	\$210	\$121,000	x	Apartments
2008 Pearl St ²	8,001	MU-3	TBD	TBD	2018	\$1.6M	\$200	TBD	TBD	TBD
2116 Pearl St	19,331	MU-3	11	25	2017	\$3.0M	\$155	\$273,000		Townhomes
1828 Pearl St	6,995	MU-3	4	25	2016	\$1.0M	\$147	\$258,000		Townhomes
1750 14th St	32,234	DT-5	42	57	2015	\$2.0M	\$62	\$48,000	x	Apartments
2049 Pearl St	7,071	MU-3	5	31	2015	\$1.3M	\$180	\$255,000		Townhomes
1707 Walnut Street	14,076	DT-2	26	80	2012	\$2.9M	\$204	\$111,000		Apartments
<u>Boulder Junction / Whittier</u>										
3200 Bluff St	46,230	MU-4	36	34	2018	\$2.5M	\$54	\$69,000	x	Apartments
Reve Boulder (3 Props.)	260,446	BR-1	243	41	2017	\$19.4M	\$74	\$80,000	x	Apartments
3085 Bluff St ³	81,936	RH-6		26	2016	\$3.5M	\$43	\$70,000	x	Apartments
3390-3392 Valmont Rd ³	257,875	MU-4		26	2015	\$13.5M	\$52	\$87,000	x	Apartments
1855 Folsom St	28,157	RH-2	9	14	2015	\$0.9M	\$32	\$100,000		Apartments
<u>North/ Gunbarrel</u>										
3289 Airport Rd	113,256	IG	70	27	2018	\$3.7M	\$33	\$53,000		Apartments
3705 Diagonal Hwy	726,167	BT-1	357	21	2017	\$7.5M	\$10	\$21,000	x	Apartments
630 Terrace Ave	55,463	P	8	6	2017	\$3.0M	\$54	\$375,000		Townhomes
1215 High St	5,590	BT-2	3	23	2014	\$0.7M	\$125	\$233,000		Townhomes
5378 Gunbarrel Center Ct	294,894	BR-2	251	37	2013	\$4.2M	\$14	\$17,000	x	Apartments
<u>Student Housing</u>										
2333 Arapahoe Ave	15,322	BT-2	18	51	2015	\$0.7M	\$47	\$40,000		Student
800 28th St	171,866	BT-1	400	101	2014	\$9.5M	\$55	\$24,000		Student (unit = br)
<u>Affordable Housing</u>										
5801 Arapahoe Avenue	639,224	IG	340	23	2017	\$7.9M	\$12	\$23,000	x	Mixed income
1665 33rd St	67,953	BR-1	132	85	2017	\$4.5M	\$66	\$34,000		Senior
4871 Broadway St	74,923	IS-1	55	32	2016	\$2.8M	\$37	\$51,000		Affordable

¹ Commercial components have not been excluded from land value.

² Pending development proposal.

³ Part of S'Park project. Residential density reflects project average (i.e., approximately 270 units divided by 10.5 acres).

**Appendix A10
Office Land Sales
Phase 1 Community Benefits Analysis
City of Boulder, CO**

9/3/2019

Site	Land SF	Zoning	Est. Sq. Ft.	Est. FAR	Sale Yr	Price (\$M)	\$/Land SF	\$/FAR
<u>Downtown</u>								
1650 Canyon Blvd	57,433	BT-2	25,000	0.4	2018	\$4.1M	\$71	\$164
909 Walnut	8,300	DT-5	13,065	1.6	2014	\$1.9M	\$229	\$145
Pearl West	59,677	DT-5	159,243	2.7	2012	\$13.5M	\$226	\$85
2008 Pearl St ¹	8,001	MU-3	TBD	TBD	2018	\$1.6M	\$200	TBD
<u>Boulder Junction</u>								
Pearl PI Ph1	184,839	BR-1	200,000	1.1	2013	\$19.2M	\$104	\$96
Pearl PI Ph2	63,162	BR-1	100,000	1.6	2016	\$7.0M	\$111	\$70
Boulder Commons S	24,086	MU-4	60,000	2.5	2015	\$0.9M	\$37	\$15
Boulder Commons N	37,026	MU-4	60,200	1.6	2015	\$1.3M	\$36	\$22
<u>East</u>								
3100 Sterling Dr	30,078	IG	13,500	0.4	2018	\$0.4M	\$12	\$26
5125 Pearl Pky	109,336	IS-2	54,000	0.5	2016	\$4.0M	\$37	\$74
4740 Pearl Pky	118,919	IG	61,597	0.5	2015	\$3.2M	\$27	\$52
<u>West</u>								
100 Arapahoe Ave	27,133	RM-3	7,000	0.3	2015	\$0.7M	\$27	\$104
<u>North</u>								
2830 Valmont Rd	10,000	BC-2	4,122	0.4	2015	\$0.3M	\$27	\$64
2619 Iris Hollow PI	2,626	RM-3	3,131	1.2	2014	\$0.2M	\$89	\$75

¹ Pending development proposal.

Appendix A11
Hotel Land Sales
Phase 1 Community Benefits Analysis
City of Boulder, CO

9/3/2019

Site	Land SF	Zoning	Est. Keys	Keys/Acre	Sale Yr	Price (\$M)	\$/Land SF	\$/Key
<u>Whittier/ Boulder Junction</u>								
Residence Inn	72,062	BR-1	155	94	2016	\$4.4M	\$60	\$28,000
28th and Canyon ¹	113,704	BR-1		126	2013	\$10.0M	\$88	\$30,000
Boulder Hyatt Place	29,046	MU-4	150	225	2013	\$3.0M	\$103	\$20,000
<u>Near Airport</u>								
Holiday Inn Express	99,103	BT-1	138	61	2018	\$2.9M	\$29	\$21,000

¹ Land sale appears to exclude a portion of the site. Keys per acre reflects total keys (375) divided by total site area.