

TECHNICAL MEMORANDUM

To: Margaret Stanzione and Claudia Cappio, City of Oakland
From: Jim Musbach, Richard Berkson, and Lisa Rhine
Subject: Oak to 9th Mixed-Use Project Alternatives 1B, 2, and 3 Feasibility Analysis;
EPS #14115
Cc: Michael Ghielmetti and Patrick Van Ness, Signature Properties
Date: January 31, 2006

Oakland Harbor Partners, LLC, has plans to redevelop 13 parcels on over 62 acres between Oak and 9th Streets along the Oakland Estuary, south of Jack London Square. The objective of the project is to redevelop this traditionally industrial district into a network of residential and commercial uses as well as public parks along the waterfront. The proposed Oak to 9th Mixed-Use Project (the "Project") includes up to 3,100 residential units, 185,000 square feet of retail space, a minimum of 3,500 structured parking spaces, approximately 28 acres of public open space, two renovated marinas with up to 200 slips, and a wetlands restoration area. A combination of one-, two-, and three-bedroom flats, townhomes, and lofts with an average size of 1,000 square feet is planned for the site, as well as neighborhood-serving retail uses. In addition to the Developer's proposed development alternative for the Oak to 9th Mixed-Use Project, the City of Oakland has asked the Developer to evaluate three scenarios as described in the Project's Draft Environmental Impact Report (EIR).

For this analysis, Economic & Planning Systems, Inc. (EPS) has evaluated the financial feasibility of three alternatives: (1) Alternative 1B, the "No Project/Estuary Policy Plan", (2) Alternative 2, the "Enhanced Open Space/Partial Ninth Avenue Terminal Preservation and Adaptive Reuse", and (3) Alternative 3, the "Reduced Development/Ninth Avenue Terminal Preservation", as shown in **Table 1**.¹ This analysis compares the projected revenues to projected costs to determine if financial shortfalls are likely to occur. This analysis also discusses the annual maintenance costs and the fiscal impacts (e.g., the City's annual operating costs and revenues) of the Project alternatives on the City's General Fund based on EPS's Fiscal Impact Analysis.

¹ The EIR also considers a "no project" alternative, which was not evaluated as part of this analysis.



SUMMARY OF FINDINGS

Alternatives 1B, 2, and 3 all result in financial shortfalls, but Alternative 2 has the lowest shortfall. All of the three alternatives show costs exceeding revenues and produce negative IRRs. As a result, Alternatives 1B, 2, and 3 are not financially feasible and would not be built without significant public subsidy. However, Alternative 2 would require the least subsidy of the three alternatives for the Oak to 9th Mixed-Use Project site.

PRO FORMA ANALYSIS

This memorandum describes the key assumptions and methodology used to estimate the financial feasibility of the three alternatives. The pro forma analysis evaluates whether the alternatives provide sufficient revenues to cover the building construction costs and to fund any necessary major capital improvements. The pro formas are preliminary and intended to provide a general indicator of feasibility.

RESIDUAL LAND VALUE ANALYSIS

The feasibility analysis provided in this memorandum compares the cost of developing and operating a given building “prototype” against the revenues and value that can be achieved for those uses at the project site to determine the “residual land value” that can be used to acquire land. For each building type, EPS has calculated the residual land values based on the achievable price range identified through the EPS Ninth Avenue Terminal Reuse Feasibility Analysis. This analysis shows the financial returns that accrue to the land developer as a result of acquiring the property, demolishing existing structures, building the required infrastructure, improving the Ninth Avenue Terminal, and then selling land to builders at a price based on the “residual land value.”

Table 2 provides a summary of the results of the financial analysis for the three alternatives. All three alternatives result in net shortfalls, which range from \$172.1 million for Alternative 2 to \$267.7 million for Alternative 3. The financial gap represents the shortfall that the owner would face in deciding whether to build these proposed uses. In addition to the financial shortfall, conventional financing would be very difficult to obtain considering the potential financial gap. Investors and lenders would not undertake these projects because of the financial shortfalls, or they would not be built without significant public subsidy. The results are presented in more detail in the discussion of individual development programs below.

Methodology

The planning level feasibility analysis is based on a residual land value estimate and land development pro forma. As shown on **Table 2**, the potential financial returns of the three alternatives have been evaluated. Revenues include residential, retail/restaurant, conference and/or cultural/educational/recreational uses, and hotel

development (for Alternative 1B only). Expenses include the building construction, soft costs, tenant improvements (for retail/restaurant, hotels, conference center, and cultural/educational/ recreational uses), and contingency. For the project to be financially feasible for private developers, the project value would need to be greater than the project cost unless public subsidies are available to fill the shortfall or “gaps” to produce a reasonable rate of return.

Assumptions

Key assumptions and calculations are shown on **Tables A-1** through **A-5** for Alternative 1B, followed by **Tables B-1** through **B-8** for Alternative 2 and **Tables C-1** through **C-6** for Alternative 3, with project timing, values, and costs estimated for each land use by alternative. The revenues and costs are based on estimates provided by a number of sources, including operators of visitors’ and conference centers, local commercial real estate brokers, Oakland Harbor Partners, LLC, Jack London Square and downtown Oakland hotels, PKF Consulting, Marshall and Swift, and EPS’ experience with comparable projects.

Project Revenues

The operating revenue and cost assumptions in this feasibility analysis account for the estimated sales prices, lease terms, and room rates in the various building types, as well as the cost of sales, operating expenses, vacancy rates, and capitalization rates. In this analysis, EPS established a range of achievable price points for each building type:

- **Residential:** \$440,000 for live/work units with an average of 833 square feet of space and \$627,500 for residential units (e.g., flats, lofts, and townhomes) averaging 1,000 to 1,250 square feet of space
- **Retail/restaurant space:** \$2.00 to \$2.50 per square foot per month (triple net)
- **Conference space:** \$1.00 to \$1.50 per square foot per month (for Alternative 1B and Alternative 3 only)
- **Cultural/educational/recreational space:** \$1.00 per square foot per month (triple net) for Alternatives 2 and 3 and \$1.50 per square foot per month (triple net) for Alternative 1B
- **Hotels:** \$146 average daily room rate for the limited service hotel and \$176 average daily room rate for the full service hotel

Project Expenses

- **Building construction:** ranges from \$150 per square foot to \$300 per square foot for the residential, retail/restaurant, conference, and cultural/educational/ recreational space. Hotel construction costs range from \$122 per square foot to \$171 per square foot for direct construction costs, \$15,750 per parking space for structured parking, and \$25 per square foot for direct site improvements

- **Soft costs:** includes architecture and engineering, permits and fees, legal, project management, and finance costs
- **Tenant improvements:** includes \$15 per square foot to \$50 per square foot for the retail/restaurant, conference, and cultural/educational/recreational space. Additional tenant improvements include \$25 per square foot for furniture, fixtures, and equipment for hotels in Alternative 1B
- **Contingency:** includes an additional 10 percent to 15 percent of the total construction costs

Infrastructure Costs

A developer will seek a return on the investment in land acquisition and building development. For this analysis, the land acquisition costs, for all of the alternatives, are \$18.0 million. Additional costs include:

- **Intract improvements:** includes onsite demolition, remediation, roadway improvements, utilities, and landscaping;
- **Off-site improvements:** includes off-site demolition, remediation, roadway improvements, utilities, and landscaping;
- **Agency fees:** includes public works, planning and zoning, building services, East Bay Municipal Utility District, and Pacific Gas and Electric Company;
- **Marina construction:** includes the construction of and utilities for 170 marina slips, gangways, dredging Clinton Basin, and a harbor master's office;
- **Ninth Avenue Terminal Shed Retrofit:** includes construction hard costs and tenant improvements;
- **Soft costs:** includes 35 percent of the total development costs (not including acquisition); and
- **Contingency:** includes an additional 15 percent of the total direct costs for the residential, retail/restaurant, conference, cultural/educational/recreational space, and hotel uses (not including acquisition).

MAINTENANCE COST SUMMARY

In each alternative, the residential buildings are responsible for maintaining 40 to 42 acres of open space/public parks as well as building security, management, and insurance. However, depending on the level of development, either the residents or the City will pay for these costs. According to the Developer, open space maintenance is

projected to cost approximately \$22,000 per acre per year, and security, management, and insurance is a fixed cost of \$500,000 per year, regardless of the alternative. As shown on **Table 3**, the total annual maintenance cost per alternative ranges from \$1.37 million to \$1.40 million.

EPS surveyed monthly home owner's association (HOA) fees for five condominium complexes located in downtown Oakland and near Jack London Square, and found that the average HOA fee is \$340 per unit per month, as shown on **Table 4**. Alternative 1B could not support the level of maintenance costs shown unless the costs were largely funded by the City. The other alternatives indicate the potential to fund the costs and still maintain a reasonable HOA fee, depending on the magnitude of other costs to be funded by the HOA.

FINANCIAL FEASIBILITY OF THE ALTERNATIVES

ALTERNATIVE 1B: NO PROJECT/ESTUARY PLAN ALTERNATIVE

Development Program

As envisioned in the Estuary Policy Plan, the No Project/Estuary Policy Plan Alternative ("Alternative 1B") would convert the area south of the Embarcadero into a network of large-scale open spaces. All of the existing uses, including the Ninth Avenue Terminal² but not the Fifth Avenue Point community, would be replaced in this alternative. The Fifth Avenue Point community currently includes approximately 103,000 square feet of live/work artist lofts, which would be incorporated into the development.

The proposed project would include an additional 35,000 square feet, or 42 units, of additional artisan studio space for live/work uses. The project would also include 5,500 square feet of new restaurant and marina-related uses, 30,000 square feet of restaurant and retail uses, a 250-room hotel, a 400-room hotel with a 50,000-square foot conference center, and 70,000 square feet for educational, cultural, and recreational uses for a museum, community recreation center, gallery space, and other uses. There would also be approximately 42 acres of parks and open space.

Residual Land Values

EPS has developed a timetable, summary cash flow analysis, and vertical development pro formas for each of the uses, which can be found in **Tables A-1** through **A-8**. The uses, revenues, and costs are described in more detail below.

² The Ninth Avenue Terminal, an existing structure within the Project, was designated historic by the City of Oakland's Landmarks Preservation Advisory Board in December 2003. The Terminal was originally built in the late 1920s and was expanded in the 1950s. The Terminal is approximately 180,000 square feet.

Residential

Residential development for Alternative 1B assumes 42 new live/work units with an average size of 833 square feet. For the purpose of this analysis, it is assumed that the units would be for-sale and sell for \$420,000 each. All of the units would be constructed over a one-year period, and the cost of construction would be \$200 per square foot, plus soft costs and contingency.

Retail/Restaurant

Retail/restaurant development for Alternative 1B assumes 35,500 square feet of retail and restaurant space at a lease rate of \$2.00 per square foot, less operating expenses and a vacancy rate of 10 percent. The cap rate used is assumed to be 9 percent.

Hotels

For the limited service and full service hotels in Alternative 1B, it is assumed that 250 rooms would be located in the limited service hotel and 400 rooms would be located in the full service hotel. For both building types, EPS has calculated the achievable price range for hotel rooms identified through the estimation of the average daily room rates for downtown Oakland and Jack London Square hotels. Based on reviews of prevailing prices in comparable projects in the local area, EPS established a range of achievable price points from \$146 to \$176 for the average daily room rate. In the case of the full service hotel, the price achievable for near-term prospects would require some form of subsidy for the actual land acquisition and building construction. The methodology and assumptions are shown on **Tables A-5** and **A-6**.

For both, the value is calculated less operating expenses, vacancy loss, and capital reserves. The occupancy rate is assumed to be 70 percent, which is an industry standard for the minimum occupancy rate for hotel operations; however, the occupancy rate for the six months ending June 2005 was 62 percent for Oakland/East Bay cities.³

Conference Center

Alternative 1B assumes 50,000 square feet of conference center space at a lease rate of \$1.50 per square foot, less operating expenses and a vacancy rate of 10 percent. The cap rate used is assumed to be 9 percent. The conference center would be located within the 400-room full service hotel.

Cultural/Educational/Recreational

Alternative 1B assumes 70,000 square feet of cultural/educational/recreational space at a lease rate of \$1.50 per square foot, less operating expenses and a vacancy rate of 10 percent. This lease rate is assumed to be higher than Alternatives 2 and 3 because this would be newly constructed retail space. The cap rate used is assumed to be 9 percent.

³ *Trends in the Hotel Industry: Northern California, June 2005*, PKF Consulting, June 2005 Edition.

Infrastructure Costs

The infrastructure costs associated with Alternative 1B are assumed to include acquisition, intract improvements, off-site improvements, agency fees, marina construction, building construction, tenant improvements, and contingency. Because the Ninth Avenue Terminal shed building would be demolished and replaced as open space in this alternative, there are no shed construction or improvement costs associated with this alternative.

Program Feasibility

Alternative 1B results in a net shortfall. The financial gap represents the amount the owner would face in deciding to build these uses. This alternative is considerably negative and would require significant improvements in future market conditions or major subsidy for construction under current market conditions. It is likely that conventional financing would be very difficult to obtain, considering the financial gap.

Fiscal Impacts

Alternative 1B will generate sufficient revenues to cover the cost of providing public services to the City of Oakland. By buildout, Alternative 1B is expected to generate net revenue to the City's General Fund of \$2.9 million annually. The General Fund revenues will come from a number of sources, with transient occupancy, sales, and property transfer taxes making up the majority of the City's revenues. Alternative 1B will generate approximately \$2.7 million in transient occupancy taxes, \$141,100 in sales taxes, and \$34,800 in transfer tax revenues. Business license taxes and property taxes also make significant contributions to the new stream of General Fund revenues.

Public safety is expected to be the highest service cost items in the General Fund associated with Alternative 1B. New public safety costs (e.g., police and fire services) will make up about 91 percent of the new General Fund costs at approximately \$40,300 each year at buildout. Conversely, this alternative will also generate \$125,800 in revenue at buildout to the City's Redevelopment Agency after housing set-asides and pass-throughs, as well as temporary construction jobs and new household retail expenditures. Overall, the revenues of the project exceed the expenses, thereby contributing positively to the City's revenue stream.

ALTERNATIVE 2: ENHANCED OPEN SPACE/PARTIAL NINTH AVENUE TERMINAL PRESERVATION AND ADAPTIVE REUSE

Development Program

The Enhanced Open Space/Partial Ninth Avenue Terminal Preservation and Adaptive Reuse Alternative ("Alternative 2") includes the preservation and adaptive reuse of the 1920s portion of the Ninth Avenue Terminal and would possibly maintain the 1950s roof trusses. Alternative 2 would replace all existing buildings except for the Fifth Avenue Point outparcels and the 1920s portion of the Terminal.

The proposed project would include approximately 1,800 residential units; 95,000 square feet of commercial retail/ restaurant use; 88,000 square feet for community use, including a mix of educational, cultural, and/or recreational activities planned for the Terminal; and almost 41 acres of parks and open space. This alternative has a comparable amount of parks and open space as Alternative 1B, described above, and Alternative 3, described below.

Residual Land Values

EPS has developed a timetable, summary cash flow analysis, and vertical development pro formas for each of the uses, which can be found in **Tables B-1** through **B-6**. The uses, revenues, and costs are described in more detail below.

Residential

Residential development for Alternative 2 assumes 1,800 residential units with an average size of 1,018 square feet (1,420 units with 1,000 square feet and 380 units with 1,100 square feet). For the purpose of this analysis, it is assumed that the units would be for sale and sell for \$627,500 each. The majority of the units, or 82 percent, would be high-rise construction with a construction cost of \$300 per square foot, plus soft costs and contingency. The remaining units, or 18 percent, would be mid-rise construction with a construction cost of \$300 per square foot, plus soft costs and contingency.

Retail/Restaurant

Retail/restaurant development for Alternative 2 assumes 95,000 square feet of retail/ restaurant space at a lease rate of \$2.00 per square foot, less operating expenses and a vacancy rate of 10 percent. The cap rate used is assumed to be 9 percent.

Cultural/Educational/Recreational

Alternative 2 assumes 88,000 square feet of cultural/educational/recreational space at a lease rate of \$1.00 per square foot, less operating expenses of 10 percent and a vacancy rate of 15 percent. Because the cultural/educational/recreational uses would be located within the Ninth Avenue Terminal, the lease rate and vacancy rate for these uses is derived from the EPS Ninth Avenue Terminal Reuse Feasibility Analysis that was completed September 2005. The cap rate used is assumed to be 9 percent.

Infrastructure Costs

The infrastructure costs associated with Alternative 2 are assumed to include acquisition, intract improvements, off-site improvements, agency fees, marina construction, Ninth Avenue Terminal shed seismic retrofit, building construction, tenant improvements, and contingency. In this alternative, 88,000 square feet of the Ninth Avenue Terminal will be reused.

Program Feasibility

Alternative 2 results in a net shortfall. The financial gap represents the amount the owner would face in deciding to build these uses. This alternative has the greatest

shortfall of all the alternatives and would require significant improvements in future market conditions or major subsidy for construction under current market conditions. It is likely that conventional financing would be very difficult to obtain, considering the financial gap.

Fiscal Impacts

Alternative 2 will generate sufficient revenues to cover the cost of providing public services to the City of Oakland. By buildout, Alternative 2 is expected to generate net revenue to the City's General Fund of \$1.2 million annually. The General Fund revenues will come from a number of sources, with property and transfer taxes making up the majority of the City's revenues. Alternative 2 will generate approximately \$710,000 in property taxes and approximately \$1.4 million in transfer tax revenues. Sales taxes and utility user's taxes also make significant contributions to the new stream of General Fund revenues.

Public safety is expected to be the highest service cost items in the General Fund associated with Alternative 2. New public safety costs (e.g., police and fire services) will make up about 91 percent of the new General Fund costs at approximately \$1.7 million each year at buildout. Conversely, this alternative will also generate \$3.3 million in revenue at buildout to the City's Redevelopment Agency after housing set-asides and pass-throughs, as well as temporary construction jobs and new household retail expenditures. Overall, the revenues of the project exceed the expenses, thereby contributing positively to the City's revenue stream.

ALTERNATIVE 3: REDUCED DEVELOPMENT/NINTH AVENUE TERMINAL PRESERVATION ALTERNATIVE

Development Program

In the Reduced Development/Ninth Avenue Terminal Preservation Alternative ("Alternative 3"), all of the existing uses on the site would be replaced, except for the Ninth Avenue Terminal and the Fifth Avenue Point community. The proposed project would include 540 residential units, 10,000 square feet of retail/restaurant space, and 40 acres of parks and open space. Alternative 3 would also preserve 120,000 square feet of the Ninth Avenue Terminal, except for the storage uses, and would contain a conference facility (50,000 square feet) and a mix of educational, cultural, and/or recreational uses (70,000 square feet).

Residual Land Values

EPS has developed a timetable, summary cash flow analysis, and vertical development pro formas for each of the uses, which can be found in **Tables C-1** through **C-6**. The uses, revenues, and costs are described in more detail below.

Residential

Residential development for Alternative 3 assumes 540 residential units with an average size of 1,100 square feet. For the purpose of this analysis, it is assumed that the units would be for-sale and sell for \$627,500 each. All of the units would be mid-rise construction with a construction cost of \$300 per square foot, plus soft costs and contingency.

Retail/Restaurant

Retail/restaurant development for Alternative 3 assumes 10,000 square feet of retail restaurant space at a lease rate of \$2.00 per square foot, less operating expenses and a vacancy rate of 10 percent. The cap rate used is assumed to be 9 percent.

Conference Center

Alternative 3 assumes 50,000 square feet of conference center space at a lease rate of \$1.00 per square foot, less operating expenses of 10 percent and a vacancy rate of 15 percent. Because the conference center uses would be located within the Ninth Avenue Terminal, the lease rate and vacancy rate for these uses are derived from the EPS Ninth Avenue Terminal Reuse Feasibility Analysis that was completed September 2005. The cap rate used is assumed to be 9 percent.

Cultural/Educational/Recreational

Alternative 3 assumes 70,000 square feet of cultural/educational/recreational space at a lease rate of \$1.00 per square foot, less operating expenses of 10 percent and a vacancy rate of 15 percent. Because the cultural/educational/recreational uses would be located within the Ninth Avenue Terminal, the lease rate and vacancy rate for these uses are derived from the EPS Ninth Avenue Terminal Reuse Feasibility Analysis that was completed September 2005. The cap rate used is assumed to be 9 percent.

Infrastructure Costs

Similar to Alternatives 1 and 2, the infrastructure costs associated with Alternative 3 are assumed to include acquisition, intract improvements, off-site improvements, agency fees, marina construction, Ninth Avenue Terminal shed seismic retrofit, building construction, tenant improvements, and contingency. In this alternative, a total of 120,000 square feet of the Ninth Avenue Terminal will be reused.

Program Feasibility

Alternative 3 results in a net shortfall. The financial gap represents the amount the owner would face in deciding to build these uses. This alternative has the greatest shortfall of all the alternatives and would require significant improvements in future market conditions or major subsidy for construction under current market conditions. It is likely that conventional financing would be very difficult to obtain, considering the financial gap.

Fiscal Impacts

Alternative 3 will generate sufficient revenues to cover the cost of providing public services to the City of Oakland. By buildout, Alternative 3 is expected to generate net revenue to the City's General Fund of \$322,000 annually. The General Fund revenues will come from a number of sources, with property and transfer taxes making up the majority of the City's revenues. Alternative 3 will generate approximately \$213,400 in property taxes and approximately \$419,300 million in transfer tax revenues. Sales taxes and utility user's taxes also make significant contributions to the new stream of General Fund revenues.

Public safety is expected to be the highest service cost items in the General Fund associated with Alternative 3. New public safety costs (e.g., police and fire services) will make up about 91 percent of the new General Fund costs at approximately \$528,300 each year at buildout. Conversely, this alternative will also generate \$999,000 in revenue at buildout to the City's Redevelopment Agency after housing set-asides and pass-throughs, as well as temporary construction jobs and new household retail expenditures. Overall, the revenues of the project exceed the expenses, thereby contributing positively to the City's revenue stream.

Table 1
Summary of Project Descriptions
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Uses	No Project/ Estuary Policy Plan (Alternative 1B)¹	Enhanced Open Space / Partial Ninth Avenue Preservation & Adaptive Reuse (Alternative 2)	Reduced Dev./ Ninth Ave. Term. Preservation (Alternative 3)
Residential Units			
Low-rise/Mid-rise Residential Units	42	320	540
High-rise Residential Units	0	<u>1,480</u>	0
Total Units	42	1,800	540
Avg. Sq. Ft. Per Unit	<u>833</u>	<u>1,018</u>	<u>1,250</u>
Total Square Feet	35,000	1,832,000	675,000
Retail / Restaurant²			
Square Feet	35,500	95,000	10,000
Hotels³			
Limited Service Hotel Rooms	250	0	0
Full Service Hotel Rooms	<u>400</u>	<u>0</u>	<u>0</u>
Total Rooms	650	0	0
Conference Center			
Square Feet	50,000	0	50,000
Cultural / Educational / Recreational			
Square Feet	70,000	88,000	70,000
Total Square Feet	190,500	2,015,000	805,000
Ninth Avenue Terminal (included above)			
Conference Square Feet	0	0	50,000
Cultural/ Educational / Recreational Square Feet	<u>0</u>	<u>88,000</u>	<u>70,000</u>
Subtotal	0	88,000	120,000
Parks and Open Space			
Acres	42	41	40

(1) The Ninth Avenue Terminal would be demolished as part of this alternative.

(2) Includes new restaurant and retail uses. The breakdown of restaurant and retail space is unclear at the time of this analysis.

(3) For Alternative 1B, one hotel will be limited service with 250 rooms, and one will be full service with 400 rooms and a conference center.

Source: Oak to Ninth Avenue Project Draft Environmental Impact Report, August 2005; Economic & Planning Systems, Inc.

Table 2
Summary of Cash Flow Analysis
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assump	No Project/ Estuary Policy Plan (Alternative 1B)	Enhanced Open Space / Partial Ninth Avenue Preservation & Adaptive Reuse (Alternative 2)	Reduced Dev./ Ninth Ave. Term. Preservation (Alternative 3)
SOURCES OF FUNDS				
Development Revenue				
Mid-rise Residential Units		\$4,655,700	\$4,728,000	(\$29,747,250)
High-rise Residential Units		\$0	\$90,798,000	\$0
Retail / Restaurant		(\$3,097,523)	(\$8,289,146)	(\$872,542)
Hotel (Limited Service)		\$2,533,118	\$0	\$0
Hotel (Full Service)		\$2,242,437	\$0	\$0
Conference Center		(\$9,202,625)	\$0	\$4,230,000
Cultural / Educational / Recreational		(\$8,731,625)	\$8,272,000	\$6,580,000
TOTAL SOURCES		(\$11,600,518)	\$95,508,854	(\$19,809,792)
TOTAL SOURCES (inflated)	3.5%	(\$13,903,046)	\$114,293,142	(\$20,631,548)
USES OF FUNDS				
Land Acquisition		\$18,000,000	\$18,000,000	\$18,000,000
Public Improvements				
Intract Improvements		\$105,578,799	\$117,633,892	\$113,976,756
Offsite Improvements		\$8,970,074	\$8,970,074	\$8,970,074
Agency Fees		\$7,913,425	\$8,041,936	\$7,916,044
Marina Construction		\$5,520,000	\$5,520,000	\$5,520,000
Ninth Avenue Terminal Shed		\$0	\$13,711,975	\$18,752,192
Subtotal Development Costs		\$127,982,298	\$153,877,877	\$155,135,066
Other Development Costs				
Soft Costs	35%	\$44,793,804	\$53,857,257	\$54,297,273
Subtotal		\$172,776,102	\$207,735,134	\$209,432,340
Contingency	15%	\$25,916,415	\$31,160,270	\$31,414,851
TOTAL USES		\$234,692,518	\$256,895,404	\$258,847,191
TOTAL USES (Inflated)	2.5%	\$243,364,030	\$286,419,773	\$287,501,315
NET CASH FLOW		(\$257,267,076)	(\$172,126,631)	(\$308,132,863)
Internal Rate of Return (IRR)		N/A	N/A	N/A

Note: N/A indicates negative returns and a financially infeasible project.

Source: Economic & Planning Systems, Inc.

Table 3
Annual Maintenance Costs by Alternative
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Cost/ Acre	Alternative 1B	Alternative 2	Alternative 3
Number of Residential Units		42	1,800	540
Open Space Acres		42	41	40
Landscape Maintenance Cost (Annual)	\$21,780	\$903,870	\$884,268	\$869,458
Security, Management, and Insurance (Annual)		\$500,000	\$500,000	\$500,000
Total Annual Maintenance Cost		\$1,403,870	\$1,384,268	\$1,369,458
Annual Cost per Unit		\$33,425	\$769	\$2,536
Monthly Cost per Unit		\$2,785	\$64	\$211

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table 4
Home Owner's Association Fees
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Property Name	Low	High	Average
The Estuary	\$286	\$350	\$318
Harborwalk	\$310	\$410	\$360
Jackson Courtyard	\$235	\$235	\$235
The Sierra	\$380	\$380	\$380
New Market Lofts	\$323	\$492	\$408
Average Price	\$307	\$373	\$340

Source: Respective Property's Sales Agent; Economic & Planning Systems, Inc.



**Economic &
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Real Estate Economics

Regional Economics

Public Finance

Land Use Policy

APPENDICES



**Economic &
Planning Systems**

Real Estate Economics

Regional Economics

Public Finance

Land Use Policy

ALTERNATIVE 1B

Table A-1
Project Description -- Alternative 1B
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Total to 2017	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017
Residential												
Low-rise/Mid-rise Residential Units	42	0	42	0	0	0	0	0	0	0	0	0
High-rise Residential Units	0	0	0	0	0	0	0	0	0	0	0	0
Total	42	0	42	0	0	0	0	0	0	0	0	0
Cumulative		0	42	42	42	42	42	42	42	42	42	42
Mid-Rise Square Feet	35,000	0	35,000	0	0	0	0	0	0	0	0	0
High-Rise Square Feet	0	0	0	0	0	0	0	0	0	0	0	0
Total	35,000	0	35,000	0	0	0	0	0	0	0	0	0
Cumulative		0	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Retail / Restaurant												
Square Feet	35,500	0	35,500	0	0	0	0	0	0	0	0	0
Cumulative	35,500	0	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500
Hotels												
Rooms (Limited Service)	250	0	0	0	0	0	250	0	0	0	0	0
Rooms (Full Service)	400	0	0	0	0	0	0	0	0	400	0	0
Total	650	0	0	0	0	0	250	0	0	400	0	0
Cumulative	250	0	0	0	0	0	250	250	250	650	650	650
Conference Center												
Square Feet	50,000	0	0	0	0	0	0	0	0	50,000	0	0
Cumulative	50,000	0	0	0	0	0	0	0	0	50,000	50,000	50,000
Cultural / Educational / Recreational												
Square Feet	70,000	0	35,000	0	35,000	0	0	0	0	0	0	0
Cumulative	70,000	0	35,000	35,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Parks and Open Space												
Acres	42	21	21	0	0	0	0	0	0	0	0	0
Cumulative	42	21	42	42	42	42	42	42	42	42	42	42

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table A-2
Alternative 1B Project Summary Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assump	Total to 2017	1 2007	2 2008	3 2009	4 2010	5 2011
SOURCES OF FUNDS							
Development Revenue							
Mid-rise Residential Units		\$4,655,700	\$0	\$4,655,700	\$0	\$0	\$0
High-rise Residential Units		\$0	\$0	\$0	\$0	\$0	\$0
Retail / Restaurant		(\$3,097,523)	\$0	(\$3,097,523)	\$0	\$0	\$0
Hotel (Limited Service)		\$2,533,118	\$0	\$0	\$0	\$0	\$0
Hotel (Full Service)		\$2,242,437	\$0	\$0	\$0	\$0	\$0
Conference Center		(\$9,202,625)	\$0	\$0	\$0	\$0	\$0
Cultural / Educational / Recreational		(\$8,731,625)	\$0	(\$4,365,813)	\$0	(\$4,365,813)	\$0
TOTAL SOURCES		(\$11,600,518)	\$0	(\$2,807,635)	\$0	(\$4,365,813)	\$0
TOTAL SOURCES (inflated)¹	3.5%	(\$13,903,046)	\$0	(\$2,905,903)	\$0	(\$4,840,454)	\$0
USES OF FUNDS							
Public Improvements							
Land Acquisition							
<u>Acquisition</u>		<u>\$18,000,000</u>	<u>\$18,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Acquisition Subtotal		\$18,000,000	\$18,000,000	\$0	\$0	\$0	\$0
Intract Improvements							
Demolition		\$7,795,000	\$866,111	\$866,111	\$866,111	\$866,111	\$866,111
Remediation		\$25,600,000	\$2,844,444	\$2,844,444	\$2,844,444	\$2,844,444	\$2,844,444
Shoreline Improvements		\$11,180,420	\$1,242,269	\$1,242,269	\$1,242,269	\$1,242,269	\$1,242,269
Ninth Avenue Pier Retrofit		\$18,961,104	\$2,106,789	\$2,106,789	\$2,106,789	\$2,106,789	\$2,106,789
Grading		\$6,420,510	\$713,390	\$713,390	\$713,390	\$713,390	\$713,390
Roadway Improvements		\$3,174,800	\$352,756	\$352,756	\$352,756	\$352,756	\$352,756
Utilities		\$14,103,892	\$1,567,099	\$1,567,099	\$1,567,099	\$1,567,099	\$1,567,099
Landscaping		\$18,093,073	\$2,010,341	\$2,010,341	\$2,010,341	\$2,010,341	\$2,010,341
<u>Miscellaneous</u>		<u>\$250,000</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$27,778</u>
Intract Improvements Subtotal		\$105,578,799	\$11,730,978	\$11,730,978	\$11,730,978	\$11,730,978	\$11,730,978
Offsite Improvements							
Demolition		\$1,030,000	\$206,000	\$206,000	\$206,000	\$206,000	\$206,000
Roadway Improvements		\$4,034,649	\$806,930	\$806,930	\$806,930	\$806,930	\$806,930
Utilities		\$3,002,385	\$600,477	\$600,477	\$600,477	\$600,477	\$600,477
Landscaping & Irrigation		\$903,040	\$180,608	\$180,608	\$180,608	\$180,608	\$180,608
<u>Miscellaneous</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Offsite Improvements Subtotal		\$8,970,074	\$1,794,015	\$1,794,015	\$1,794,015	\$1,794,015	\$1,794,015
Agency Fees							
Public Works		\$169,859	\$56,620	\$56,620	\$56,620	\$0	\$0
Planning and Zoning		\$432,859	\$144,286	\$144,286	\$144,286	\$0	\$0
Building Services		\$4,366,015	\$1,455,338	\$1,455,338	\$1,455,338	\$0	\$0
<u>EBMUD and PG&E</u>		<u>\$2,944,692</u>	<u>\$981,564</u>	<u>\$981,564</u>	<u>\$981,564</u>	<u>\$0</u>	<u>\$0</u>
Agency Fees Subtotal		\$7,913,425	\$2,637,808	\$2,637,808	\$2,637,808	\$0	\$0
Marina Construction							
<u>Marina Construction</u>		<u>\$5,520,000</u>	<u>\$1,840,000</u>	<u>\$1,840,000</u>	<u>\$1,840,000</u>	<u>\$0</u>	<u>\$0</u>
Marina Construction Subtotal		\$5,520,000	\$1,840,000	\$1,840,000	\$1,840,000	\$0	\$0
Ninth Avenue Terminal Shed							
Construction Hard Costs		\$0	\$0	\$0	\$0	\$0	\$0
<u>Tenant Improvements</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ninth Avenue Terminal Shed Subtotal		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Development Costs²		\$127,982,298	\$18,002,801	\$18,002,801	\$18,002,801	\$13,524,992	\$13,524,992
Other Development Costs²							
Soft Costs	35%	<u>\$44,793,804</u>	<u>\$6,300,980</u>	<u>\$6,300,980</u>	<u>\$6,300,980</u>	<u>\$4,733,747</u>	<u>\$4,733,747</u>
Subtotal		\$172,776,102	\$24,303,781	\$24,303,781	\$24,303,781	\$18,258,740	\$18,258,740
Contingency	15%	\$25,916,415	\$3,645,567	\$3,645,567	\$3,645,567	\$2,738,811	\$2,738,811
TOTAL USES		\$234,692,518	\$45,949,348	\$27,949,348	\$27,949,348	\$20,997,551	\$20,997,551
TOTAL USES (Inflated)³	2.5%	\$243,364,030	\$45,949,348	\$28,927,575	\$29,940,041	\$23,280,360	\$24,095,173
NET CASH FLOW CUMULATIVE		(\$257,267,076)	(\$45,949,348)	(\$31,833,478)	(\$29,940,041)	(\$28,120,814)	(\$24,095,173)
Internal Rate of Return (IRR)		N/A					

- (1) Assumes real appreciation of 1% and inflation of 2.5%.
(2) Does not include acquisition costs.
(3) Assumes inflation of 2.5%.

Source: Economic & Planning Systems, Inc.

Table A-2
Alternative 1B Project Summary Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017
SOURCES OF FUNDS						
Development Revenue						
Mid-rise Residential Units	\$0	\$0	\$0	\$0	\$0	\$0
High-rise Residential Units	\$0	\$0	\$0	\$0	\$0	\$0
Retail / Restaurant	\$0	\$0	\$0	\$0	\$0	\$0
Hotel (Limited Service)	\$2,533,118	\$0	\$0	\$0	\$0	\$0
Hotel (Full Service)	\$0	\$0	\$0	\$2,242,437	\$0	\$0
Conference Center	\$0	\$0	\$0	(\$9,202,625)	\$0	\$0
Cultural / Educational / Recreational	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SOURCES	\$2,533,118	\$0	\$0	(\$6,960,188)	\$0	\$0
TOTAL SOURCES (inflated)¹	\$3,008,550	\$0	\$0	(\$9,165,239)	\$0	\$0
USES OF FUNDS						
Public Improvements						
Land Acquisition						
<u>Acquisition</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Acquisition Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Intract Improvements						
Demolition	\$866,111	\$866,111	\$866,111	\$866,111	\$0	\$0
Remediation	\$2,844,444	\$2,844,444	\$2,844,444	\$2,844,444	\$0	\$0
Shoreline Improvements	\$1,242,269	\$1,242,269	\$1,242,269	\$1,242,269	\$0	\$0
Ninth Avenue Pier Retrofit	\$2,106,789	\$2,106,789	\$2,106,789	\$2,106,789	\$0	\$0
Grading	\$713,390	\$713,390	\$713,390	\$713,390	\$0	\$0
Roadway Improvements	\$352,756	\$352,756	\$352,756	\$352,756	\$0	\$0
Utilities	\$1,567,099	\$1,567,099	\$1,567,099	\$1,567,099	\$0	\$0
Landscaping	\$2,010,341	\$2,010,341	\$2,010,341	\$2,010,341	\$0	\$0
<u>Miscellaneous</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>
Intract Improvements Subtotal	\$11,730,978	\$11,730,978	\$11,730,978	\$11,730,978	\$0	\$0
Offsite Improvements						
Demolition	\$0	\$0	\$0	\$0	\$0	\$0
Roadway Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0	\$0
Landscaping & Irrigation	\$0	\$0	\$0	\$0	\$0	\$0
<u>Miscellaneous</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Offsite Improvements Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Agency Fees						
Public Works	\$0	\$0	\$0	\$0	\$0	\$0
Planning and Zoning	\$0	\$0	\$0	\$0	\$0	\$0
Building Services	\$0	\$0	\$0	\$0	\$0	\$0
<u>EBMUD and PG&E</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Agency Fees Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Marina Construction						
<u>Marina Construction</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Marina Construction Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Ninth Avenue Terminal Shed						
Construction Hard Costs	\$0	\$0	\$0	\$0	\$0	\$0
<u>Tenant Improvements</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ninth Avenue Terminal Shed Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Development Costs²	\$11,730,978	\$11,730,978	\$11,730,978	\$11,730,978	\$0	\$0
Other Development Costs²						
Soft Costs	<u>\$4,105,842</u>	<u>\$4,105,842</u>	<u>\$4,105,842</u>	<u>\$4,105,842</u>	<u>\$0</u>	<u>\$0</u>
Subtotal	\$15,836,820	\$15,836,820	\$15,836,820	\$15,836,820	\$0	\$0
Contingency	\$2,375,523	\$2,375,523	\$2,375,523	\$2,375,523	\$0	\$0
TOTAL USES	\$18,212,343	\$18,212,343	\$18,212,343	\$18,212,343	\$0	\$0
TOTAL USES (Inflated)³	\$21,630,550	\$22,387,619	\$23,171,186	\$23,982,178	\$0	\$0
NET CASH FLOW						
	(\$18,622,001)	(\$22,387,619)	(\$23,171,186)	(\$33,147,416)	\$0	\$0
CUMULATIVE	(\$178,560,854)	(\$200,948,474)	(\$224,119,660)	(\$257,267,076)	(\$257,267,076)	(\$257,267,076)
Internal Rate of Return (IRR)						

- (1) Assumes real appreciation of 1% and inflation of 2.5%.
(2) Does not include acquisition costs.
(3) Assumes inflation of 2.5%.

Source: Economic & Planning Systems, Inc.

Table A-3
Alternative 1B Low-Rise Residential Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Number of Units		42
Average Sq. Ft. per Unit		833
<u>Revenues</u>		
Gross Revenue	\$440,000 /unit	\$18,480,000
(less) Cost of Sales	6%	<u>(\$1,108,800)</u>
Subtotal		\$17,371,200
<u>Expenses</u>		
Building Construction	\$200 /sq. ft.	\$7,000,000
Soft Costs (1)	35%	<u>\$2,450,000</u>
Subtotal		\$9,450,000
Contingency	15%	<u>\$1,417,500</u>
Subtotal		\$10,867,500
Profit	10% of revenue	<u>\$1,848,000</u>
Subtotal		\$12,715,500
Total Residual Land Value (RLV)		\$4,655,700
RLV per unit		\$110,850

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table A-4
Alternative 1B Retail / Restaurant Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Retail Building Area (Sq. Ft.)		35,500
<u>Revenues</u>		
Gross Revenue	\$2.00 /sq. ft. / mo.	\$852,000
(less) Operating Expenses	10%	(\$85,200)
(less) Vacancy Rate	10%	<u>(\$85,200)</u>
Subtotal		\$681,600
Capitalized Value	9%	\$7,573,333
(less) Cost of Sales	6%	<u>(\$454,400)</u>
Subtotal		\$7,118,933
<u>Expenses</u>		
Building Construction	\$150 /sq. ft.	\$5,325,000
Soft Costs (1)	35%	\$1,863,750
Tenant Improvements	\$25 /sq. ft.	<u>\$887,500</u>
Subtotal		\$8,076,250
Contingency	15%	<u>\$1,211,438</u>
Subtotal		\$9,287,688
Profit	10% of total costs	<u>\$928,769</u>
Subtotal		\$10,216,456
Total Residual Land Value (RLV)		(\$3,097,523)
RLV per Sq. Ft.		(\$87)

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

**Table A-5
Alternative 1B Cash Flow Analysis -- Limited Service Hotel
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115**

Item	Assumption	w/ Structured Parking
DEVELOPMENT PROGRAM ASSUMPTIONS		
Number of Rooms		250
Room Size (Sq. Ft.)		400
Gross Leasable Area (Sq. Ft.)		100,000
Efficiency Ratio		70%
Gross Building Area (Sq. Ft.)		142,857
Stories		3
Footprint (Sq. Ft.)		47,619
Parking Ratio (Space/Room)		0.75
Total Parking Spaces		188
REVENUE ASSUMPTIONS		
Average Daily Rate		\$146
Other Operating Revenue (1)		6%
Gross Potential Income/Year		\$14,121,850
less Vacancy Losses		30%
less Operating Expenses (% of GPI)		60%
less Capital Reserves		3%
Annual Net Operating Income		\$3,835,494
Capitalization Rate		10%
Total Building Value		\$38,354,945
Value/Gross Sq. Ft.		\$268
Value/Room		\$153,420
COST ASSUMPTIONS		
Direct Construction Costs/Gross Bldg. Sq. Ft.	\$122 /sq. ft.	\$17,428,571
Parking Construction Costs/Space (2)	\$15,750 /space	\$2,953,125
Direct Site Improvement Costs/Footprint Sq. Ft.	\$25 /sq. ft.	\$1,190,476
Soft Costs as % of Direct Costs (3)	30%	\$6,471,652
Subtotal Construction & Soft Costs		\$28,043,824
FF&E/GLA Sq. Ft.	\$25 /sq. ft.	\$3,571,429
Contingency	15%	\$4,206,574
Total Costs		\$35,821,827
Cost/Gross Sq. Ft.		\$251
Cost/Room		\$143,287
Net Gain (or Shortfall)		\$2,533,118
Per Gross Sq. Ft.		\$18
Per Room		\$10,132

(1) As a percent of room rental revenue.

(2) Assumes structured parking.

(3) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; PKF Consulting; Marshall & Swift; Economic & Planning Systems, Inc.

Table A-6
Alternative 1B Cash Flow Analysis -- Full Service Hotel
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	w/ Structured Parking
DEVELOPMENT PROGRAM ASSUMPTIONS		
Number of Rooms		400
Room Size (Sq. Ft.)		450
Gross Leasable Area (Sq. Ft.)		180,000
Efficiency Ratio		70%
Gross Building Area (Sq. Ft.)		257,143
Stories		5
Footprint (Sq. Ft.)		51,429
Parking Ratio (Space/Room)		0.75
Total Parking Spaces		300
REVENUE ASSUMPTIONS		
Average Daily Rate		\$176
Other Operating Revenue (1)		45%
Gross Potential Income/Year		\$37,259,200
less Vacancy Losses		30%
less Operating Expenses (% of GPI)		70%
less Capital Reserves		3%
Annual Net Operating Income		\$7,589,699
Capitalization Rate		10%
Total Building Value		\$75,896,990
Value/Gross Sq. Ft.		\$295
Value/Room		\$189,742
COST ASSUMPTIONS		
Direct Construction Costs/Gross Bldg. Sq. Ft.	\$171 /sq. ft.	\$43,971,429
Parking Construction Costs/Space (2)	\$15,750 /space	\$4,725,000
Direct Site Improvement Costs/Footprint Sq. Ft.	\$25 /sq. ft.	\$1,285,714
Soft Costs as % of Direct Costs (3)	30%	\$14,994,643
Subtotal Construction & Soft Costs		\$64,976,786
FF&E/GLA Sq. Ft.	\$25	\$6,428,571
Contingency	15%	\$2,249,196
Total Costs		\$73,654,554
Cost/Gross Sq. Ft.		\$286
Cost/Room		\$184,136
Net Gain (or Shortfall)		\$2,242,437
Per Gross Sq. Ft.		\$9
Per Room		\$5,606

(1) As a percent of room rental revenue.

(2) Assumes structured parking.

(3) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; PKF Consulting; Marshall & Swift; Economic & Planning Systems, Inc.

Table A-7
Alternative 1B Conference Center Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Conference Center Building Area (Sq. Ft.)		50,000
<u>Revenues</u>		
Gross Revenue	\$1.50 /sq. ft. / mo.	\$900,000
(less) Operating Expenses	10%	(\$90,000)
(less) Vacancy Rate	10%	<u>(\$90,000)</u>
Subtotal		\$720,000
Capitalized Value	10%	\$7,200,000
(less) Cost of Sales	6%	<u>(\$432,000)</u>
Subtotal		\$6,768,000
<u>Expenses</u>		
Building Construction	\$150 /sq. ft.	\$7,500,000
Soft Costs (1)	35%	\$2,625,000
Tenant Improvements	\$50 /sq. ft.	<u>\$2,500,000</u>
Subtotal		\$12,625,000
Contingency	15%	<u>\$1,893,750</u>
Subtotal		\$14,518,750
Profit	10% of total costs	<u>\$1,451,875</u>
Subtotal		\$15,970,625
Total Residual Land Value (RLV)		(\$9,202,625)
RLV per Sq. Ft.		(\$184)

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table A-8
Alternative 1B Cultural / Educational / Recreational Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Building Area (Sq. Ft.)		35,000
<u>Revenues</u>		
Gross Revenue	\$1.50 /sq. ft. / mo.	\$630,000
(less) Operating Expenses	10%	(\$63,000)
(less) Vacancy Rate	10%	<u>(\$63,000)</u>
Subtotal		\$504,000
Capitalized Value	9%	\$5,600,000
(less) Cost of Sales	6%	<u>(\$336,000)</u>
Subtotal		\$5,264,000
<u>Expenses</u>		
Building Construction	\$150 /sq. ft.	\$5,250,000
Soft Costs (1)	35%	\$1,837,500
Tenant Improvements	\$15 /sq. ft.	<u>\$525,000</u>
Subtotal		\$7,612,500
Contingency	15%	<u>\$1,141,875</u>
Subtotal		\$8,754,375
Profit	10% of total costs	<u>\$875,438</u>
Subtotal		\$9,629,813
Total Residual Land Value (RLV)		(\$4,365,813)
RLV per Sq. Ft.		(\$125)

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.



**Economic &
Planning Systems**

Real Estate Economics

Regional Economics

Public Finance

Land Use Policy

ALTERNATIVE 2

Table B-1
Project Description -- Alternative 2
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Total to 2017	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017
Residential												
Low-rise/Mid-rise Residential Units	320	0	160	160	0	0	0	0	0	0	0	0
High-rise Residential Units	1,480	0	148	148	148	148	148	148	148	148	148	148
Total	1,800	0	308	308	148	148	148	148	148	148	148	148
Cumulative	1,800	0	308	616	764	912	1,060	1,208	1,356	1,504	1,652	1,800
Mid-Rise Square Feet	352,000	0	176,000	176,000	0	0	0	0	0	0	0	0
High-Rise Square Feet	1,480,000	0	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000
Total	1,832,000	0	324,000	324,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000
Cumulative	1,832,000	0	324,000	648,000	796,000	944,000	1,092,000	1,240,000	1,388,000	1,536,000	1,684,000	1,832,000
Retail / Restaurant												
Square Feet	95,000	0	31,667	0	31,667	0	31,667	0	0	0	0	0
Cumulative	95,000	0	31,667	31,667	63,333	63,333	95,000	95,000	95,000	95,000	95,000	95,000
Hotels												
Rooms (Limited Service)	0	0	0	0	0	0	0	0	0	0	0	0
Rooms (Full Service)	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative	0	0	0	0	0	0	0	0	0	0	0	0
Conference Center												
Square Feet	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative	0	0	0	0	0	0	0	0	0	0	0	0
Cultural / Educational / Recreational												
Square Feet	88,000	88,000	0	0	0	0	0	0	0	0	0	0
Cumulative	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000
Parks and Open Space												
Acres	41	20	20	0	0	0	0	0	0	0	0	0
Cumulative	41	20	41	41	41	41	41	41	41	41	41	41

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table B-2
Alternative 2 Project Summary Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assump	Total to 2017	1 2007	2 2008	3 2009	4 2010	5 2011	
SOURCES OF FUNDS								
Development Revenue								
Mid-rise Residential Units		\$4,728,000	\$0	\$2,364,000	\$2,364,000	\$0	\$0	
High-rise Residential Units		\$90,798,000	\$0	\$9,079,800	\$9,079,800	\$9,079,800	\$9,079,800	
Retail / Restaurant		(\$8,289,146)	\$0	(\$2,763,049)	\$0	(\$2,763,049)	\$0	
Hotel (Limited Service)		\$0	\$0	\$0	\$0	\$0	\$0	
Hotel (Full Service)		\$0	\$0	\$0	\$0	\$0	\$0	
Conference Center		\$0	\$0	\$0	\$0	\$0	\$0	
Cultural / Educational / Recreational		\$8,272,000	\$8,272,000	\$0	\$0	\$0	\$0	
TOTAL SOURCES		\$95,508,854	\$8,272,000	\$8,680,751	\$11,443,800	\$6,316,751	\$9,079,800	
TOTAL SOURCES (inflated)¹	3.5%	\$114,293,142	\$8,272,000	\$8,984,578	\$12,258,885	\$7,003,495	\$10,419,279	
USES OF FUNDS								
Public Improvements								
Land Acquisition								
Acquisition		\$18,000,000	\$18,000,000	\$0	\$0	\$0	\$0	
Acquisition Subtotal		\$18,000,000	\$18,000,000	\$0	\$0	\$0	\$0	
Intract Improvements								
Demolition		\$7,795,000	\$866,111	\$866,111	\$866,111	\$866,111	\$866,111	
Remediation		\$25,600,000	\$2,844,444	\$2,844,444	\$2,844,444	\$2,844,444	\$2,844,444	
Shoreline Improvements		\$11,180,420	\$1,242,269	\$1,242,269	\$1,242,269	\$1,242,269	\$1,242,269	
Ninth Avenue Pier Retrofit		\$28,076,354	\$3,119,595	\$3,119,595	\$3,119,595	\$3,119,595	\$3,119,595	
Grading		\$6,928,450	\$769,828	\$769,828	\$769,828	\$769,828	\$769,828	
Roadway Improvements		\$3,526,700	\$391,856	\$391,856	\$391,856	\$391,856	\$391,856	
Utilities		\$14,709,244	\$1,634,360	\$1,634,360	\$1,634,360	\$1,634,360	\$1,634,360	
Landscaping		\$19,567,724	\$2,174,192	\$2,174,192	\$2,174,192	\$2,174,192	\$2,174,192	
Miscellaneous		\$250,000	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	
Intract Improvements Subtotal		\$117,633,892	\$13,070,432	\$13,070,432	\$13,070,432	\$13,070,432	\$13,070,432	
Offsite Improvements								
Demolition		\$1,030,000	\$206,000	\$206,000	\$206,000	\$206,000	\$206,000	
Roadway Improvements		\$4,034,649	\$806,930	\$806,930	\$806,930	\$806,930	\$806,930	
Utilities		\$3,002,385	\$600,477	\$600,477	\$600,477	\$600,477	\$600,477	
Landscaping & Irrigation		\$903,040	\$180,608	\$180,608	\$180,608	\$180,608	\$180,608	
Miscellaneous		\$0	\$0	\$0	\$0	\$0	\$0	
Offsite Improvements Subtotal		\$8,970,074	\$1,794,015	\$1,794,015	\$1,794,015	\$1,794,015	\$1,794,015	
Agency Fees								
Public Works		\$169,859	\$56,620	\$56,620	\$56,620	\$0	\$0	
Planning and Zoning		\$432,859	\$144,286	\$144,286	\$144,286	\$0	\$0	
Building Services		\$4,494,526	\$1,498,175	\$1,498,175	\$1,498,175	\$0	\$0	
EBMUD and PG&E		\$2,944,692	\$981,564	\$981,564	\$981,564	\$0	\$0	
Agency Fees Subtotal		\$8,041,936	\$2,680,645	\$2,680,645	\$2,680,645	\$0	\$0	
Marina Construction								
Marina Construction		\$5,520,000	\$1,840,000	\$1,840,000	\$1,840,000	\$0	\$0	
Marina Construction Subtotal		\$5,520,000	\$1,840,000	\$1,840,000	\$1,840,000	\$0	\$0	
Ninth Avenue Terminal Shed								
Construction Hard Costs		\$7,111,975	\$7,111,975	\$0	\$0	\$0	\$0	
Tenant Improvements		\$6,600,000	\$6,600,000	\$0	\$0	\$0	\$0	
Ninth Avenue Terminal Shed Subtotal		\$13,711,975	\$13,711,975	\$0	\$0	\$0	\$0	
Subtotal Development Costs²		\$153,877,877	\$33,097,068	\$19,385,093	\$19,385,093	\$14,864,447	\$14,864,447	
Other Development Costs²								
Soft Costs	35%	\$53,857,257	\$11,583,974	\$6,784,782	\$6,784,782	\$5,202,557	\$5,202,557	
Subtotal		\$207,735,134	\$44,681,042	\$26,169,875	\$26,169,875	\$20,067,004	\$20,067,004	
Contingency	15%	\$31,160,270	\$6,702,156	\$3,925,481	\$3,925,481	\$3,010,051	\$3,010,051	
TOTAL USES		\$256,895,404	\$69,383,198	\$30,095,356	\$30,095,356	\$23,077,054	\$23,077,054	
TOTAL USES (Inflated)³	2.5%	\$286,419,773	\$69,383,198	\$31,148,694	\$32,238,898	\$25,585,943	\$26,481,451	
NET CASH FLOW CUMULATIVE			(\$172,126,631)	(\$61,111,198)	(\$22,164,116)	(\$19,980,013)	(\$18,582,447)	(\$16,062,171)
			(\$172,126,631)	(\$61,111,198)	(\$83,275,314)	(\$103,255,327)	(\$121,837,775)	(\$137,899,946)
Internal Rate of Return (IRR)			N/A					

- (1) Assumes real appreciation of 1% and inflation of 2.5%.
(2) Does not include acquisition costs.
(3) Assumes inflation of 2.5%.

Source: Economic & Planning Systems, Inc.

Table B-2
Alternative 2 Project Summary Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017
SOURCES OF FUNDS						
Development Revenue						
Mid-rise Residential Units	\$0	\$0	\$0	\$0	\$0	\$0
High-rise Residential Units	\$9,079,800	\$9,079,800	\$9,079,800	\$9,079,800	\$9,079,800	\$9,079,800
Retail / Restaurant	(\$2,763,049)	\$0	\$0	\$0	\$0	\$0
Hotel (Limited Service)	\$0	\$0	\$0	\$0	\$0	\$0
Hotel (Full Service)	\$0	\$0	\$0	\$0	\$0	\$0
Conference Center	\$0	\$0	\$0	\$0	\$0	\$0
Cultural / Educational / Recreational	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SOURCES	\$6,316,751	\$9,079,800	\$9,079,800	\$9,079,800	\$9,079,800	\$9,079,800
TOTAL SOURCES (inflated)¹	\$7,502,319	\$11,161,393	\$11,552,041	\$11,956,363	\$12,374,835	\$12,807,955
USES OF FUNDS						
Public Improvements						
Land Acquisition						
<u>Acquisition</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Acquisition Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Intract Improvements						
Demolition	\$866,111	\$866,111	\$866,111	\$866,111	\$0	\$0
Remediation	\$2,844,444	\$2,844,444	\$2,844,444	\$2,844,444	\$0	\$0
Shoreline Improvements	\$1,242,269	\$1,242,269	\$1,242,269	\$1,242,269	\$0	\$0
Ninth Avenue Pier Retrofit	\$3,119,595	\$3,119,595	\$3,119,595	\$3,119,595	\$0	\$0
Grading	\$769,828	\$769,828	\$769,828	\$769,828	\$0	\$0
Roadway Improvements	\$391,856	\$391,856	\$391,856	\$391,856	\$0	\$0
Utilities	\$1,634,360	\$1,634,360	\$1,634,360	\$1,634,360	\$0	\$0
Landscaping	\$2,174,192	\$2,174,192	\$2,174,192	\$2,174,192	\$0	\$0
<u>Miscellaneous</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>
Intract Improvements Subtotal	\$13,070,432	\$13,070,432	\$13,070,432	\$13,070,432	\$0	\$0
Offsite Improvements						
Demolition	\$0	\$0	\$0	\$0	\$0	\$0
Roadway Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0	\$0
Landscaping & Irrigation	\$0	\$0	\$0	\$0	\$0	\$0
<u>Miscellaneous</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Offsite Improvements Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Agency Fees						
Public Works	\$0	\$0	\$0	\$0	\$0	\$0
Planning and Zoning	\$0	\$0	\$0	\$0	\$0	\$0
Building Services	\$0	\$0	\$0	\$0	\$0	\$0
<u>EBMUD and PG&E</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Agency Fees Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Marina Construction						
<u>Marina Construction</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Marina Construction Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Ninth Avenue Terminal Shed						
Construction Hard Costs	\$0	\$0	\$0	\$0	\$0	\$0
<u>Tenant Improvements</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ninth Avenue Terminal Shed Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Development Costs²	\$13,070,432	\$13,070,432	\$13,070,432	\$13,070,432	\$0	\$0
Other Development Costs²						
Soft Costs	<u>\$4,574,651</u>	<u>\$4,574,651</u>	<u>\$4,574,651</u>	<u>\$4,574,651</u>	<u>\$0</u>	<u>\$0</u>
Subtotal	\$17,645,084	\$17,645,084	\$17,645,084	\$17,645,084	\$0	\$0
Contingency	\$2,646,763	\$2,646,763	\$2,646,763	\$2,646,763	\$0	\$0
TOTAL USES	\$20,291,846	\$20,291,846	\$20,291,846	\$20,291,846	\$0	\$0
TOTAL USES (Inflated)³	\$24,100,348	\$24,943,860	\$25,816,895	\$26,720,487	\$0	\$0
NET CASH FLOW	(\$16,598,029)	(\$13,782,468)	(\$14,264,854)	(\$14,764,124)	\$12,374,835	\$12,807,955
CUMULATIVE	(\$154,497,975)	(\$168,280,442)	(\$182,545,297)	(\$197,309,421)	(\$184,934,585)	(\$172,126,631)
Internal Rate of Return (IRR)						

- (1) Assumes real appreciation of 1% and inflation of 2.5%.
(2) Does not include acquisition costs.
(3) Assumes inflation of 2.5%.

Source: Economic & Planning Systems, Inc.

Table B-3
Alternative 2 Mid-Rise Residential Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Number of Units		160
Average Sq. Ft. per Unit		1,100
<u>Revenues</u>		
Gross Revenue	\$627,500 /unit	\$100,400,000
(less) Cost of Sales	6%	<u>(\$6,024,000)</u>
Subtotal		\$94,376,000
<u>Expenses</u>		
Building Construction	\$300 /sq. ft.	\$52,800,000
Soft Costs (1)	35%	<u>\$18,480,000</u>
Subtotal		\$71,280,000
Contingency	15%	<u>\$10,692,000</u>
Subtotal		\$81,972,000
Profit	10% of revenue	<u>\$10,040,000</u>
Subtotal		\$92,012,000
Total Residual Land Value (RLV)		\$2,364,000
RLV per unit		\$14,775

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table B-4
Alternative 2 High-Rise Residential Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Number of Units		148
Average Sq. Ft. per Unit		1,000
<u>Revenues</u>		
Gross Revenue	\$627,500 /unit	\$92,870,000
(less) Cost of Sales	6%	<u>(\$5,572,200)</u>
Subtotal		\$87,297,800
<u>Expenses</u>		
Building Construction	\$300 /sq. ft.	\$44,400,000
Soft Costs (1)	35%	<u>\$15,540,000</u>
Subtotal		\$59,940,000
Contingency	15%	<u>\$8,991,000</u>
Subtotal		\$68,931,000
Profit	10% of revenue	<u>\$9,287,000</u>
Subtotal		\$78,218,000
Total Residual Land Value (RLV)		\$9,079,800
RLV per unit		\$61,350

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table B-5
Alternative 2 Retail / Restaurant Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Retail Building Area (Sq. Ft.)		31,667
<u>Revenues</u>		
Gross Revenue	\$2.00 /sq. ft. / mo.	\$760,000
(less) Operating Expenses	10%	(\$76,000)
(less) Vacancy Rate	10%	<u>(\$76,000)</u>
Subtotal		\$608,000
Capitalized Value	9%	\$6,755,556
(less) Cost of Sales	6%	<u>(\$405,333)</u>
Subtotal		\$6,350,222
<u>Expenses</u>		
Building Construction	\$150 /sq. ft.	\$4,750,000
Soft Costs (1)	35%	\$1,662,500
Tenant Improvements	\$25 /sq. ft.	<u>\$791,667</u>
Subtotal		\$7,204,167
Contingency	15%	<u>\$1,080,625</u>
Subtotal		\$8,284,792
Profit	10% of total costs	<u>\$828,479</u>
Subtotal		\$9,113,271
Total Residual Land Value (RLV)		(\$2,763,049)
RLV per Sq. Ft.		(\$87)

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table B-6
Alternative 2 Cultural / Educational / Recreational Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Building Area (Sq. Ft.)		88,000
<u>Revenues</u>		
Gross Revenue	\$1.00 /sq. ft. / mo.	\$1,056,000
(less) Operating Expenses	10%	(\$105,600)
(less) Vacancy Rate	15%	<u>(\$158,400)</u>
Subtotal		\$792,000
Capitalized Value	9%	\$8,800,000
(less) Cost of Sales	6%	<u>(\$528,000)</u>
Subtotal		\$8,272,000
<u>Expenses</u>		
Building Construction	\$0 /sq. ft.	\$0
Soft Costs (1)	35%	\$0
Tenant Improvements	\$0 /sq. ft.	<u>\$0</u>
Subtotal		\$0
Contingency	15%	<u>\$0</u>
Subtotal		\$0
Profit	10% of total costs	<u>\$0</u>
Subtotal		\$0
Total Residual Land Value (RLV)		\$8,272,000
RLV per Sq. Ft.		\$94

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.



**Economic &
Planning Systems**

Real Estate Economics

Regional Economics

Public Finance

Land Use Policy

ALTERNATIVE 3

Table C-1
Project Description -- Alternative 3
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Total to 2017	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017
Residential												
Low-rise/Mid-rise Residential Units	540	0	180	180	180	0	0	0	0	0	0	0
High-rise Residential Units	0	0	0	0	0	0	0	0	0	0	0	0
Total	540	0	180	180	180	0	0	0	0	0	0	0
Cumulative	540	0	180	360	540	540	540	540	540	540	540	540
Mid-Rise Square Feet	675,000	0	225,000	225,000	225,000	0	0	0	0	0	0	0
High-Rise Square Feet	0	0	0	0	0	0	0	0	0	0	0	0
Total	675,000	0	225,000	225,000	225,000	0	0	0	0	0	0	0
Cumulative	675,000	0	225,000	450,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000
Retail / Restaurant												
Square Feet	10,000	0	10,000	0	0	0	0	0	0	0	0	0
Cumulative	10,000	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Hotels												
Rooms (Limited Service)	0	0	0	0	0	0	0	0	0	0	0	0
Rooms (Full Service)	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative	0	0	0	0	0	0	0	0	0	0	0	0
Conference Center												
Square Feet	50,000	0	0	0	0	0	0	0	0	50,000	0	0
Cumulative	50,000	0	0	0	0	0	0	0	0	50,000	50,000	50,000
Cultural / Educational / Recreational												
Square Feet	70,000	70,000	0	0	0	0	0	0	0	0	0	0
Cumulative	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Parks and Open Space												
Acres	40	20	20	0	0	0	0	0	0	0	0	0
Cumulative	40	20	40	40	40	40	40	40	40	40	40	40

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table C-2
Alternative 3 Project Summary Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assump	Total to 2017	1 2007	2 2008	3 2009	4 2010	5 2011
SOURCES OF FUNDS							
Development Revenue							
Mid-rise Residential Units		(\$29,747,250)	\$0	(\$9,915,750)	(\$9,915,750)	(\$9,915,750)	\$0
High-rise Residential Units		\$0	\$0	\$0	\$0	\$0	\$0
Retail / Restaurant		(\$872,542)	\$0	(\$872,542)	\$0	\$0	\$0
Hotel (Limited Service)		\$0	\$0	\$0	\$0	\$0	\$0
Hotel (Full Service)		\$0	\$0	\$0	\$0	\$0	\$0
Conference Center		\$4,230,000	\$0	\$0	\$0	\$0	\$0
Cultural / Educational / Recreational		\$6,580,000	\$6,580,000	\$0	\$0	\$0	\$0
TOTAL SOURCES		(\$19,809,792)	\$6,580,000	(\$10,788,292)	(\$9,915,750)	(\$9,915,750)	\$0
TOTAL SOURCES (inflated)¹	3.5%	(\$20,631,548)	\$6,580,000	(\$11,165,882)	(\$10,621,999)	(\$10,993,769)	\$0
USES OF FUNDS							
Public Improvements							
Land Acquisition							
Acquisition		\$18,000,000	\$18,000,000	\$0	\$0	\$0	\$0
Acquisition Subtotal		\$18,000,000	\$18,000,000	\$0	\$0	\$0	\$0
Intract Improvements							
Demolition		\$7,795,000	\$866,111	\$866,111	\$866,111	\$866,111	\$866,111
Remediation		\$25,600,000	\$2,844,444	\$2,844,444	\$2,844,444	\$2,844,444	\$2,844,444
Shoreline Improvements		\$11,180,420	\$1,242,269	\$1,242,269	\$1,242,269	\$1,242,269	\$1,242,269
Ninth Avenue Pier Retrofit		\$28,076,354	\$3,119,595	\$3,119,595	\$3,119,595	\$3,119,595	\$3,119,595
Grading		\$6,412,700	\$712,522	\$712,522	\$712,522	\$712,522	\$712,522
Roadway Improvements		\$2,496,650	\$277,406	\$277,406	\$277,406	\$277,406	\$277,406
Utilities		\$13,003,850	\$1,444,872	\$1,444,872	\$1,444,872	\$1,444,872	\$1,444,872
Landscaping		\$19,161,782	\$2,129,087	\$2,129,087	\$2,129,087	\$2,129,087	\$2,129,087
Miscellaneous		\$250,000	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778
Intract Improvements Subtotal		\$113,976,756	\$12,664,084	\$12,664,084	\$12,664,084	\$12,664,084	\$12,664,084
Offsite Improvements							
Demolition		\$1,030,000	\$206,000	\$206,000	\$206,000	\$206,000	\$206,000
Roadway Improvements		\$4,034,649	\$806,930	\$806,930	\$806,930	\$806,930	\$806,930
Utilities		\$3,002,385	\$600,477	\$600,477	\$600,477	\$600,477	\$600,477
Landscaping & Irrigation		\$903,040	\$180,608	\$180,608	\$180,608	\$180,608	\$180,608
Miscellaneous		\$0	\$0	\$0	\$0	\$0	\$0
Offsite Improvements Subtotal		\$8,970,074	\$1,794,015	\$1,794,015	\$1,794,015	\$1,794,015	\$1,794,015
Agency Fees							
Public Works		\$169,859	\$56,620	\$56,620	\$56,620	\$0	\$0
Planning and Zoning		\$432,859	\$144,286	\$144,286	\$144,286	\$0	\$0
Building Services		\$4,368,634	\$1,456,211	\$1,456,211	\$1,456,211	\$0	\$0
EBMUD and PG&E		\$2,944,692	\$981,564	\$981,564	\$981,564	\$0	\$0
Agency Fees Subtotal		\$7,916,044	\$2,638,681	\$2,638,681	\$2,638,681	\$0	\$0
Marina Construction							
Marina Construction		\$5,520,000	\$1,840,000	\$1,840,000	\$1,840,000	\$0	\$0
Marina Construction Subtotal		\$5,520,000	\$1,840,000	\$1,840,000	\$1,840,000	\$0	\$0
Ninth Avenue Terminal Shed							
Construction Hard Costs		\$9,752,192	\$9,752,192	\$0	\$0	\$0	\$0
Tenant Improvements		\$9,000,000	\$9,000,000	\$0	\$0	\$0	\$0
Ninth Avenue Terminal Shed Subtotal		\$18,752,192	\$18,752,192	\$0	\$0	\$0	\$0
Subtotal Development Costs²		\$155,135,066	\$37,688,973	\$18,936,780	\$18,936,780	\$14,458,099	\$14,458,099
Other Development Costs²							
Soft Costs	35%	\$54,297,273	\$13,191,140	\$6,627,873	\$6,627,873	\$5,060,335	\$5,060,335
Subtotal		\$209,432,340	\$50,880,113	\$25,564,653	\$25,564,653	\$19,518,433	\$19,518,433
Contingency	15%	\$31,414,851	\$7,632,017	\$3,834,698	\$3,834,698	\$2,927,765	\$2,927,765
TOTAL USES		\$258,847,191	\$76,512,130	\$29,399,351	\$29,399,351	\$22,446,198	\$22,446,198
TOTAL USES (Inflated)³	2.5%	\$287,501,315	\$76,512,130	\$30,428,328	\$31,493,320	\$24,886,501	\$25,757,529
NET CASH FLOW CUMULATIVE		(\$308,132,863)	(\$69,932,130)	(\$41,594,210)	(\$42,115,319)	(\$35,880,271)	(\$25,757,529)
Internal Rate of Return (IRR)		N/A					

- (1) Assumes real appreciation of 1% and inflation of 2.5%.
(2) Does not include acquisition costs.
(3) Assumes inflation of 2.5%.

Source: Economic & Planning Systems, Inc.

Table C-2
Alternative 3 Project Summary Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017
SOURCES OF FUNDS						
Development Revenue						
Mid-rise Residential Units	\$0	\$0	\$0	\$0	\$0	\$0
High-rise Residential Units	\$0	\$0	\$0	\$0	\$0	\$0
Retail / Restaurant	\$0	\$0	\$0	\$0	\$0	\$0
Hotel (Limited Service)	\$0	\$0	\$0	\$0	\$0	\$0
Hotel (Full Service)	\$0	\$0	\$0	\$0	\$0	\$0
Conference Center	\$0	\$0	\$0	\$4,230,000	\$0	\$0
Cultural / Educational / Recreational	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SOURCES	\$0	\$0	\$0	\$4,230,000	\$0	\$0
TOTAL SOURCES (inflated)¹	\$0	\$0	\$0	\$5,570,102	\$0	\$0
USES OF FUNDS						
Public Improvements						
Land Acquisition						
<u>Acquisition</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Acquisition Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Intract Improvements						
Demolition	\$866,111	\$866,111	\$866,111	\$866,111	\$0	\$0
Remediation	\$2,844,444	\$2,844,444	\$2,844,444	\$2,844,444	\$0	\$0
Shoreline Improvements	\$1,242,269	\$1,242,269	\$1,242,269	\$1,242,269	\$0	\$0
Ninth Avenue Pier Retrofit	\$3,119,595	\$3,119,595	\$3,119,595	\$3,119,595	\$0	\$0
Grading	\$712,522	\$712,522	\$712,522	\$712,522	\$0	\$0
Roadway Improvements	\$277,406	\$277,406	\$277,406	\$277,406	\$0	\$0
Utilities	\$1,444,872	\$1,444,872	\$1,444,872	\$1,444,872	\$0	\$0
Landscaping	\$2,129,087	\$2,129,087	\$2,129,087	\$2,129,087	\$0	\$0
<u>Miscellaneous</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>
Intract Improvements Subtotal	\$12,664,084	\$12,664,084	\$12,664,084	\$12,664,084	\$0	\$0
Offsite Improvements						
Demolition	\$0	\$0	\$0	\$0	\$0	\$0
Roadway Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0	\$0
Landscaping & Irrigation	\$0	\$0	\$0	\$0	\$0	\$0
<u>Miscellaneous</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Offsite Improvements Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Agency Fees						
Public Works	\$0	\$0	\$0	\$0	\$0	\$0
Planning and Zoning	\$0	\$0	\$0	\$0	\$0	\$0
Building Services	\$0	\$0	\$0	\$0	\$0	\$0
<u>EBMUD and PG&E</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Agency Fees Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Marina Construction						
<u>Marina Construction</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Marina Construction Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Ninth Avenue Terminal Shed						
Construction Hard Costs	\$0	\$0	\$0	\$0	\$0	\$0
<u>Tenant Improvements</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ninth Avenue Terminal Shed Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Development Costs²	\$12,664,084	\$12,664,084	\$12,664,084	\$12,664,084	\$0	\$0
Other Development Costs²						
Soft Costs	<u>\$4,432,429</u>	<u>\$4,432,429</u>	<u>\$4,432,429</u>	<u>\$4,432,429</u>	<u>\$0</u>	<u>\$0</u>
Subtotal	\$17,096,513	\$17,096,513	\$17,096,513	\$17,096,513	\$0	\$0
Contingency	\$2,564,477	\$2,564,477	\$2,564,477	\$2,564,477	\$0	\$0
TOTAL USES	\$19,660,990	\$19,660,990	\$19,660,990	\$19,660,990	\$0	\$0
TOTAL USES (Inflated)³	\$23,351,089	\$24,168,377	\$25,014,270	\$25,889,770	\$0	\$0
NET CASH FLOW	(\$23,351,089)	(\$24,168,377)	(\$25,014,270)	(\$20,319,668)	\$0	\$0
CUMULATIVE	(\$238,630,548)	(\$262,798,925)	(\$287,813,196)	(\$308,132,863)	(\$308,132,863)	(\$308,132,863)
Internal Rate of Return (IRR)						

- (1) Assumes real appreciation of 1% and inflation of 2.5%.
(2) Does not include acquisition costs.
(3) Assumes inflation of 2.5%.

Source: Economic & Planning Systems, Inc.

Table C-3
Alternative 3 Mid-Rise Residential Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Number of Units		180
Average Sq. Ft. per Unit		1,250
<u>Revenues</u>		
Gross Revenue	\$627,500 /unit	\$112,950,000
(less) Cost of Sales	6%	<u>(\$6,777,000)</u>
Subtotal		\$106,173,000
<u>Expenses</u>		
Building Construction	\$300 /sq. ft.	\$67,500,000
Soft Costs (1)	35%	<u>\$23,625,000</u>
Subtotal		\$91,125,000
Contingency	15%	<u>\$13,668,750</u>
Subtotal		\$104,793,750
Profit	10% of revenue	<u>\$11,295,000</u>
Subtotal		\$116,088,750
Total Residual Land Value (RLV)		<u>(\$9,915,750)</u>
RLV per unit		<u>(\$55,088)</u>

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table C-4
Alternative 3 Retail / Restaurant Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Retail Building Area (Sq. Ft.)		10,000
<u>Revenues</u>		
Gross Revenue	\$2.00 /sq. ft. / mo.	\$240,000
(less) Operating Expenses	10%	(\$24,000)
(less) Vacancy Rate	10%	<u>(\$24,000)</u>
Subtotal		\$192,000
Capitalized Value	9%	\$2,133,333
(less) Cost of Sales	6%	<u>(\$128,000)</u>
Subtotal		\$2,005,333
<u>Expenses</u>		
Building Construction	\$150 /sq. ft.	\$1,500,000
Soft Costs (1)	35%	\$525,000
Tenant Improvements	\$25 /sq. ft.	<u>\$250,000</u>
Subtotal		\$2,275,000
Contingency	15%	<u>\$341,250</u>
Subtotal		\$2,616,250
Profit	10% of total costs	<u>\$261,625</u>
Subtotal		\$2,877,875
Total Residual Land Value (RLV)		(\$872,542)
RLV per Sq. Ft.		(\$87)

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table C-5
Alternative 3 Conference Center Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Conference Center Building Area (Sq. Ft.)		50,000
<u>Revenues</u>		
Gross Revenue	\$1.00 /sq. ft. / mo.	\$600,000
(less) Operating Expenses	10%	(\$60,000)
(less) Vacancy Rate	15%	<u>(\$90,000)</u>
Subtotal		\$450,000
Capitalized Value	10%	\$4,500,000
(less) Cost of Sales	6%	<u>(\$270,000)</u>
Subtotal		\$4,230,000
<u>Expenses</u>		
Building Construction	\$0 /sq. ft.	\$0
Soft Costs (1)	35%	\$0
Tenant Improvements	\$0 /sq. ft.	<u>\$0</u>
Subtotal		\$0
Contingency	15%	<u>\$0</u>
Subtotal		\$0
Profit	10% of total costs	<u>\$0</u>
Subtotal		\$0
Total Residual Land Value (RLV)		\$4,230,000
RLV per Sq. Ft.		\$85

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.

Table C-6
Alternative 3 Cultural / Educational / Recreational Cash Flow
Oak to Ninth Alternatives Feasibility Analysis; EPS #14115

Item	Assumption	Total
Building Area (Sq. Ft.)		70,000
<u>Revenues</u>		
Gross Revenue	\$1.00 /sq. ft. / mo.	\$840,000
(less) Operating Expenses	10%	(\$84,000)
(less) Vacancy Rate	15%	<u>(\$126,000)</u>
Subtotal		\$630,000
Capitalized Value	9%	\$7,000,000
(less) Cost of Sales	6%	<u>(\$420,000)</u>
Subtotal		\$6,580,000
<u>Expenses</u>		
Building Construction	\$0 /sq. ft.	\$0
Soft Costs (1)	35%	\$0
Tenant Improvements	\$0 /sq. ft.	<u>\$0</u>
Subtotal		\$0
Contingency	15%	<u>\$0</u>
Subtotal		\$0
Profit	10% of total costs	<u>\$0</u>
Subtotal		\$0
Total Residual Land Value (RLV)		\$6,580,000
RLV per Sq. Ft.		\$94

(1) Soft costs include architecture and engineering, permits and fees, legal, project management, and finance costs.

Source: Oakland Harbor Partners, LLC; Economic & Planning Systems, Inc.