Appendix F: Financial Analysis

Analysis

Purpose and Methodology

The purpose of the financial analysis is to determine if the redevelopment alternatives make sense from the perspective of a private developer/landowner engaging in the real estate development process. Ultimately, if the alternatives do not prove to be financially feasible (i.e., the costs associated with development outweigh the revenues from sales and leasing of property), redevelopment of the land by private developers is highly unlikely to occur without subsidies or other incentives. The analysis helps identify which alternative, if any, yields the best financial performance, and would therefore have the highest likelihood of occurring in the future. The analysis also helps compare the value of each alternative to other alternatives, as well as the magnitude of value change for each individual parcel across alternatives. Finally, for those redevelopment alternatives that prove to be financially feasible, the positive incremental change in land values derived from the financial analysis can be compared to the additional costs associated with redevelopment, including the relocation of existing operations on the parcels.

The methodology of the financial analysis takes the perspective of the landowner/developer, and involves calculating the residual land value for the individual parcels under each alternative, which is what the land becomes worth given how much and what type of new development is constructed on it. In essence, the residual land value represents the value "left over" after building costs and developer profit are subtracted from project revenues, and describes the most a developer could afford to pay for the land to build the project profitably.

Certain land uses (e.g., office, residential, retail, or industrial) can yield different residual land values on a given parcel of land depending on a variety of factors. These factors can include location, market conditions (i.e., historical, current, and future supply and demand conditions), zoning laws (i.e., what land uses can be built on the site, and how intense or dense can they be, how much of the land is developable at all, etc.), construction costs, and site specific conditions that can impact overall redevelopment costs (e.g., environmental remediation, demolition, infrastructure improvements, etc.). Changes in any of these factors can have an impact on the overall residual land value. For example, if a hypothetical parcel of land is currently zoned for lower density industrial uses, and the zoning changes to allow high density residential development, the land may likely have a dramatically higher value, based on the new revenue potential that the alternative development scenario allows, depending on market conditions and development costs. Alternatively, if a given redevelopment scenario proves unprofitable (e.g. construction costs are too high and/or achievable sales prices/lease rates are too low, or the site requires extensive redevelopment costs), it may yield a negative residual land value, or a residual

land value that is less than what the land is currently valued at today.

Other than Norfolk Southern, the parcels are assessed at 100 percent of their market value in accordance with Virginia law. Therefore, a comparison of current assessed land values to the calculated residual land values derived from the financial analysis provides a determination of financial feasibility for each parcel of land in light of what will be built under each redevelopment alternative.

The method used to analyze the financial feasibility of the four scenarios is a "static" pro forma that calculates the residual land value after determining development revenues, a variety of costs, and developer profit. This methodology presents a snapshot of the revenues and costs of a development project at buildout as opposed to a stream of revenues and costs over time that are discounted back to present value. This approach facilitates the comparison of multiple development scenarios and strips out the impact of time. The analysis assumes 2009 dollars, and time is only accounted for in the estimate of interest in the construction loan cost category (described below in the Assumptions section).

It is important to note that the financial analysis is preliminary and that a developer considering development on the site(s) would commission a detailed land plan which would allow for more refined financial feasibility analysis. However, this analysis provides order-of-magnitude findings and conclusions that help determine if the redevelopment alternatives are worth further consideration and analysis.

Assumptions

The financial analysis incorporates a variety of revenue and cost assumptions, some of which are consistent across all four redevelopment alternatives as well as some that vary by scenario and/or parcel. These various assumptions are summarized below by category, and include sources where applicable. They are based on a variety of sources including but not limited to the market analysis component of this engagement, interviews with developers, construction cost reference guides, and BAE experience in this and other markets.

Revenue Assumptions in Each Redevelopment Alternative

Revenue assumptions that are consistent across all four redevelopment alternatives include the achievable sales and rents for the residential and commercial land uses. The achievable residential prices, rents, sizes, and revenues per square foot are detailed in the following table:

Table F-1: Common Assumptions: Residential Revenue

Unit Type	Average Sales Price/ Monthly Rent	Average Size (SF)	Average $/SF
Multifamily For-Sale	$385,000	1,050	$367
Townhomes	$550,000	1,900	$289
Multifamily Rental	$2,300	1,050	$2.19

Source: BAE Market Analysis, 2009.

The residential assumptions stem from market research, and incorporate historical market-level trends, analysis of nearby comparable properties, and surveys of rental apartment communities in the surrounding area. This pricing is relatively conservative based on historical trends in the local and regional market. The analysis also assumes that the breakdown of multifamily units between those that are classified as for sale versus those that are rental apartments is 75 percent for sale and 25 percent rental in each alternative. Furthermore, the stabilized occupancy for the rental units is assumed to be 95 percent. Alternative D does incorporate a premium to these revenue streams of 5 percent for TOD which is conservative based on BAE's experience in other markets.

Those commercial revenue assumptions that are consistent across all redevelopment alternatives are shown in the following table:

Table F-2: Common Assumptions: Commercial Revenue

Land Use	Lease Rate (Monthly/Sq. Ft. NNN)	Stabilized Occupancy
Office	$3.20	90%
Retail	$2.75	90%

Source: BAE Market Analysis, 2009.

The commercial revenue assumptions are also based on market research and assume construction quality consistent with nearby office submarkets such as that found in the Carlyle/Eisenhower East commercial submarket. The market analysis incorporates a variety of quantitative and qualitative data including historical commercial trends in nearby submarkets, the city of Alexandria as a whole, as well as the close-in Northern Virginia region.

Cost Assumptions in Each Redevelopment Alternative

Cost assumptions that are consistent in each redevelopment alternative include hard costs for the various land uses, soft costs, and financing costs, detailed in the following table.

Table F-1: Common Assumptions: Hard Costs, Soft Costs, and Financing Costs

Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Mid Rise Multifamily Construction Costs (per sq. ft.)	$185
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$145
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Soft Costs (as % of hard and site costs)	20%
Developer Profit (as % of total development cost)	12%
Financing Costs	
Interest Rate	8%
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%

Source: Developer Interviews, 2009; RS Means Square Foot Costs, 2009; BAE, 2009.

These cost assumptions are based on a variety of resources and, in light of the longer-term potential timing of redevelopment, are designed to mitigate the short-term effect of the current recessionary environment. As such, they take into account quotes from contractors during both the peak of the regional real estate cycle as well as more recent cost quotes that are far lower due to the current economic climate.

Along with these common cost assumptions, the estimated cost to conduct environmental remediation is the same under each redevelopment alternative, but varies by parcel, as shown in the following table. Estimates are preliminary, based on review of publicly available materials and a visual inspection of some, but not all, of the sites. No soil testing was performed. Costs could be higher than these estimates.

Table F-2: Environmental Remediation Assumptions by Parcel

Parcel	Minimum	Maximum	Midpoint
Vulcan	$32,000	$49,000	$40,500
Virginia Paving	$401,000	$816,000	$608,500
Norfolk Southern	$65,000	$95,000	$80,000
Covanta	$141,000	$207,000	$174,000

Source: MACTEC, 2009; BAE, 2009.

The financial analysis incorporates the midpoint of the above range for environmental remediation.

Demolition costs are also assumed to be consistent in each scenario, with one exception, as shown in Table 12:

TableF-3: Demolition Costs by Parcel and Redevelopment Alternative

	Vulcan	Virginia Paving	Norfolk Southern	Covanta
Alternative A	$0	$100,000	$0	$15,000,000
Alternative B	$0	$100,000	$0	$15,000,000
Alternative C	$0	$100,000	$0	$0
Alternative D	$0	$100,000	$0	$15,000,000

Source: BAE, 2009.

The analysis assumes no costs for demolition for both Vulcan and Norfolk Southern since there are no major existing structures requiring extensive deconstruction. It also includes $100,000 in demolition related costs for some of the existing building space on the Virginia Paving parcel. Demolition costs for Covanta are estimated to be approximately $15 million, although in Alternative C, the cost to provide "architectural enhancement" of the Covanta structure is estimated at $7.5 million.

Lastly, current values of the parcels represent a key assumption in analyzing the results of the financial analysis. In each alternative, current value of the parcels represent the measuring stick to determine whether value is being created by the redevelopment alternative in question. However, while the comparison of current value to redevelopment value by parcel appears "black and white" in terms of decision making, there are certain alternative-specific issues that go beyond this simple comparison. These issues include major costs of assumed infrastructure (e.g., the $25 million bridge in Alternative D or the $7.5 million architectural enhancement of the Covanta plant in Alternative C), as well as the potential costs for relocation or cessation of current operations. Nevertheless, the current values of the parcels represent a good starting point to measure the financial performance of any redevelopment.

Other than Norfolk Southern, the properties are assessed at 100 percent of their market value in

accordance with Virginia law. As such, the most recent assessment by the city of Alexandria, which takes into account comparable sales in the area, should represent an accurate estimate of the value of each parcel (land and improvements), and is detailed below. Norfolk Southern's land is not taxed by the city. Furthermore, the acreage consists of an area that is currently undevelopable, and zoned as a rail right-of-way area. Therefore, although Norfolk Southern is using the land for business operations, it is not necessarily developable for conventional land uses at this time, and could be assumed to have zero value. However, the assessment value placed on the property by state tax assessors could represent the functional value of the property, if the site's current lack of development potential is disregarded. The state tax assessor values the property in calculating an "in lieu" payment which it shares with the city, calculated as an average of nearby site values. This method yields an alternate value of $19.3 million using the most recent land assessments for Covanta and Virginia Paving. Using this value in the analysis represents a more conservative approach rather than using a zero value, and it used throughout the financial analysis.

TableF-4: Current Parcel Values

	Vulcan	Virginia Paving	Covanta	Norfolk Southern
Estimated Current Value (a)	$14,827,000	$13,162,000	$36,676,000	$19,283,000

Notes:
(a) Based on most recent tax assessments which are 100% of estimated fair market value, except for Norfolk Southern.

Source: City of Alexandria, 2009; Virginia Department of Taxation, 2009; BAE, 2009.

Alternative-Specific Assumptions

Beyond the common assumptions, certain revenue and cost assumptions vary by redevelopment alternative as well as by parcel, contingent upon the major differences between the various alternatives. Between the four alternatives, Alternative A represents the template from which the three other alternatives differ in various ways. The Alternative B program is the same as Alternative A except for the Virginia Paving parcel, which will be converted to park space rather than being developed with the mixed use program of residential and retail space found in Alternative A. Alternative C is the same as Alternative A but does not deliver redeveloped land uses on the Covanta or Norfolk Southern parcels. And Alternative D represents the furthest departure from the Alternative A template, with a denser, TOD-oriented program assumed for some of the parcels. These key differences drive some of the changes is cost assumptions shown in the following categories.

On- and off-site improvements vary slightly based on the above modifications by alternative:

TableF- 5: On- and Off-Site Improvement Costs by Parcel and Redevelopment Alternative

	Vulcan	Virginia Paving	Covanta	Norfolk Southern
Alternative A	$2,875,600	$1,452,500	$2,095,200	$2,216,400
Alternative B	$2,875,600	$2,233,000	$2,095,200	$2,216,400
Alternative C	$2,875,600	$1,452,500	$0	$0
Alternative D	$2,875,600	$1,452,500	$2,095,200	$2,216,400

SOURCE: MACTEC, 2009; BAE, 2009.

This cost category consists of a number of site development and infrastructure related costs, including the following:

- Site grading
- Road construction
- Sidewalk construction
- Traffic signals
- Sanitary pipe
- Sanitary manholes
- Storm pipe
- Catch basins
- Storm manholes
- Water pipe
- Butterfly valves and connections
- Fire hydrants
- Electrical service
- Storm detention

The park space delivered on the Virginia Paving parcel in Alternative B costs more in site improvements than the other alternatives which is counterintuitive. However, these costs ultimately include all costs involved with delivering the park (e.g. parking, restrooms, walking trails, playgrounds, benches, and other miscellaneous items such as an information kiosk), whereas the improvement costs for the other alternatives represent just the beginning of what will be delivered on the parcels. Details of these costs for each alternative can be found in Appendix G.

Results

The results of the financial analysis indicate that certain redevelopment alternatives may be financially feasible, but with numerous caveats attached to this preliminary conclusion. First, although the redevelopment alternatives do result in a combined higher residual land value relative to currently assessed values, no alternative has an outcome in which all four parcels have residual land values that are greater than their current values. In other words, the positive

incremental residual values for some parcels serve to offset the loss in value on other parcels. This mix of results by parcel suggests that if one of the redevelopment alternatives were pursued in the future, that the key stakeholders involved in the redevelopment would need to create potentially complex deal/transaction structures in which the different landowners share in the proceeds of the redevelopment. For the purposes of this exercise, the financial analysis simply calculates the resulting change in value based on the defined program in each alternative.

The second major caveat is that although these conclusions indicate positive redevelopment potential from a financial perspective, any positive incremental change in land value must be further weighed against the costs associated with relocating or cessation of the existing operations on the parcels. Final conclusions on the financial viability of redevelopment need to incorporate the findings from this residual land value analysis, the ultimate costs of relocation/cessation, as well as the fiscal impact of the redevelopment scenarios to the city, discussed in later sections.

General Findings by Parcel

While the results of the financial analysis vary by redevelopment alternative, certain parcel-specific site characteristics and constraints result in findings that are relatively consistent across each alternative. The following general findings by parcel serve to inform the overall alternative performance described later.

Vulcan. In each redevelopment alternative, Vulcan achieves strong redevelopment values that are substantially higher than its currently assessed value. This strong financial performance is due to a variety of factors that combine to make it the most "ready now" parcel for redevelopment. The parcel has minimal undevelopable area, minimal environmental remediation costs, no demolition costs, and each alternative delivers a healthy amount of residential units on the parcel.

Virginia Paving. In three out of the four scenarios, the redevelopment of Virginia Paving yields a lower residual land value than it is currently valued at today. Unlike Vulcan's land, the Virginia Paving site requires more substantial costs associated with environmental remediation and demolition. Furthermore, only a small percentage of the land would be available for redevelopment, as the majority of the land lies in the 100-year flood plain and the resource protection area. These constraints limit the amount of new development that can be delivered on the site and ultimately result in the lower residual value.

Covanta. In each alternative, redevelopment of the Covanta site involves a major loss in value. This loss is due entirely to the fact that the current land and improvements have a very high value,

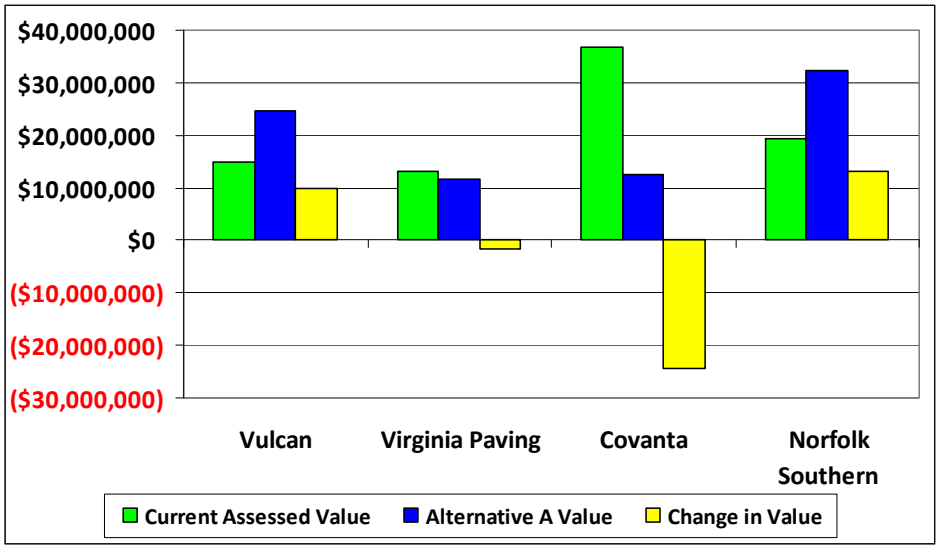
as measured by their tax assessment. The plant itself has an assessed value of $26 million, which is used in this analysis,[1] and demolition of it would cost an additional $15 million. As such, any alternative that incorporates the redevelopment of Covanta faces a $41 million hurdle from the start, before factoring in costs of relocating the facility or the cost of creating a new solid waste disposal infrastructure. It is important to note that Alexandria and Arlington will jointly own the property and improvements in 2025, and their decision-making about the value of the plant will involve many more considerations than just the financial implications of a change in land value.

Norfolk Southern. Given that Norfolk Southern's parcel has no current value and only minor costs associated with redevelopment, the analysis yields a higher residual land value under each redevelopment alternative. However, using the more conservative assumption that the land has a $19 million value still yields positive redevelopment results in each scenario.

Alternative A

Alternative A yields an overall change in residual land value of negative $2.2 million, with $10.2 million for Vulcan, negative $1.2 million for Virginia Paving, $13.1 million for Norfolk Southern, and negative $24.3 million for Covanta, as shown in the following chart.

Figure F-1: Financial Performance of Alternative A



Source: BAE, 2009.

Although the scenario yields a wide range of results by parcel, the overall value is slightly negative

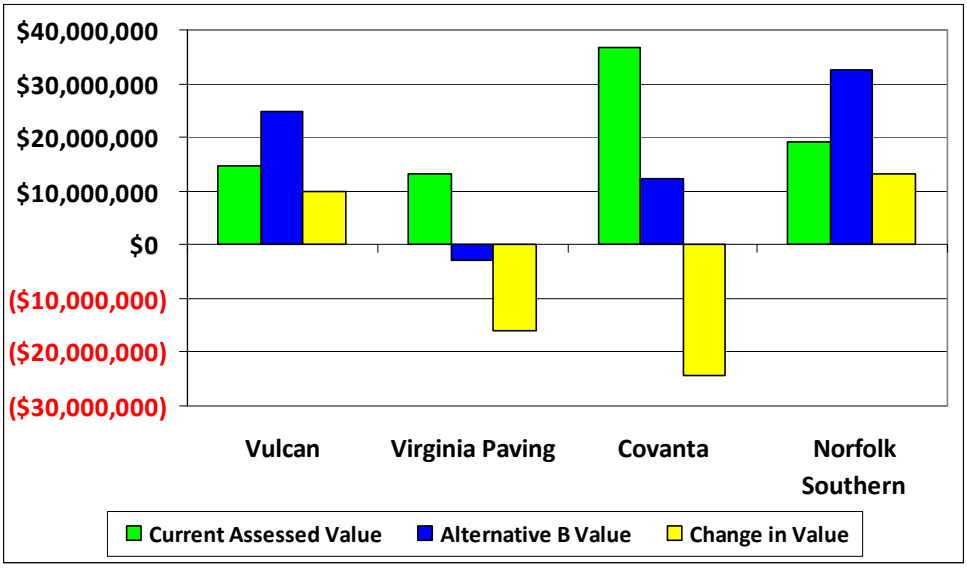
[1] It is also important to consider that the plant received $43 million retrofit in2001 for an advanced pollution control system.

for the redevelopment as a whole, due for the most part by the substantial loss of value from redeveloping the Covanta parcel. The removal of the Covanta parcel from the scenario yields an overall increase in land value of $22 million for the three remaining parcels although the potential to redevelop the Norfolk Southern parcel without Covanta is limited.

Alternative B

Alternative B yields an overall change in residual land value of negative $17.1 million, with $10.2 million for Vulcan, negative $16.1 million for Virginia Paving, $13.1 million for Norfolk Southern, and negative $24.3 million for Covanta, as shown below (Figure 10).

Figure F-2: Financial Performance of Alternative B



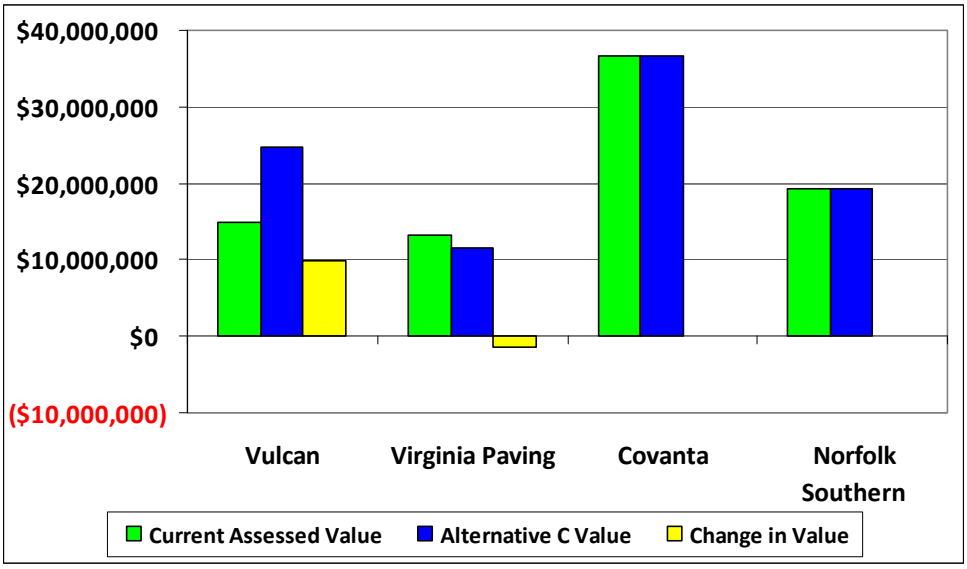
Source: BAE, 2009.

Consistent with the defined alternative, the only value that changes is that of Virginia Paving. The change from constructing mixed use residential and retail uses to that of park space results in a negative residual land value for the parcel.

Alternative C

Alternative C yields a change in value of $10.2 million for Vulcan, negative $1.2 million for Virginia Paving, and no change in value in the Norfolk Southern and Covanta parcels, as shown below.

Figure F-3: Financial Performance of Alternative C



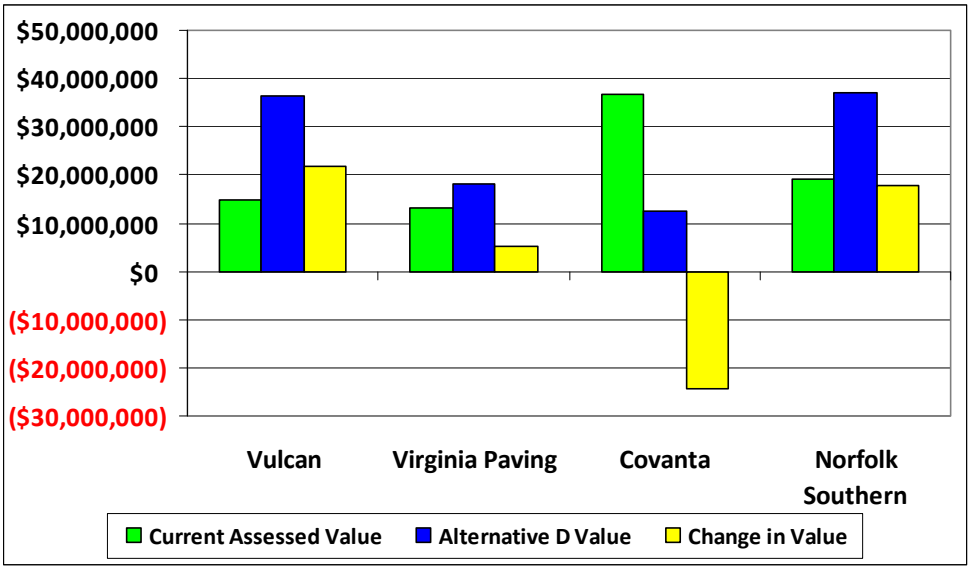
Source: BAE, 2009.

Vulcan and Virginia Paving show the same results for Alternative A, and no development occurs on the Norfolk Southern and Covanta parcels. As such, the overall change in parcel value for Virginia Paving and Vulcan is $9 million.

Alternative D

Alternative D yields an overall change in residual land value of $20.9 million, although this calculation does not include a project-wide negative $25 million for a multi-modal bridge. Parcel specific incremental value changes are $22 million for Vulcan, $5.3 million for Virginia Paving, $17.9 million for Norfolk Southern, and negative $24.2 million for Covanta, as shown in the following chart.

Figure F-4: Financial Performance of Alternative D

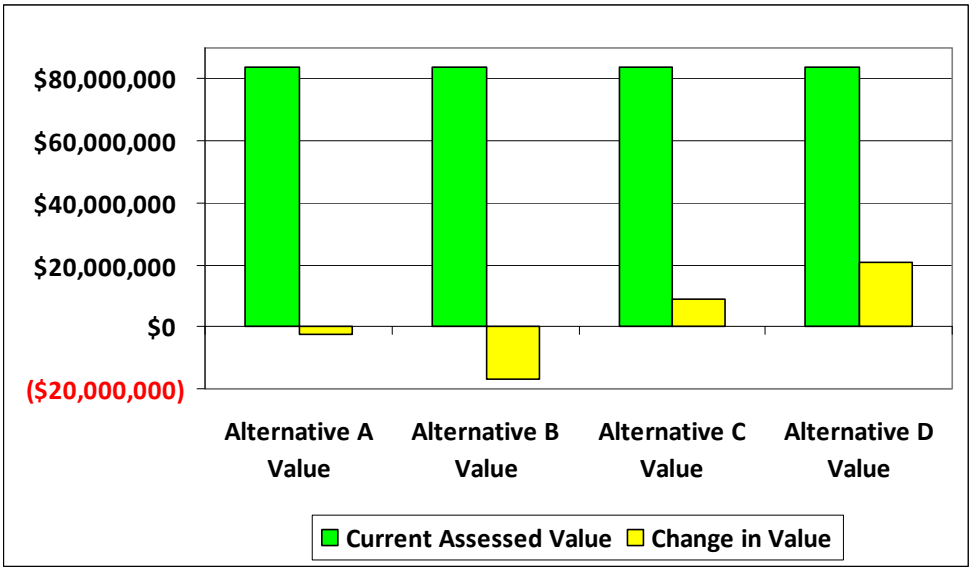


Source: BAE, 2009.

Other than Covanta, which still suffers from its $41 million redevelopment hurdle, the parcels experience a higher residual land value relative to the other alternatives. This positive result is primarily due to the attributes of TOD, which includes a 5 percent premium on sale prices and lease rates, as well as a denser overall development, yielding a larger development program as a whole. However, the $25 million bridge offsets these gains in value.

These preliminary financial findings indicate that Alternative C may be viable before factoring in relocation/cessation costs. The following chart highlights the combined incremental change in land value by redevelopment alternative, before factoring costs associated with relocation, cessation, the $7.5 million architectural enhancement of Covanta or the multi-modal bridge in Alternative D.

FigureF-5: Comparison of Total Residual Land Value by Alternative



Source: BAE, 2009.

Alternative C and D experience an improvement in residual land value, while Alternatives A and B show decreases in value. These lower residual land values indicate that the alternatives do not "pencil" from a preliminary financial analysis perspective, although Alternative A is only slightly negative, indicating that minor changes in the scenario may yield positive results. In each scenario, the redevelopment of the Covanta parcel creates a large enough loss in value to more than offset the positive incremental changes on the remaining parcels, indicating that Covanta's inclusion in any redevelopment scenario does not make financial sense.

Financial Feasibility and Relocation/Cessation Costs

Although the redevelopment alternatives pass this preliminary financial test, suggesting the financial viability from the perspective of the landowner/developer, the decision to redevelop also hinges on the project's ability to cover the costs associated with relocation and/or cessation of existing businesses on the parcels, as well as major project-wide costs that may not be borne by the property owners, including the multi-model bridge in Alternative D and the architectural enhancement of Covanta in each scenario. Not only do the alternatives have to show positive incremental change in land values, this change has to be sufficiently positive to cover these costs associated with redevelopment, relocation and/or cessation to proceed further without public subsidy.

Table 8 summarizes potential costs associated with the removal of three of the existing uses. Estimated relocation costs and business cessation cost ranges were calculated for Vulcan

Materials and Virginia Paving. For the Covanta facility, the cost of the construction for a transfer station to replace the facility was considered the most cost effective alternative. The estimated costs would be $9 to $10 million for the facility, plus a minimum of $1.3 million for transfer trailers. Additional costs would include tractors to haul the waste, soft costs, and land costs. For Norfolk Southern, no relocation sites for the transloading facility were found that would compare to the current location, and the cost to incent Norfolk Southern's disposal of the property is difficult to estimate because no good methods for valuing the transloading operation were found.

TableF-6: Potential Range of Business Relocation and Cessation Costs

	Vulcan Materials	Virginia Paving	Covanta A/A/ Facility
Business Relocation			
Land Purchase (a)	$15 million	$9 million to $13 million	n/a
Relocation Costs	$500,000	$1.5 million	n/a
Business Cessation (b)	$15 to $17 million	$23 to $27 million	$11.5 million plus land, tractors and soft costs

Notes:

(a) Estimated land purchase costs calculated as a range including the rounded current assessed value of their existing land and a $1 million per acre cost for the land required for relocation.

(b) Business cessation for Covanta facility covers the cost to build a transfer station to replace the existing facility.

Source: BAE, 2009

Given this imbalance in financial return relative to the costs associated with relocation/cessation for the various landowners, there is currently not sufficient financial incentive for redevelopment to take place across the study area. Given the preliminary estimates in the change in land value for the Vulcan property, compared to potential relocation or business cessation costs, Vulcan Materials may find a financial benefit to selling its site if the proper zoning were in place to facilitate redevelopment. Otherwise, any redevelopment under current conditions would require some sort of public subsidy to bridge the gap between the financial return detailed above and the current relocation/cessation costs. The following section details the costs and benefits of these redevelopment alternatives to the city of Alexandria, and the strongly positive net fiscal impact of the alternatives may indicate one potential source to bridge this gap.

Documentation

The following tables provide additional detail on development assumptions and findings.

Table F-7: Summary Findings: All Alternatives

	Vulcan	Virginia Paving	Covanta	Norfolk Southern	Total
Estimated Current Value (a)	$14,827,000	$13,162,000	$36,676,000	$19,283,000	$64,670,000
Alternative A Value	$24,718,000	$11,651,000	$12,389,000	$32,423,000	$48,758,000
Change in Value	$9,891,000	($1,511,000)	($24,287,000)	$13,140,000	($2,767,000)
Alternative B Value	$24,713,000	($2,942,000)	$12,385,000	$32,419,000	$34,156,000
Change in Value	$9,886,000	($16,104,000)	($24,291,000)	$13,136,000	($17,373,000)
Alternative C Value	$24,718,000	$11,651,000	$36,676,000	$19,283,000	$73,045,000
Change in Value	$9,891,000	($1,511,000)	$0	$0	$8,375,000
Alternative D Value	$36,500,000	$18,187,000	$12,464,000	$37,162,000	$67,151,000
Change in Value	$21,673,000	$5,025,000	($24,212,000)	$17,879,000	$2,481,000

Notes:
(a) Based on most recent tax assessments which are 100% of estimated fair market value

Source: City of Alexandria, 2009; BAE, 2009.

Table F-10: Parcel Size

Site	Address	Size (SF)	Acres	Land Assessment	Building Assessment
Vulcan Yard	698 Burnside Place	170,228	3.9	$1,688,300	n/a
Vulcan Yard	701 S Van Dorn Street	600,488	13.8	$13,138,700	n/a
Vulcan Total		**770,716**	**17.7**	**$14,827,000**	**n/a**
Virginia Paving	720 Van Dorn Street	23,322	0.5	$615,450	n/a
Virginia Paving	730 Van Dorn Street	34,533	0.8	$911,300	n/a
Virginia Paving	750 Van Dorn Street	31,095	0.7	$820,600	n/a
Virginia Paving (Land)	5603 Courtney Avenue	212,828	4.9	$5,615,040	n/a
Virginia Paving (Office/Warehouse)	5601 Courtney Avenue	189,537	4.4	$5,002,200	$197,100
Virginia Paving Total		**491,315**	**11.3**	**$12,964,590**	**$197,100**
Covanta Waste-to-Energy	5301 Eisenhower Avenue	142,197	3.3	$5,641,700	$21,000,000
Covanta Waste-to-Energy	5281 Eisenhower Avenue	90,325	2.1	$3,583,700	n/a
Covanta Waste-to-Energy	5263 Eisenhower Avenue	4,036	0.1	$160,200	n/a
Covanta Waste-to-Energy	5225 Eisenhower Avenue	36,876	0.8	$1,463,100	n/a
Covanta Waste-to-Energy Total		**273,434**	**6.3**	**$10,848,700**	**$25,827,351**
Norfolk Southern (a)		**619,260**	14.2	$19,282,952	0

Notes:
(a) Includes portions of a rail spur that can be abandoned if the transloading facility ceases operation, as well as a two acre parcel owned by Norfolk Southern.

Source: City of Alexandria Geographic Information Systems, 2009; City of Alexandria Real Estate Department, 2009; ESRI; BAE, 2009.

Table F-11: Projected Construction Costs

Land Use	Hard Costs Per Sq. Ft.	Location Factor	Total Costs Per Sq. Ft.
Office, Class A (a)	$149.32	0.95	$141.85
Retail (b)	$108.70	0.95	$103.26
Townhouse (c)	$103.80	1.07	$111.07
Multifamily (d)	$155.82	0.95	$148.03

Notes:
(a) Assumes a 200,000 sf 11-20-story office building, consisting of double glazed heat absorbing tinted plate glass panels and a steel frame, less six percent architectural fees.
(b) Assumes a 10,000 sf building, consisting of a brick face on concrete block and steel joists, less eight percent architectural fees.
(c) Assumes a 2,100 sf three-story townhouse, consisting of a brick veneer and wood frame.
(d) Assumes an approximately 45,000 sf four-story apartment building, consisting of a brick face with concrete block back-up and a steel frame, less seven percent architectural fees.

Source: R.S. Means, 2009; BAE, 2009.

Table F-12: Common Assumptions Across All Alternatives

		Parcel 1		Parcel 2		
		Vulcan	Virginia Paving	Covanta	Norfolk Southern	Total
Site Characteristics						
Site Area, Sq.Ft.		770,716.0	491,315.0	273,434	619,260	2,154,725
Site Area, Acres		17.7	11.3	6.3	14.2	49.5
Developable Area Excluding Protected Areas		10.6	3.7	3.8	5.1	23.2
Current Assessed Value		$14,827,000	$13,162,000	$36,676,000	$19,283,000	83,948,000
Densities (a)						
Residential Densities -Developable Area Gross						
Midrise Multifamily (DU/acre)	90					
Multifamily (DU/acre)	65					
Townhome (DU/acre)	20					
Office FAR -(Developable Area Gross)	2.0					
Residential Component (b)						
Multifamily Tenure						
% For-Sale Units	75%					
% Rental Units	25%					
Multifamily For-Sale						
Unit Size		1,050	1,050	1,050	1,050	
Sale Price		$385,000	$385,000	$385,000	$385,000	
$/Sq. Ft.		$367	$367	$367	$367	
Townhomes						
Unit Size		1,900	1,900	1,900	1,900	
Sale Price		$550,000	$550,000	$550,000	$550,000	
$/Sq. Ft.		$289	$289	$289	$289	
Multifamily Rental						
Unit Size		1,050	1,050	1,050	1,050	
Monthly Rent		$2,300	$2,300	$2,300	$2,300	
$/Sq. Ft.		$2.19	$2.19	$2.19	$2.19	
Stabilized Occupancy %		95%	95%	95%	95%	
Cap Rate		7.0%	7.0%	7.0%	7.0%	
TOD Premium		0.0%	5.0%	5.0%	5.0%	
Commercial Component (b)						
Office						
Leasable %		95%	95%	95%	95%	
Lease Rate (Monthly/Sq. Ft. NNN)		$3.20	$3.20	$3.20	$3.20	
Cap Rate		7.5%	7.5%	7.5%	7.5%	
Retail						
Leasable %		95%	95%	95%	95%	
Lease Rate (Monthly/Sq. Ft. NNN)		$2.75	$2.75	$2.75	$2.75	
Cap Rate		7.5%	7.5%	7.5%	7.5%	
Parking Requirements (a)						
Townhomes (2-Car Garage Assumed, Additional 15%)		15%	15%	15%	15%	
Multifamily (per Unit)		1.4	1.4	1.4	1.4	
Multifamily (per Unit, w/Metro Bridge)		1.0	1.0	1.0	1.0	
Multifamily Visitor Parking		15%	15%	15%	15%	
Office (per 1,000 Sq. Ft)		2.03	2.03	2.03	2.03	
Office Near Metro (per 1,000 Sq. Ft)		1.67	1.67	1.67	1.67	
Retail (Per 1,000 Sq. Ft.)		3.0	3.0	3.0	3.0	
Hard and Soft Costs (c)						
Multifamily Construction Costs (per sq. ft.)		$145	$145	$145	$145	
Mid Rise Multifamily Construction Costs (per sq. ft.)		$185	$185	$185	$185	
Townhome Construction Costs (per sq. ft.)		$110	$110	$110	$110	
Office Construction Costs (per sq. ft.)		$135	$135	$135	$135	
Retail Construction Costs (per sq. ft.)		$145	$145	$135	$135	
Office Tenant Improvement Allowance (per GLA)		$40	$40	$40	$40	
Retail Tenant Improvement Allowance (per GLA)		$10	$10	$10	$10	
Cost/Parking Space - Underground		$32,000	$32,000	$32,000	$32,000	
Cost/Parking Space - Structured		$22,000	$22,000	$22,000	$22,000	
Cost/Parking Space - Surface		$5,000	$5,000	$5,000	$5,000	
Soft Costs (as % of hard and site costs)		20%	20%	20%	20%	
Developer Profit (as % of total development cost)		12%	12%	12%	12%	
Financing Costs (d)						
Interest Rate		8.0%	8.0%	8.0%	8.0%	
Initial Construction Loan Fee (Points)		2.0%	2.0%	2.0%	2.0%	
Average Outstanding Balance		60%	60.0%	60.0%	60.0%	
Loan to Cost Ratio		80%	80.0%	80.0%	80.0%	

Notes:
(a) Based on City of Alexandria recommendations.
(b) Based on BAE market analysis.
(c) Based on Korpacz building types defined on Table A-3.

Source: Korpacz; City of Alexandria, 2009; BAE, 2009.

Table F-13: Developable Site Area and Density Calculations, All Alternatives

	Vulcan	Virginia Paving	Norfolk Southern	Covanta	Total
Site Characteristics					
Site Area, Sq.Ft.	770,716	491,315	619,260	273,434	2,154,725
Site Area, Acres	17.7	11.3	14.2	6.3	49.5
RPA, Sq. Ft.	285,855	171,857	395,602	107,346	960,660
Estimated Flood Plain Coverage Outside RPA	5%	50%	0%	0%	
Developable Site Area, Sq. Ft.	460,618	159,729	223,658	166,088	1,010,093
Developable Site Area, Acres	10.6	3.7	5.1	3.8	23.2
Percent of Site Undevelopable	40%	67%	64%	39%	53%
Alternative A					
Residential Units	530	184	0	0	714
Gross Residential Density (du/acre)	30	16	0	0	
Residential Density - Developable Site Area (du/acre)	50	50	0	0	
FAR (Residential & Commercial Gross)	0.8	0.5	1.0	1.9	0.9
FAR (Residential & Commercial Developable Area)	1.4	1.5	2.7	3.1	2.0
Alternative B					
Residential Units	530	0	0	0	530
Gross Residential Density (du/acre)	30	0	0	0	
Residential Density - Developable Site Area (du/acre)	50	0	0	0	
FAR (Residential & Commercial Gross)	0.8	0	1.0	1.9	0.8
FAR (Residential & Commercial Developable Area)	1.4	0	2.7	3.1	1.7
Alternative C					
Residential Units	530	184	0	0	714
Gross Residential Density (du/acre)	30	16	0	0	
Residential Density - Developable Site Area (du/acre)	50	50	0	0	
FAR (Residential & Commercial Gross)	0.8	0.5	0	0	0.4
FAR (Residential & Commercial Developable Area)	1.4	1.5	0	0	0.9
Alternative D					
Residential Units	449	156	347	206	1,158
Gross Residential Density (du/acre)	25	14	24	33	
Residential Density - Developable Site Area (du/acre)	43	43	68	54	
FAR (Residential & Commercial Gross)	0.8	0.4	1.2	1.7	0.9
FAR (Residential & Commercial Developable Area)	1.3	1.3	3.2	2.9	2.0

Source: City of Alexandria, 2009; BAE, 2009.

Table F-14: Alternative A Summary: Findings, Development Program, and Assumptions

		Parcel 1		Parcel 2		
		Vulcan	Virginia Paving	Covanta	Norfolk Southern	Total
TOTAL NET REVENUE						
Total Net Revenue		*$193,613,866*	*$71,781,541*	*$209,384,750*	*$248,952,250*	*$723,732,406*
Net Residential Sales Revenue		$186,507,866	$64,675,541	$0	$0	*$251,183,406*
Net Commercial Sales Revenue		$7,106,000	$7,106,000	$209,384,750	$248,952,250	*$472,549,000*
Total Development Cost		*$168,896,183*	*$60,130,426*	*$196,995,836*	*$216,528,927*	*$642,551,372*
Residual Land Value (Revenue Less Costs)		**$24,717,683**	**$11,651,114**	**$12,388,914**	**$32,423,323**	**$81,181,035**
Current Assessed Value for Land at Site		**$14,827,000**	**$13,162,000**	**$36,676,000**	**$19,283,000**	**$83,948,000**
Incremental Value/(Financing Gap)		**$9,891,000**	**-$1,511,000**	**-$24,287,000**	**$13,140,000**	**-$2,767,000**
SCENARIO-SPECIFIC ASSUMPTIONS						
Site Characteristics						
Open Space						
Gross DU/Acre - Parcel 1 Developable Area		50	50	0	0	50
Commercial Gross FAR - Parcel 2		0.03	0.04	1.9	1.0	
Residential Component (Parcel 1)						
Land Breakdown						
Multifamily Share		67%				
Townhome Share		33%				
Total Number of Units		530	184	0	0	714
Multifamily For-Sale		345	120	0	0	465
Townhomes		70	24	0	0	94
Multifamily Rental		115	40	0	0	155
Commercial Component						
Office Sq. Ft.		0	0	500,000	600,000	1,100,000
Leasable Area - (95% Occupancy)		0	0	475,000	570,000	1,045,000
Retail Sq. Ft.		20,000	20,000	7,500	2,500	50,000
Leasable Area - (95% Occupancy)		19,000	19,000	7,125	2,375	47,500
Parking Requirements						
Parking Spaces		726	291	1,038	1,226	3,279
Underground	100%	645	224	1015	1218	3,101
Structured	0%	0	0	0	0	0
Surface		81	67	23	8	178
SCENARIO-SPECIFIC COST ASSUMPTIONS						
Hard and Soft Costs						
On & Off-Site Improvements		$2,875,600	$1,452,500	$2,095,200	$2,216,400	
On & Off-Site Improvements (per acre)		$162,500	$128,800	$333,800	$155,900	
Redevelopment Costs						
Demolition		$0	$100,000	$15,000,000	$0	
Environmental Remediation		$40,500	$608,500	$174,000	$80,000	
Financing Assumptions						
Period of Initial Loan (Months)		28	10	20	24	

Source: City of Alexandria, 2009; MACTEC, 2009; BAE, 2009.

Table F-15: Alternative B Summary: Findings, Development Program, and Assumptions

		Parcel 1		Parcel 2		
		Vulcan	Virginia Paving	Covanta	Norfolk Southern	Total
TOTAL NET REVENUE						
Total Net Revenue		*$193,613,866*	*$0*	*$209,384,750*	*$248,952,250*	*$651,950,866*
Net Residential Sales Revenue		$186,507,866	$0	$0	$0	*$186,507,866*
Net Commercial Sales Revenue		$7,106,000	$0	$209,384,750	$248,952,250	*$465,443,000*
Total Development Cost		*$168,901,143*	*$2,941,750*	*$196,999,708*	*$216,533,576*	*$585,376,177*
Residual Land Value (Revenue Less Costs)		**$24,712,723**	**-$2,941,750**	**$12,385,042**	**$32,418,674**	**$66,574,689**
Current Assessed Value for Land at Site		**$14,827,000**	**$13,162,000**	**$36,676,000**	**$19,283,000**	**$83,948,000**
Incremental Value/(Financing Gap)		**$9,886,000**	**-$16,104,000**	**-$24,291,000**	**$13,136,000**	**-$17,373,000**
SCENARIO-SPECIFIC ASSUMPTIONS						
Site Characteristics						
Open Space						
Gross DU/Acre - Parcel 1 Developable Area		50	0	0	0	18
Commercial Gross FAR - Parcel 2		0.03	0.00	1.9	1.0	
Residential Component (Parcel 1)						
Land Breakdown						
Multifamily Share		67%	0%			
Townhome Share		33%	0%			
Total Number of Units		530	0	0	0	530
Multifamily For-Sale		345	0	0	0	345
Townhomes		70	0	0	0	70
Multifamily Rental		115	0	0	0	115
Commercial Component						
Office Sq. Ft.		0	0	500,000	600,000	1,100,000
Leasable Area - (95% Occupancy)		0	0	475,000	570,000	1,045,000
Retail Sq. Ft.		20,000	0	7,500	2,500	30,000
Leasable Area - (95% Occupancy)		19,000	0	7,125	2,375	28,500
Parking Requirements						
Parking Spaces		726	0	1,038	1,226	2,989
Underground	#	645	0	1015	1218	2,878
Structured	#	0	0	0	0	0
Surface		81	0	23	8	111
SCENARIO-SPECIFIC COST ASSUMPTIONS						
Hard and Soft Costs						
On & Off-Site Improvements		$2,875,600	$2,233,000	$2,095,200	$2,216,400	
On & Off-Site Improvements (per acre)		$162,500	$198,000	$333,800	$155,900	
Redevelopment Costs						
Demolition		$0	$100,000	$15,000,000	$0	
Environmental Remediation		$40,500	$608,500	$174,000	$80,000	
Financing Assumptions						
Period of Initial Loan (Months)		28	0	20	24	

Source: City of Alexandria, 2009; BAE, 2009.

Table F-16: Alternative C Summary: Findings, Development Program, and Assumptions

		Parcel 1		Parcel 2		
		Vulcan	Virginia Paving	Covanta	Norfolk Southern	Total
TOTAL NET REVENUE						
Total Net Revenue		*$193,613,866*	*$71,781,541*	*$0*	*$0*	*$265,395,406*
Net Residential Sales Revenue		$186,507,866	$64,675,541	$0	$0	*$251,183,406*
Net Commercial Sales Revenue		$7,106,000	$7,106,000	$0	$0	*$14,212,000*
Total Development Cost		*$168,896,183*	*$60,130,426*	*$7,500,000*	*$0*	*$236,526,609*
Residual Land Value (Revenue Less Costs)		**$24,717,683**	**$11,651,114**	**$29,176,000**	**$19,283,000**	**$84,827,797**
Current Assessed Value for Land at Site		**$14,827,000**	**$13,162,000**	**$36,676,000**	**$19,283,000**	**$83,948,000**
Incremental Value/(Financing Gap)		**$9,891,000**	**-$1,511,000**	**-$7,500,000**	**$0**	**$880,000**
SCENARIO-SPECIFIC ASSUMPTIONS						
Site Characteristics						
Open Space						
Gross DU/Acre - Parcel 1 Developable Area		50	50	0	0	50
Commercial Gross FAR - Parcel 2		0.03	0.04	0.00	0.00	
Residential Component (Parcel 1)						
Land Breakdown						
Multifamily Share	67%					
Townhome Share	33%					
Total Number of Units		530	184	0	0	714
Multifamily For-Sale		345	120	0	0	465
Townhomes		70	24	0	0	94
Multifamily Rental		115	40	0	0	155
Commercial Component						
Office Sq. Ft.		0	0	0	0	0
Leasable Area - (95% Occupancy)		0	0	0	0	0
Retail Sq. Ft.		20,000	20,000	0	0	40,000
Leasable Area - (95% Occupancy)		19,000	19,000	0	0	38,000
Parking Requirements						
Parking Spaces		726	291	0	0	1,016
Underground	100%	645	224	0	0	868
Structured	0%	0	0	0	0	0
Surface		81	67	0	0	148
SCENARIO-SPECIFIC COST ASSUMPTIONS						
Hard and Soft Costs						
On & Off-Site Improvements		$2,875,600	$1,452,500	$0	$0	
On & Off-Site Improvements (per acre)		$162,500	$128,800	$0	$0	
Redevelopment Costs						
Demolition/Architectural Enhancement (a)		$0	$100,000	$7,500,000	$0	
Environmental Remediation		$40,500	$608,500	$0	$0	
Financing Assumptions						
Period of Initial Loan (Months)		28	10	0	0	

Notes:
(a) Includes $7,500,000 to architecturally enhance Covanta (HDR).

Source: HDR, 2009; City of Alexandria, 2009; BAE, 2009.

Table F-17: Alternative D Summary: Findings, Development Program, and Assumptions

		Parcel 1		Parcel 2		
		Vulcan	Virginia Paving	Covanta	Norfolk Southern	Total
TOTAL NET REVENUE						
Total Net Revenue		*$174,328,740*	*$68,348,717*	*$181,763,814*	*$271,438,401*	*$695,879,671*
Net Residential Sales Revenue		$167,222,740	$60,887,417	$70,437,826	$118,566,538	*$417,114,521*
Net Commercial Sales Revenue		$7,106,000	$7,461,300	$111,325,988	$152,871,863	*$278,765,150*
Total Development Cost		*$137,828,758*	*$50,162,146*	*$169,300,128*	*$234,276,140*	*$591,567,172*
Bridge Cost						*$25,000,000*
Residual Land Value (Revenue Less Costs)		**$36,499,982**	**$18,186,571**	**$12,463,686**	**$37,162,261**	**$79,312,499**
Current Assessed Value for Land at Site		**$14,827,000**	**$13,162,000**	**$36,676,000**	**$19,283,000**	**$83,948,000**
Incremental Value/(Financing Gap)		**$21,673,000**	**$5,025,000**	**-$24,212,000**	**$17,879,000**	**-$4,635,501**
SCENARIO-SPECIFIC ASSUMPTIONS						
Site Characteristics						
Open Space						
Gross DU/Acre - Parcel 1 Developable Area		43	43	54	68	40
Commercial Gross FAR - Parcel 2		0.03	0.04	0.91	0.57	
Residential Component						
Percent of Developable Land Used as Residential				60%	75%	
Land Breakdown						
Low Rise Multifamily Share		50%	50%	0	0	
Townhome Share		50%	50%	N/A	N/A	
Mid Rise Multifamily Share		N/A	N/A	100%	100%	
Total Number of Units		449	156	206	347	1,158
Multifamily For-Sale		258	89	154	260	761
Townhomes		106	37			142
Multifamily Rental		86	30	51	87	254
Commercial Component						
Office Sq. Ft.		0	0	250,000	350,000	600,000
Leasable Area - (95% Occupancy)		0	0	237,500	332,500	570,000
Retail Sq. Ft.		20,000	20,000	7,500	2,500	50,000
Leasable Area - (95% Occupancy)		19,000	19,000	7,125	2,375	47,500
Parking Requirements						
Parking Spaces		435	190	646	939	2,210
Underground	100%	344	119	623	931	2,017
Structured	0%	0	0	0	0	0
Surface		92	71	23	8	193
SCENARIO-SPECIFIC COST ASSUMPTIONS						
Hard and Soft Costs						
On & Off-Site Improvements		$2,875,600	$1,452,500	$2,095,200	$2,216,400	
On & Off-Site Improvements (per acre)		$162,500	$128,800	$333,800	$155,900	
Redevelopment Costs						
Demolition		$0	$100,000	$15,000,000	$0	
Environmental Remediation		$40,500	$608,500	$174,000	$80,000	
Financing Assumptions						
Period of Initial Loan (Months)		24	8	10	17	

Source: City of Alexandria, 2009; BAE, 2009.

Table F-18: Pro-Forma for Alternative A, Vulcan Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	770,716
Site Area, Acres	17.7
Gross DU/Acre	50
Residential Component	
Total Number of Units	530
Multifamily For-Sale	
Total Units	345
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	70
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	115
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	616,140
Commercial Component	
Office Sq. Ft.	0
Leasable %	95%
Leasable Area	0
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	20,000
Leasable %	95%
Leasable Area	19,000
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	645
Structured	0
Surface	81

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$145
On & Off-Site Improvements (per acre)	$162,500
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$2,447,125
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$0
Environmental Remediation	$40,500
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	28
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$136,487,121
Amount of Loan	$109,189,697

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$84,699,219
Office Construction Costs	$0
Retail Construction Costs	$2,900,000
On & Off-Site Improvements	$2,875,146
Tenant Improvement Allowances	$190,000
Impact Fees	$2,447,125
Parking Costs	$21,035,633
Other Soft Costs	$22,339,999
Redevelopment Costs	$40,500
Financing Costs	
Interest on Construction Loan	$12,088,748
Points on Construction Loan	$2,183,794
Developer Profit	$18,096,020
Total Development Cost	**$168,896,183**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$171,357,729
Less Commissions/Marketing	5%	-$8,567,886
Net Residential Sales Revenue		$162,789,842
Annual Office Lease Revenue		$0
Less Vacancy	10%	$0
Less Commissions/Marketing	5%	$0
Annual Net Operating Income		$0
Net Office Sales Revenue		$0
Annual Retail Lease Revenue		$627,000
Less Vacancy	10%	-$62,700
Less Commissions/Marketing	5%	-$31,350
Annual Net Operating Income		$532,950
Net Retail Sales Revenue		$7,106,000
Annual Residential Rental Revenue		$3,018,658
Less Direct and Fixed Expenses	45%	-$1,358,396
Annual Net Operating Income		$1,660,262
Net Residential Rental Revenue		$23,718,023
Total Net Revenue		$193,613,866
Less Development Costs		-$168,896,183
Residual Land Value		**$24,717,683**
Land Value/ Sq. Ft.		**$32.07**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-19: Pro-Forma for Alternative A, Virginia Paving Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	491,315
Site Area, Acres	11.3
Gross DU/Acre	50
Residential Component	
Total Number of Units	184
Multifamily For-Sale	
Total Units	120
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	24
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	40
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	213,660
Commercial Component	
Office Sq. Ft.	0
Leasable %	95%
Leasable Area	0
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	20,000
Leasable %	95%
Leasable Area	19,000
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	224
Structured	0
Surface	67

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$145
On & Off-Site Improvements (per acre)	$128,800
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$929,565
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$100,000
Environmental Remediation	$608,500
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	10
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$50,614,966
Amount of Loan	$40,491,973

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$29,371,242
Office Construction Costs	$0
Retail Construction Costs	$2,900,000
On & Off-Site Improvements	$1,452,740
Tenant Improvement Allowances	$190,000
Impact Fees	$929,565
Parking Costs	$7,490,518
Other Soft Costs	$8,280,900
Redevelopment Costs	$708,500
Financing Costs	
Interest on Construction Loan	$1,554,574
Points on Construction Loan	$809,839
Developer Profit	$6,442,546
Total Development Cost	**$60,130,426**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$59,421,911
Less Commissions/Marketing	5%	-$2,971,096
Net Residential Sales Revenue		$56,450,815
Annual Office Lease Revenue		$0
Less Vacancy	10%	$0
Less Commissions/Marketing	5%	$0
Annual Net Operating Income		$0
Net Office Sales Revenue		$0
Annual Retail Lease Revenue		$627,000
Less Vacancy	10%	-$62,700
Less Commissions/Marketing	5%	-$31,350
Annual Net Operating Income		$532,950
Net Retail Sales Revenue		$7,106,000
Annual Residential Rental Revenue		$1,046,783
Less Direct and Fixed Expenses	45%	-$471,052
Annual Net Operating Income		$575,731
Net Residential Rental Revenue		$8,224,725
Total Net Revenue		$71,781,541
Less Development Costs		-$60,130,426
Residual Land Value		**$11,651,114**
Land Value/ Sq. Ft.		**$23.71**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-20: Pro-Forma for Alternative A, Covanta Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	273,434
Site Area, Acres	6.3
Gross DU/Acre	0
Residential Component	
Total Number of Units	0
Multifamily For-Sale	
Total Units	0
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	0
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	0
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	0
Commercial Component	
Office Sq. Ft.	500,000
Leasable %	95%
Leasable Area	475,000
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	7,500
Leasable %	95%
Leasable Area	7,125
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	1015
Structured	0
Surface	23

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$135
On & Off-Site Improvements (per acre)	$333,800
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$1,952,268
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$15,000,000
Environmental Remediation	$174,000
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	20
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$148,678,156
Amount of Loan	$118,942,525

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$0
Office Construction Costs	$67,500,000
Retail Construction Costs	$1,012,500
On & Off-Site Improvements	$2,095,323
Tenant Improvement Allowances	$19,071,250
Impact Fees	$1,952,268
Parking Costs	$32,592,500
Other Soft Costs	$24,454,315
Redevelopment Costs	$15,174,000
Financing Costs	
Interest on Construction Loan	$9,658,133
Points on Construction Loan	$2,378,850
Developer Profit	$21,106,697
Total Development Cost	**$196,995,836**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$0
Less Commissions/Marketing	5%	$0
Net Residential Sales Revenue		$0
Annual Office Lease Revenue		$18,240,000
Less Vacancy	10%	-$1,824,000
Less Commissions/Marketing	5%	-$912,000
Annual Net Operating Income		$15,504,000
Net Office Sales Revenue		$206,720,000
Annual Retail Lease Revenue		$235,125
Less Vacancy	10%	-$23,513
Less Commissions/Marketing	5%	-$11,756
Annual Net Operating Income		$199,856
Net Retail Sales Revenue		$2,664,750
Annual Residential Rental Revenue		$0
Less Direct and Fixed Expenses	45%	$0
Annual Net Operating Income		$0
Net Residential Rental Revenue		$0
Total Net Revenue		$209,384,750
Less Development Costs		-$196,995,836
Residual Land Value		**$12,388,914**
Land Value/ Sq. Ft.		**$45.31**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-21: Pro-Forma for Alternative A, Norfolk Southern Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	619,260
Site Area, Acres	14.2
Gross DU/Acre	0
Residential Component	
Total Number of Units	0
Multifamily For-Sale	
Total Units	0
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	0
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	0
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	0
Commercial Component	
Office Sq. Ft.	600,000
Leasable %	95%
Leasable Area	570,000
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	2,500
Leasable %	95%
Leasable Area	2,375
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	1218
Structured	0
Surface	8

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$135
On & Off-Site Improvements (per acre)	$155,900
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$2,317,717
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$0
Environmental Remediation	$80,000
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	24
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$176,786,994
Amount of Loan	$141,429,595

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$0
Office Construction Costs	$81,000,000
Retail Construction Costs	$337,500
On & Off-Site Improvements	$2,216,314
Tenant Improvement Allowances	$22,823,750
Impact Fees	$2,317,717
Parking Costs	$39,013,500
Other Soft Costs	$29,078,213
Redevelopment Costs	$80,000
Financing Costs	
Interest on Construction Loan	$13,633,813
Points on Construction Loan	$2,828,592
Developer Profit	$23,199,528
Total Development Cost	**$216,528,927**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$0
Less Commissions/Marketing	5%	$0
Net Residential Sales Revenue		$0
Annual Office Lease Revenue		$21,888,000
Less Vacancy	10%	-$2,188,800
Less Commissions/Marketing	5%	-$1,094,400
Annual Net Operating Income		$18,604,800
Net Office Sales Revenue		$248,064,000
Annual Retail Lease Revenue		$78,375
Less Vacancy	10%	-$7,838
Less Commissions/Marketing	5%	-$3,919
Annual Net Operating Income		$66,619
Net Retail Sales Revenue		$888,250
Annual Residential Rental Revenue		$0
Less Direct and Fixed Expenses	45%	$0
Annual Net Operating Income		$0
Net Residential Rental Revenue		$0
Total Net Revenue		$248,952,250
Less Development Costs		-$216,528,927
Residual Land Value		**$32,423,323**
Land Value/ Sq. Ft.		**$52.36**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-22: Pro-Forma for Alternative B, Vulcan Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	770,716
Site Area, Acres	17.7
Gross DU/Acre	50
Residential Component	
Total Number of Units	530
Multifamily For-Sale	
Total Units	345
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	70
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	115
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	616,140
Commercial Component	
Office Sq. Ft.	0
Leasable %	95%
Leasable Area	0
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	20,000
Leasable %	95%
Leasable Area	19,000
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	645
Structured	0
Surface	81

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$145
On & Off-Site Improvements (per acre)	$162,500
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$2,451,134
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$0
Environmental Remediation	$40,500
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	28
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$136,491,130
Amount of Loan	$109,192,904

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$84,699,219
Office Construction Costs	$0
Retail Construction Costs	$2,900,000
On & Off-Site Improvements	$2,875,146
Tenant Improvement Allowances	$190,000
Impact Fees	$2,451,134
Parking Costs	$21,035,633
Other Soft Costs	$22,339,999
Redevelopment Costs	$40,500
Financing Costs	
Interest on Construction Loan	$12,089,103
Points on Construction Loan	$2,183,858
Developer Profit	$18,096,551
Total Development Cost	**$168,901,143**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$171,357,729
Less Commissions/Marketing	5%	-$8,567,886
Net Residential Sales Revenue		$162,789,842
Annual Office Lease Revenue		$0
Less Vacancy	10%	$0
Less Commissions/Marketing	5%	$0
Annual Net Operating Income		$0
Net Office Sales Revenue		$0
Annual Retail Lease Revenue		$627,000
Less Vacancy	10%	-$62,700
Less Commissions/Marketing	5%	-$31,350
Annual Net Operating Income		$532,950
Net Retail Sales Revenue		$7,106,000
Annual Residential Rental Revenue		$3,018,658
Less Direct and Fixed Expenses	45%	-$1,358,396
Annual Net Operating Income		$1,660,262
Net Residential Rental Revenue		$23,718,023
Total Net Revenue		$193,613,866
Less Development Costs		-$168,901,143
Residual Land Value		**$24,712,723**
Land Value/ Sq. Ft.		**$32.06**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-23: Pro-Forma for Alternative B, Virginia Paving Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	491,315
Site Area, Acres	11.3
Gross DU/Acre	0
Residential Component	
Total Number of Units	0
Multifamily For-Sale	
Total Units	0
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	0
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	0
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	0
Commercial Component	
Office Sq. Ft.	0
Leasable %	95%
Leasable Area	0
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	0
Leasable %	95%
Leasable Area	0
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	0
Structured	0
Surface	0

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$145
On & Off-Site Improvements (per acre)	$198,000
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$0
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	0%
Developer Profit (as % of Total Development Cost)	0%
Demolition	$100,000
Environmental Remediation	$608,500
Financing Costs	
Interest Rate	0%
Period of Initial Loan (Months)	6
Initial Construction Loan Fee (Points)	0%
Average Outstanding Balance	0%
Loan to Cost Ratio	0%
Hard & Soft Costs, Site Costs	$2,233,250
Amount of Loan	$0

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$0
Office Construction Costs	$0
Retail Construction Costs	$0
On & Off-Site Improvements	$2,233,250
Tenant Improvement Allowances	$0
Impact Fees	$0
Parking Costs	$0
Other Soft Costs	$0
Redevelopment Costs	$708,500
Financing Costs	
Interest on Construction Loan	$0
Points on Construction Loan	$0
Developer Profit	$0
Total Development Cost	**$2,941,750**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$0
Less Commissions/Marketing	5%	$0
Net Residential Sales Revenue		$0
Annual Office Lease Revenue		$0
Less Vacancy	10%	$0
Less Commissions/Marketing	5%	$0
Annual Net Operating Income		$0
Net Office Sales Revenue		$0
Annual Retail Lease Revenue		$0
Less Vacancy	10%	$0
Less Commissions/Marketing	5%	$0
Annual Net Operating Income		$0
Net Retail Sales Revenue		$0
Annual Residential Rental Revenue		$0
Less Direct and Fixed Expenses	45%	$0
Annual Net Operating Income		$0
Net Residential Rental Revenue		$0
Total Net Revenue		$0
Less Development Costs		-2,941,750
Residual Land Value		**-2,941,750**
Land Value/ Sq. Ft.		**-5.99**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-24: Pro-Forma for Alternative B, Covanta Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	273,434
Site Area, Acres	6.3
Gross DU/Acre	0
Residential Component	
Total Number of Units	0
Multifamily For-Sale	
Total Units	0
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	0
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	0
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	0
Commercial Component	
Office Sq. Ft.	500,000
Leasable %	95%
Leasable Area	475,000
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	7,500
Leasable %	95%
Leasable Area	7,125
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	1015
Structured	0
Surface	23

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$135
On & Off-Site Improvements (per acre)	$333,800
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$1,955,467
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$15,000,000
Environmental Remediation	$174,000
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	20
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$148,681,354
Amount of Loan	$118,945,083

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$0
Office Construction Costs	$67,500,000
Retail Construction Costs	$1,012,500
On & Off-Site Improvements	$2,095,323
Tenant Improvement Allowances	$19,071,250
Impact Fees	$1,955,467
Parking Costs	$32,592,500
Other Soft Costs	$24,454,315
Redevelopment Costs	$15,174,000
Financing Costs	
Interest on Construction Loan	$9,658,341
Points on Construction Loan	$2,378,902
Developer Profit	$21,107,112
Total Development Cost	**$196,999,708**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$0
Less Commissions/Marketing	5%	$0
Net Residential Sales Revenue		$0
Annual Office Lease Revenue		$18,240,000
Less Vacancy	10%	-1824000
Less Commissions/Marketing	5%	-912000
Annual Net Operating Income		$15,504,000
Net Office Sales Revenue		$206,720,000
Annual Retail Lease Revenue		$235,125
Less Vacancy	10%	-$23,513
Less Commissions/Marketing	5%	-$11,756
Annual Net Operating Income		$199,856
Net Retail Sales Revenue		$2,664,750
Annual Residential Rental Revenue		$0
Less Direct and Fixed Expenses	45%	$0
Annual Net Operating Income		$0
Net Residential Rental Revenue		$0
Total Net Revenue		$209,384,750
Less Development Costs		-196999708
Residual Land Value		**$12,385,042**
Land Value/ Sq. Ft.		**$45.29**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-25: Pro-Forma for Alternative B, Norfolk Southern Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	619,260
Site Area, Acres	14.2
Gross DU/Acre	0
Residential Component	
Total Number of Units	0
Multifamily For-Sale	
Total Units	0
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	0
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	0
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	0
Commercial Component	
Office Sq. Ft.	600,000
Leasable %	95%
Leasable Area	570,000
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	2,500
Leasable %	95%
Leasable Area	2,375
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	1218
Structured	0
Surface	8

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$135
On & Off-Site Improvements (per acre)	$155,900
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$2,321,515
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$0
Environmental Remediation	$80,000
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	24
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$176,790,791
Amount of Loan	$141,432,633

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$0
Office Construction Costs	$81,000,000
Retail Construction Costs	$337,500
On & Off-Site Improvements	$2,216,314
Tenant Improvement Allowances	$22,823,750
Impact Fees	$2,321,515
Parking Costs	$39,013,500
Other Soft Costs	$29,078,213
Redevelopment Costs	$80,000
Financing Costs	
Interest on Construction Loan	$13,634,106
Points on Construction Loan	$2,828,653
Developer Profit	$23,200,026
Total Development Cost	**$216,533,576**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$0
Less Commissions/Marketing	5%	$0
Net Residential Sales Revenue		$0
Annual Office Lease Revenue		$21,888,000
Less Vacancy	10%	-$2,188,800
Less Commissions/Marketing	5%	-$1,094,400
Annual Net Operating Income		$18,604,800
Net Office Sales Revenue		$248,064,000
Annual Retail Lease Revenue		$78,375
Less Vacancy	10%	-$7,838
Less Commissions/Marketing	5%	-$3,919
Annual Net Operating Income		$66,619
Net Retail Sales Revenue		$888,250
Annual Residential Rental Revenue		$0
Less Direct and Fixed Expenses	45%	$0
Annual Net Operating Income		$0
Net Residential Rental Revenue		$0
Total Net Revenue		$248,952,250
Less Development Costs		-$216,533,576
Residual Land Value		**$32,418,674**
Land Value/ Sq. Ft.		**$52.35**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-26: Pro-Forma for Alternative D, Vulcan Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	770,716
Site Area, Acres	17.7
Gross DU/Acre	43
Residential Component	
Total Number of Units	449
Multifamily For-Sale	
Total Units	258
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	106
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	86
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	561,761
Commercial Component	
Office Sq. Ft.	0
Leasable %	95%
Leasable Area	0
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	20,000
Leasable %	95%
Leasable Area	19,000
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	344
Structured	0
Surface	92

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$145
On & Off-Site Improvements (per acre)	$162,500
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$2,283,863
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$0
Environmental Remediation	$40,500
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	24
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$112,497,317
Amount of Loan	$89,997,854

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$74,423,478
Office Construction Costs	$0
Retail Construction Costs	$2,900,000
On & Off-Site Improvements	$2,875,146
Tenant Improvement Allowances	$190,000
Impact Fees	$2,283,863
Parking Costs	$11,455,921
Other Soft Costs	$18,368,909
Redevelopment Costs	$40,500
Financing Costs	
Interest on Construction Loan	$8,723,617
Points on Construction Loan	$1,799,957
Developer Profit	$14,767,367
Total Development Cost	**$137,828,758**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$157,392,339
Plus TOD Premium	0%	$0
Less Commissions/Marketing	5%	-$7,869,617
Net Residential Sales Revenue		$149,522,722
Annual Office Lease Revenue		$0
Plus TOD Premium	0%	$0
Less Vacancy	10%	$0
Less Commissions/Marketing	5%	$0
Annual Net Operating Income		$0
Net Office Sales Revenue		$0
Annual Retail Lease Revenue		$627,000
Plus TOD Premium	0%	$0
Less Vacancy	10%	-$62,700
Less Commissions/Marketing	5%	-$31,350
Annual Net Operating Income		$532,950
Net Retail Sales Revenue		$7,106,000
Annual Residential Rental Revenue		$2,252,729
Plus TOD Premium	0%	$0
Less Direct and Fixed Expenses	45%	-$1,013,728
Annual Net Operating Income		$1,239,001
Net Residential Rental Revenue		$17,700,017
Total Net Revenue		$174,328,740
Less Development Costs		-$137,828,758
Residual Land Value		**$36,499,982**
Land Value/ Sq. Ft.		**$47.36**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-27: Pro-Forma for Alternative D, Virginia Paving Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	491,315
Site Area, Acres	11.3
Gross DU/Acre	43
Residential Component	
Total Number of Units	156
Multifamily For-Sale	
Total Units	89
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	37
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	30
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	194,803
Commercial Component	
Office Sq. Ft.	0
Leasable %	95%
Leasable Area	0
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	20,000
Leasable %	95%
Leasable Area	19,000
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	119
Structured	0
Surface	71

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$145
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$145
On & Off-Site Improvements (per acre)	$128,800
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$843,266
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$100,000
Environmental Remediation	$608,500
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	8
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$42,266,311
Amount of Loan	$33,813,049

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$25,807,912
Office Construction Costs	$0
Retail Construction Costs	$2,900,000
On & Off-Site Improvements	$1,452,740
Tenant Improvement Allowances	$190,000
Impact Fees	$843,266
Parking Costs	$4,168,551
Other Soft Costs	$6,903,841
Redevelopment Costs	$708,500
Financing Costs	
Interest on Construction Loan	$1,136,558
Points on Construction Loan	$676,261
Developer Profit	$5,374,516
Total Development Cost	**$50,162,146**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$54,579,117
Plus TOD Premium	5%	$2,728,956
Less Commissions/Marketing	5%	-$2,865,404
Net Residential Sales Revenue		$54,442,669
Annual Office Lease Revenue		$0
Plus TOD Premium	5%	$0
Less Vacancy	10%	$0
Less Commissions/Marketing	5%	$0
Annual Net Operating Income		$0
Net Office Sales Revenue		$0
Annual Retail Lease Revenue		$627,000
Plus TOD Premium	5%	$31,350
Less Vacancy	10%	-$65,835
Less Commissions/Marketing	5%	-$32,918
Annual Net Operating Income		$559,598
Net Retail Sales Revenue		$7,461,300
Annual Residential Rental Revenue		$781,182
Plus TOD Premium	5%	$39,059
Less Direct and Fixed Expenses	45%	-$369,108
Annual Net Operating Income		$451,132
Net Residential Rental Revenue		$6,444,748
Total Net Revenue		$68,348,717
Less Development Costs		-$50,162,146
Residual Land Value		**$18,186,571**
Land Value/ Sq. Ft.		**$37.02**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-28: Pro-Forma for Alternative D, Covanta Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	273,434
Site Area, Acres	6.3
Gross DU/Acre	54
Residential Component	
Total Number of Units	206
Multifamily For-Sale	
Total Units	154
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	0
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	51
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	216,189
Commercial Component	
Office Sq. Ft.	250,000
Leasable %	95%
Leasable Area	237,500
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	7,500
Leasable %	95%
Leasable Area	7,125
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	623
Structured	0
Surface	23

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$185
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$135
On & Off-Site Improvements (per acre)	$333,800
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$1,859,595
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$15,000,000
Environmental Remediation	$174,000
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	10
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$129,641,762
Amount of Loan	$103,713,409

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$39,994,951
Office Construction Costs	$33,750,000
Retail Construction Costs	$1,012,500
On & Off-Site Improvements	$2,095,323
Tenant Improvement Allowances	$9,571,250
Impact Fees	$1,859,595
Parking Costs	$20,061,115
Other Soft Costs	$21,297,028
Redevelopment Costs	$15,174,000
Financing Costs	
Interest on Construction Loan	$4,270,798
Points on Construction Loan	$2,074,268
Developer Profit	$18,139,299
Total Development Cost	**$169,300,128**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$59,451,955
Plus TOD Premium	5%	$2,972,598
Less Commissions/Marketing	5%	-$3,121,228
Net Residential Sales Revenue		$59,303,325
Annual Office Lease Revenue		$9,120,000
Plus TOD Premium	5%	$456,000
Less Vacancy	10%	-$957,600
Less Commissions/Marketing	5%	-$478,800
Annual Net Operating Income		$8,139,600
Net Office Sales Revenue		$108,528,000
Annual Retail Lease Revenue		$235,125
Plus TOD Premium	5%	$11,756
Less Vacancy	10%	-$24,688
Less Commissions/Marketing	5%	-$12,344
Annual Net Operating Income		$209,849
Net Retail Sales Revenue		$2,797,988
Annual Residential Rental Revenue		$1,349,637
Plus TOD Premium	5%	$67,482
Less Direct and Fixed Expenses	45%	-$637,703
Annual Net Operating Income		$779,415
Net Residential Rental Revenue		$11,134,502
Total Net Revenue		$181,763,814
Less Development Costs		-$169,300,128
Residual Land Value		**$12,463,686**
Land Value/ Sq. Ft.		**$45.58**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.

Table F-29: Pro-Forma for Alternative D, Norfolk Southern Site

PROJECT DETAILS	
Site Characteristics	
Site Area, Sq.Ft.	619,260
Site Area, Acres	14.2
Gross DU/Acre	68
Residential Component	
Total Number of Units	347
Multifamily For-Sale	
Total Units	260
Avg. Unit Size	1,050
Avg. Sale Price	$385,000
Townhomes	
Total Units	0
Avg. Unit Size	1,900
Avg. Sale Price	$550,000
Multifamily Rental	
Total Units	87
Avg. Unit Size	1,050
Avg. Monthly Rent	2,300
Stabilized Occupancy	95%
Cap Rate	7%
Total Residential Sq. Ft.	363,906
Commercial Component	
Office Sq. Ft.	350,000
Leasable %	95%
Leasable Area	332,500
Lease Rate (Monthly/Sq. Ft. NNN)	$3.20
Cap Rate	7.5%
Retail Sq. Ft.	2,500
Leasable %	95%
Leasable Area	2,375
Lease Rate (Monthly/Sq. Ft. NNN)	$2.75
Cap Rate	7.5%
Parking	
Underground	931
Structured	0
Surface	8

COST ASSUMPTIONS	
Hard and Soft Costs	
Multifamily Construction Costs (per sq. ft.)	$185
Townhome Construction Costs (per sq. ft.)	$110
Office Construction Costs (per sq. ft.)	$135
Retail Construction Costs (per sq. ft.)	$135
On & Off-Site Improvements (per acre)	$155,900
Office Tenant Improvement Allowance (per GLA)	$40
Retail Tenant Improvement Allowance (per GLA)	$10
Impact Fees	$2,812,448
Cost/Parking Space - Underground	$32,000
Cost/Parking Space - Structured	$22,000
Cost/Parking Space - Surface	$5,000
Other Soft Costs (as % of hard costs, site costs)	20%
Developer Profit (as % of Total Development Cost)	12%
Demolition	$0
Environmental Remediation	$80,000
Financing Costs	
Interest Rate	8%
Period of Initial Loan (Months)	17
Initial Construction Loan Fee (Points)	2%
Average Outstanding Balance	60%
Loan to Cost Ratio	80%
Hard & Soft Costs, Site Costs	$195,151,111
Amount of Loan	$156,120,888

DEVELOPMENT COST SUMMARY	
Hard and Soft Costs	
Residential Construction Costs	$67,322,675
Office Construction Costs	$47,250,000
Retail Construction Costs	$337,500
On & Off-Site Improvements	$2,216,314
Tenant Improvement Allowances	$13,323,750
Impact Fees	$2,812,448
Parking Costs	$29,831,979
Other Soft Costs	$32,056,444
Redevelopment Costs	$80,000
Financing Costs	
Interest on Construction Loan	$10,821,597
Points on Construction Loan	$3,122,418
Developer Profit	$25,101,015
Total Development Cost	**$234,276,140**

LAND VALUE ANALYSIS		
Gross For-Sale Residential Sales Revenue		$100,074,247
Plus TOD Premium	5%	$5,003,712
Less Commissions/Marketing	5%	-$5,253,898
Net Residential Sales Revenue		$99,824,062
Annual Office Lease Revenue		$12,768,000
Plus TOD Premium	5%	$638,400
Less Vacancy	10%	-$1,340,640
Less Commissions/Marketing	5%	-$670,320
Annual Net Operating Income		$11,395,440
Net Office Sales Revenue		$151,939,200
Annual Retail Lease Revenue		$78,375
Plus TOD Premium	5%	$3,919
Less Vacancy	10%	-$8,229
Less Commissions/Marketing	5%	-$4,115
Annual Net Operating Income		$69,950
Net Retail Sales Revenue		$932,663
Annual Residential Rental Revenue		$2,271,815
Plus TOD Premium	5%	$113,591
Less Direct and Fixed Expenses	45%	-$1,073,433
Annual Net Operating Income		$1,311,973
Net Residential Rental Revenue		$18,742,477
Total Net Revenue		$271,438,401
Less Development Costs		-$234,276,140
Residual Land Value		**$37,162,261**
Land Value/ Sq. Ft.		**$60.01**

Source: City of Alexandria, 2009; RS Means, 2009; Korpacz, 2009; MACTEC, 2009; BAE, 2009.