

City of Edmonds Five Corners: Alternatives Analysis



Feb 14, 2018

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Project Overview

Context:

- The City of Edmonds is considering a form-based code for the Five Corners area.
- Five Corners area has potential to add increased density and additional housing with newer building stock.
- Goal: explore the feasibility of re-development of four sites within current market conditions under draft code.

ReVisioning FIVE CORNERS

CORE CONCEPTS

The intent for Five Corners is to create a vibrant mixed-use activity center that enhances economic development, provides housing, and retail/office uses that support the surrounding neighborhood. Core concepts include:



Emphasis on creating a lively pedestrian environment with wide sidewalks and buildings placed close to the street.



A requirement for 15% landscaped open space. All units shall meet a minimum Green Factor score of .30. Green Factor is a score-based code requirement developed by the City of Seattle to improve the quality of landscaping in new development.



Retain and infiltrate stormwater on private property through use of low-impact development techniques.



Increase affordable housing and housing options. Require 10% of new housing units to be made affordable to low- to moderate-income households and require a mix in housing unit size — ranging from 900- to 1,600-sf.



Provide options for active transportation by installing new bike lanes and enlarging sidewalks.

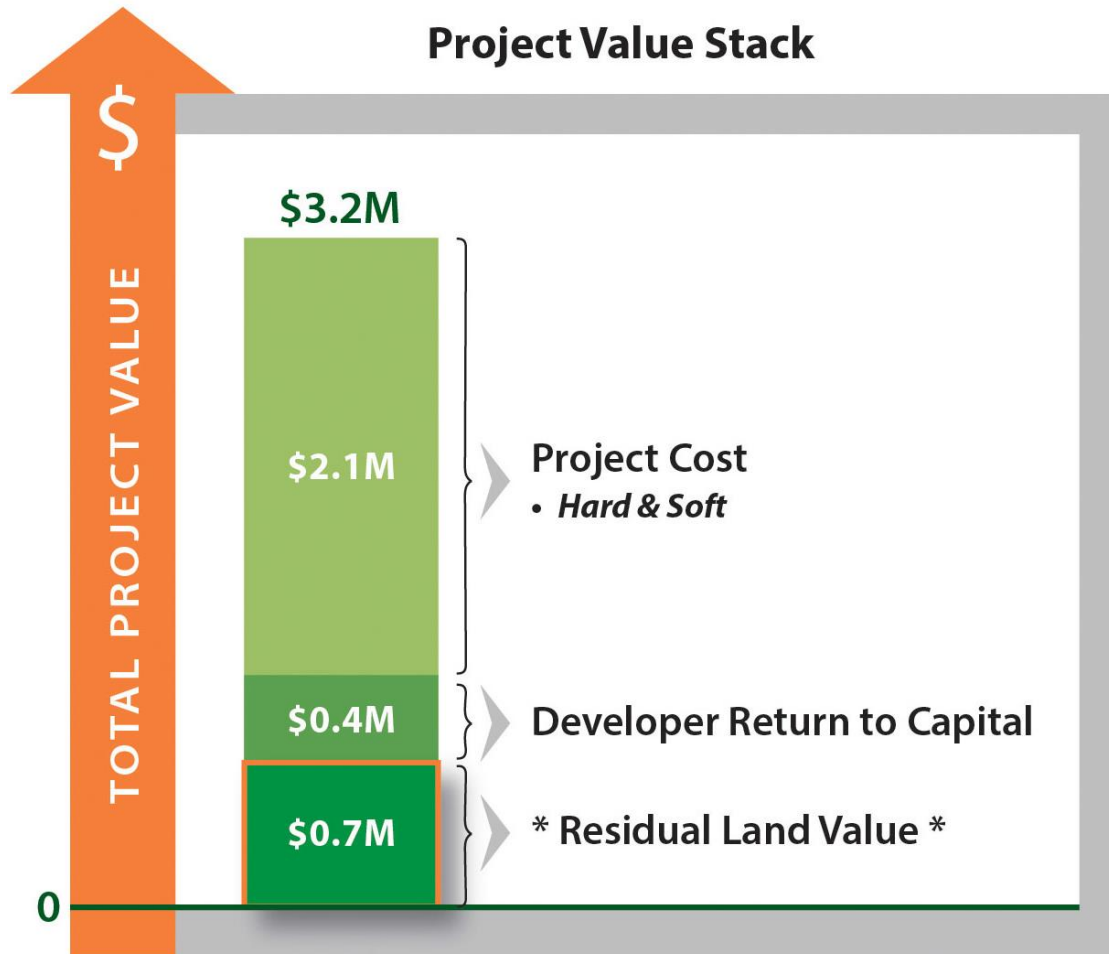
Property Overview



Methodology

Feasibility of Redevelopment from Developer's Perspective

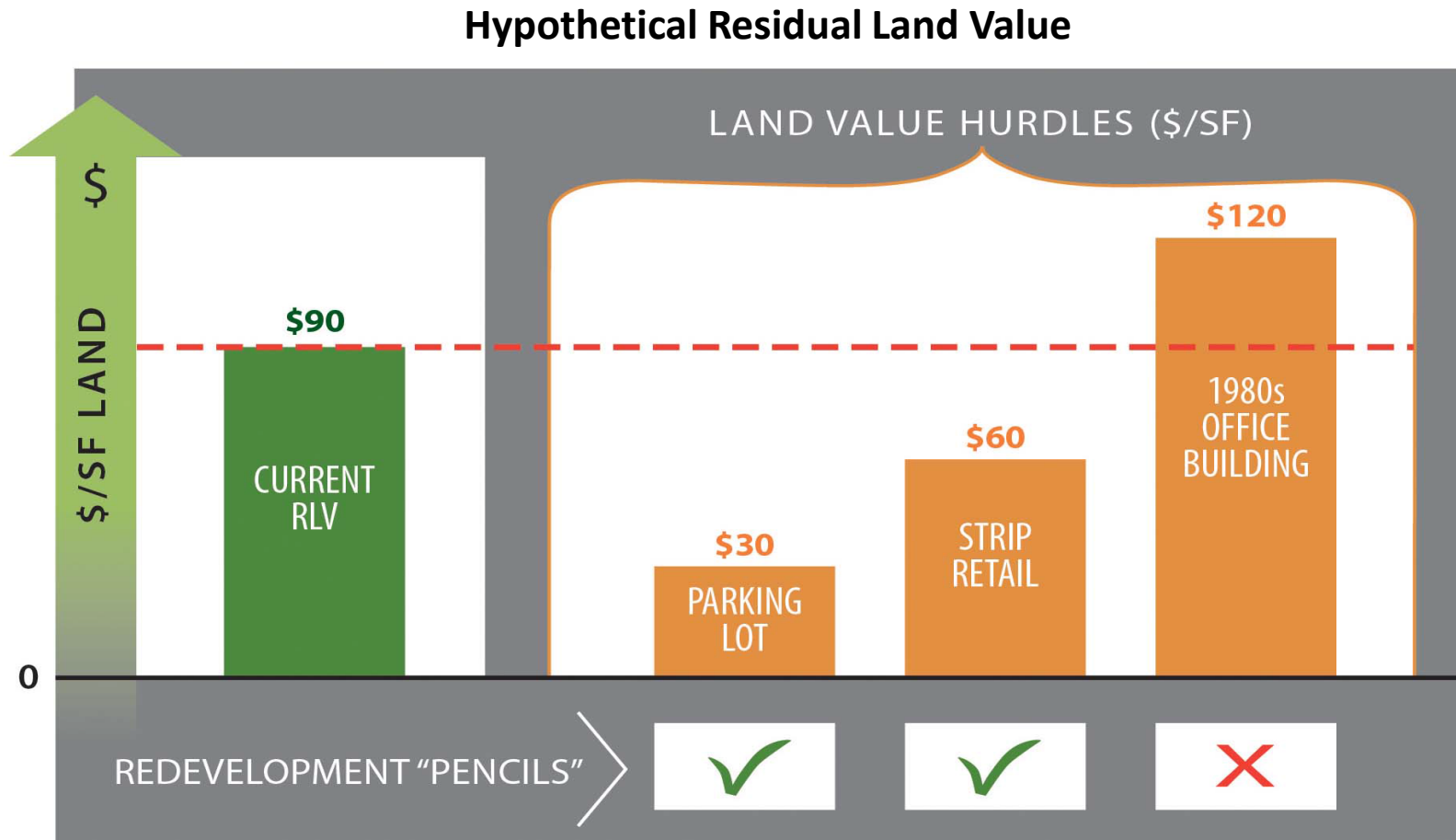
Project Value Stack



- Developer analyzes project-specific returns to make “go/no-go” decision
- *Residual Land Value (“RLV”)*: Amount the developer can afford to pay for the “land”
- Assuming the developer maximizes allowed buildable square feet, the total value of developed project is set
- Any additional project costs push down the residual land value, while additional entitlements can increase it

Methodology (Cont'd)

Redevelopment occurs when the residual land value is higher than the value of the site's current use.



Scenarios Considered

Scenarios Considered

1. Value in Use: existing site value
2. Draft Form-Based Code: site value under proposed code
3. Flexible Form-Based Code: site value under proposed code with greater flexibility

Analysis of redevelopment focused on highest intensity use (Commercial Block Mixed-Use).

Draft Form-Based Code Assumptions

Draft Form-Based Code Assumptions:

1. 75% site area developable
2. Maximum height of four stories (three stories residential over one story retail)
3. Parking Minimums – 1 Stall/Residential Unit + 1 Stall/500 square foot retail
4. 15% units affordable at 80% AMI
5. Average unit size = 600 SF (20% of units < 900 SF, no units over 1,600 SF)

Flexible Form-Based Code Assumptions

Flexible Form-Based Code Assumptions:

1. Maximum height of five stories (four stories residential over one story retail)
2. Parking Minimums – 0.5 Stalls/Residential Unit + 1 Stall/500 square foot retail
3. Combined maximum height of five stories and parking minimums of 0.5 stall/residential units

Findings

Existing buildings on the four tested sites in the Five Corners area are currently 100% occupied with relatively high market rents.

- Current zoning prohibits multi-family or buildings with heights over 25 feet.

The new draft Form-Based Code for Five Corners increases development capacity enough to make redevelopment financially feasible.

Additional enhancements to the code would increase redevelopment value.

- For medium-sized and large sites, decreasing required parking minimums provides the highest lift to land value
- For small sites, allowing an extra floor of building height provides the most additional value.
- A combination of decreased parking minimums and an extra floor of building height would provide the highest additional value for all sites.

All Properties Scenarios: Comparative Performance Summary



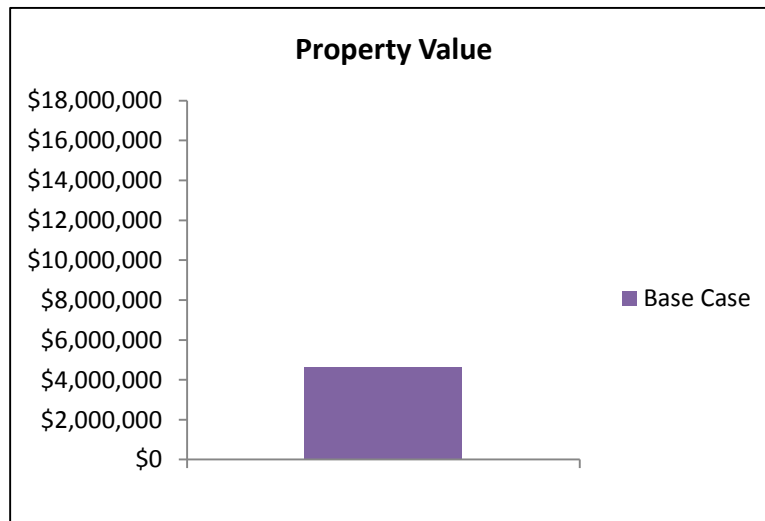
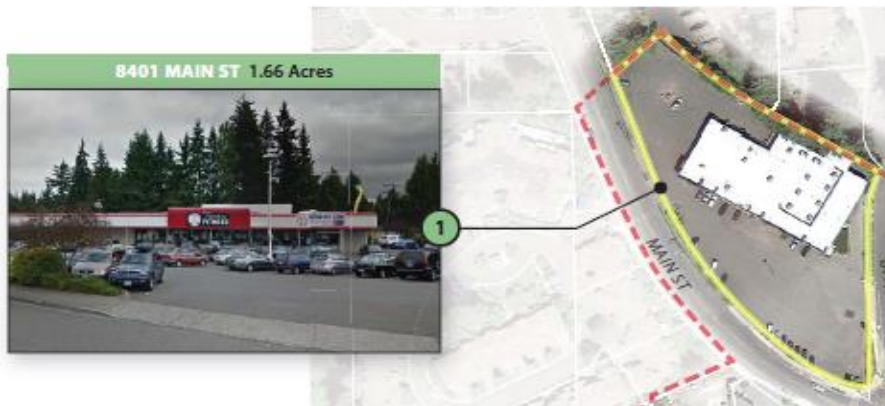
..... = Hurdle Value

Site One: BARC



BARC: Value in Use

- Land Value Under Current Use ~\$65 Per Square Foot



Space Program	
Land SF	72,310 SF
Building SF	17,504 SF
Use	Retail
Tenant	BARC

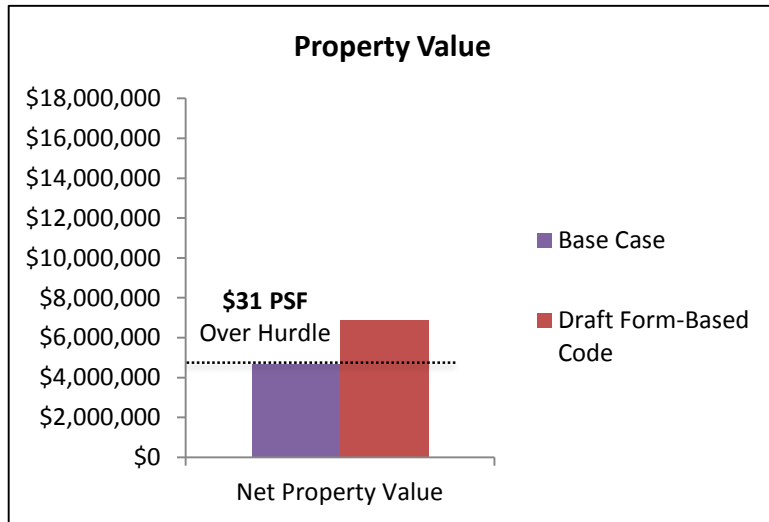
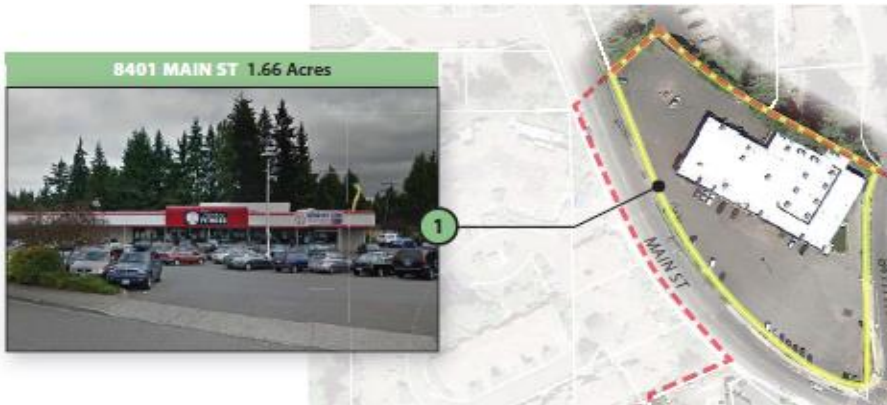
Revenue Metrics	
Market Rent/ SF	\$24 NNN
Net Operating Income*	\$400,000
Market Cap Rate	9%

Property Value	
Property Value Total*	\$4.7 Million
Value/ Land SF (RLV Hurdle)	\$65/LSF

* Rounded to nearest hundred-thousand

BARC: Draft Form-Based Code

- Land Value Under Draft Form-Based Code ~\$95 Per Square Foot



Space Program	
Land SF	72,310 SF
Maximum Building SF	216,929 SF
• Residential Units	264 Units
• Retail SF	30,000 SF
• Parking Spaces	324 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

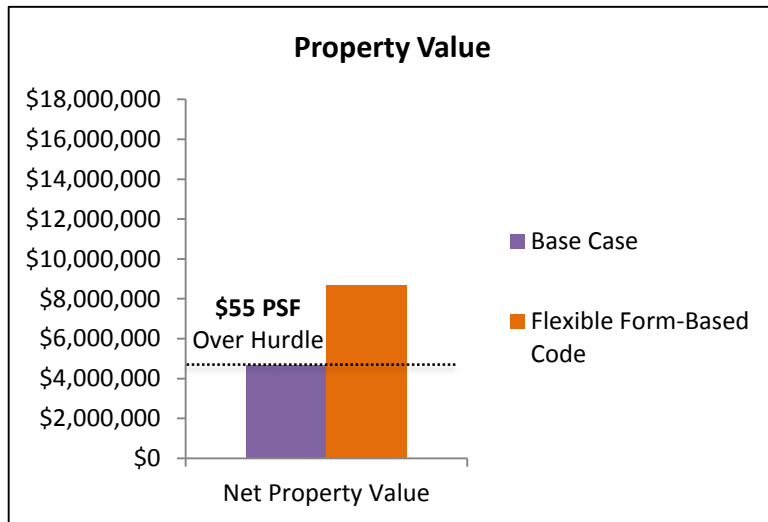
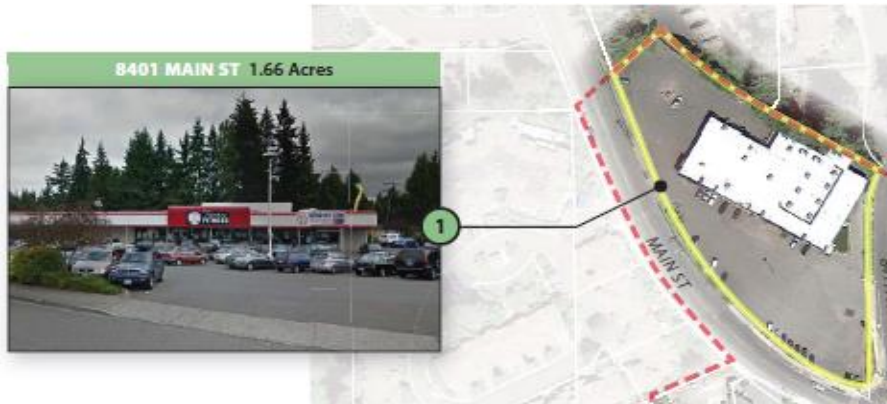
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$3.4 Million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$26,090/Unit
Multi-family Contribution to Value	\$59/LSF
Retail Contribution to Value	\$37/LSF
Value/ Land SF	\$95/LSF

* Rounded to nearest hundred-thousand

BARC: Flexible Height

Land Value Under Flexible Form-Based Code ~\$120 Per Square Foot



Space Program	
Land SF	72,310 SF
Maximum Building SF	271,161 SF
• Residential Units	361 Units
• Retail SF	30,000 SF
• Parking Spaces	401 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

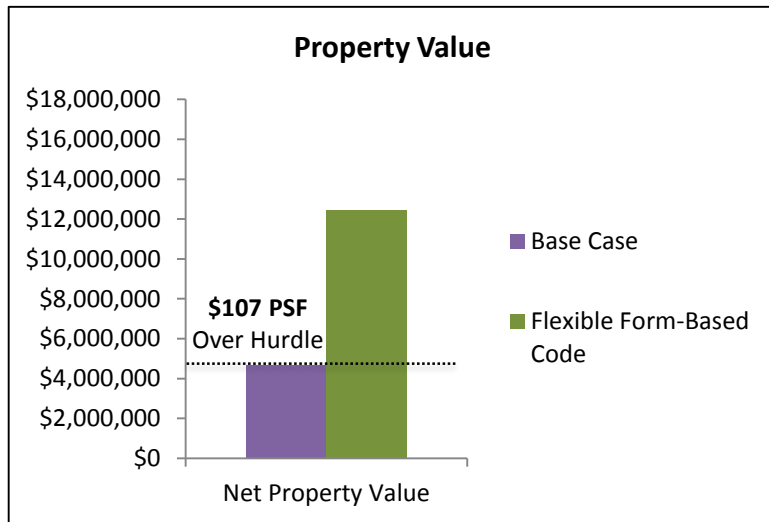
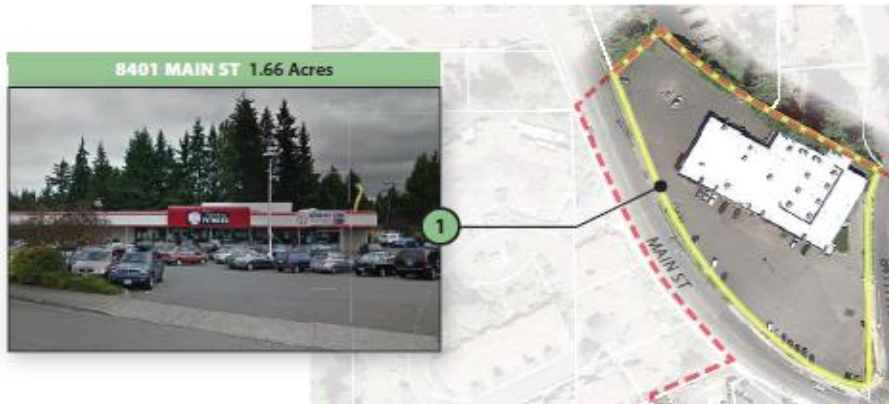
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$4.2 Million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$25,408/Unit
Multi-family Contribution to Value	\$83/LSF
Retail Contribution to Value	\$37/LSF
Value/ Land SF	\$120/LSF

* Rounded to nearest hundred-thousand

BARC: Flexible Parking

Land Value Under Flexible Form-Based Code ~\$172 Per Square Foot



Space Program	
Land SF	72,310 SF
Maximum Building SF	216,929 SF
• Residential Units	264 Units
• Retail SF	30,000 SF
• Parking Spaces	192 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

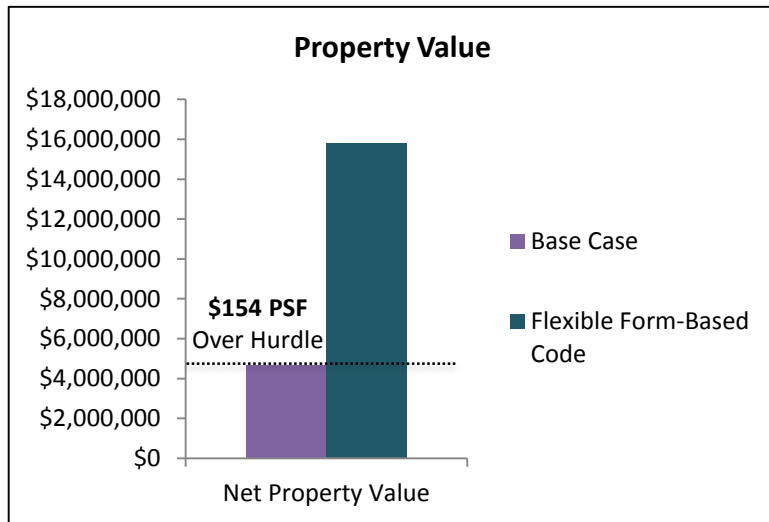
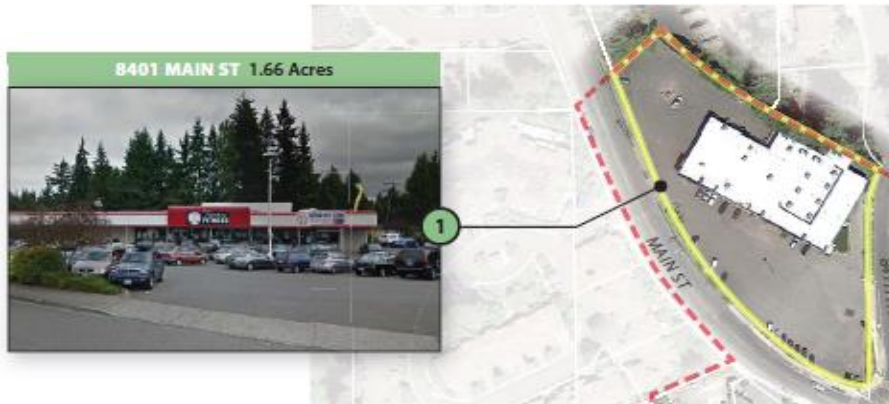
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$3.4 Million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$47,090/Unit
Multi-family Contribution to Value	\$135/LSF
Retail Contribution to Value	\$37/LSF
Value/ Land SF	\$172/LSF

* Rounded to nearest hundred-thousand

BARC: Flexible Height + Parking

Land Value Under Flexible Form-Based Code ~\$219 Per Square Foot



Space Program	
Land SF	72,310 SF
Maximum Building SF	271,161 SF
• Residential Units	341 Units
• Retail SF	30,000 SF
• Parking Spaces	231 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$4.2 Million
Market Cap Rate	4% MF, 6% Retail

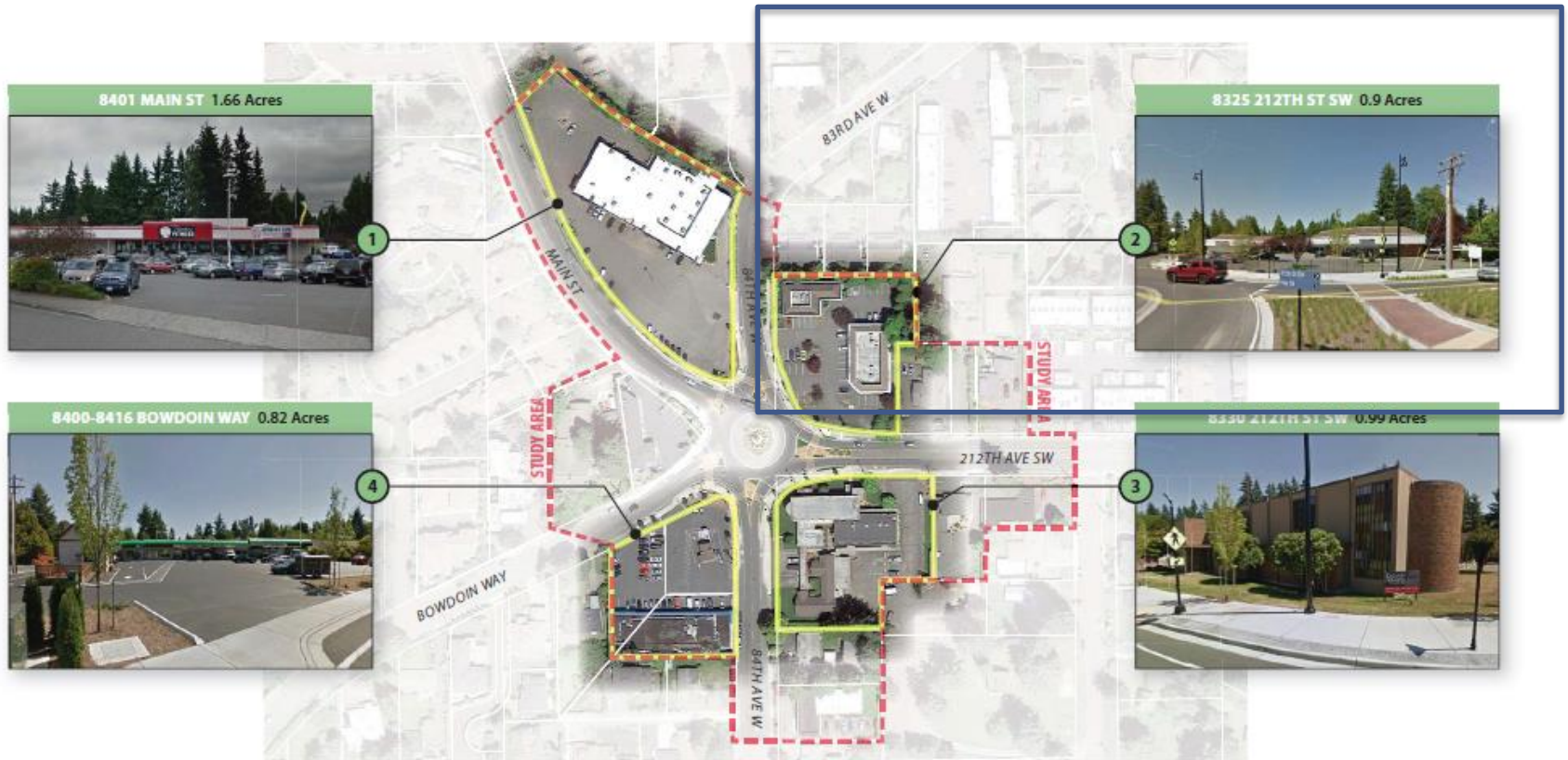
Property Value	
Land Value per Unit	\$46,408/Unit
Multi-family Contribution to Value	\$182/LSF
Retail Contribution to Value	\$37/LSF
Value/ Land SF	\$219/LSF

* Rounded to nearest hundred-thousand

BARC Scenarios: Comparative Performance

BARC	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Scenario	Value in Use	Draft Form-Based Code	Flexible Height	Flexible Parking	Flexible Height + Parking
Space Program					
Land SF	72,310 SF	72,310 SF	72,310 SF	72,310 SF	72,310 SF
Maximum Building SF	NA	216,929 SF	271,161 SF	216,929 SF	271,161 SF
• Residential Units	--	264 Units	361 Units	264 Units	361 Units
• Retail SF	17,504 SF	30,000 SF	30,000 SF	30,000 SF	30,000 SF
• Parking Spaces	--	324 Stalls	401 Stalls	192 Stalls	231 Stalls
Cost Metrics					
Ground Floor Cost/ SF	--	\$220 PSF	\$220 PSF	\$220 PSF	\$220 PSF
Upper Floor Cost/ SF	--	\$165 PSF	\$165 PSF	\$165 PSF	\$165 PSF
Revenue Metrics					
Multi-Family Market Rent/ SF	--	\$2.40	\$2.40	\$2.40	\$2.40
Retail Market Rent/ SF	\$24 NNN	\$28 NNN	\$28 NNN	\$28 NNN	\$28 NNN
Net Operating Income*	\$0.4 Million	\$3.4 Million	\$4.2 Million	\$3.4 Million	\$4.2 Million
Market Cap Rate	9%	4% MF, 6% Retail	4% MF, 6% Retail	4% MF, 6% Retail	4% MF, 6% Retail
Property Value					
Land Value per Unit	--	\$26,090	\$25,408	\$47,090	\$46,408
Multi-family Contribution to Value	--	\$59/LSF	\$83/LSF	\$135/LSF	\$182/LSF
Retail Contribution to Value	--	\$37/LSF	\$37/LSF	\$37/LSF	\$37/LSF
Value/ Land SF	\$65/LSF	\$95/LSF	\$120/LSF	\$172/LSF	\$219/LSF

Site Two: Edmonds Veterinary



Edmonds Veterinary: Value in Use

Land Value Under Current Use ~\$52 Per SF



Space Program	
Land SF	39,204 SF
Building SF	7,590 SF
Use	Retail
Tenant	Edmonds Veterinary

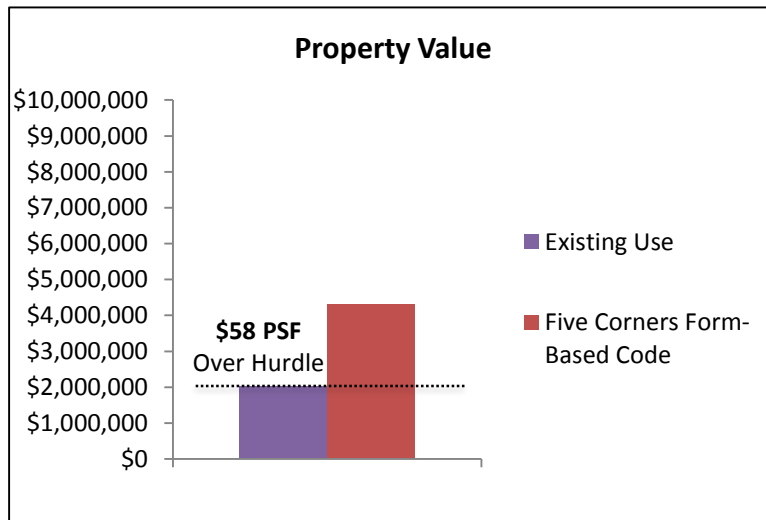
Revenue Metrics	
Market Rent/ SF	\$24 NNN
Net Operating Income	\$182,160
Market Cap Rate	9%

Property Value	
Property Value Total*	\$2.0 Million
Value/ Land SF (RLV Hurdle)	\$52/LSF

* Rounded to nearest hundred-thousand

Edmonds Veterinary: Draft Form-Based Code

Land Value Under Draft Form-Based Code ~\$110 Per Square Foot



Space Program	
Land SF	39,204 SF
Maximum Building SF	117,612 SF
• Residential Units	124 Units
• Retail SF	29,403 SF
• Parking Spaces	183 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

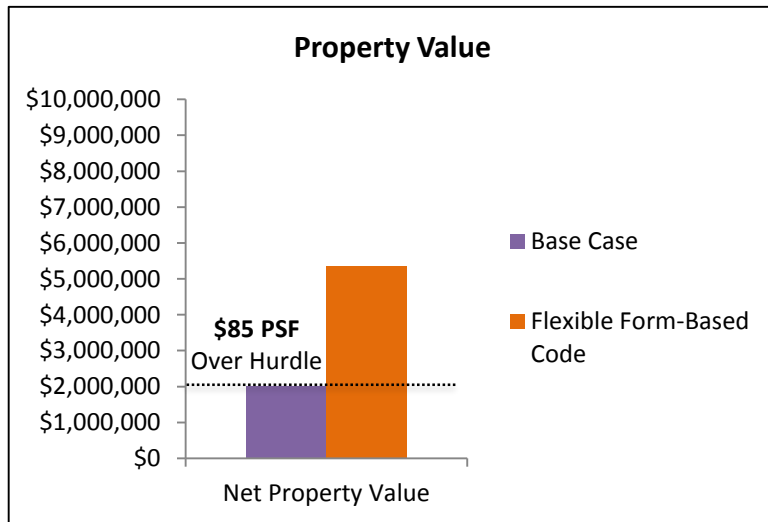
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$2.0 million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$35,000/Unit
Multi-family Contribution to Value	\$68/LSF
Retail Contribution to Value	\$43/LSF
Value/ Land SF	\$110/LSF

* Rounded to nearest hundred-thousand

Edmonds Veterinary: Flexible Height

Land Value Under Flexible Form-Based Code ~\$137 Per Square Foot



Space Program	
Land SF	39,204 SF
Maximum Building SF	147,015 SF
• Residential Units	166 Units
• Retail SF	29,403 SF
• Parking Spaces	225 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

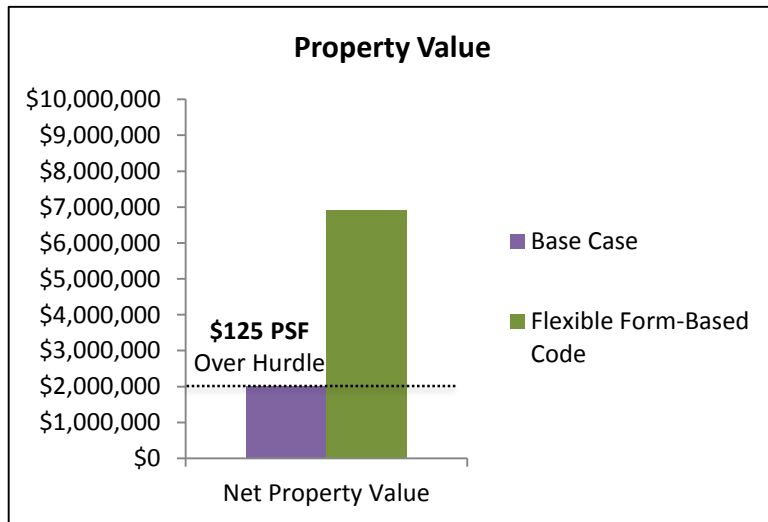
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$2.4 Million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$32,398/Unit
Multi-family Contribution to Value	\$94/LSF
Retail Contribution to Value	\$43/LSF
Value/ Land SF	\$137/LSF

* Rounded to nearest hundred-thousand

Edmonds Veterinary: Flexible Parking

Land Value Under Flexible Form-Based Code ~\$125 Per Square Foot



Space Program	
Land SF	39,204 SF
Maximum Building SF	117,612 SF
• Residential Units	124 Units
• Retail SF	29,403 SF
• Parking Spaces	121 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

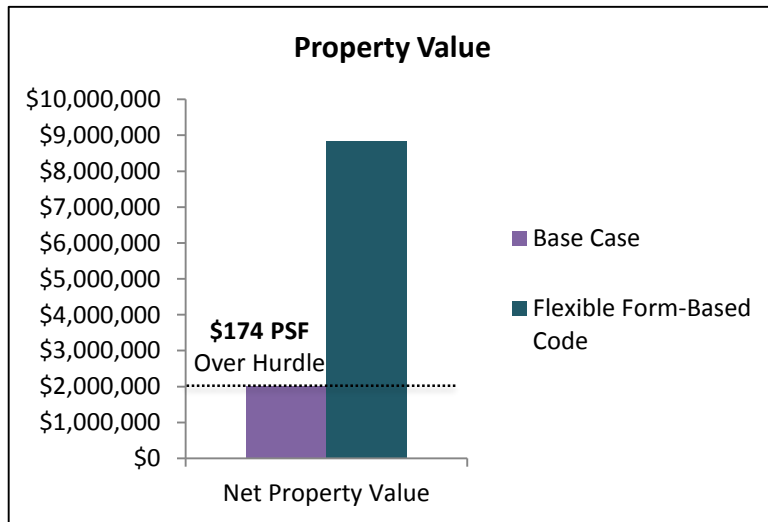
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$2.0 million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$55,794/Unit
Multi-family Contribution to Value	\$134/LSF
Retail Contribution to Value	\$43/LSF
Value/ Land SF	\$125/LSF

* Rounded to nearest hundred-thousand

Edmonds Veterinary: Flexible Height + Parking

Land Value Under Flexible Form-Based Code ~\$226 Per Square Foot



Space Program	
Land SF	39,204 SF
Maximum Building SF	147,015 SF
• Residential Units	166 Units
• Retail SF	29,403 SF
• Parking Spaces	142 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$2.4 million
Market Cap Rate	4% MF, 6% Retail

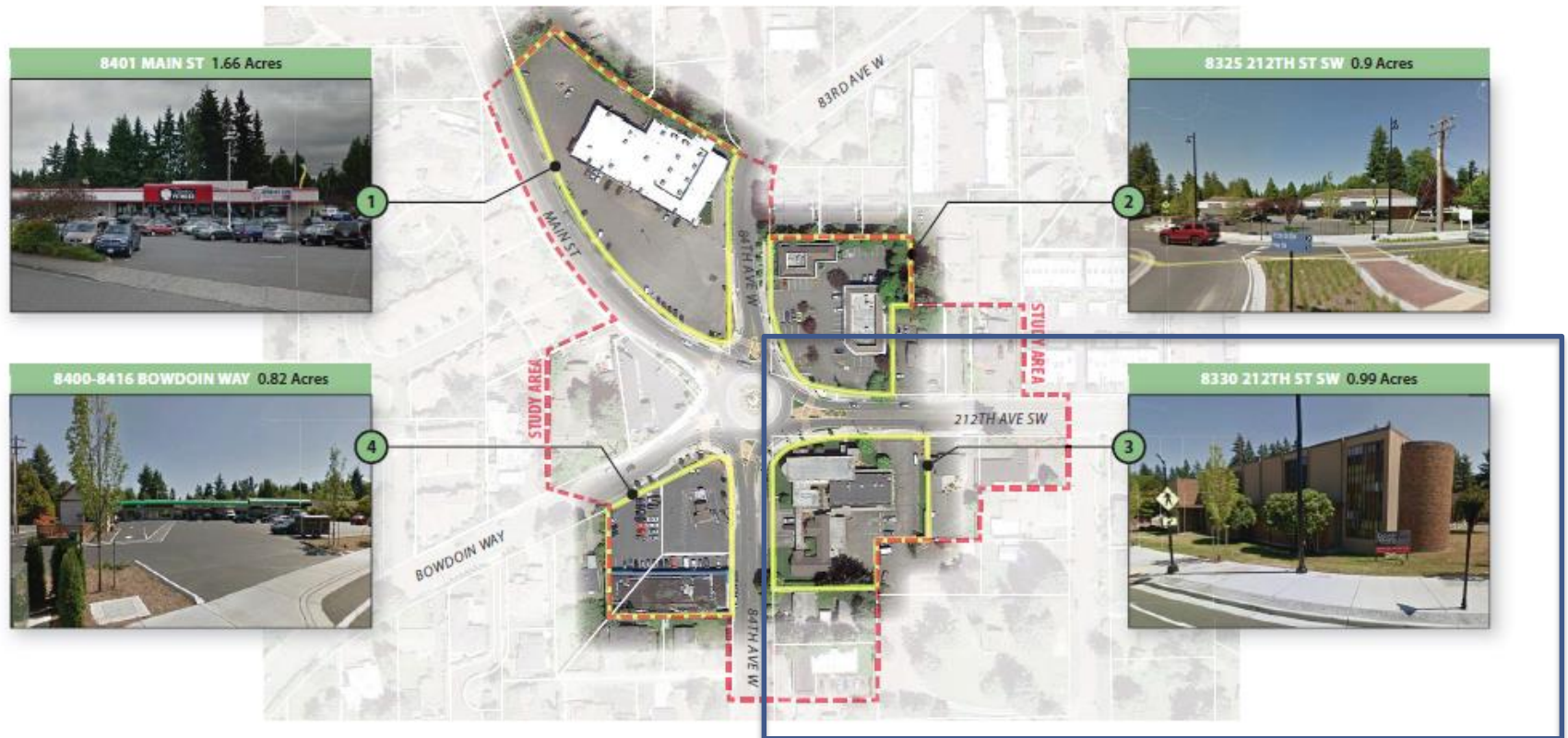
Property Value	
Land Value per Unit	\$53,298/Unit
Multi-family Contribution to Value	\$183/LSF
Retail Contribution to Value	\$43/LSF
Value/ Land SF	\$226/LSF

* Rounded to nearest hundred-thousand

Edmonds Veterinary Scenarios: Comparative Performance

Edmonds Veterinary	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Scenarios	Value in Use	Draft Form-Based Code	Flexible Height	Flexible Parking	Flexible Height + Parking
Space Program					
Land SF	39,204 SF	39,204 SF	39,204 SF	39,204 SF	39,204 SF
Maximum Building SF	NA	117,612 SF	147,015 SF	117,612 SF	147,015 SF
• Residential Units	--	124 Units	166 Units	124 Units	166 Units
• Retail SF	7,590 SF	29,403 SF	29,403 SF	29,403 SF	29,403 SF
• Parking Spaces	--	183 Stalls	225 Stalls	121 Stalls	142 Stalls
Cost Metrics					
Ground Floor Cost/ SF	--	\$220 PSF	\$220 PSF	\$220 PSF	\$220 PSF
Upper Floor Cost/ SF	--	\$165 PSF	\$165 PSF	\$165 PSF	\$165 PSF
Revenue Metrics					
Multi-Family Market Rent/ SF	--	\$2.40	\$2.40	\$2.40	\$2.40
Retail Market Rent/ SF	\$24 NNN	\$28 NNN	\$28 NNN	\$28 NNN	\$28 NNN
Net Operating Income*	\$0. Million	\$2.0 million	\$2.4 Million	\$2.0 million	\$2.4 Million
Market Cap Rate	9%	4% MF, 6% Retail	4% MF, 6% Retail	4% MF, 6% Retail	4% MF, 6% Retail
Property Value					
Land Value per Unit	--	\$35,000/Unit	\$32,398/Unit	\$55,794/Unit	\$53,298/Unit
Multi-family Contribution to Value	--	\$68/LSF	\$94/LSF	\$134/LSF	\$183/LSF
Retail Contribution to Value	--	\$43/LSF	\$43/LSF	\$43/LSF	\$43/LSF
Value/ Land SF	\$52/LSF	\$110/LSF	\$137/LSF	\$125/LSF	\$226/LSF

Site Three: Cavalry Chapel



Cavalry Chapel: Value In Use

Land Value Under Current Use ~\$58 Per SF



Space Program	
Land SF	43,124 SF
Building SF	12,192 SF
Use	Institutional
Tenant	Cavalry Chapel

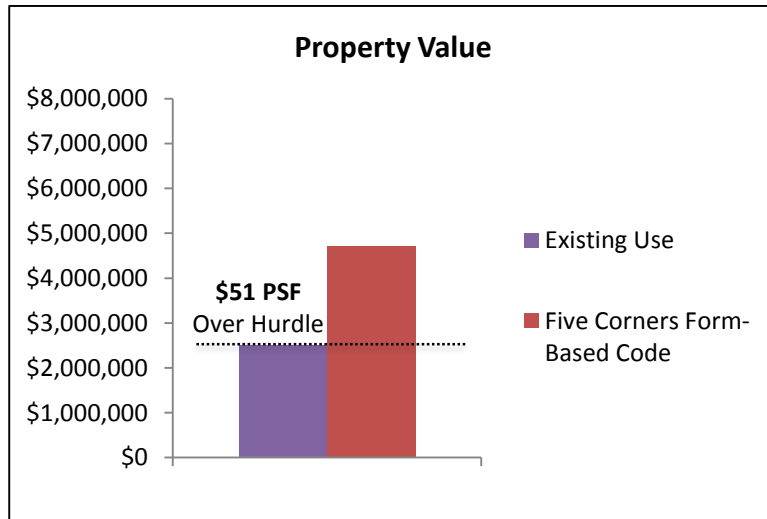
Property Value	
Property Value Total*	\$2,500,000
Value/ Land SF (RLV Hurdle)	\$58/LSF

* Rounded to nearest hundred-thousand

*Due to special use, used escalated 2012 sale price rather than capped income to impute value

Cavalry Chapel: Draft Form-Based Code

Land Value Under Draft Form-Based Code ~\$109 Per Square Foot



Space Program	
Land SF	43,124 SF
Maximum Building SF	129,373 SF
• Residential Units	140 Units
• Retail SF	30,000 SF
• Parking Spaces	200 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

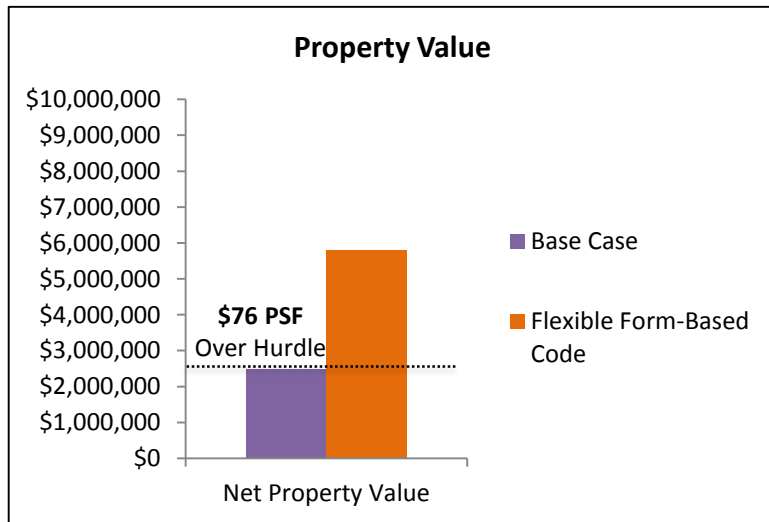
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$2.2 million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$34,000/Unit
Multi-family Contribution to Value	\$66/LSF
Retail Contribution to Value	\$43/LSF
Value/ Land SF	\$109/LSF

* Rounded to nearest hundred-thousand

Cavalry Chapel: Flexible Height

Land Value Under Flexible Form-Based Code ~\$134 Per Square Foot



Space Program	
Land SF	43,124 SF
Maximum Building SF	161,717 SF
• Residential Units	186 Units
• Retail SF	30,000 SF
• Parking Spaces	246 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

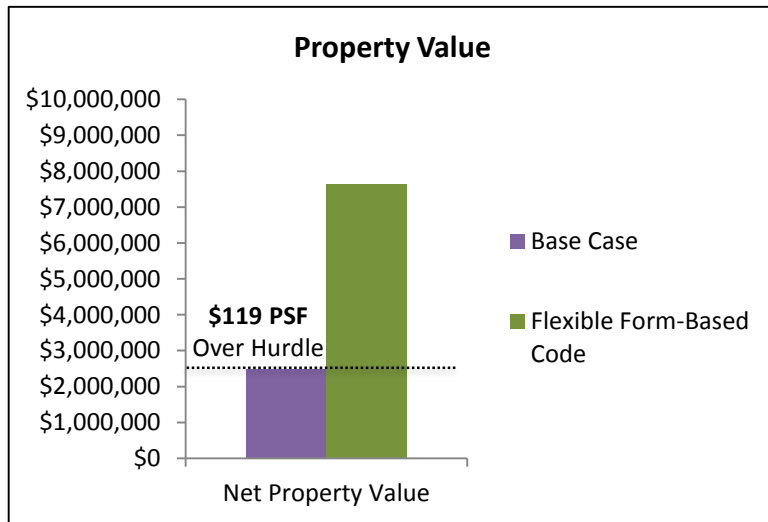
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$2.6 Million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$31,164/Unit
Multi-family Contribution to Value	\$91/LSF
Retail Contribution to Value	\$43/LSF
Value/ Land SF	\$134/LSF

* Rounded to nearest hundred-thousand

Cavalry Chapel: Flexible Parking

Land Value Under Flexible Form-Based Code ~\$177 Per Square Foot



Space Program	
Land SF	43,124 SF
Maximum Building SF	129,373 SF
• Residential Units	140 Units
• Retail SF	30,000 SF
• Parking Spaces	130 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

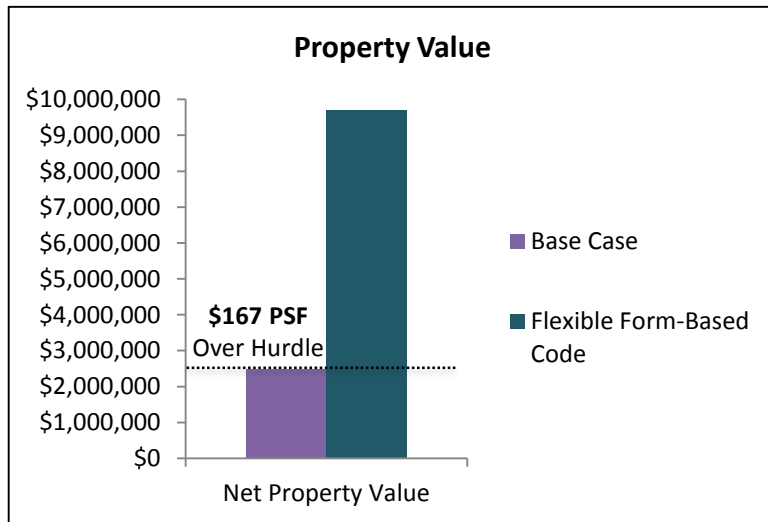
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$2.2 Million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$54,651/Unit
Multi-family Contribution to Value	\$134/LSF
Retail Contribution to Value	\$43/LSF
Value/ Land SF	\$177/LSF

* Rounded to nearest hundred-thousand

Cavalry Chapel: Flexible Height + Parking

Land Value Under Flexible Form-Based Code ~\$225 Per Square Foot



Space Program	
Land SF	43,124 SF
Maximum Building SF	161,717 SF
• Residential Units	186 Units
• Retail SF	30,000 SF
• Parking Spaces	153 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$2.6 Million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$52,164 /Unit
Multi-family Contribution to Value	\$182/LSF
Retail Contribution to Value	\$43/LSF
Value/ Land SF	\$225/LSF

* Rounded to nearest hundred-thousand

Cavalry Chapel Scenarios: Comparative Performance

Cavalry Chapel	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Scenarios	Value in Use	Draft Form-Based Code	Flexible Height	Flexible Parking	Flexible Height + Parking
Space Program					
Land SF	43,124 SF	43,124 SF	43,124 SF	43,124 SF	43,124 SF
Maximum Building SF	NA	129,373 SF	161,717 SF	129,373 SF	161,717 SF
• Residential Units	--	140 Units	186 Units	140 Units	186 Units
• Retail SF	12,192 SF	30,000 SF	30,000 SF	30,000 SF	30,000 SF
• Parking Spaces	--	200 Stalls	246 Stalls	130 Stalls	153 Stalls
Cost Metrics					
Ground Floor Cost/ SF	--	\$220 PSF	\$220 PSF	\$220 PSF	\$220 PSF
Upper Floor Cost/ SF	--	\$165 PSF	\$165 PSF	\$165 PSF	\$165 PSF
Revenue Metrics					
Multi-Family Market Rent/ SF	--	\$2.40	\$2.40	\$2.40	\$2.40
Retail Market Rent/ SF	\$20 NNN	\$28 NNN	\$28 NNN	\$28 NNN	\$28 NNN
Net Operating Income*	\$0. Million	\$2.2 million	\$2.6 Million	\$2.2 Million	\$2.6 Million
Market Cap Rate	9%	4% MF, 6% Retail	4% MF, 6% Retail	4% MF, 6% Retail	4% MF, 6% Retail
Property Value					
Land Value per Unit	--	\$34,000/Unit	\$31,164/Unit	\$54,651/Unit	\$52,164
Multi-family Contribution to Value	--	\$66/LSF	\$91/LSF	\$134/LSF	\$182/LSF
Retail Contribution to Value	--	\$43/LSF	\$43/LSF	\$43/LSF	\$43/LSF
Value/ Land SF	\$63/LSF	\$109/LSF	\$134/LSF	\$177/LSF	\$225/LSF

Site Four: Five Corner Plaza



Five Corner Plaza: Value in Use

Land Value Under Current Use ~\$74 Per SF



Space Program	
Land SF	35,719 SF
Building SF	9,974 SF
Use	Retail
Tenant	5 Corner Plaza

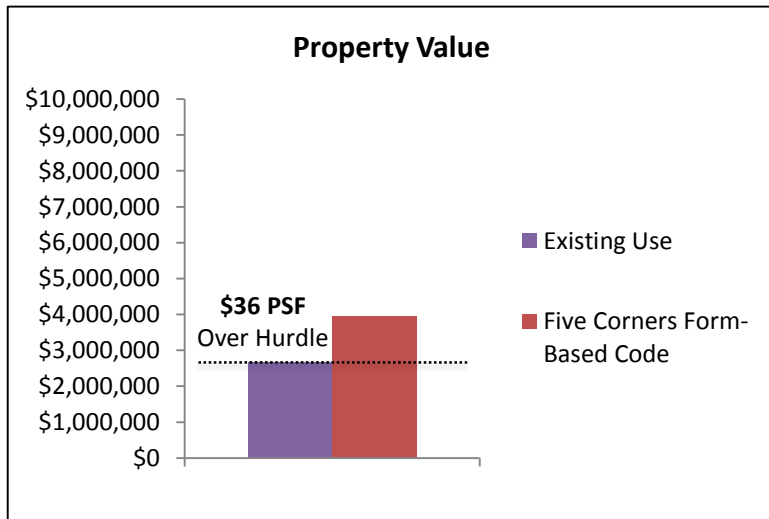
Revenue Metrics	
Market Rent/ SF	\$24 NNN
Net Operating Income	\$239,376
Market Cap Rate	9%

Property Value	
Property Value Total*	\$2.7 Million
Value/ Land SF (RLV Hurdle)	\$74/LSF

* Rounded to nearest hundred-thousand

Five Corner Plaza: Draft Form-Based Code

Land Value Under Draft Form-Based Code ~\$110 Per Square Foot



Space Program	
Land SF	35,719 SF
Maximum Building SF	107,158 SF
• Residential Units	113 Units
• Retail SF	26,789 SF
• Parking Spaces	167 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

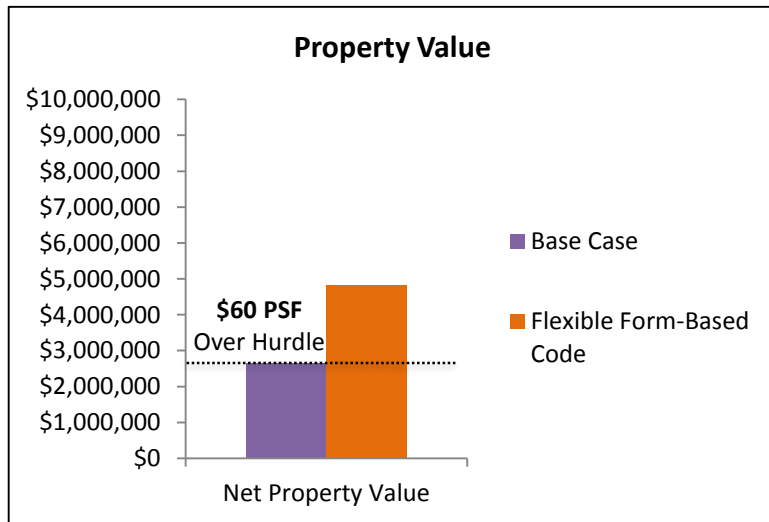
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$1.8 million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$35,000/Unit
Multi-family Contribution to Value	\$68/LSF
Retail Contribution to Value	\$42/LSF
Value/ Land SF	\$110/LSF

* Rounded to nearest hundred-thousand

Five Corner Plaza: Flexible Height

Land Value Under Flexible Form-Based Code ~\$135 Per Square Foot



Space Program	
Land SF	35,719 SF
Maximum Building SF	133,947 SF
• Residential Units	151 Units
• Retail SF	26,800 SF
• Parking Spaces	205 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

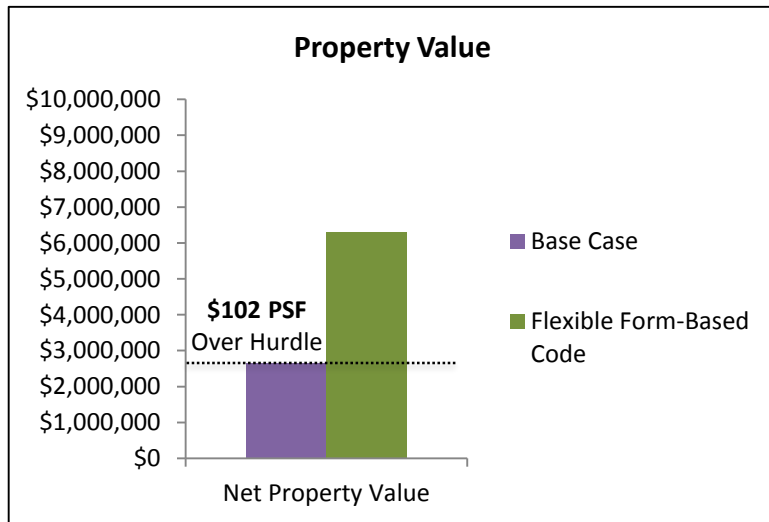
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$2.2 Million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$31,857/Unit
Multi-family Contribution to Value	\$92/LSF
Retail Contribution to Value	\$42/LSF
Value/ Land SF	\$135/LSF

* Rounded to nearest hundred-thousand

Five Corner Plaza: Flexible Parking

Land Value Under Flexible Form-Based Code ~\$176 Per Square Foot



Space Program	
Land SF	35,719 SF
Maximum Building SF	107,158 SF
• Residential Units	113 Units
• Retail SF	26,789 SF
• Parking Spaces	111 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

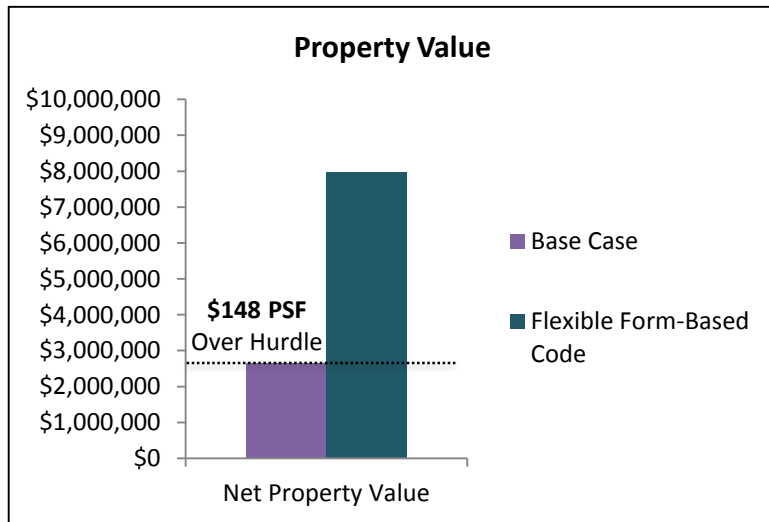
Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$1.8 million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$55,724/Unit
Multi-family Contribution to Value	\$134/LSF
Retail Contribution to Value	\$42/LSF
Value/ Land SF	\$176/LSF

* Rounded to nearest hundred-thousand

Five Corner Plaza: Flexible Height + Parking

Land Value Under Flexible Form-Based Code ~\$223 Per Square Foot



Space Program	
Land SF	35,719 SF
Maximum Building SF	133,947 SF
• Residential Units	151 Units
• Retail SF	26,789 SF
• Parking Spaces	153 Stalls

Cost Metrics	
Ground Floor Cost/ SF	\$220 PSF
Upper Floor Cost/ SF	\$165 PSF

Revenue Metrics	
Multi-Family Market Rent/ SF	\$2.40
Retail Market Rent/ SF	\$28 NNN
Net Operating Income*	\$2.2 Million
Market Cap Rate	4% MF, 6% Retail

Property Value	
Land Value per Unit	\$52,718/Unit
Multi-family Contribution to Value	\$181/LSF
Retail Contribution to Value	\$42/LSF
Value/ Land SF	\$223/LSF

* Rounded to nearest hundred-thousand

Five Corner Plaza Scenarios: Comparative Performance

Five Corner Plaza	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Scenarios	Value in Use	Draft Form-Based Code	Flexible Height	Flexible Parking	Flexible Height + Parking
Space Program					
Land SF	35,719 SF	35,719 SF	35,719 SF	35,719 SF	35,719 SF
Maximum Building SF	NA	107,158 SF	133,947 SF	107,158 SF	133,947 SF
• Residential Units	--	113 Units	151 Units	113 Units	151 Units
• Retail SF	9,974 SF	26,789 SF	26,800 SF	26,789 SF	26,800 SF
• Parking Spaces	--	167 Stalls	205 Stalls	111 Stalls	153 Stalls
Cost Metrics					
Ground Floor Cost/ SF	--	\$220 PSF	\$220 PSF	\$220 PSF	\$220 PSF
Upper Floor Cost/ SF	--	\$165 PSF	\$165 PSF	\$165 PSF	\$165 PSF
Revenue Metrics					
Multi-Family Market Rent/ SF	--	\$2.40	\$2.40	\$2.40	\$2.40
Retail Market Rent/ SF	\$24 NNN	\$28 NNN	\$28 NNN	\$28 NNN	\$28 NNN
Net Operating Income*	\$0. Million	\$1.8 million	\$2.2 Million	\$1.8 million	\$2.2 Million
Market Cap Rate	9%	4% MF, 6% Retail	4% MF, 6% Retail	4% MF, 6% Retail	4% MF, 6% Retail
Property Value					
Land Value per Unit	--	\$35,000/Unit	\$31,857/Unit	\$55,724/Unit	\$52,718/Unit
Multi-family Contribution to Value	--	\$68/LSF	\$92/LSF	\$134/LSF	\$181/LSF
Retail Contribution to Value	--	\$42/LSF	\$42/LSF	\$42/LSF	\$42/LSF
Value/ Land SF	\$74/LSF	\$110/LSF	\$135/LSF	\$176/LSF	\$223/LSF

All Properties Scenarios: Comparative Performance Summary



..... = Hurdle Value

Appendix

Market Stats – Edmonds/Lynwood Market

Rents

- 4&5 Star Apartments: Average \$2 PSF/mo. Or \$1,560 per mo.
- Retail: Average \$20.60 NNN (Five Corners recent lease: asking \$27.00 PSF NNN)

Vacancy:

- 4&5 Star Apartments: 5.4%
- Retail (Neighborhood Center): 8.5%

Building Values

- Apartments cap rates ranges between 3.5% - 4.0% on stabilized income, resulting building values of \$350 - \$400 PSF
- Existing retail cap rates ranges between 9-11%, resulting building values of \$210-300 PSF

Land Values

- Average \$80 PSF, \$50,000 per residential unit

Property Detail

FOCUS AREA	ACRES	CURRENT USE	OWNER	RECENT SALE DATE	SALE PRICE	PRICE/ LAND SF	PRICE/ BLDG SF	ASSESSED LAND	ASSESSED IMPROVEMENTS	ASSESSED TOTAL
1	1.66	RETAIL: Edmonds Fitness (1961, 17,504 Sf)	Barc Properties LLC	May-16	\$2,400,000	\$33	\$137	\$876,100	\$1,223,900	\$2,100,000
2	0.9	Signature Styles/Optical (1990, 4,890 Sf) Edmonds Veterinary Hospital (1992, 2,700 Sf)	Lakeshore Investment # 017	N/A	N/A	N/A	N/A	\$730,200	\$749,800	\$1,480,000
3	0.99	Church (1962, 8,140 Sf) Church (1945, 4,052 Sf)	Calvary Chapel Edmonds/ Lynnwood	Sep-12	\$2,099,000	\$49	\$172	\$788,700	\$736,300	\$1,525,000
4	0.82	Espresso Stand (2006, 404 Sf) RETAIL: 5 Corner Plaza (1960, 9,570 Sf) TENANTS: 5 Corner Styling/Tori Teriyaki	Yoo Dyk & Hae Sook	Nov-16	\$2,800,000	\$78	\$281	\$675,100	\$790,400	\$1,465,500