EXHIBIT A

SUMMARY TABLE
CIVIC CENTER SITE
CITY OF LA MESA

	SCENARIO #1		SCENARIO #2		SCENARIO #3			SCENARIO #4	
	PRIVATE USE	PUBLIC USE	PRIVATE USE	PUBLIC USE	PRIVATE USE	PRIVATE USE	PUBLIC USE	PRIVATE USE	PUBLIC USE
I. PROJECT DESCRIPTION									
A. Private Uses	• Multi-family • Retail		• Office		• Multi-family	• Office		• Multi-family	
B. Public Uses		• City Hall • Green Open Space • Landscaping/ Circulation		• City Hall • Green Open Space • Landscaping/ Circulation			• CityHall • Green Open Space • Landscaping/ Circulation		• City Hall • Green Open Space • Landscaping/ Circulation
C. Parking Type	Podium	Surface	Surface	Surface	Structured	Structured	Structured	Structured	Structured
D. Number of Parking Spaces	157 Spaces	73 Spaces	129 Spaces	73 Spaces	100 Spaces	72 Spaces	75 Spaces	166 Spaces	75 Spaces
E. Site Area	1.32 Acres	2.14 Acres	1.32 Acres	2.14 Acres	0.78 Acres	0.52 Acres	2.16 Acres	1.30 Acres	2.16 Acres
F. Number of Units	115 Units				75 Units			125 Units	
G. Density/Floor Area Ratio (FAR)	87 Units/Acre	---	0.75 FAR	---	96 Units/Acre	1.1 FAR	---	96 Units/Acre	---
H. Construction Type	Type V		Type II		Type V	Type II		Type V	
I. Number of Stories	4 Stories	2 Stories	3 Stories	2 Stories	3-4 Stories	3 Stories	2 Stories	3-4 Stories	2 Stories
J. Gross Building Area	107,100 SF	24,000 SF	43,000 SF	24,000 SF	68,600 SF	24,000 SF	24,000 SF	114,300 SF	24,000 SF
II. RESIDUAL LAND VALUE									
A. Residual Land Value - By Use **Per Unit** **Per SF - Private Use** (1)	**$4,252,000** **$37,000** **$74 /SF**		**($518,000)** **---** **($9) /SF**		**$3,753,000** **$50,000** **$111 /SF**	**($2,502,000)** **---** **($111) /SF**		**$6,297,000** **$50,000** **$111 /SF**	
B. Total Residual Land Value - Private Use(s)	$4,252,000		($518,000)		$1,251,000			$6,297,000	
C. (Less) Development Costs - Public Use	($19,841,000)		($19,841,000)		($21,687,000)			($21,687,000)	
D. Add: County Funding - Public Use (2)	$400,000		$400,000		$400,000			$400,000	
E. Financing Surplus/(Deficit)	**($15,189,000)**		**($19,959,000)**		**($20,036,000)**			**($14,990,000)**	

(1) Based on net site area for proposed private use, exclusive of footprint for shared standalone parking structure.
(2) Assumed County contribution. Per City of La Mesa, May 6, 2019.

Prepared by: Keyser Marston Associates, Inc.
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TABLE OF CONTENTS

CIVIC CENTER SITE AND DOWNTOWN PARKING LOTS
CITY OF LA MESA

APPENDIX A

FINANCIAL FEASIBILITY ANALYSIS

CIVIC CENTER SITE
CITY OF LA MESA

TABLE A-1

PROJECT DESCRIPTIONS
CIVIC CENTER SITE
CITY OF LA MESA

	Scenario #1 - Multi-Family Residential			Scenario #2 - Office			Scenario #3 - Multi-Family/Office			Scenario #4 - High-Density Multi-Family Residential		
												
	Stacked-Flat Multi-Family Apartments with Podium Parking			*Office Space with Surface Parking*			*Office Space and Multi-Family Apartments with Standalone (Shared) Garage*			*Stacked-Flat Multi-Family Apartments with Standalone (Shared) Garage*		
I. Site Area												
A. City Hall (2 story - 24,000 SF total)	0.28 Acres	12,000 SF	8%	0.28 Acres	12,000 SF	8%	0.28 Acres	12,000 SF	8%	0.28 Acres	12,000 SF	8%
B. City Hall Parking (Surface)	0.67 Acres	29,200 SF	19%	0.67 Acres	29,200 SF	19%	0.00 Acres	0 SF	0%	0.00 Acres	0 SF	0%
C. Structured Parking	0.00 Acres	0 SF	0%	0.00 Acres	0 SF	0%	0.69 Acres	30,000 SF	20%	0.69 Acres	30,000 SF	20%
D. Landscaping/Circulation (1)	0.23 Acres	10,000 SF	7%	0.23 Acres	10,000 SF	7%	0.23 Acres	10,000 SF	7%	0.23 Acres	10,000 SF	7%
E. Green Open Space	0.92 Acres	40,200 SF	27%	0.92 Acres	40,200 SF	27%	0.92 Acres	40,200 SF	27%	0.92 Acres	40,200 SF	27%
F. Programmable Outdoor Space	0.05 Acres	2,000 SF	1%	0.05 Acres	2,000 SF	1%	0.05 Acres	2,000 SF	1%	0.05 Acres	2,000 SF	1%
G. Multi-Family	1.32 Acres	57,300 SF	38%	0.00 Acres	0 SF	0%	0.78 Acres	33,900 SF	22%	1.30 Acres	56,500 SF	37%
H. Office	0.00 Acres	0 SF	0%	1.32 Acres	57,300 SF	38%	0.52 Acres	22,600 SF	15%	0.00 Acres	0 SF	0%
I. Total	3.46 Acres	150,700 SF	100%	3.46 Acres	150,700 SF	100%	3.46 Acres	150,700 SF	100%	3.46 Acres	150,700 SF	100%
II. Number of Units												
One Bedroom	46 Units	40%	650 SF	0 Units	0%	0 SF	30 Units	40%	650 SF	50 Units	40%	650 SF
Two Bedroom	69 Units	60%	900 SF	0 Units	0%	0 SF	45 Units	60%	900 SF	75 Units	60%	900 SF
Total	115 Units	100%	800 SF	0 Units	0%	0 SF	75 Units	100%	800 SF	125 Units	100%	800 SF
III. Average Unit Size												
Average Net Unit Size	800 SF			0 SF			800 SF			800 SF		
Average Gross Unit Size	914 SF			0 SF			915 SF			914 SF		
IV. Density (Units/Acre)	87 Units/Net Acre			- Units/Acre			96 Units/Net Acre			96 Units/Net Acre		
V. Floor Area Ratio - Commercial	N/A			0.75			1.1			N/A		
VI. Construction Type	Type V Multi-Family			Type II Office			Type II Office/ Type V Multi-Family			Type V Multi-Family		
VII. Number of Stories	4 Stories			3 Stories			3-4 Stories			3-4 Stories		

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TABLE A-1 (CONT'D.)

PROJECT DESCRIPTIONS
CIVIC CENTER SITE
CITY OF LA MESA

	Scenario #1 - Multi-Family Residential	Scenario #2 - Office	Scenario #3 - Multi-Family/Office	Scenario #4 - High-Density Multi-Family Residential
				
	Stacked-Flat Multi-Family Apartments with Podium Parking	*Office Space with Surface Parking*	*Office Space and Multi-Family Apartments with Standalone (Shared) Garage*	*Stacked-Flat Multi-Family Apartments with Standalone (Shared) Garage*

VIII. Gross Building Area (GBA)

	Scenario #1		Scenario #2		Scenario #3		Scenario #4	
A. Residential								
Net Rentable Area	92,000 SF	87.5%	0 SF	0.0%	60,000 SF	87.5%	100,000 SF	87.5%
Circulation/Lobby	13,100 SF	12.5%	0 SF	0.0%	8,600 SF	12.5%	14,300 SF	12.5%
Subtotal Residential GBA	105,100 SF	100.0%	0 SF	0.0%	68,600 SF	100.0%	114,300 SF	100.0%
B. Office								
Net Rentable Area	0 SF	0.0%	39,800 SF	92.5%	22,200 SF	92.5%	0 SF	0.0%
Circulation/Lobby	0 SF	0.0%	3,200 SF	7.5%	1,800 SF	7.5%	0 SF	0.0%
Subtotal Office GBA	0 SF	0.0%	43,000 SF	100.0%	24,000 SF	100.0%	0 SF	0.0%
C. Retail								
Net Rentable Area	1,800 SF	90.0%	0 SF	0.0%	0 SF	0.0%	0 SF	0.0%
Circulation	200 SF	10.0%	0 SF	0.0%	0 SF	0.0%	0 SF	0.0%
Subtotal Retail GBA	2,000 SF	100.0%	0 SF	0.0%	0 SF	0.0%	0 SF	0.0%
D. City Hall								
Office Space/Other	22,000 SF		22,000 SF		22,000 SF		22,000 SF	
Council Chambers/Programmable Space	2,000 SF		2,000 SF		2,000 SF		2,000 SF	
Total City Hall	24,000 SF		24,000 SF		24,000 SF		24,000 SF	

IX. Parking

A. Type

	Scenario #1	Scenario #2	Scenario #3	Scenario #4
Type	Podium Parking	Surface Parking	Standalone Garage - 3 Levels	Standalone Garage - 3 Levels

B. Number of Parking Spaces

	S1 Tuck-Under/ Podium Spaces	S1 Surface Spaces	S1 Standalone Structure Spaces	S1 Total Spaces	S2 Tuck-Under/ Podium Spaces	S2 Surface Spaces	S2 Standalone Structure Spaces	S2 Total Spaces	S3 Tuck-Under/ Podium Spaces	S3 Surface Spaces	S3 Standalone Structure Spaces	S3 Total Spaces	S4 Tuck-Under/ Podium Spaces	S4 Surface Spaces	S4 Standalone Structure Spaces	S4 Total Spaces
Residential (2)	153	0	0	153	0	0	0	0	0	0	100	100	0	0	166	166
Office (3)	0	0	0	0	0	129	0	129	0	0	72	72	0	0	0	0
Retail (4)	4	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0
Public/Other (5)	0	73	0	73	0	73	0	73	0	0	75	75	0	0	75	75
Total	157	73	0	230	0	202	0	202	0	0	247	247	0	0	241	241

(1) Includes City Hall entry court, landscaping, circulation, and short-term parking.
(2) Assumes a parking ratio of 1.33 spaces per unit.
(3) Assumes a parking ratio of 3.00 per 1,000 SF office.
(4) Assumes a parking ratio of 2.00 per 1,000 SF retail.
(5) Assumes 400 SF per parking space.

TABLE A-2

DEVELOPMENT COSTS
CIVIC CENTER SITE
CITY OF LA MESA

	Scenario #1 - Multi-Family Residential				Scenario #2 - Office			
	Stacked-Flat Multi-Family Apartments with Podium Parking				Office Space with Surface Parking			
	Private Use (Multi-Family, Retail, Podium Parking)		*Public Use (City Hall,City Hall Surface Parking, Green Open Space, Landscaping/Circulation)*		*Private Use (Office, Surface Parking)*		*Public Use (City Hall, City Hall Surface Parking, Green Open Space, Landscaping/Circulation)*	
	Total	**Comments**	**Total** (2)	**Comments**	**Total**	**Comments**	**Total** (2)	**Comments**
I. Direct Costs								
Off-Site Improvements (1)	$287,000	$5 Per SF Site	$110,000	$5 Per SF Site	$573,000	$10 Per SF Site	$110,000	$5 Per SF Site
On-Site Improvements/Landscaping								
Private Use	$1,719,000	$30 Per SF Site	$0	$0 Per SF Site	$860,000	$15 Per SF Site	$0	$0 Per SF Site
Public Use	$0	$0 Per SF Site	$1,024,000	$20 Per SF Site	$0	$0 Per SF Site	$1,024,000	$20 Per SF Site
Green Open Space	$0	$0 Per SF	$2,613,000	$65 Per SF	$0	$0 Per SF	$2,613,000	$65 Per SF
Programmable Outdoor Space	$0	$0 Per SF	$130,000	$65 Per SF	$0	$0 Per SF	$130,000	$65 Per SF
Remediation (1)	$0	$0 Per SF Site	$0	$0 Per SF Site	$0	$0 Per SF Site	$0	$0 Per SF Site
Parking	$5,495,000	$35,000 Per Space	$0	Included above	$0	Included above	$0	Included above
Shell Construction								
City Hall - Office/Other	$0	$0 Per SF GBA	$7,700,000	$350 Per SF GBA	$7,095,000	$165 Per SF GBA	$7,700,000	$350 Per SF GBA
City Hall - Programmable Space	$0	$0 Per SF GBA	$1,200,000	$600 Per SF GBA	$0	$0 Per SF GBA	$1,200,000	$600 Per SF GBA
Private Use	$20,885,000	$195 Per SF GBA	$0	$0 Per SF GBA	$0	$0 Per SF GBA	$0	$0 Per SF GBA
Tenant Improvements	$0	$0 Per SF - Retail	$1,920,000	$80 Per SF GBA	$1,592,000	$40 Per SF GLA	$1,920,000	$80 Per SF
Amenities/FF&E	$690,000	$6,000 Per Unit	$178,000	Allowance	$25,000	Allowance	$178,000	Allowance
Contingency	$2,181,000	7.5% of Above Directs	$1,116,000	7.5% of Above Directs	$761,000	7.5% of Above Directs	$1,116,000	7.5% of Above Directs
Total Direct Costs	$31,257,000	$292 Per SF GBA	$15,991,000	$666 Per SF GBA	$10,906,000	$254 Per SF GBA	$15,991,000	$666 Per SF GBA
II. Indirect Costs								
Architecture & Engineering	$1,563,000	5.0% of Directs	$1,039,000	6.5% of Directs	$545,000	5.0% of Directs	$1,039,000	6.5% of Directs
Permits & Fees - Non-Residential (1)	$15,000	$7.50 Per SF GBA	$0	$0 Per SF GBA	$323,000	$7.50 Per SF GBA	$0	$0 Per SF GBA
Permits & Fees - Residential (1)	$1,495,000	$13,000 Per Unit	$0	$0 Per Unit	$0	$0 Per Unit	$0	$0 Per Unit
Legal & Accounting	$1,250,000	4.0% of Directs	$320,000	2.0% of Directs	$436,000	4.0% of Directs	$320,000	2.0% of Directs
Taxes & Insurance	$938,000	3.0% of Directs	$160,000	1.0% of Directs	$327,000	3.0% of Directs	$160,000	1.0% of Directs
Developer Fee/Construction Management	$1,250,000	4.0% of Directs	$320,000	2.0% of Directs	$436,000	4.0% of Directs	$320,000	2.0% of Directs
Marketing/Lease-Up	$288,000	$2,500 Per Unit	$0	0.0% of Directs	$299,000	$7.50 Per SF GLA	$0	0.0% of Directs
Contingency	$340,000	5.0% of Above Indirects	$92,000	5.0% of Above Indirects	$118,000	5.0% of Above Indirects	$92,000	5.0% of Above Indirects
Total Indirect Costs	$7,139,000	22.8% of Directs	$1,931,000	12.1% of Directs	$2,484,000	22.8% of Directs	$1,931,000	12.1% of Directs
III. Financing Costs	$2,501,000	8.0% of Directs	$1,919,000	12.0% of Directs	$1,091,000	10.0% of Directs	$1,919,000	12.0% of Directs
IV. Total Development Costs Excl. Land Acquisition	**$40,897,000**	**$382 Per SF GBA**	**$19,841,000**	**$827 Per SF GBA**	**$14,481,000**	**$337 Per SF GBA**	**$19,841,000**	**$827 Per SF GBA**
V. Add: Structured Parking - Allocated Cost	$0	$0 Per Space	$0	$0 Per Space	$0	$0 Per Space	$0	$0 Per Space
VI. Grand Total Development Costs	**$40,897,000**	**$382 Per SF GBA**	**$19,841,000**	**$827 Per SF GBA**	**$14,481,000**	**$337 Per SF GBA**	**$19,841,000**	**$827 Per SF GBA**

(1) Preliminary estimate; not verified by KMA or City.
(2) Assumed to include the payment of prevailing wages.
(3) Assumed to include contingency factor, indirects, and financing costs.

TABLE A-2

DEVELOPMENT COSTS
CIVIC CENTER SITE
CITY OF LA MESA

	Scenario #3 - Multi-Family/Office						Scenario #4 - High-Density Multi-Family Residential			
	Office Space and Stacked-Flat Multi-Family Apartments with Standalone (Shared) Garage						Stacked-Flat Multi-Family Apartments with Standalone (Shared) Garage			
	Private Use (Multi-Family, Structured Parking)		*Private Use (Office, Structured Parking)*		*Public Use (City Hall, City Hall Structured Parking, Green Open Space, Landscaping/Circulation)*		*Private Use (Multi-Family, Structured Parking)*		*Public Use (City Hall, City Hall Structured Parking, Green Open Space, Landscaping/Circulation)*	
	Total	Comments	Total	Comments	Total (2)	Comments	Total	Comments	Total (2)	Comments
I. Direct Costs										
Off-Site Improvements (1)	$170,000	$5 Per SF Site	$339,000	$15 Per SF Site	$110,000	$5 Per SF Site	$283,000	$5 Per SF Site	$110,000	$5 Per SF Site
On-Site Improvements/Landscaping										
Private Use	$848,000	$25 Per SF Site	$339,000	$15 Per SF Site	$0	$0 Per SF Site	$1,413,000	$25 Per SF Site	$0	$0 Per SF Site
Public Use	$0	$0 Per SF Site	$0	$0 Per SF Site	$440,000	$20 Per SF Site	$0	$0 Per SF Site	$440,000	$20 Per SF Site
Green Open Space	$0	$0 Per SF	$0	$0 Per SF	$2,613,000	$65 Per SF	$0	$0 Per SF	$2,613,000	$65 Per SF
Programmable Outdoor Space	$0	$0 Per SF	$0	$0 Per SF	$130,000	$65 Per SF	$0	$0 Per SF	$130,000	$65 Per SF
Remediation (1)	$0	$0 Per SF Site	$0	$0 Per SF Site	$0	$0 Per SF Site	$0	$0 Per SF Site	$0	$0 Per SF Site
Parking	$0	See below	$0	See below	$0	See below	$0	See below	$0	Included above
Shell Construction										
City Hall - Office/Other	$0	$0 Per SF GBA	$3,840,000	$160 Per SF GBA	$7,700,000	$350 Per SF GBA	$22,289,000	$195 Per SF GBA	$7,700,000	$350 Per SF GBA
City Hall - Programmable Space	$0	$0 Per SF GBA	$0	$0 Per SF GBA	$1,200,000	$600 Per SF GBA	$0	$0 Per SF GBA	$1,200,000	$600 Per SF GBA
Private Use	$13,377,000	$195 Per SF GBA	$0	$0 Per SF GBA	$0	$0 Per SF GBA	$0	$0 Per SF GBA	$0	$0 Per SF GBA
Tenant Improvements	$0	$0 Per SF - Retail	$888,000	$40 Per SF GLA	$1,920,000	$80 Per SF GBA	$0	$0 Per SF - Retail	$1,920,000	$80 Per SF GBA
Amenities/FF&E	$450,000	$6,000 Per Unit	$25,000	Allowance	$178,000	Allowance	$750,000	$6,000 Per Unit	$178,000	Allowance
Contingency	$1,113,000	7.5% of Above Directs	$407,000	7.5% of Above Directs	$1,072,000	7.5% of Above Directs	$1,855,000	7.5% of Above Directs	$1,072,000	7.5% of Above Directs
Total Direct Costs	$15,958,000	$233 Per SF GBA	$5,838,000	$243 Per SF GBA	$15,363,000	$640 Per SF GBA	$26,590,000	$233 Per SF GBA	$15,363,000	$640 Per SF GBA
II. Indirect Costs										
Architecture & Engineering	$798,000	5.0% of Directs	$292,000	5.0% of Directs	$999,000	6.5% of Directs	$1,330,000	5.0% of Directs	$999,000	6.5% of Directs
Permits & Fees - Non-Residential (1)	$0	$0 Per SF GBA	$180,000	$7.50 Per SF GBA	$0	$0 Per SF GBA	$0	$0 Per SF GBA	$0	$0 Per SF GBA
Permits & Fees - Residential (1)	$975,000	$13,000 Per Unit	$0	$0 Per Unit	$0	$0 Per Unit	$1,625,000	$13,000 Per Unit	$0	$0 Per Unit
Legal & Accounting	$638,000	4.0% of Directs	$234,000	4.0% of Directs	$307,000	2.0% of Directs	$1,064,000	4.0% of Directs	$307,000	2.0% of Directs
Taxes & Insurance	$479,000	3.0% of Directs	$175,000	3.0% of Directs	$154,000	1.0% of Directs	$798,000	3.0% of Directs	$154,000	1.0% of Directs
Developer Fee/Construction Management	$638,000	4.0% of Directs	$234,000	4.0% of Directs	$307,000	2.0% of Directs	$1,064,000	4.0% of Directs	$307,000	2.0% of Directs
Marketing/Lease-Up	$188,000	$2,500 Per Unit	$167,000	$7.50 Per SF GLA	$0	0.0% of Directs	$313,000	$2,500 Per Unit	$0	0.0% of Directs
Contingency	$186,000	5.0% of Above Indirects	$64,000	5.0% of Above Indirects	$88,000	5.0% of Above Indirects	$310,000	5.0% of Above Indirects	$88,000	5.0% of Above Indirects
Total Indirect Costs	$3,902,000	24.5% of Directs	$1,346,000	23% of Directs	$1,855,000	12.1% of Directs	$6,504,000	24.5% of Directs	$1,855,000	12.1% of Directs
III. Financing Costs	$1,277,000	8.0% of Directs	$584,000	10.0% of Directs	$1,844,000	12.0% of Directs	$2,127,000	8.0% of Directs	$1,844,000	12.0% of Directs
IV. Total Development Costs Excl. Land Acquisition	**$21,137,000**	**$308 Per SF GBA**	**$7,768,000**	**$324 Per SF GBA**	**$19,062,000**	**$794 Per SF GBA**	**$35,221,000**	**$308 Per SF GBA**	**$19,062,000**	**$794 Per SF GBA**
V. Add: Structured Parking - Allocated Cost	$3,491,000	$35,000 Per Space (3)	$2,520,000	$35,000 Per Space (3)	$2,625,000	$35,000 Per Space (3)	$5,810,000	$35,000 Per Space	$2,625,000	$35,000 Per Space
VI. Grand Total Development Costs	**$24,628,000**	**$359 Per SF GBA**	**$10,288,000**	**$429 Per SF GBA**	**$21,687,000**	**$904 Per SF GBA**	**$41,031,000**	**$359 Per SF GBA**	**$21,687,000**	**$904 Per SF GBA**

(1) Preliminary estimate; not verified by KMA or City.
(2) Assumed to include the payment of prevailing wages.
(3) Assumed to include contingency factor, indirects, and financing costs.

WORKSHEET 1 TO TABLE A-2

BREAKOUT OF DEVELOPMENT COSTS FOR PUBLIC USES
CIVIC CENTER SITE
CITY OF LA MESA

	SCENARIOS #1/#2					SCENARIOS #3/#4				
	Public Use w/ Surface Parking					Public Use w/ Structured Parking				
	City Hall		City Hall Surface Parking, Green Open Space, Landscaping/Circulation		Total	City Hall		City Hall Structured Parking, Green Open Space, Landscaping/Circulation		Total
	Total (2)	Comments	Total (2)	Comments		Total (2)	Comments	Total (2)	Comments	
I. Direct Costs										
Off-Site Improvements (1)	$0	$0 Per SF Site	$110,000	$5 Per SF Site	$110,000	$0	$0 Per SF Site	$110,000	$5 Per SF Site	$110,000
On-Site Improvements/Landscaping										
Private Use	$0	$0 Per SF Site	$0	$0 Per SF Site	$0	$0	$0 Per SF Site	$0	$0 Per SF Site	$0
Public Use	$0	$0 Per SF Site	$1,024,000	$20 Per SF Site	$1,024,000	$0	$0 Per SF Site	$440,000	$20 Per SF Site	$440,000
Green Open Space	$0	$0 Per SF	$2,613,000	$65 Per SF	$2,613,000	$0	$0 Per SF	$2,613,000	$65 Per SF	$2,613,000
Programmable Outdoor Space	$0	$0 Per SF	$130,000	$65 Per SF	$130,000	$0	$0 Per SF	$130,000	$65 Per SF	$130,000
Remediation (1)	$0	$0 Per SF Site	$0	$0 Per SF Site	$0	$0	$0 Per SF Site	$0	$0 Per SF Site	$0
Parking	$0	Included above	$0	Included above	$0	$0	See below	$0	See below	$0
Shell Construction										
City Hall - Office/Other	$7,700,000	$350 Per SF GBA	$0	$0 Per SF Site	$7,700,000	$7,700,000	$350 Per SF GBA	$0	$0 Per SF Site	$7,700,000
City Hall - Programmable Space	$1,200,000	$600 Per SF GBA	$0	$0 Per SF Site	$1,200,000	$1,200,000	$600 Per SF GBA	$0	$0 Per SF Site	$1,200,000
Private Use	$0	$0 Per SF GBA	$0	$0 Per SF Site	$0	$0	$0 Per SF GBA	$0	$0 Per SF Site	$0
Tenant Improvements	$1,920,000	$80 Per SF GBA	$0	$0 Per SF Site	$1,920,000	$1,920,000	$80 Per SF GBA	$0	$0 Per SF Site	$1,920,000
Amenities/FF&E	$178,000	Allowance	$0	Allowance	$178,000	$178,000	Allowance	$0	Allowance	$178,000
Contingency	$825,000	7.5% of Above Directs	$291,000	7.5% of Above Directs	$1,116,000	$825,000	7.5% of Above Directs	$247,000	7.5% of Above Directs	$1,072,000
Total Direct Costs	$11,823,000	$493 Per SF GBA	$4,168,000	$51 Per SF Site	$15,991,000	$11,823,000	$493 Per SF GBA	$3,540,000	$68 Per SF Site	$15,363,000
II. Indirect Costs										
Architecture & Engineering	$768,000	6.5% of Directs	$271,000	6.5% of Directs	$1,039,000	$769,000	6.5% of Directs	$230,000	6.5% of Directs	$999,000
Permits & Fees - Non-Residential (1)	$0	$0 Per SF GBA	$0	$0 Per SF Site	$0	$0	$0 Per SF GBA	$0	$0 Per SF Site	$0
Permits & Fees - Residential (1)	$0	$0 Per Unit	$0	$0 Per Unit	$0	$0	$0 Per Unit	$0	$0 Per Unit	$0
Legal & Accounting	$237,000	2.0% of Directs	$83,000	2.0% of Directs	$320,000	$236,000	2.0% of Directs	$71,000	2.0% of Directs	$307,000
Taxes & Insurance	$118,000	1.0% of Directs	$42,000	1.0% of Directs	$160,000	$119,000	1.0% of Directs	$35,000	1.0% of Directs	$154,000
Developer Fee/Construction Management	$237,000	2.0% of Directs	$83,000	2.0% of Directs	$320,000	$236,000	2.0% of Directs	$71,000	2.0% of Directs	$307,000
Marketing/Lease-Up	$0	0.0% of Directs	$0	0.0% of Directs	$0	$0	0.0% of Directs	$0	0.0% of Directs	$0
Contingency	$68,000	5.0% of Above Indirects	$24,000	5.0% of Above Indirects	$92,000	$68,000	5.0% of Above Indirects	$20,000	5.0% of Above Indirects	$88,000
Total Indirect Costs	$1,428,000	12.1% of Directs	$503,000	12.1% of Directs	$1,931,000	$1,428,000	12.1% of Directs	$427,000	12.1% of Directs	$1,855,000
III. Financing Costs	$1,419,000	12.0% of Directs	$500,000	12.0% of Directs	$1,919,000	$1,419,000	12.0% of Directs	$425,000	12.0% of Directs	$1,844,000
IV. Total Development Costs Excl. Land Acquisition	$14,670,000	$611 Per SF GBA	$5,171,000	$64 Per SF Site	$19,841,000	$14,670,000	$611 Per SF GBA	$4,392,000	$84 Per SF Site	$19,062,000
V. Add: Structured Parking - Allocated Cost	$0	$0 Per Space	$0	$0 Per Space	$0	$0	$0 Per Space (3)	$2,625,000	$35,000 Per Space (3)	$2,625,000
VI. Grand Total Development Costs	**$14,670,000**	**$611 Per SF GBA**	**$5,171,000**		**$19,841,000**	**$14,670,000**	**$611 Per SF GBA**	**$7,017,000**		**$21,687,000**

(1) Preliminary estimate; not verified by KMA or City.
(2) Assumed to include the payment of prevailing wages.
(3) Assumed to include contingency factor, indirects, and financing costs.

TABLE A-3

NET OPERATING INCOME - RESIDENTIAL
CIVIC CENTER SITE
CITY OF LA MESA

	Scenario #1 - Multi-Family Residential					Scenario #3 - Multi-Family/Office					Scenario #4 - High-Density Multi-Family Residential				
	Stacked-Flat Multi-Family Apartments with Podium Parking					Office Space and Stacked-Flat Multi-Family Apartments with Standalone (Shared) Garage					Stacked-Flat Multi-Family Apartments with Standalone (Shared) Garage				
	# of Units	Unit Size	$/SF	$/Month	Total Annual	# of Units	Unit Size	$/SF	$/Month	Total Annual	# of Units	Unit Size	$/SF	$/Month	Total Annual
I. Gross Scheduled Income - Residential															
One Bedroom @ Market-Rate	46	650 SF	$3.35	$2,178	$1,202,000	30	650 SF	$3.30	$2,145	$772,000	50	650 SF	$3.30	$2,145	$1,287,000
Two Bedroom @ Market-Rate	69	900 SF	$2.90	$2,610	$2,161,000	45	900 SF	$2.85	$2,565	$1,385,000	75	900 SF	$2.85	$2,565	$2,309,000
Total/Average - Residential - Net Rentable Area	**115**	**800 SF**	**$3.08**	**$2,437**	**$3,363,000**	**75**	**800 SF**	**$3.03**	**$2,397**	**$2,157,000**	**125**	**800 SF**	**$3.03**	**$2,397**	**$3,596,000**
Add: Other Income				$125 /Unit/Month	$173,000				$125 /Unit/Month	$113,000				$125 /Unit/Month	$188,000
Total Gross Scheduled Income (GSI)					$3,536,000					$2,270,000					$3,784,000
II. Effective Gross Income (EGI)															
(Less) Vacancy				5% of GSI	($177,000)				5% of GSI	($114,000)				5% of GSI	($189,000)
Total Effective Gross Income (EGI)					$3,359,000					$2,156,000					$3,595,000
III. Operating Expenses															
(Less) Operating Expenses				$5,250 /Unit/Year	($604,000)				$5,250 /Unit/Year	($394,000)				$5,250 /Unit/Year	($656,000)
(Less) Property Taxes/Assessments (1)				$3,700 /Unit/Year	($429,000)				$3,600 /Unit/Year	($271,000)				$3,600 /Unit/Year	($453,000)
(Less) Replacement Reserves				$300 /Unit/Year	($35,000)				$300 /Unit/Year	($23,000)				$300 /Unit/Year	($38,000)
Total Expenses				$9,287 /Unit/Year	($1,068,000)				$9,173 /Unit/Year	($688,000)				$9,176 /Unit/Year	($1,147,000)
				32% of EGI					32% of EGI					32% of EGI	
IV. Total Net Operating Income					**$2,291,000**					**$1,468,000**					**$2,448,000**

(1) Based on cost approach to value; assumes a 1.1% tax rate.

TABLE A-4

NET OPERATING INCOME - NON-RESIDENTIAL
CIVIC CENTER SITE
CITY OF LA MESA

	Scenario #1 Multi-Family Residential			Scenario #2 Office			Scenario #3 Multi-Family/Office		
	Private Use (Multi-Family, Retail, Podium Parking)			*Private Use (Office, Surface Parking)*			*Private Use (Office, Structured Parking)*		
	Rentable (SF)	**Rent** (1)	**Total Annual**	**Rentable (SF)**	**Rent** (2)	**Total Annual**	**Rentable (SF)**	**Rent** (2)	**Total Annual**
I. Net Operating Income (NOI)									
A. Office	---	---	---	39,800 SF	$3.00 /SF/Month	$1,433,000	22,200 SF	$3.00 /SF/Month	$799,000
(Less) Vacancy	---	---	---		5.0% of GSI	($72,000)		5.0% of GSI	($40,000)
Total Effective Gross Income	---	---	---			$1,361,000			$759,000
(Less) Operating Expenses	---	---	---		$10 /SF GLA	($398,000)		$10 /SF GLA	($222,000)
Net Operating Income	---	---	---			$963,000			$537,000
B. Retail	1,800 SF	$3.25 /SF/Month	$70,000	---	---	---	---	---	---
(Less) Vacancy		10.0% of GSI	($7,000)	---	---	---	---	---	---
Total Effective Gross Income			$63,000	---	---	---	---	---	---
(Less) Unreimbursed Operating Expenses		5.0% of GSI	($4,000)	---	---	---	---	---	---
Net Operating Income			$59,000	---	---	---	---	---	---
II. Total Net Operating Income			**$59,000**			**$963,000**			**$537,000**

(1) Reflects triple-net (NNN).
(2) Reflects full-service-gross (FSG).

TABLE A-5

ESTIMATE OF RESIDUAL LAND VALUE
CIVIC CENTER SITE
CITY OF LA MESA

	Scenario #1 - Multi-Family Residential		Scenario #2 - Office		Scenario #3 - Multi-Family/Office				Scenario #4 - High-Density Multi-Family Residential	
	Private Use (Multi-Family, Retail, Podium Parking)		*Private Use (Office, Surface Parking)*		*Private Use (Multi-Family, Structured Parking)*		*Private Use (Office, Structured Parking)*		*Private Use (Multi-Family, Structured Parking)*	
I. Residential										
A. Stablized Net Operating Income		$2,291,000		---		$1,468,000		---		$2,448,000
Capitlization Rate @		4.5%		---		4.5%		---		4.5%
B. Capialized Value Upon Completion		$50,911,000		---		$32,622,000		---		$54,400,000
(Less) Cost of Sale	3.0% of Value	($1,527,000)		---	3.0% of Value	($979,000)		---	3.0% of Value	($1,632,000)
(Less) Target Developer Profit	10.0% of Value	($5,091,000)		---	10.0% of Value	($3,262,000)		---	10.0% of Value	($5,440,000)
C. Net Sales Proceeds		$44,293,000		---		$28,381,000		---		$47,328,000
II. Non-Residential										
A. Stablized Net Operating Income		$59,000		$963,000		---		$537,000		---
Capitlization Rate @		6.0%		6.0%		---		6.0%		---
B. Capialized Value Upon Completion		$983,000		$16,050,000		---		$8,950,000		---
(Less) Cost of Sale	3.0% of Value	($29,000)	3.0% of Value	($482,000)		---	3.0% of Value	($269,000)		---
(Less) Target Developer Profit	10.0% of Value	($98,000)	10.0% of Value	($1,605,000)		---	10.0% of Value	($895,000)		---
C. Net Sales Proceeds		$856,000		$13,963,000		---		$7,786,000		---
III. Total Net Sales Proceeds		**$45,149,000**		**$13,963,000**		**$28,381,000**		**$7,786,000**		**$47,328,000**
IV. (Less) Total Development Costs		**($40,897,000)**		**($14,481,000)**		**($24,628,000)** (1)		**($10,288,000)** (1)		**($41,031,000)** (1)
V. Residual Land Value		**$4,252,000**		**($518,000)**		**$3,753,000**		**($2,502,000)**		**$6,297,000**
Per Unit		**$37,000**		**$0**		**$50,000**		**$0**		**$50,000**
Per SF GBA		**$40**		**($12)**		**$55**		**($104)**		**$55**
Per SF Land		**$74**		**($9)**		**$111**		**($111)**		**$111**
VI. Total Residual Land Value by Scenario		**$4,252,000**		**($518,000)**				**$1,251,000**		**$6,297,000**
Per SF Land - Total Site		**$28**		**($3)**				**$8**		**$42**

(1) Includes allocated costs for standalone (shared) garage.

APPENDIX B

EVALUATION OF DOWNTOWN PARKING LOTS

CIVIC CENTER SITE AND DOWNTOWN PARKING LOTS
CITY OF LA MESA

TABLE B-1

OVERVIEW OF DOWNTOWN PARKING LOTS - LA MESA BOULEVARD LOT
CIVIC CENTER SITE AND DOWNTOWN PARKING LOTS
CITY OF LA MESA

La Mesa Boulevard Lot
(Acacia Avenue Lot)



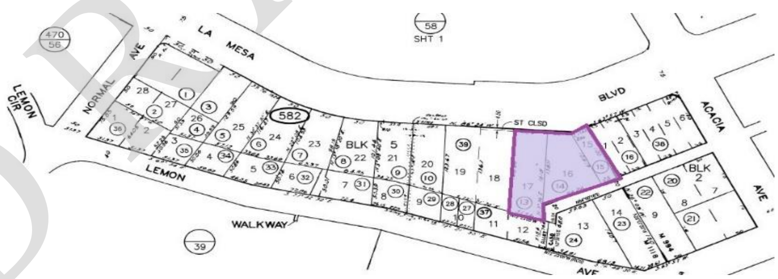
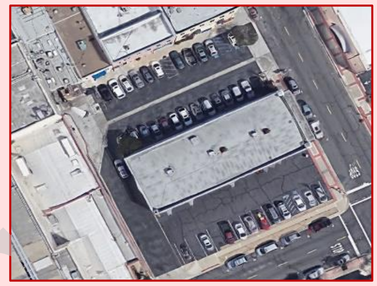
A. Location	South side of La Mesa Boulevard, west of Acacia Avenue
B. Size	0.41 acres
C. Configuration	3 parcels, trapezoidal
D. Parcel Map	
E. Access	La Mesa Boulevard, Acacia Avenue (alley access)
F. Visibility	Visible from La Mesa Boulevard, distant from La Mesa Boulevard village core
G. Key Constraints	Topography, grade change
H. Potential for Assembly	Limited

TABLE B-2

OVERVIEW OF DOWNTOWN PARKING LOTS - PALM AVENUE LOT
CIVIC CENTER SITE AND DOWNTOWN PARKING LOTS
CITY OF LA MESA

Palm Avenue Lot





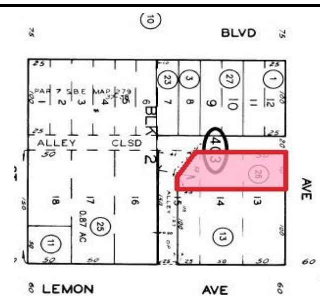
A. Location	West side of Palm Avenue between La Mesa Boulevard and Lemon Avenue
B. Size	0.13 acres
C. Configuration	1 parcel, rectangular
D. Parcel Map	
E. Access	Palm Avenue, Lemon Avenue
F. Visibility	Visible from Palm Avenue, close proximity to La Mesa Boulevard village core
G. Key Constraints	Small size, mid-block location
H. Potential for Assembly	Strong - potential to assemble with southern parcel (La Mesa Antique Mall) property for a total potential site size of approximately 0.42 acres

TABLE B-3

OVERVIEW OF DOWNTOWN PARKING LOTS - LEMON AVENUE LOT
CIVIC CENTER SITE AND DOWNTOWN PARKING LOTS
CITY OF LA MESA

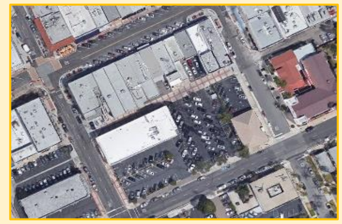
Lemon Avenue Lot	
 	
A. Location	North side of Lemon Avenue, west of 3rd Street
B. Size	0.34 acres
C. Configuration	2 parcels, rectangular
D. Parcel Map	
E. Access	Lemon Avenue, Palm Avenue (alley access), Third Street (alley access)
F. Visibility	Visible from Lemon Avenue, close proximity to La Mesa Boulevard village core
G. Key Constraints	Small size
H. Potential for Assembly	Strong - City owns three adjacent parcels

TABLE B-4

OVERVIEW OF DOWNTOWN PARKING LOTS - ALLISON AVENUE LOT
CIVIC CENTER SITE AND DOWNTOWN PARKING LOTS
CITY OF LA MESA

Allison Avenue Lot	
	
A. Location	Fronting Allison Avenue, between Palm Avenue and Pine Street
B. Size	0.73 acres
C. Configuration	6 parcels, triangular
D. Parcel Map	
E. Access	Allison Avenue, Palm Avenue (alley access)
F. Visibility	Visible from Allison Avenue, close proximity to La Mesa Boulevard village core
G. Key Constraints	Irregular site configuration
H. Potential for Assembly	Strong - with property to west (Randall Lamb building) for a total potential site size of approximately 1.50 acres

TABLE B-5

MARKET FACTORS AFFECTING DEVELOPMENT POTENTIAL
CIVIC CENTER SITE AND DOWNTOWN PARKING LOTS
CITY OF LA MESA

	La Mesa Boulevard Lot (Acacia Avenue Lot)	Palm Avenue	Lemon Avenue	Allison Avenue
I. Probable Land Use	Residential and/or Office	Residential over Retail	Residential over Retail	Residential over Retail
II. Land Area	0.41 Acres	0.13 Acres	0.34 Acres	0.73 Acres
III. Size	↑	↓	↓	↑
IV. Shape	↑	↓	↑	↓
V. Location	↓	↑	↑	↑
VI. Appropriate Land Use(s)	Residential and/or office	Residential over retail/parking if assembled with adjoining property	Residential over retail/parking, if assembled with adjoining property	Residential over retail/parking
VII. Potential Development Opportunity	Townhomes or stacked-flat apartments, Live/work or boutique office building	Limited without assembly with adjoining property	Limited without assembly with adjoining property	Stacked-flat apartments and lofts
VIII. Assembly with Adjacent Property(ies)	Not Applicable	Required	Preferred	Optional
IX. Potential Parking Supply	Surface, Tuck-Under	Surface, Tuck-under	Surface, Tuck-Under	Tuck-Under, Podium
X. Potential Ground Floor Use(s)	Office or Restaurant	Retail or Restaurant	Retail or Restaurant	Office or Restaurant

TABLE B-6

ESTIMATE OF RESIDUAL LAND VALUE
CIVIC CENTER SITE AND DOWNTOWN PARKING LOTS
CITY OF LA MESA

	La Mesa Boulevard Lot (Acacia Avenue Lot)		Palm Avenue		Lemon Avenue		Allison Avenue	
I. Probable Land Use	Residential and/or office		Residential over retail		Residential over retail		Residential over retail	
II. Land Area	0.41 Acres		0.13 Acres		0.34 Acres		0.73 Acres	
III. Number of Parking Spaces	36 Spaces		22 Spaces		36 Spaces		74 Spaces	
IV. Replacement Parking Required (1)	✗		✓		✓		✓	
	Low @ $40 /SF	***High @ $60 /SF***	***Low @ $50 /SF***	***High @ $75 /SF***	***Low @ $50 /SF***	***High @ $75 /SF***	***Low @ $50 /SF***	***High @ $75 /SF***
V. Potential Supportable Land Payment before Replacement Parking Cost								
Low/High Value	$720,000	$1,080,000	$300,000	$450,000	$750,000	$1,125,000	$1,600,000	$2,400,000
VI. (Less) Estimated Cost to Replace Public Parking	$0 /Space	$0 /Space	$40,000 /Space	$30,000 /Space	$40,000 /Space	$30,000 /Space	$40,000 /Space	$30,000 /Space
(Less) Replacement Parking	$0	$0	($880,000)	($660,000)	($1,440,000)	($1,080,000)	($2,960,000)	($2,220,000)
VII. Remaining Land Value after Replacement Parking	**$720,000**	**$1,080,000**	**($580,000)**	**($210,000)**	**($690,000)**	**$45,000**	**($1,360,000)**	**$180,000**

(1) Per City, February 26, 2019.