



City of Ketchum

## CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: July 3, 2023      Staff Member/Dept: Morgan Landers, AICP – Planning and Building Department

Agenda Item: Permanent Ordinance Status Update - Discussion of Commercial Demand Analysis and Financial Feasibility Model Initial Findings

Recommended Motion:

None – discussion only

Reasons for Recommendation:

- City planning staff has been working with Economic and Planning Systems to develop a commercial demand analysis for Ketchum and financial feasibility studies to test the requirements of Interim Ordinance 1234
- City staff has presented the initial findings to the Technical Advisory Group and the Planning and Zoning Commission
- Two open houses for the public are scheduled for July 12<sup>th</sup> in the Community Meeting Room at City Hall

Policy Analysis and Background (non-consent items only):

Interim Ordinance 1234 was adopted in October 2022 with an effective period of one year. During the adoption process, and since its effective date, city staff received feedback from the development community outlining areas of concern as follows:

- The requirements of the interim ordinance mandates projects that don't pencil, resulting in a moratorium on development
- The ordinance forces the construction of all 2.25 FAR projects
- The ordinance requires the creation of more commercial space and it is unclear how much more commercial space the city needs
- The minimum residential densities cannot be built on interior townsite lots

To vet the questions/concerns, the city contracted with Economic and Planning Systems and HOLST Architects to conduct a commercial demand analysis, physically model various development scenarios, and develop a financial feasibility study to determine if those development scenarios pencil. All of these efforts were focused on identifying areas of the interim ordinance that are not achieving the goals of the ordinance and are not creating a development environment that helps the city achieve its goals.

The first phase of this work has been completed with preliminary findings on both the commercial demand analysis and the financial feasibility studies. Attachment 1 includes the packet provided to the Planning and

Zoning Commission at their June 27, 2023 meeting. The packet includes a slide deck presented to the Technical Advisory Group with an overview of preliminary findings and recommendations as well as the detailed models of the commercial demand analysis and all development scenarios.

The purpose of this discussion is to bring the City Council up to date on the progress of the project and outline the next steps for community feedback and preparation of the permanent ordinance.

Sustainability Impact:

None

Financial Impact:

None OR Adequate funds exist in account:

The City Council approved the contract for services with Economic and Planning Systems in March 2023. The project is currently on budget.

Attachments:

1. Staff Report and Attachments – 6/27/23 P&Z Commission Meeting



City of Ketchum  
Planning & Building

STAFF REPORT  
KETCHUM PLANNING AND ZONING COMMISSION  
MEETING OF JUNE 27, 2023

WORKSHOP: EVALUATION OF INTERIM ORDINANCE 1234 STANDARDS

Introduction

Since its adoption in October, staff has been analyzing Interim Ordinance 1234 (the “interim ordinance”), gauging its effectiveness, and evaluating whether its meeting desired outcomes. The purpose of this workshop is to share everything we’ve learned so far with the Planning and Zoning Commission (the “Commission”) and provide an opportunity for the Commission to ask questions regarding initial findings.

Key Questions

Through meetings and interviews with stakeholders from the design and development community, we’ve heard that the interim ordinance doesn’t pencil, will result in a moratorium on development, forces 2.25-FAR maxed-out development, and will result in vacant storefronts by supplying more retail than Ketchum needs to meet demand.



Figure 1: Interim Ordinance Goals

After hearing this feedback, staff set out to answer the following key questions:

- Do the interim ordinance standards trigger either a moratorium on downtown development or force 2.25-FAR maxed-out development?
- Does Ketchum have enough commercial space to support its economic health?
- Is the 55% commercial on the ground floor requirement achievable given the space needed for the dumpster, transformer, and parking?
- Are the minimum residential density requirements achievable?
- What role does the residential penthouse play in the financial feasibility of a development project?
- Does limiting the residential penthouse size to no more than 3,000 square feet impact the financial feasibility of a development project?

The Planning Department has been working with technical experts, Holst Architecture (“Holst”) and Economic and Planning Systems, Inc. (“EPS”), to help us answer these key questions. Holst has prepared an architectural feasibility analysis (See Attachment B) to evaluate whether the interim ordinance standards are achievable on different types of Ketchum townsite lots downtown, including 5,500-square-foot interior and corner lots and 8,250-square-foot interior lots. EPS has prepared a commercial demand analysis (See Attachments A & C) to help us understand Ketchum’s current and future commercial demand. EPS has also prepared a financial feasibility study (See Attachments A & D)

to evaluate whether the interim ordinance results in projects with acceptable rates of return that developers can finance.

## WHAT WE'VE LEARNED

*Are the minimum residential density requirements achievable?*

The Holst architectural studies demonstrate that the minimum residential density requirements are achievable on interior and corner 5,500-square-foot Ketchum townsite lots ("standard lots") and interior 8,250-square-foot Ketchum townsite lots ("long lots"). Their development concept models show that the minimum density requirements can be met for mixed-use and 100% residential development scenarios that comply with current zoning code dimensional standards and building code. A 100% residential development on an interior standard lot can accommodate up to 13 dwelling units of various sizes, which is five more units than required under the interim ordinance.



Figure 2: High Density Scenario (Holst Architectural Study, Page 7)

EPS studied the financial feasibility of development scenarios that provide the minimum number of residential units to meet the interim ordinance density requirements as well as higher density models. Although the densities are feasible from a design perspective, the EPS study shows that increasing residential density decreases the financial feasibility of a development project. Density and financial return have an inverse relationship because increasing the number of residential units decreases the number of larger penthouses that can be accommodated within a project.

*What role does the residential penthouse play in the financial feasibility of a development project?*

As the development community has told us time and time again, the penthouse pays for the project. EPS's financial feasibility study demonstrates that penthouses pay for the cost of development. Providing multiple penthouses within a project significantly increases the development's financial return. EPS modeled two different 100% residential development scenarios that provide the minimum

number of residential units to meet the density requirement on a standard lot. Both scenarios provide 7 dwelling units to meet minimum residential density requirements. The only difference between the two models was the number of penthouses. Providing two penthouses as opposed to only one increases the development scenario's internal rate of return by over 11%.

*Will limiting the residential penthouse size to no more than 3,000 square feet impact the financial feasibility of a development project?*

Under certain development scenarios, limiting the size of penthouses to 3,000 square feet results in a feasible project, however, allowing for larger penthouses increases the financial feasibility of other development scenarios. EPS's financial feasibility study found that, "the ability to achieve top of the market rates is essential."

*Is the 55% commercial on the ground floor requirement achievable given the space needed for parking, dumpster, and transformer?*

Holst's mixed-use development scenarios demonstrate that 55% commercial on the ground floor is achievable. The mixed-use models meet or exceed 55% commercial on the ground floor while also providing a dumpster that meets Clear Creek Disposal servicing standards, a transformer that complies with Idaho Power's clearance requirements, and required parking.

The mixed-use models show that to meet the 55% minimum, all leasable space on the ground floor must be commercial. With the total area required for the dumpster, transformer, parking, mechanical, and circulation, the 55% commercial requirement doesn't leave any remaining space on the ground floor for residential units. Limiting options for the building program, the 55% requirement can result in undesirable configurations of commercial space on the ground floor.

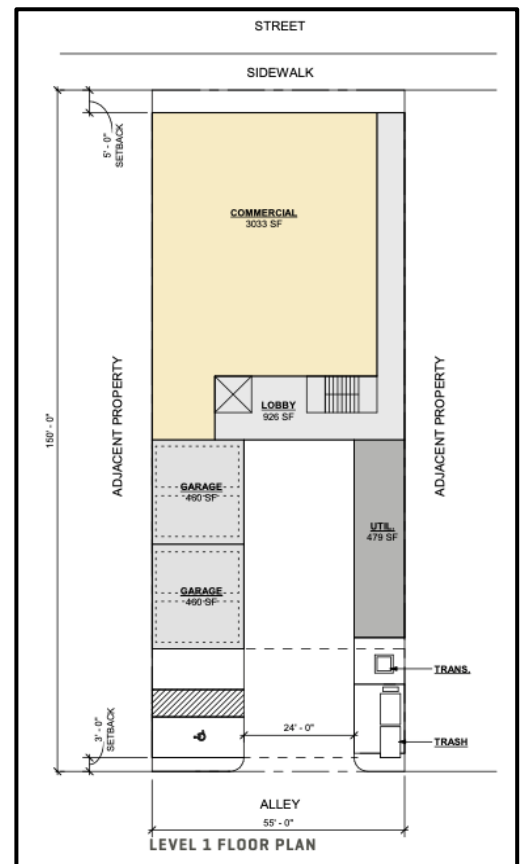


Figure 3: Mixed-Use Model Ground Floor  
(Holst Architectural Study, Page 13)

*Does Ketchum have enough commercial space to support its economic health?*

EPS's commercial demand analysis found that Ketchum has unmet demand for commercial space, particularly for retail and restaurant uses. Ketchum could support up to 60,000 square feet of additional retail and restaurant space. In addition to current unmet demand, population growth and visitor increases in Ketchum will generate even more demand for commercial space supporting up to 40,000 square feet of additional retail and restaurant space by 2030. Ketchum can support an additional 100,000 SF (25% increase) in commercial space for retail and restaurant space by 2030.

*Will the interim ordinance standards trigger either a moratorium on downtown development or force 2.25-FAR maxed-out development?*

The Holst studies show that the interim ordinance does not force 2.25-FAR maxed-out development. The studies show development scenarios of various sizes ranging from 1.87 to 2.25 FAR. The Holst studies illustrate that the interim ordinance standards are achievable. In addition, current downtown development projects demonstrate that the interim ordinance will not trigger a de facto moratorium. Certain development scenarios under the interim ordinance, however, are not financially feasible. Based on their findings from the commercial demand analysis and financial feasibility study as well as interviews with key stakeholders in the development community, EPS has provided recommendations on revisions to certain interim ordinance standards, which can be found on page 23 of Attachment A.

#### Next Steps

Based on everything we've learned so far, staff will begin revising certain interim ordinance standards. These revisions will be informed by findings from Holst's architectural feasibility studies and EPS's commercial demand analysis and financial feasibility study. The city will be hosting two public open houses on July 12 at 12:00pm and 5:00pm to gather community feedback on Vibrancy and Housing 2.0: The Permanent Adoption of Interim Ordinance 1234.

#### Attachments

- A. Commercial Demand Study and Feasibility Analysis prepared by Economic & Planning Systems, Inc.
- B. Vibrancy and Housing 2.0: The Permanent Adoption of Interim Ordinance 1234 Architectural Feasibility Studies prepared by Holst Architecture
- C. EPS Commercial Demand Models
- D. EPS Financial Feasibility Models

Attachment A  
Commercial Demand Study  
and  
Feasibility Analysis  
prepared by  
Economic & Planning Systems,  
Inc.

# COMMERCIAL DEMAND STUDY AND FEASIBILITY ANALYSIS

TAG Meeting

June 22, 2023



Economic & Planning Systems, Inc.  
*The Economics of Land Use*

730 17<sup>th</sup> Street, Suite 630 ■ Denver, CO 80202  
303.623.3557 ■ [www.epsys.com](http://www.epsys.com)



# STUDY OBJECTIVES

---

Develop an inventory of commercial space in the City

Gain a collective understanding of current and future commercial space demand

Understand the financial feasibility of development under Interim Ordinance 1234

Identify long-term options for tracking commercial space and ensuring the community has enough commercial space to grow

# TWO PRIMARY STUDY QUESTIONS

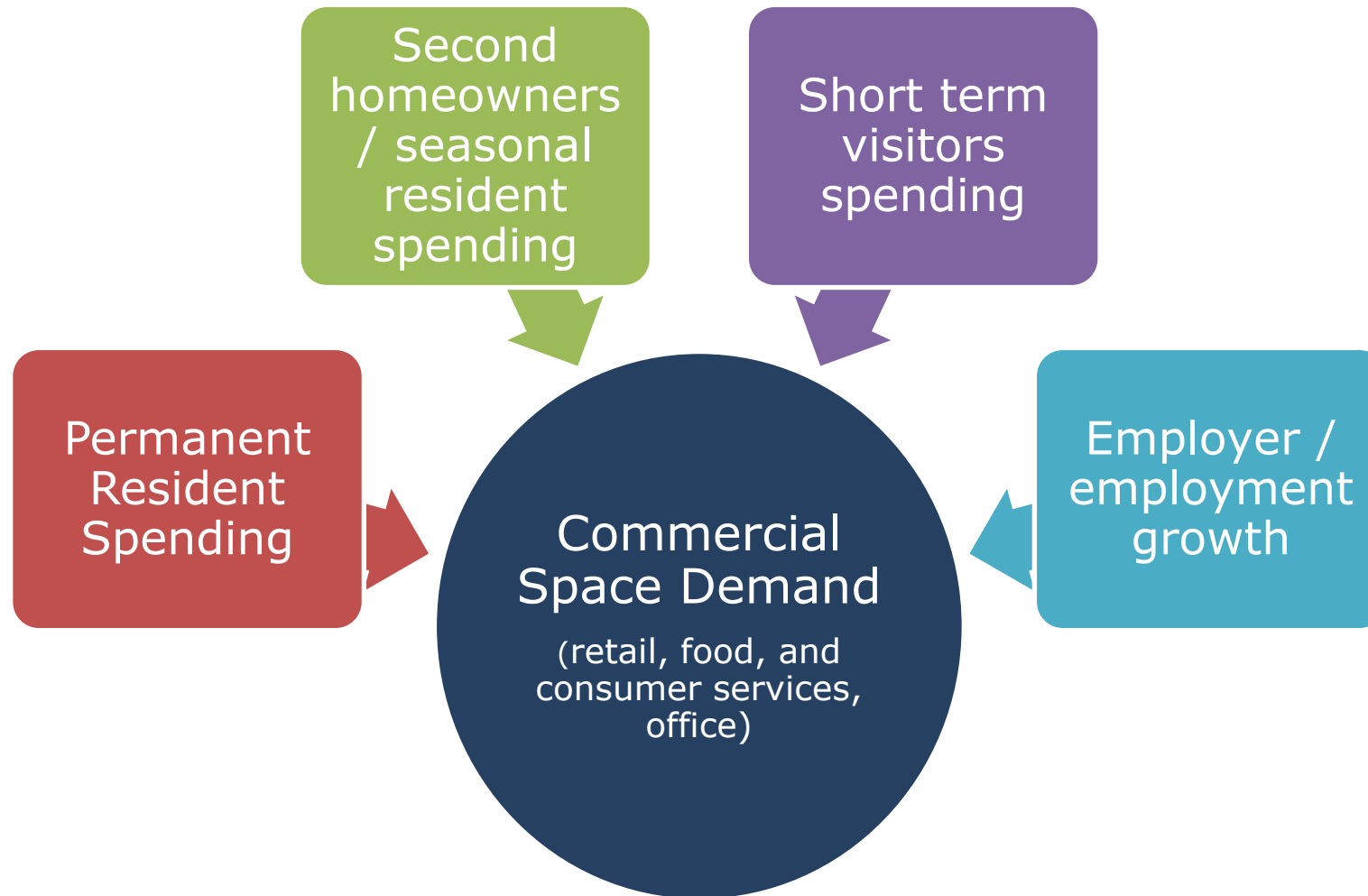
---

- Does the City of Ketchum have enough commercial space to support its economic health?
- Does Interim Ordinance 1234 allow for the development of feasible projects?
  - Are the parameters of the ordinance too limiting?
    - If so, when? under what conditions?

# COMMERCIAL DEMAND ANALYSIS

---

# APPROACH

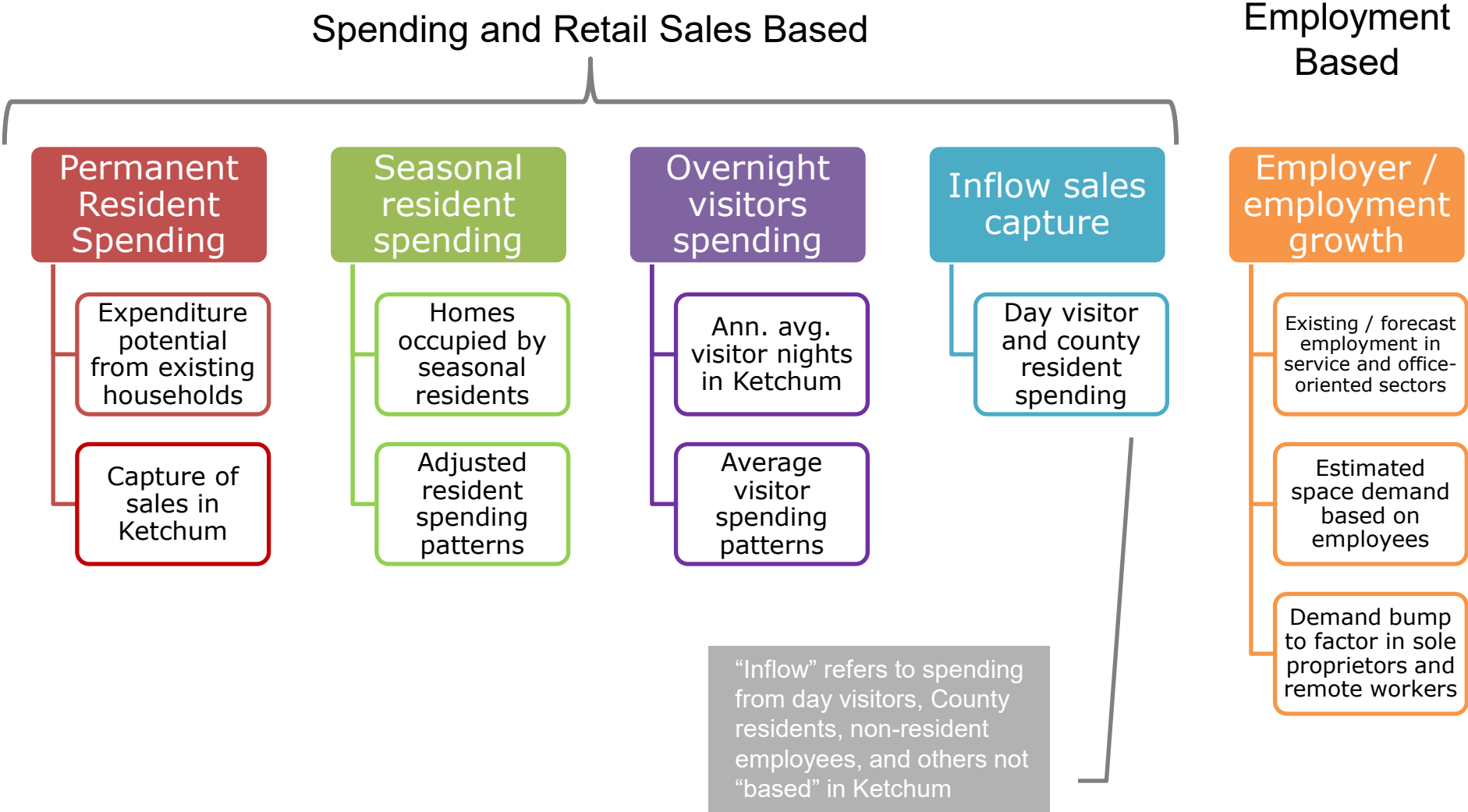


Note: Commercial space for this study is defined as space that is suitable for office employment, retail sales, personal services, and selling of food and beverages.

Commercial demand and space estimates account for both renter- and owner-occupied properties.

It does not include industrial or flex-industrial space/buildings. Commercial space does not encompass other commercial enterprises such as hotels.

# APPROACH



# RETAIL SALES ANALYSIS – EXPENDITURE POTENTIAL



# RETAIL SALES ANALYSIS – SALES FLOW

- Ketchum “captures” sales by different groups
  - Permanent residents
  - Seasonal residents
  - Overnight visitors
  - Inflow
- “Inflow” includes day visitors, County residents, non-resident employees



# CURRENT COMMERCIAL SPACE DEMAND

- The City's existing inventory of retail/restaurant space is approx. 415,000 sq ft (*not including pipeline projects*)
  - 60% is supported by permanent resident, seasonal resident, and overnight visitor spending (based on current spending and capture rates)
  - The remaining 40% is supported by "inflow" spending

EPS estimates employment in office and service sectors generate demand for 300,000 to 325,00 square feet of office space

- The city's existing office inventory is estimated at approximately 317,000 sq ft
- Current demand for office and service employment space is generally being met



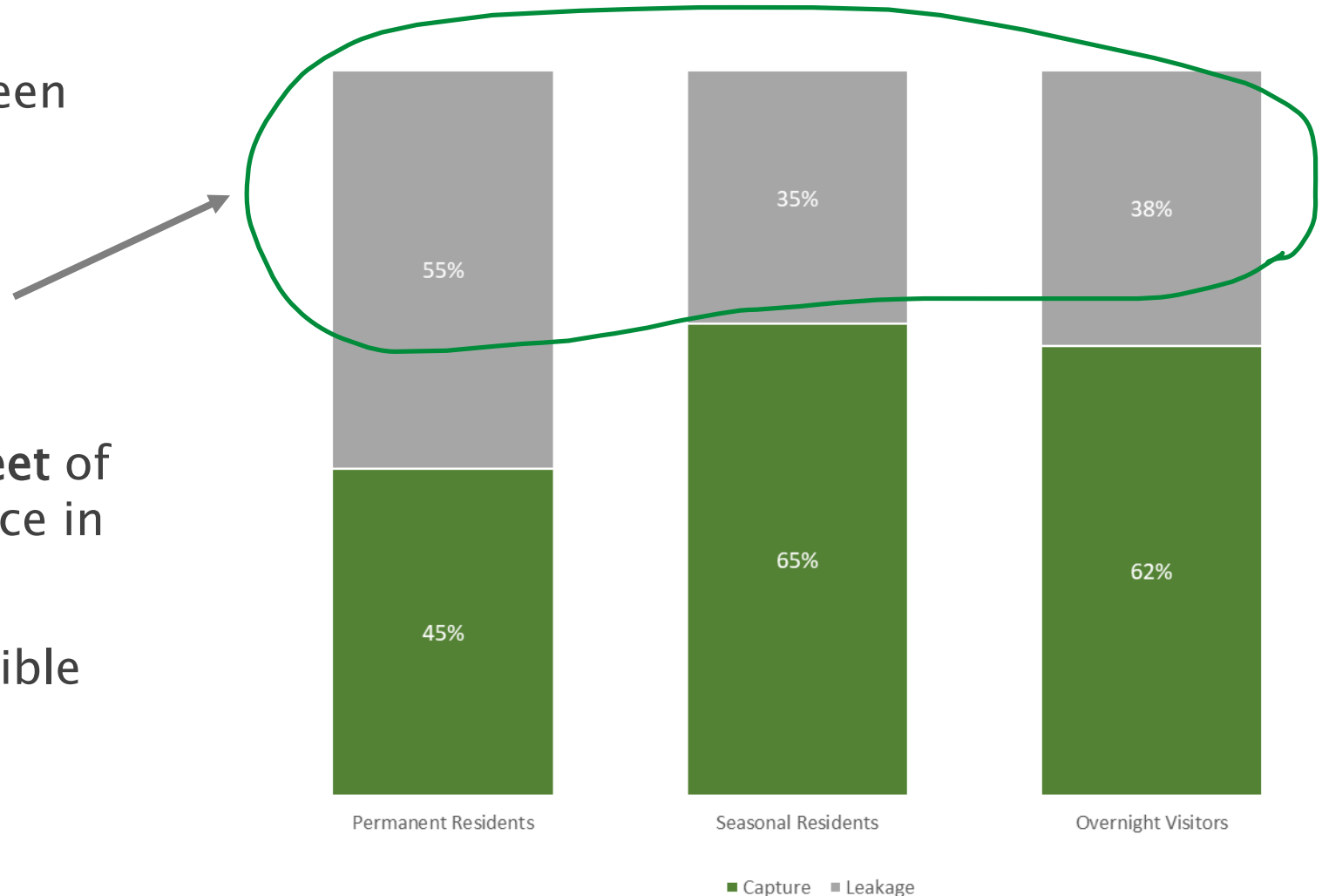
■ "Inflow" spending

■ Permanent Resident, Seasonal Resident, Overnight Visitor spending



# CURRENT RETAIL SALES LEAKAGE

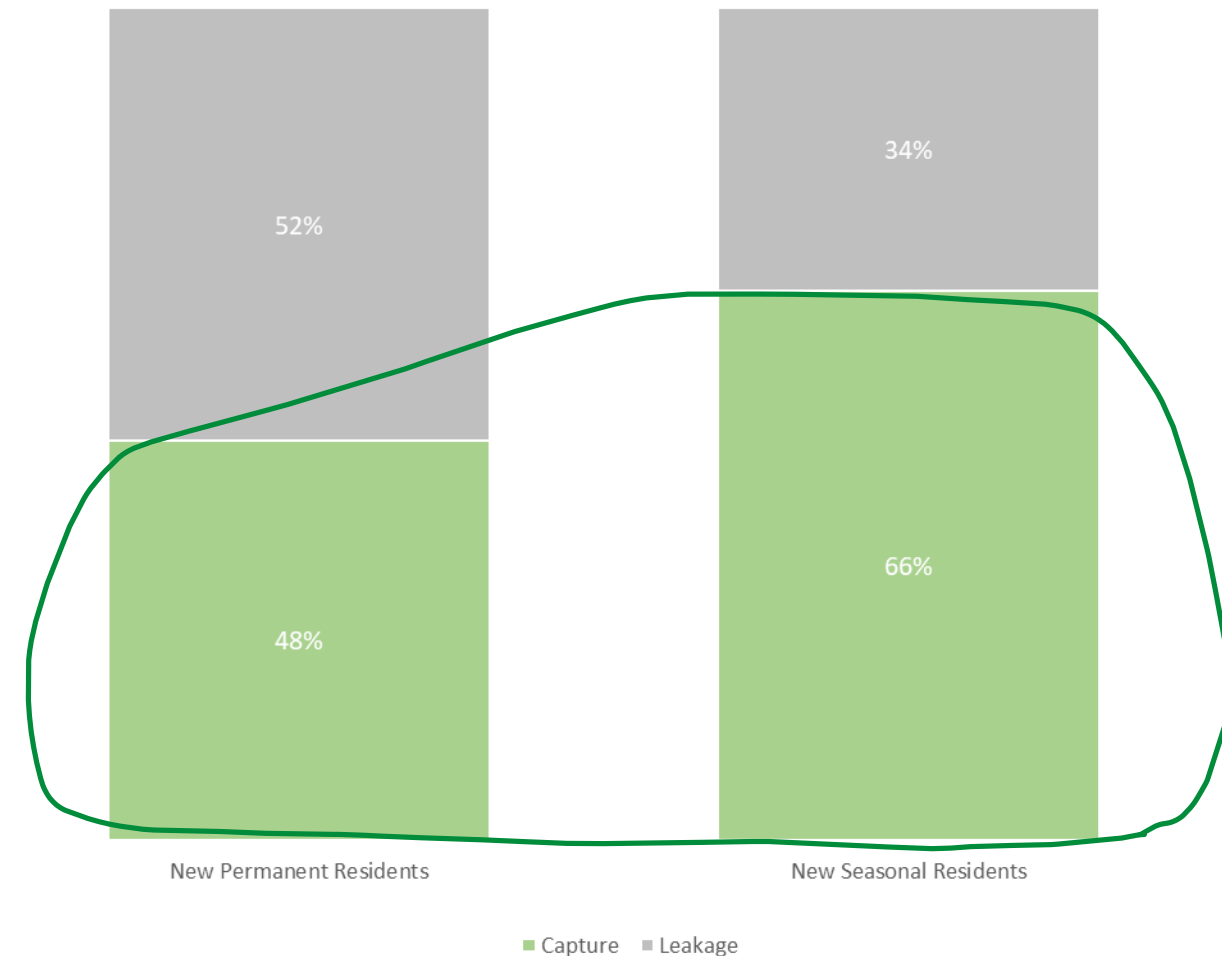
- Depending on the group, between 35% and 55% of expenditure potential is spent outside of Ketchum (aka: leakage)
- There is potential to capture a portion of leakage which could support up to **60,000 square feet** of additional retail/restaurant space in the City
- Some leakage is likely not possible to be captured



# FUTURE COMMERCIAL SPACE DEMAND

- In addition, permanent and seasonal resident populations will grow by 2030\* and generate more demand
- New spending associated with this population growth can support nearly **40,000 square feet** of additional retail/restaurant space by 2030
- Combined with the recapture of leakage, there is demand for a 25% increase in space for retail/food uses by 2030 (100,000 sf of new space)

Employment growth through 2030 will generate demand for **32,000 square feet** of office/service space



\* Permanent resident population growth estimated at 1.5% annually

# COMMERCIAL DEMAND FINDINGS

---

## Does the City of Ketchum have enough commercial space to support its economic health?

- **Finding 1:** There is currently unmet demand for commercial space in Ketchum, specifically retail and restaurant space.
  - Expenditure Potential = 167 Million, Actual Retail Sales = 146 Million
  - Potential capture expenditures spent outside of Ketchum (up to 60,000 sf of demand)
- **Finding 2:** The growth of the resident and visitor base will generate additional demand for retail/restaurant space (40,000 sf) that needs to be accommodated
- **Finding 3:** Growth of the Ketchum economy will generate demand additional 32,000 sf to accommodate office users and personal services businesses
- **Finding 4:** The community core is an essential area for capturing potential retail sales and the most desirable place for office/service uses
- **Finding 5:** There is a risk of losing commercial space (especially affordable space) to redevelopment

# BARRIERS TO COMMERCIAL AND ECONOMIC GROWTH

---

- Land availability is limited and the cost of land too high for large format uses (e.g. big box retail and large format industrial)
- Current land use regulations that do not allow for large format uses
- Cost of housing and lack of housing supply to support workforce growth

# INFILL FEASIBILITY ANALYSIS

---

# MODEL INPUTS

## INFILL FEASIBILITY

### Market Inputs

Penthouse <sup>1</sup> Condo Price (per SF)	\$2,000
Condo Price (per SF)	\$1,250
Market Rate Apartment (Monthly Rent per SF)	\$4.00
Community Housing Apartment (Monthly Rent per SF)	\$1.50-\$2.50
Commercial Space (Monthly Rent per SF)	\$3.50 (NNN)

### Construction Cost Inputs

Land Cost (per SF)	\$235
Parking <sup>2</sup> (per space)	\$5,000
Residential Hard Cost (per SF)	\$750-\$900
Commercial Hard Cost (per SF)	\$600-\$700

1 - Penthouse Condo is defined as a condo greater than 2,500 sf in size with luxury finishes and premium orientation within the building.

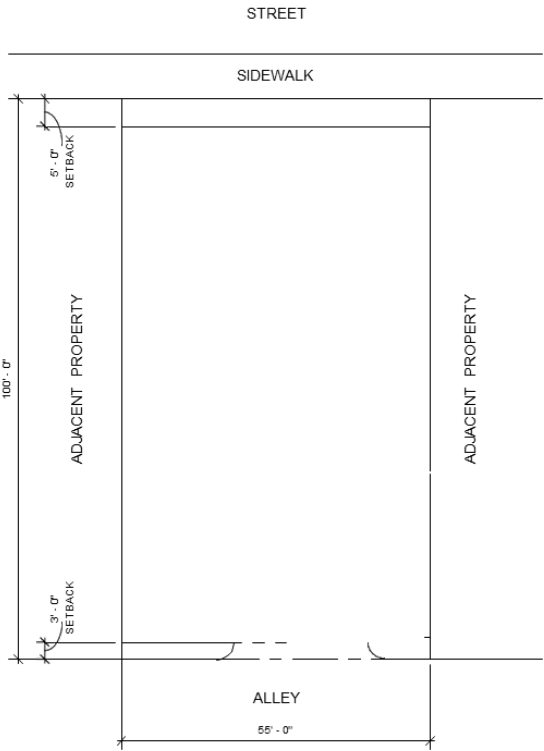
2- Cost for enclosed garage space on ground floor in addition to core and shell cost for the ground floor

# DEVELOPMENT CONCEPTS

## INFILL FEASIBILITY

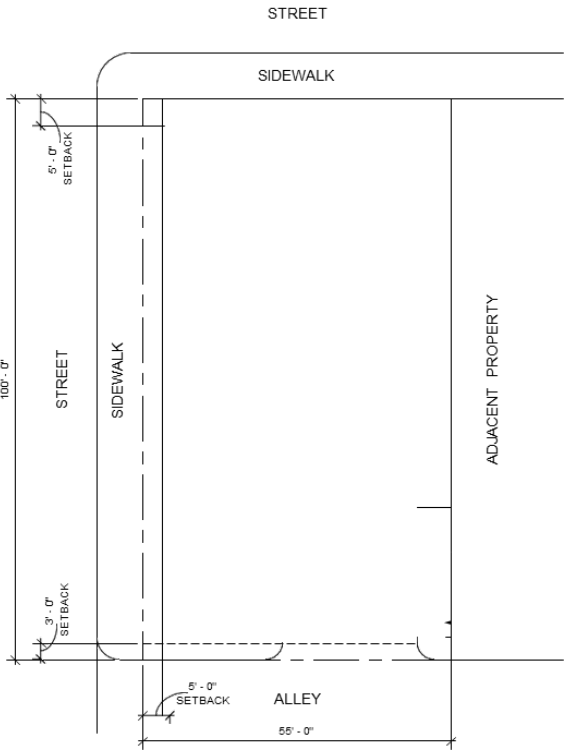
### Interior Standard Lot

- 55' x 100'
- 5,500 sf



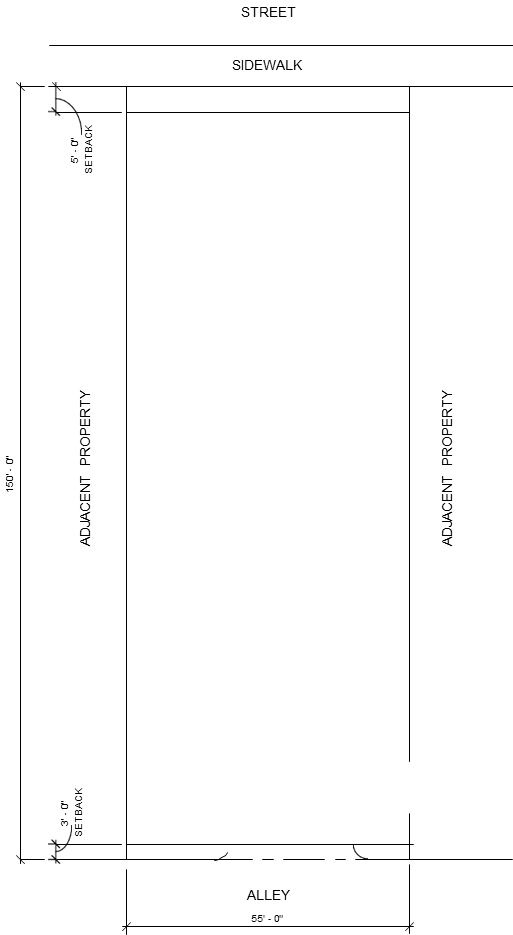
### Corner Standard Lot

- 55' x 100'
- 5,500 sf



### Interior Long Lot

- 55' x 150'
- 8,250 sf



# FINDINGS – INTERIOR STANDARD LOT

## INFILL FEASIBILITY

	1	2	3	4
Description	Interior Standard Lot – Mixed-Use <30% Commercial Minimum Residential Density	Interior Standard Lot – 100% Residential Minimum Density	Interior Standard Lot – 100% Residential High Density	Interior Standard Lot– 100% Residential Minimum Density
Commercial SF (net)	1,624	0	0	0
Residential SF (net)	7,500	9,614	9,090	8,817
<b>Residential Units</b>	<b>4</b>	<b>7</b>	<b>13</b>	<b>7</b>
Penthouse	2	1	0	2
Condo/Apartment	1	4	11	3
Community Housing	1*	2*	2*	2*

\* Indicates additional Fee-in-Lieu is needed to meet community housing requirements



# FINDINGS – INTERIOR STANDARD LOT

## INFILL FEASIBILITY

Option	Option 1	Option 2	Option 3	Option 4
PROJECT RETURN AND GAP				
PROJECT COST				
Total Cost	\$11,775,874	\$12,334,272	\$12,626,972	\$11,406,748
Per GBA	\$1,099	\$1,165	\$1,164	\$1,179
STATIC EVALUATION				
Return on Cost				
Total Project Value	\$14,096,788	\$13,284,264	\$10,860,067	\$14,487,864
Total Project Cost	\$11,775,874	\$12,334,272	\$12,626,972	\$11,406,748
Project Return	\$2,320,914	\$949,992	-\$1,766,905	\$3,081,116
Return on Cost	19.7%	7.7%	-14.0%	27.0%
Target	12%-15%	12%-15%	12%-15%	12%-15%
TIME SERIES				
Return on Cost				
Project IRR				
Hurdle Rate	9.15%	8.77%	8.77%	8.77%
Actual Rate	11.53%	5.5%	-4.0%	16.88%
Gap/Surplus (NPV)	\$509,535	-\$589,288	-\$2,949,023	\$1,312,679

Source: Economic & Planning Systems

Green highlight indicates a feasible project, yellow indicates a potentially feasible project, red indicates a project that is not likely feasible

# FINDINGS – CORNER STANDARD LOT

## INFILL FEASIBILITY

	1	2	3
Description	Corner Standard Lot - Mixed-Use <30% Commercial Minimum Density	Corner Standard Lot - 100% Residential Minimum Density	Corner Standard Lot - 100% Residential High Density
Commercial SF (net)	2,190	0	0
Residential SF (net)	7,015	9,108	9,350
<b>Residential Units</b>	4	7	11
Penthouse	2	1	1
Condo/Apartment	1	4	8
Community Housing	1*	2*	2

\* Indicates additional Fee-in-Lieu is needed to meet community housing requirements

# FINDINGS – CORNER STANDARD LOT

## INFILL FEASIBILITY

Option	Option 1	Option 2	Option 3
<b>PROJECT RETURN AND GAP</b>			
<b>PROJECT COST</b>			
Total Cost	\$11,441,568	\$11,749,335	\$13,137,436
Per GBA	\$1,129	\$1,171	\$1,148
<b>STATIC EVALUATION</b>			
<b>Return on Cost</b>			
Total Project Value	\$13,664,174	\$12,662,062	\$12,962,156
Total Project Cost	\$11,441,568	\$11,749,335	\$13,137,436
Project Return	\$2,222,607	\$912,727	-\$175,280
Return on Cost	19.4%	7.8%	-1.3%
Target	12%-15%	12%-15%	12%-15%
<b>TIME SERIES</b>			
<b>Return on Cost</b>			
<b>Project IRR</b>			
Hurdle Rate	9.15%	8.78%	8.78%
Actual Rate	11.4%	5.4%	1.1%
<b>Gap/Surplus (NPV)</b>	\$468,641	-\$555,017	-\$1,645,292

Source: Economic & Planning Systems

**Green** highlight indicates a feasible project, **yellow** indicates a potentially feasible project, **red** indicates a project that is not likely feasible

# FINDINGS – INTERIOR LONG LOT

## INFILL FEASIBILITY

	1	2
Description	Interior Long Lot – Mixed-Use <30% Commercial Minimum Residential Density	Interior Long Lot – 100% Residential Minimum Density
Commercial SF (net)	3,033	0
Residential SF (net)	11,385	13,500
<b>Residential Units</b>	6	11
Penthouse	3	2
Condo/Apartment	1	7
Community Housing	2*	2*

\* Indicates additional Fee-in-Lieu is needed to meet community housing requirements

# FINDINGS – LARGE INTERIOR LOT

## INFILL FEASIBILITY

Option	Option 1	Option 2
<b>PROJECT RETURN AND GAP</b>		
<b>PROJECT COST</b>		
Total Cost	\$18,640,343	\$17,450,621
Per GBA	\$1,058	\$1,148
<b>STATIC EVALUATION</b>		
<b>Return on Cost</b>		
Total Project Value	\$21,219,227	\$19,449,199
Total Project Cost	\$18,640,343	\$17,450,621
Project Return	\$2,578,884	\$1,998,578
Return on Cost	13.8%	11.5%
Target	12%-15%	12%-15%
<b>TIME SERIES</b>		
<b>Project IRR</b>		
Hurdle Rate	9.15%	8.70%
Actual Rate	8.86%	7.69%
Gap/Surplus (NPV)	-\$105,277	-\$245,824

Source: Economic & Planning Systems

**Green** highlight indicates a feasible project, **yellow** indicates a potentially feasible project, **red** indicates a project that is not likely feasible

# OVERALL FINDINGS

---

## INFILL FEASIBILITY

- The penthouse units pay for the cost of development and the community amenities included.
  - The ability to achieve top of the market rates is essential.
  - The ability to fit more than one penthouse unit greatly increase feasibility even with residential density minimums
  - The cap on unit size does impact flexibility which can hurt feasibility.
- Other findings
  - Market rate condos (not large penthouses) produce a greater return than market rate apartment
    - Depth of demand for both is unknown.
  - Providing community housing units on-site is generally more favorable (in terms of return) than fee in lieu.
    - The flexibility to pay for small portions of requirement in fees is important.

# FEASIBILITY FINDINGS

---

## INFILL FEASIBILITY

### Ordinance Considerations:

- Increase or eliminate the 3,000 square feet limit on unit size OR allow larger unit sizes on top/third floor
- Provide greater flexibility (i.e., reduction) on amount or percent of commercial required as long as its on ground floor and street oriented, especially for the larger interior long lots
- Allow for community housing on ground floor with desired design elements (e.g., porches, multiple entrances/doors) especially for interior lots
- Consider reducing the minimum density requirement some in 100% residential projects

# FEASIBILITY FINDINGS

---

## INFILL FEASIBILITY

### Long-term Considerations

- Does it make sense for the regulations to favor generating commercial space over community housing (or vice versa)?
  - Trying to achieve both outcomes in one building/project is difficult to regulate and to develop. The market support for the most feasible building types (e.g. mixed use building with commercial space, community housing, and penthouses) may not allow be present.
- Is there potential/support for providing density/height bonuses or regulatory incentives (e.g., requirement reductions/waivers) for projects that provide desired community benefits beyond what the base zoning allows?
  - Examples:
    - Can there be a menu of community benefits to choose from in a project?
    - Is there support for greater height if more community housing is provided?
    - Is there support for reduced community housing requirements if projects provide more commercial space or specific types of commercial spaces like restaurants?



# Attachment B

Vibrancy and Housing 2.0:

The Permanent Adoption

of

Interim Ordinance 1234

Architectural Feasibility Studies

prepared by

Holst Architecture

# VIBRANCY AND HOUSING 2.0:

THE PERMANENT ADOPTION OF INTERIM ORDINANCE  
1234 ARCHITECTURAL FEASIBILITY STUDIES

*Ketchum, Idaho*

*June 20th, 2023*



H O L S T

# DEVELOPMENT CONCEPTS

## INTERIOR STANDARD LOT (5,500 SF)

- OPTION 1: MIXED-USE  $\leq$ 30% COMMERCIAL MINIMUM RESIDENTIAL DENSITY
- OPTION 2: 100% RESIDENTIAL DEVELOPMENT MINIMUM RESIDENTIAL DENSITY
- OPTION 3: 100% RESIDENTIAL DEVELOPMENT HIGH DENSITY

## CORNER STANDARD LOT (5,500 SF)

- OPTION 1: MIXED-USE  $\leq$ 30% COMMERCIAL MINIMUM RESIDENTIAL DENSITY
- OPTION 2: 100% RESIDENTIAL DEVELOPMENT MINIMUM RESIDENTIAL DENSITY
- OPTION 3: 100% RESIDENTIAL DEVELOPMENT HIGH DENSITY

## INTERIOR LONG LOT (8,250 SF)

- OPTION 1: MIXED-USE  $\leq$ 30% COMMERCIAL MINIMUM RESIDENTIAL DENSITY
- OPTION 2: 100% RESIDENTIAL DEVELOPMENT MINIMUM RESIDENTIAL DENSITY
- OPTION 3: 100% RESIDENTIAL DEVELOPMENT HIGH DENSITY

# ASSUMPTIONS

- MINIMUM RESIDENTIAL DENSITY REQUIREMENTS AND PERCENT COMMERCIAL ARE CALCULATED PER THE REQUIREMENTS OF INTERIM ORDINANCE 1234.
- MIXED-USE SCENARIOS INCLUDE COMMERCIAL SPACE THAT MEET OR EXCEED 55% OF THE GROUND FLOOR'S GROSS FLOOR AREA (GSF).
- ALL SCENARIOS PROVIDE A 5-FOOT SETBACK FROM FRONT AND STREET SIDE PROPERTY LINES ON ALL FLOORS.
- ALL SCENARIOS INCLUDE TRANSFORMER AND DUMPSTER LOCATIONS PER IDAHO POWER AND CLEAR CREEK DISPOSAL REQUIREMENTS.
- ALL SCENARIOS ASSUME COMMERCIAL USE IS EXEMPT FROM PROVIDING OFF-STREET PARKING.
- GSF CALCULATION INCLUDES STAIR TOWERS AND ELEVATORS ON THE GROUND FLOOR ONLY AND EXEMPTS UP TO 4 ENCLOSED PARKING STALLS.
- EFFICIENCY %:
  - NET FLOOR AREA EXCLUDES LOBBIES, CIRCULATION, AND STORAGE AREAS.
  - A SQUARE FOOT REDUCTION FOR SHAFTS, WALLS, AND OTHER NON-ASSIGNABLE AREAS HAS NOT BEEN APPLIED TO RESIDENTIAL NET FLOOR AREA CALCULATIONS.
- ALL SCENARIOS TAKE ADVANTAGE OF FAR BONUS IN EXCHANGE FOR COMMUNITY HOUSING.
- COMMUNITY HOUSING IS EXEMPT FROM PROVIDING PARKING.
- COMMUNITY HOUSING CONTRIBUTION SATISFIED BY EITHER: (A) PROVIDING ENTIRE CONTRIBUTION THROUGH DEED-RESTRICTED UNITS ON SITE OR (B) PROVIDING DEED-RESTRICTING UNITS ON SITE AND PAYING FEE IN LIEU FOR THE REMAINDER.

**INTERIOR STANDARD LOT**  
[5,500 SF]

INTERIOR STANDARD LOT - OPTION 1

MIXED-USE ≤30% COMMERCIAL MINIMUM RESIDENTIAL DENSITY

4 RESIDENTIAL UNITS REQUIRED

SITE SUMMARY

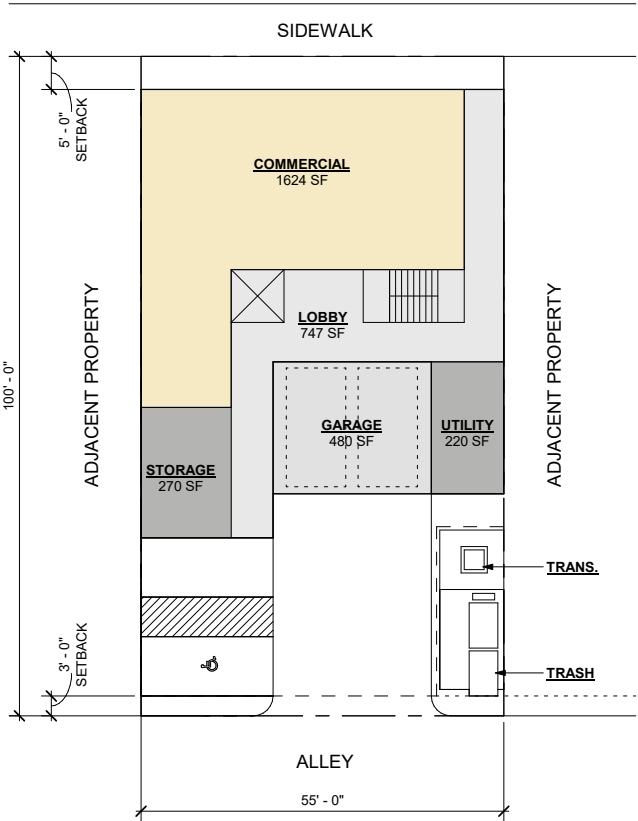
LOT AREA	5,500 SF
MAX ALLOWABLE AREA	12,375 SF [2.25 FAR]
PARKING	4 STALLS
UNITS	4 UNITS

AREA SUMMARY

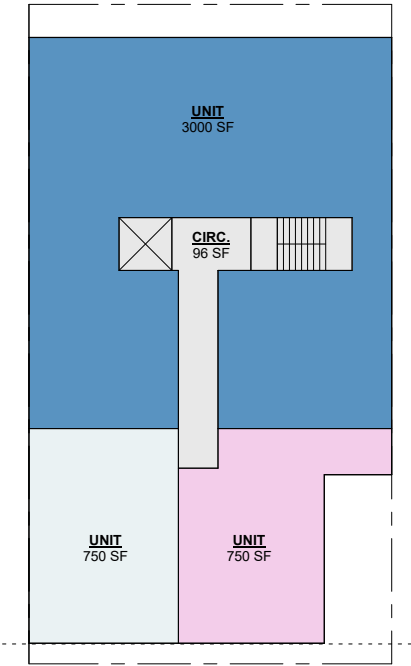
LEVEL 1	2,862 GSF
LEVEL 2	4,756 GSF
LEVEL 3	3,100 GSF
TOTAL	10,718 GSF [1.95 FAR]
RESIDENTIAL AREA	7,500 NSF
COMMERCIAL AREA	1,624 NSF
% GROUND FLR.	57%
% TOTAL GSF	15%
TOTAL NET SQ. FT.	9,124 NSF
EFFICIENCY	85%

LEGEND

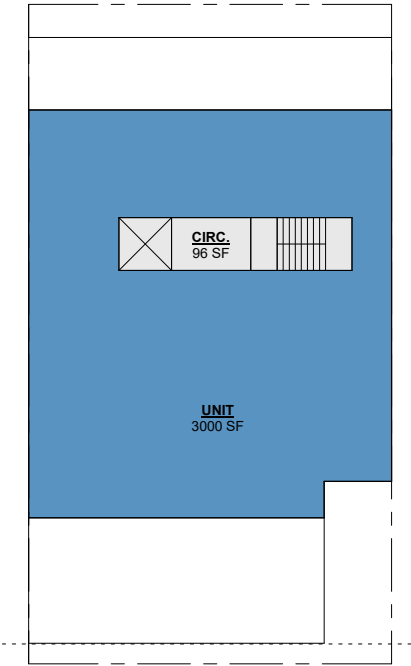
- COMMERCIAL
- RESIDENTIAL COMMUNITY HOUSING
- RESIDENTIAL UNIT <750
- RESIDENTIAL UNIT 751 - 2000 SF
- RESIDENTIAL UNIT 2001+ SF
- CIRCULATION
- SUPPORT



LEVEL 1 FLOOR PLAN



LEVEL 2 FLOOR PLAN



LEVEL 3 FLOOR PLAN

INTERIOR STANDARD LOT - OPTION 2

100% RESIDENTIAL DEVELOPMENT MINIMUM RESIDENTIAL DENSITY

7 RESIDENTIAL UNITS REQUIRED

SITE SUMMARY

LOT AREA	5,500 SF
MAX ALLOWABLE AREA	12,375 SF [2.25 FAR]
PARKING	5 STALLS
UNITS	7 UNITS

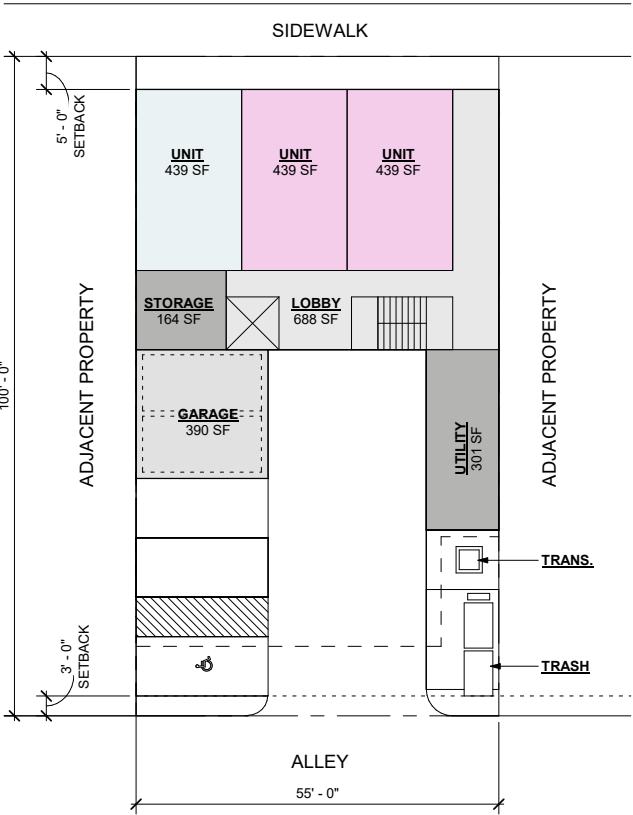
AREA SUMMARY

LEVEL 1	2,471 GSF
LEVEL 2	4,506 GSF
LEVEL 3	4,506 GSF
TOTAL	11,483 GSF [2.09 FAR]

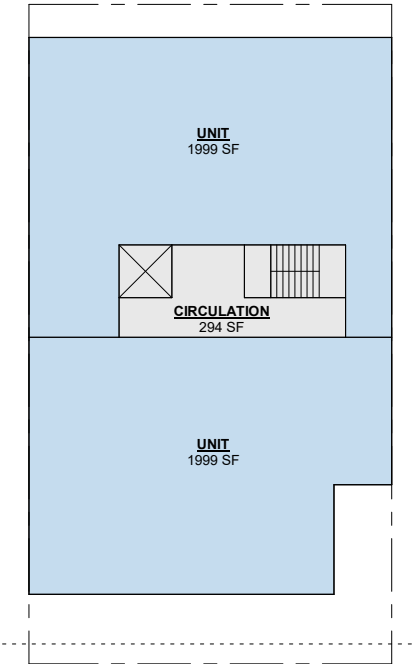
RESIDENTIAL AREA	9,614 NSF
EFFICIENCY	84%

LEGEND

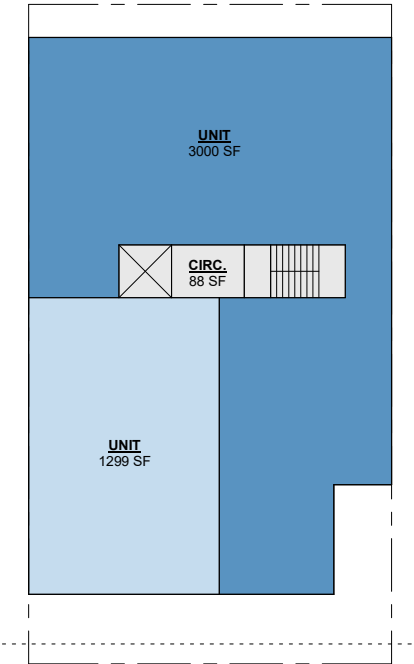
- COMMERCIAL
- RESIDENTIAL COMMUNITY HOUSING
- RESIDENTIAL UNIT <750
- RESIDENTIAL UNIT 751 - 2000 SF
- RESIDENTIAL UNIT 2001+ SF
- CIRCULATION
- SUPPORT



LEVEL 1 FLOOR PLAN



LEVEL 2 FLOOR PLAN



LEVEL 3 FLOOR PLAN

INTERIOR STANDARD LOT - OPTION 3

100% RESIDENTIAL DEVELOPMENT: HIGH DENSITY

SITE SUMMARY

LOT AREA	5,500 SF
MAX ALLOWABLE AREA	12,375 SF [2.25 FAR]
PARKING	5 STALLS
UNITS	13 UNITS

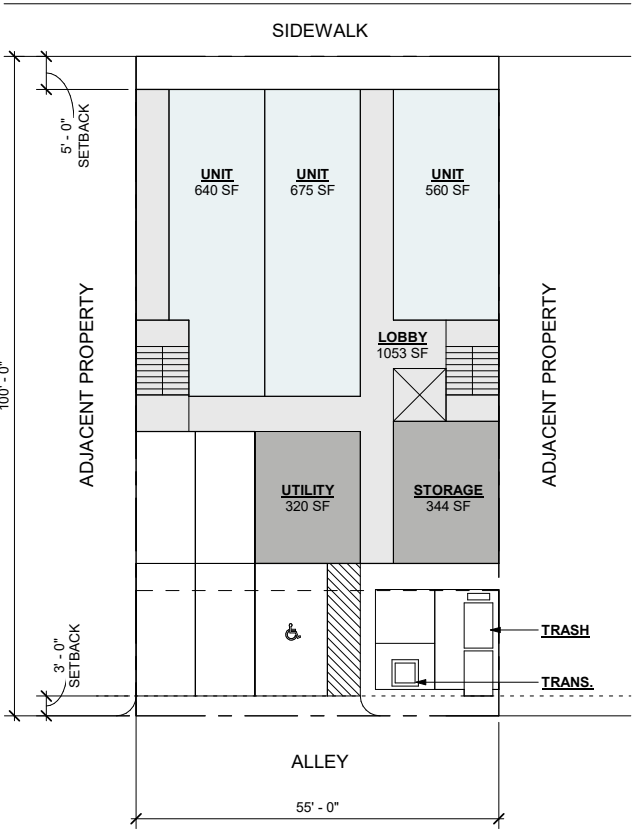
AREA SUMMARY

LEVEL 1	3,953 GSF
LEVEL 2	4,180 GSF
LEVEL 3	4,180 GSF
TOTAL	12,313 GSF [2.25 FAR]

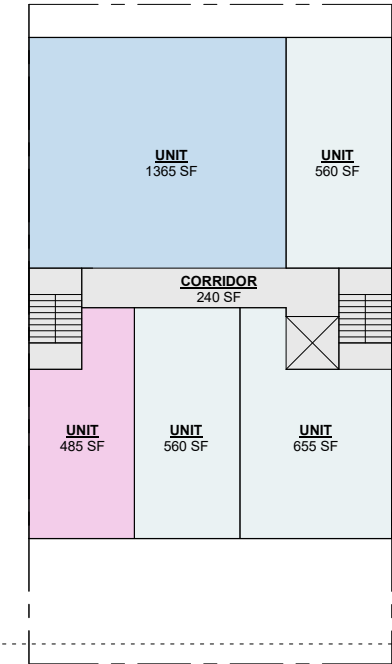
RESIDENTIAL AREA	9,125 NSF
EFFICIENCY	74%

LEGEND

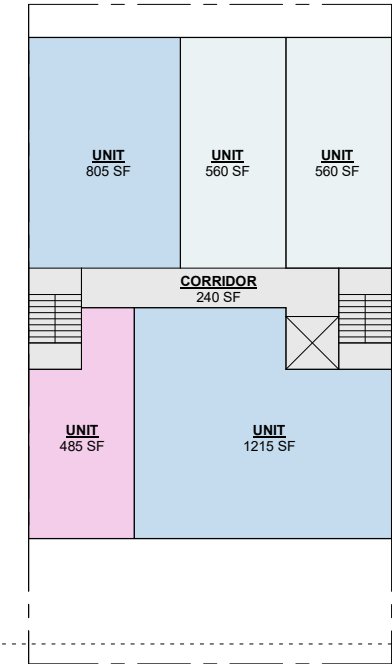
- COMMERCIAL
- RESIDENTIAL COMMUNITY HOUSING
- RESIDENTIAL UNIT <750
- RESIDENTIAL UNIT 751 - 2000 SF
- RESIDENTIAL UNIT 2001+ SF
- CIRCULATION
- SUPPORT



LEVEL 1 FLOOR PLAN



LEVEL 2 FLOOR PLAN



LEVEL 3 FLOOR PLAN



**CORNER STANDARD LOT**  
[5,500 SF]

CORNER STANDARD LOT - OPTION 1

MIXED-USE ≤30% COMMERCIAL MINIMUM RESIDENTIAL DENSITY

4 RESIDENTIAL UNITS REQUIRED

SITE SUMMARY

LOT AREA	5,500 SF
MAX ALLOWABLE AREA	12,375 SF [2.25 FAR]
PARKING	4 STALLS
UNITS	4 UNITS

AREA SUMMARY

LEVEL 1	2,190 GSF
LEVEL 2	4,455 GSF
LEVEL 3	3,491 GSF
TOTAL	10,136 GSF [1.87 FAR]
RESIDENTIAL AREA	7,015 NSF
COMMERCIAL AREA	1,450 NSF
% GROUND FLR.	66%
% TOTAL GSF	14%
TOTAL NET SQ. FT.	8,465 NSF
EFFICIENCY	84%

LEGEND

COMMERCIAL

RESIDENTIAL COMMUNITY HOUSING

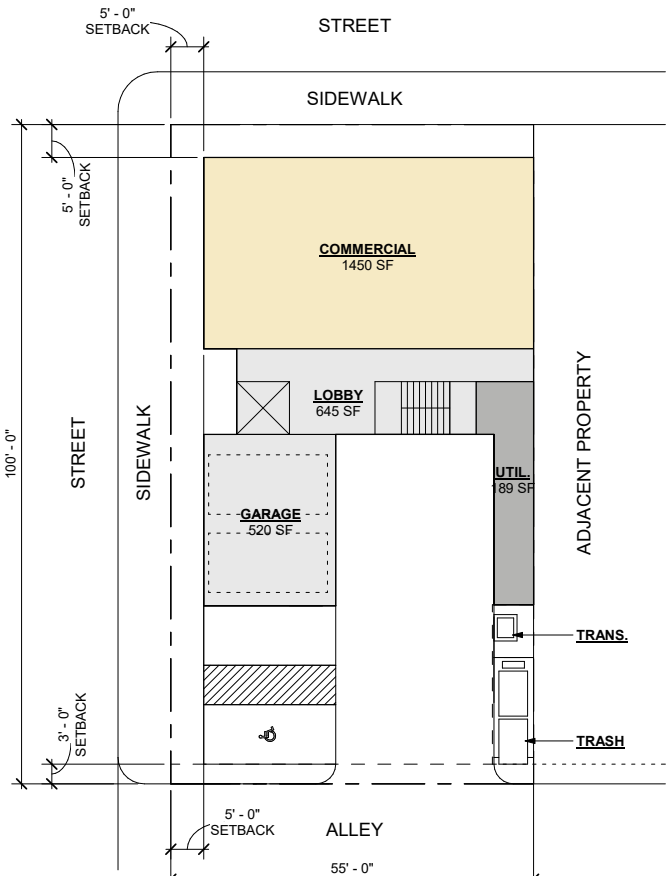
RESIDENTIAL UNIT <750

RESIDENTIAL UNIT 751 - 2000 SF

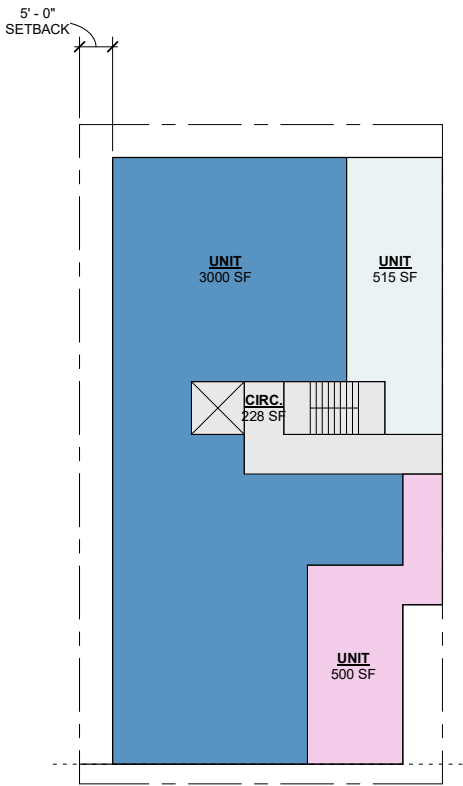
RESIDENTIAL UNIT 2001+ SF

CIRCULATION

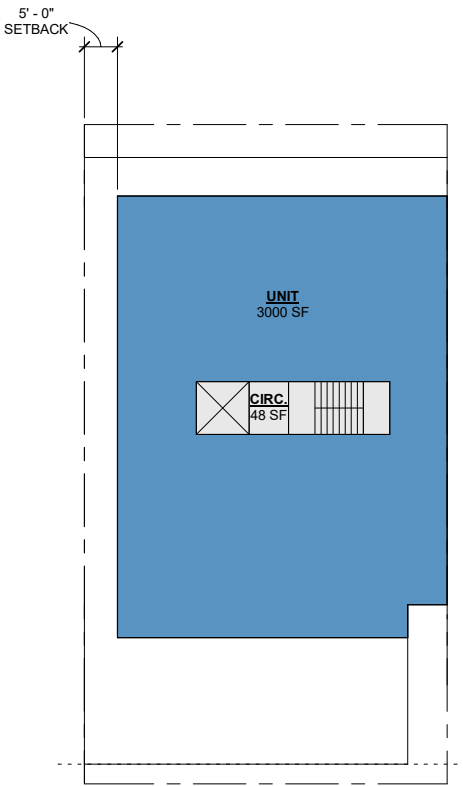
SUPPORT



LEVEL 1 FLOOR PLAN



LEVEL 2 FLOOR PLAN



LEVEL 3 FLOOR PLAN

CORNER STANDARD LOT - OPTION 2

100% RESIDENTIAL DEVELOPMENT MINIMUM RESIDENTIAL DENSITY

7 RESIDENTIAL UNITS REQUIRED

SITE SUMMARY

LOT AREA	5,500 SF
MAX ALLOWABLE AREA	12,375 SF [2.25 FAR]
PARKING	5 STALLS
UNITS	7 UNITS

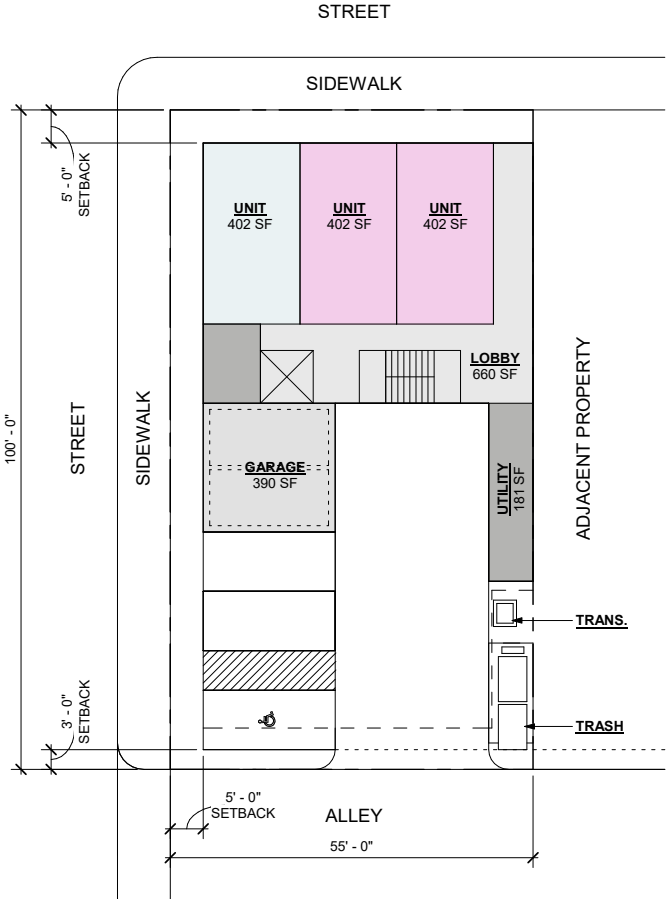
AREA SUMMARY

LEVEL 1	2,154 GSF
LEVEL 2	4,305 GSF
LEVEL 3	4,305 GSF
TOTAL	10,764 GSF [1.95 FAR]

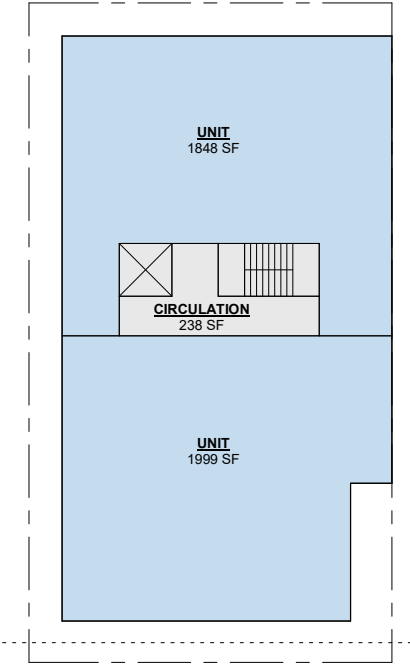
RESIDENTIAL AREA	9,108 NSF
EFFICIENCY	85%

LEGEND

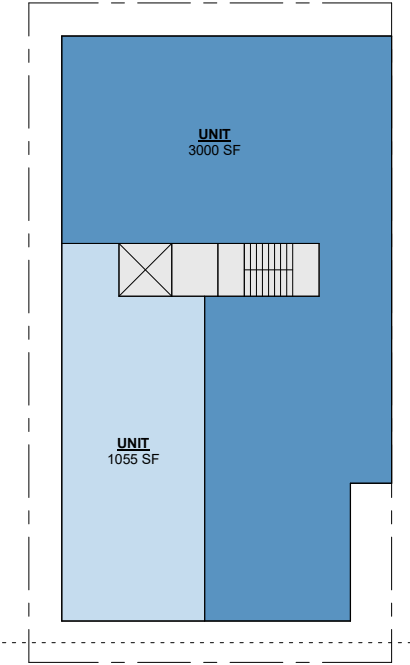
- COMMERCIAL
- RESIDENTIAL COMMUNITY HOUSING
- RESIDENTIAL UNIT <750
- RESIDENTIAL UNIT 751 - 2000 SF
- RESIDENTIAL UNIT 2001+ SF
- CIRCULATION
- SUPPORT



LEVEL 1 FLOOR PLAN



LEVEL 2 FLOOR PLAN



LEVEL 3 FLOOR PLAN

**CORNER STANDARD LOT - OPTION 3**  
**100% RESIDENTIAL DEVELOPMENT: HIGH DENSITY**

## SITE SUMMARY

LOT AREA	5,500 SF
MAX ALLOWABLE AREA	12,375 SF (2.25 FAR)
PARKING	3 STALLS
UNITS	11 UNITS

## AREA SUMMARY

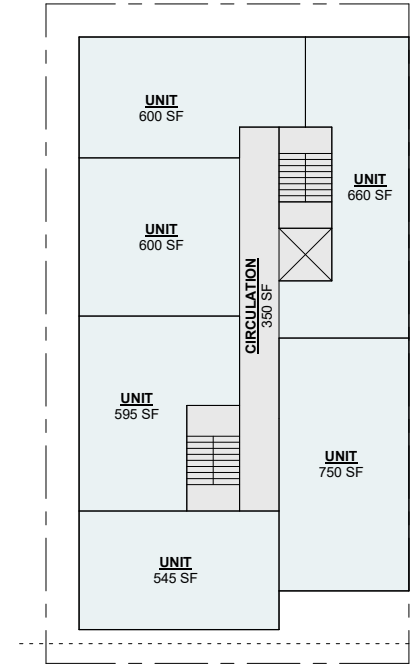
LEVEL 1	3,352 GSF
LEVEL 2	4,500 GSF
LEVEL 3	4,500 GSF
TOTAL	12,352 GSF [2.25 FAR]
RESIDENTIAL AREA	9,350 NSF
EFFICIENCY	76%

## LEGEND

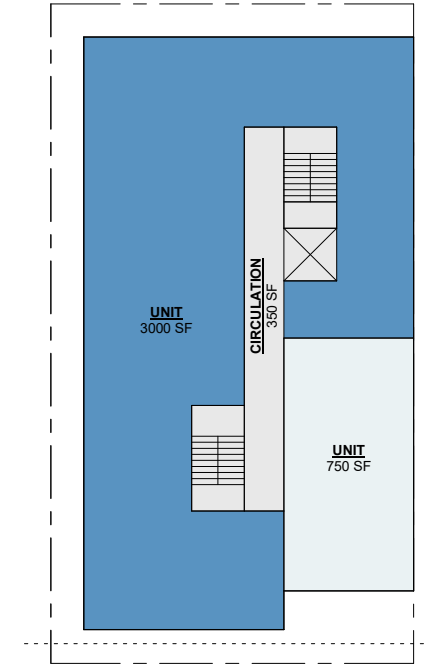
- COMMERCIAL
- RESIDENTIAL COMMUNITY HOUSING
- RESIDENTIAL UNIT <750
- RESIDENTIAL UNIT 751 - 2000 SF
- RESIDENTIAL UNIT 2001+ SF
- CIRCULATION
- SUPPORT



## LEVEL 1 FLOOR PLAN



## LEVEL 2 FLOOR PLAN



### LEVEL 3 FLOOR PLAN

**INTERIOR LONG LOT**  
[8,250 SF]

INTERIOR LONG LOT - OPTION 1

MIXED USE ≤30% COMMERCIAL MINIMUM RESIDENTIAL DENSITY

6 RESIDENTIAL UNITS REQUIRED

SITE SUMMARY

LOT AREA	8,250 SF
MAX ALLOWABLE AREA	18,562.5 SF (2.25 FAR)
PARKING	6 STALLS
UNITS	6 UNITS

AREA SUMMARY

LEVEL 1	5,360 GSF
LEVEL 2	6,130 GSF
LEVEL 3	6,130 GSF
TOTAL	17,620 GSF (2.14 FAR)
RESIDENTIAL AREA	11,385 NSF
COMMERCIAL AREA	3,033 NSF
% GROUND FLR.	57%
% TOTAL GSF	17%
TOTAL NET SQ. FT.	14,418 NSF
EFFICIENCY	82%

LEGEND

COMMERCIAL

RESIDENTIAL COMMUNITY HOUSING

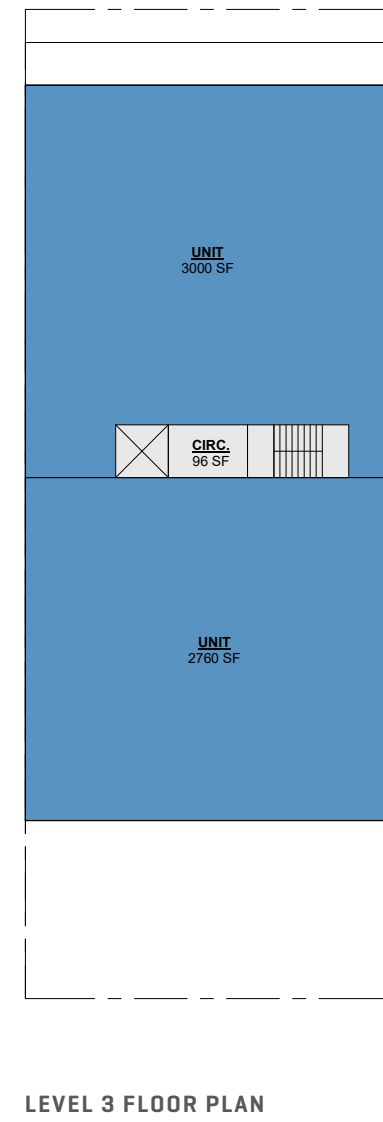
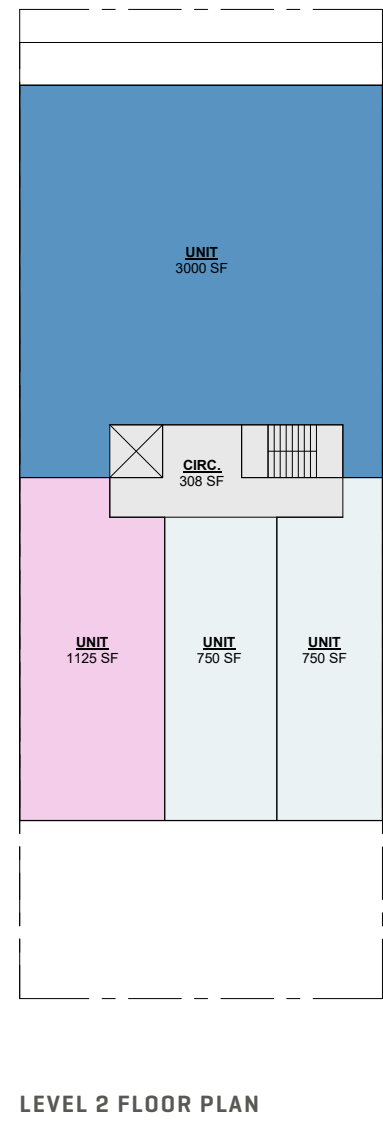
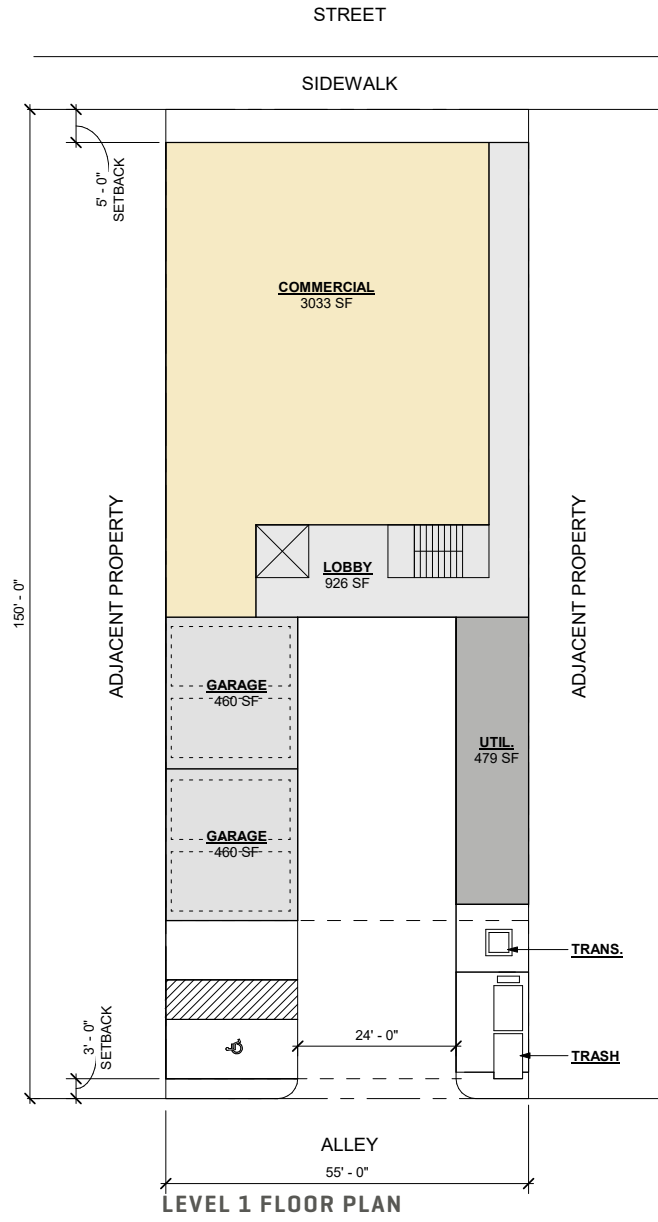
RESIDENTIAL UNIT <750

RESIDENTIAL UNIT 751 - 2000 SF

RESIDENTIAL UNIT 2001+ SF

CIRCULATION

SUPPORT



INTERIOR LONG LOT - OPTION 2

100% RESIDENTIAL DEVELOPMENT MINIMUM RESIDENTIAL DENSITY

11 RESIDENTIAL UNITS REQUIRED

SITE SUMMARY

LOT AREA	8,250 SF
MAX ALLOWABLE AREA	18,562.5 SF (2.25 FAR)
PARKING	6 STALLS
UNITS	11 UNITS

AREA SUMMARY

LEVEL 1	5,360 GSF
LEVEL 2	6,130 GSF
LEVEL 3	6,130 GSF
TOTAL	17,620 GSF (2.14 FAR)

RESIDENTIAL AREA	13,500 NSF
EFFICIENCY	77%

- LEGEND
- COMMERCIAL

RESIDENTIAL COMMUNITY HOUSING

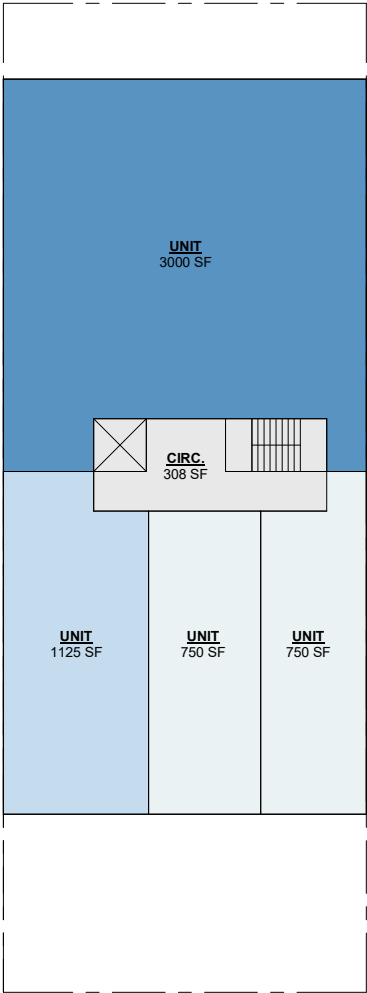
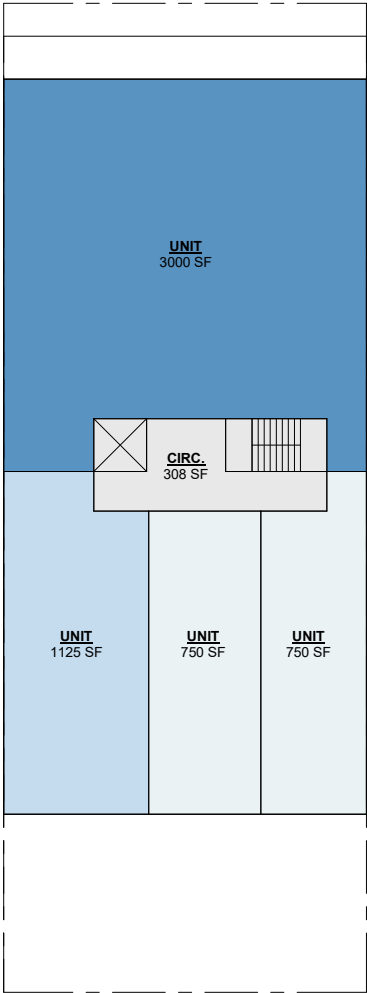
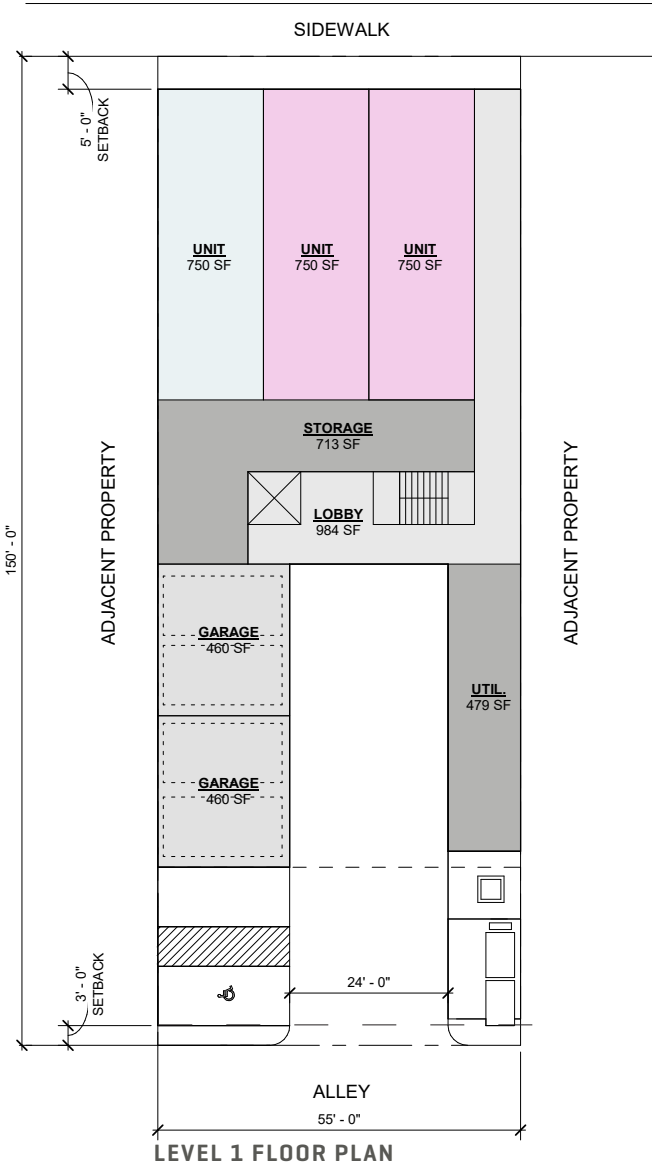
RESIDENTIAL UNIT <750

RESIDENTIAL UNIT 751 - 2000 SF

RESIDENTIAL UNIT 2001+ SF

CIRCULATION

SUPPORT



INTERIOR LONG LOT - OPTION 3

100% RESIDENTIAL DEVELOPMENT HIGH DENSITY

SITE SUMMARY

LOT AREA	8,250 SF
MAX ALLOWABLE AREA	18,562.5 SF [2.25 FAR]
PARKING	6 STALLS
UNITS	11 UNITS

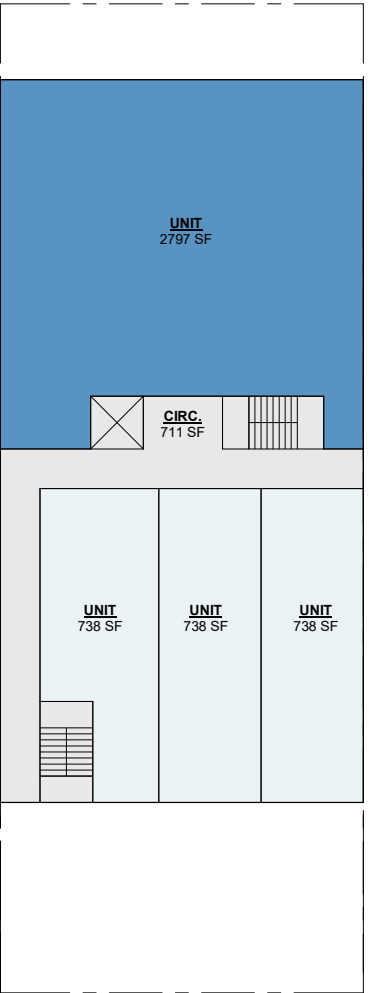
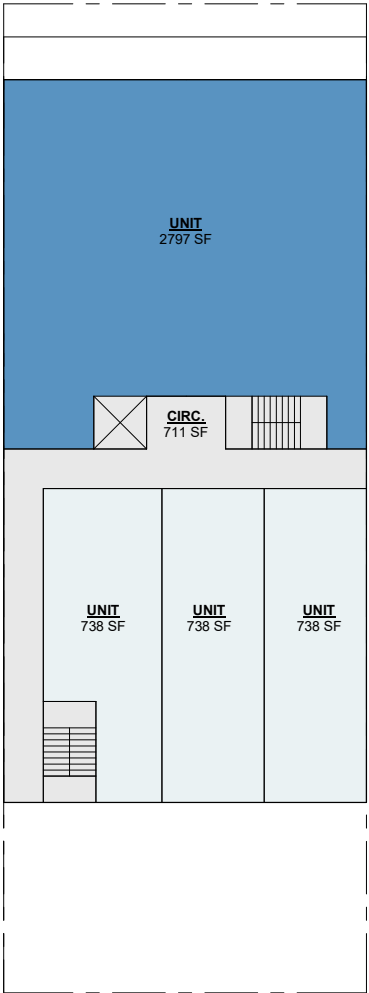
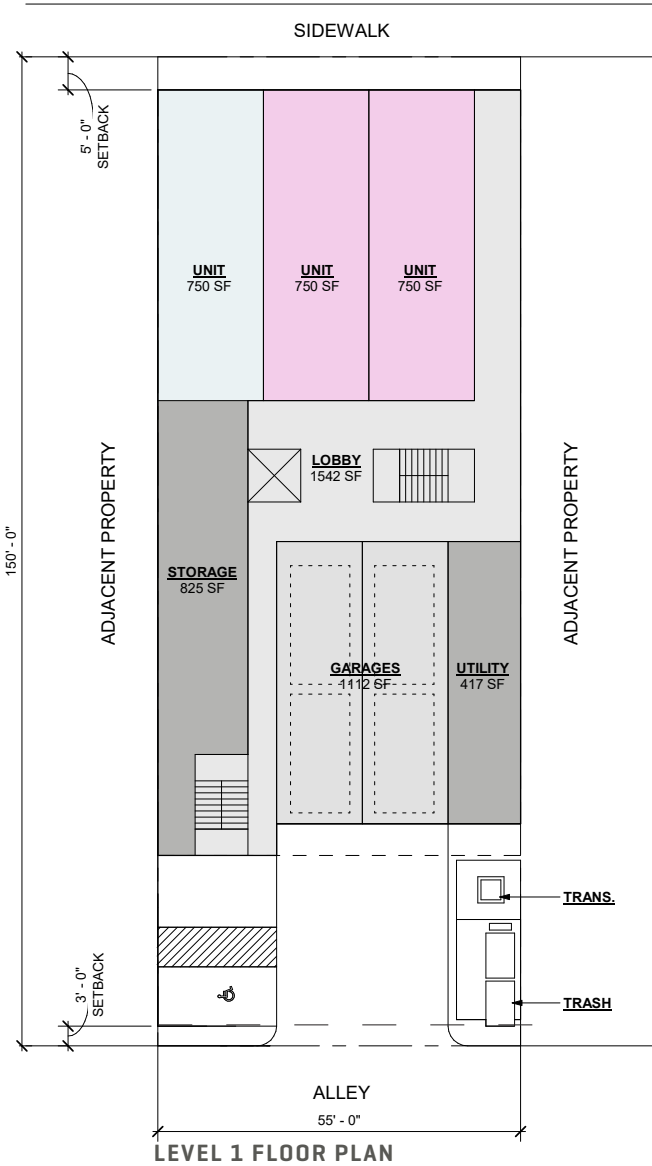
AREA SUMMARY

LEVEL 1	6,209 GSF
LEVEL 2	6,176 GSF
LEVEL 3	6,176 GSF
TOTAL	18,561 GSF [2.25 FAR]

RESIDENTIAL AREA	12,251 NSF
EFFICIENCY	66%

LEGEND

- COMMERCIAL
- RESIDENTIAL COMMUNITY HOUSING
- RESIDENTIAL UNIT <750
- RESIDENTIAL UNIT 751 - 2000 SF
- RESIDENTIAL UNIT 2001+ SF
- CIRCULATION
- SUPPORT





**THANK YOU!**



**H O L S T**

# Attachment C

EPS

Commercial Demand Models

*The Economics of Land Use*



*Economic & Planning Systems, Inc.  
730 17th Street, Suite 630  
Denver, CO 80202-3511  
303 623 3557 tel  
303 623 9049 fax*

*Denver  
Los Angeles  
Oakland  
Sacramento*

***www.epsys.com***

## **Draft Model**

### **Retail Demand Model: Ketchum Commercial Demand Analysis**

Prepared for:

City of Ketchum

Prepared by:

Economic & Planning Systems, Inc.

Date:

June 21, 2023

EPS #233053

Full-Time Resident Total Personal Income

Description	2021	2030	2021-2030		
			Total	Ann. #	Ann. %
Ketchum					
Population	3,448	3,942	494	55	1.5%
Per Capita Income	\$52,287	\$52,287			
Total Personal Income (000s)	\$180,286	\$206,137			

Source: US Census ACS; Economic & Planning Systems

Second Homeowner Spending Estimate

Second Homeowner Estimates	Factor	Source
Second home units	2,000	2020 Census, 2021 ACS 5-Yr Estimates
Second homeowner income	\$200,000	90th percentile of Ketchum household income distribution
<b>Total Second Homeowner Expenditure Potential (\$000s)</b>	<b>\$400,000</b>	
<b>2030 Second Homeowner Expenditure Potential (\$000s)</b>	<b>\$508,335</b>	
Ann. Increase	2.7%	
2030 units	2,542	

Source: US Census; Economic & Planning Systems

Overnight Visitor Spending Estimate

Hotel Estimates	Factor	Source
<b>Visitation Assumptions</b>		
Room Nights Available	292,634	Visit Sun Valley/Inntopia (seasonal average)
Room Nights Sold	117,054	Visit Sun Valley/Inntopia (seasonal average)
Average Rooms per Party	1.0	EPS Estimate
Average Length of Stay	3 nights	Visit Sun Valley/Inntopia (seasonal average)
Annual Visitors (parties)	39,018	
<b>Daily Expenditure Assumptions</b>		
Food/Drink	\$229	Visit Sun Valley/RRC
Retail	\$70	Visit Sun Valley/RRC
Recreation/Entertainment	<u>\$129</u>	EPS Estimate
<b>Total</b>	<b>\$428</b>	
<b>Per Trip Expenditure Assumptions</b>		
	3.7 days/trip	
Food/Drink	\$847	Visit Sun Valley/RRC
Retail	\$259	Visit Sun Valley/RRC
Recreation/Entertainment	<u>\$477</u>	EPS Estimate
<b>Total</b>	<b>\$1,584</b>	
<b>Annual Spending</b>		
Food/Drink	\$33,059,859	EPS Estimate
Retail	\$10,105,634	EPS Estimate
Recreation/Entertainment	<u>\$18,623,239</u>	EPS Estimate
<b>Total</b>	<b>\$61,788,732</b>	

Source: Visit Sun Valley; Economic & Planning Systems

Full-Time Resident Expenditure Potential

Store Type	Retail Sales % TPI (2017)	Ketchum	Ketchum
		2021 (\$000s)	2030 (\$000s)
Total Personal Income (TPI)	100%	\$180,286	\$206,137
Convenience Goods			
Supermarkets and Other Grocery Stores	6.3%	\$11,415	\$13,052
Convenience Stores (incl. Gas Stations)	2.7%	\$4,825	\$5,517
Beer, Wine, & Liquor Stores <sup>1</sup>	1.3%	\$2,344	\$2,680
Health and Personal Care	<u>2.0%</u>	<u>\$3,564</u>	<u>\$4,075</u>
Total Convenience Goods	12.3%	\$22,148	\$25,324
Shopper's Goods			
General Merchandise			
Department Stores	0.8%	\$1,363	\$1,558
Warehouse Clubs & Supercenters, other GM	<u>9.3%</u>	<u>\$16,757</u>	<u>\$19,160</u>
Subtotal	10.1%	\$18,120	\$20,718
Other Shopper's Goods			
Clothing & Accessories	1.5%	\$2,632	\$3,010
Furniture & Home Furnishings	1.3%	\$2,388	\$2,731
Electronics & Appliances	0.8%	\$1,440	\$1,647
Sporting Goods, Hobby, Book, & Music Stores	1.3%	\$2,295	\$2,624
Miscellaneous Retail	<u>1.1%</u>	<u>\$1,945</u>	<u>\$2,224</u>
Subtotal	7.1%	\$12,800	\$14,636
Total Shopper's Goods	17.2%	\$30,920	\$35,354
Eating and Drinking	5.8%	\$10,490	\$11,994
Building Material & Garden	3.2%	\$5,769	\$6,596
Total Retail Goods	38.5%	\$69,328	\$79,269

<sup>1</sup>Beer, Wine, and Liqueore Store spending percentage increased to mirror neighboring states and reflect local conditions

Source: 2017 Census of Retail Trade; US Census ACS 2021 5-Year Estimates; Economic & Planning Systems

Second Homeowner Expenditure Potential

Store Type	Retail Sales % TPI (2017)	% of Expenditures Factor	Second Homeowners	Second Homeowners
			2021 (\$000s)	2030 (\$000s)
Total Personal Income (TPI)	100%		\$400,000	\$508,335
Convenience Goods				
Supermarkets and Other Grocery Stores	6.3%	25%	\$6,332	\$8,047
Convenience Stores (incl. Gas Stations)	2.7%	25%	\$2,676	\$3,401
Beer, Wine, & Liquor Stores <sup>1</sup>	1.3%	25%	\$1,300	\$1,652
Health and Personal Care	<u>2.0%</u>	25%	<u>\$1,977</u>	<u>\$2,512</u>
Total Convenience Goods	12.3%		\$12,285	\$15,612
Shopper's Goods				
General Merchandise				
Department Stores	0.8%	25%	\$756	\$960
Warehouse Clubs & Supercenters, other GM	<u>9.3%</u>	25%	<u>\$9,295</u>	<u>\$11,812</u>
Subtotal	10.1%		\$10,051	\$12,773
Other Shopper's Goods				
Clothing & Accessories	1.5%	50%	\$2,920	\$3,711
Furniture & Home Furnishings	1.3%	50%	\$2,650	\$3,367
Electronics & Appliances	0.8%	50%	\$1,598	\$2,031
Sporting Goods, Hobby, Book, & Music Stores	1.3%	50%	\$2,546	\$3,235
Miscellaneous Retail	<u>1.1%</u>	50%	<u>\$2,158</u>	<u>\$2,742</u>
Subtotal	7.1%		\$11,871	\$15,086
Total Shopper's Goods	17.2%	25%	\$17,151	\$21,796
Eating and Drinking	5.8%	25%	\$5,819	\$7,395
Building Material & Garden	3.2%	25%	\$3,200	\$4,067
Total Retail Goods	38.5%		\$38,454	\$48,869

<sup>1</sup>Beer, Wine, and Liqueure Store spending percentage increased to mirror neighboring states and reflect local conditions

Source: 2017 Census of Retail Trade; Economic & Planning Systems



Expenditure Potential - All Groups

Store Type	Retail Sales Claritas Data (\$000s)	Expenditure Potential			Sales/Sq.Ft.	Supportable Sq. Ft. Based on Sales
		Residents 2021	Second Homeowners	Visitors		
Total Personal Income (TPI)						
Convenience Goods						
Supermarkets and Other Grocery Stores	\$6,001	\$11,415	\$6,332		\$480	12,502
Convenience Stores (incl. Gas Stations)	\$1,265	\$4,825	\$2,676		\$400	3,163
Beer, Wine, & Liquor Stores	\$4,093	\$2,344	\$1,300		\$360	11,369
Health and Personal Care	<u>\$9,128</u>	<u>\$3,564</u>	<u>\$1,977</u>		\$480	<u>19,017</u>
Total Convenience Goods	\$20,487	\$22,148	\$12,285	\$3,335		46,051
Shopper's Goods						
General Merchandise						
Department Stores	\$634	\$1,363	\$756			
Warehouse Clubs & Supercenters, other GM	<u>\$6,831</u>	<u>\$16,757</u>	<u>\$9,295</u>			
Subtotal	\$7,465	\$18,120	\$10,051		\$300	24,883
Other Shopper's Goods						
Clothing & Accessories	\$15,853	\$2,632	\$2,920		\$300	52,842
Furniture & Home Furnishings	\$13,607	\$2,388	\$2,650		\$300	45,357
Electronics & Appliances	\$9,400	\$1,440	\$1,598		\$480	19,583
Sporting Goods, Hobby, Book, & Music Stores	\$19,555	\$2,295	\$2,546	\$18,623	\$300	65,183
Miscellaneous Retail	<u>\$16,804</u>	<u>\$1,945</u>	<u>\$2,158</u>		\$300	<u>56,013</u>
Subtotal	\$75,219	\$12,800	\$11,871	\$6,771		238,979
Total Shopper's Goods	\$82,684	\$30,920	\$17,151			
Eating and Drinking	\$34,283	\$10,490	\$5,819	\$33,060	\$360	95,231
Building Material & Garden	\$9,163	\$5,769	\$3,200		\$360	25,453
Total Retail Goods	\$146,617	\$69,328	\$38,454	\$61,789		430,596

Source: Claritas; 2017 Census of Retail Trade; Economic & Planning Systems

Sales Flow - Capture and Leakage

Store Type	Actual Sales <small>Claritas Data (\$000s)</small>	Resident Exp. Potential  <small>2021 (\$000s)</small>	Resident Capture			Second Homeowner Exp. Potential  <small>2021 (\$000s)</small>	Second Homeowner Capture			Overnight Visitor Exp. Potential  <small>2021 (\$000s)</small>	Overnight Visitor Capture			Ketchum Capture		Inflow to Ketchum	
			Ex. Pot. Capture Rate	Sales Capture Rate	Est. Sales		Ex. Pot. Capture Rate	Sales Capture Rate	Est. Sales		Ex. Pot. Capture Rate	Sales Capture Rate	Est. Sales	Sales Capture Rate	Est. Sales	Sales Capture Rate	Est. Sales
			% of Total	% of Total	(\$000s)		% of Total	% of Total	(\$000s)		% of Total	% of Total	(\$000s)	% of Total	(\$000s)	% of Total	(\$000s)
Total Personal Income (TPI)																	
Convenience Goods																	
Supermarkets and Other Grocery Stores	\$6,001	\$11,415	25%	48%	\$2,854	\$6,332	40%	42%	\$2,533					90%	\$5,387	10%	\$614
Convenience Stores (incl. Gas Stations)	\$1,265	\$4,825	10%	38%	\$483	\$2,676	25%	53%	\$669					91%	\$1,152	9%	\$113
Beer, Wine, & Liquor Stores	\$4,093	\$2,344	90%	52%	\$2,109	\$1,300	90%	29%	\$1,170					80%	\$3,279	20%	\$814
Health and Personal Care	\$9,128	\$3,564	80%	31%	\$2,851	\$1,977	90%	19%	\$1,779					51%	\$4,630	49%	\$4,498
Total Convenience Goods	\$20,487	\$22,148	37%	40%	\$8,297	\$12,285	50%	30%	\$6,151	\$3,335	90%	15%	\$3,001	85%	\$17,449	15%	\$3,038
Shopper's Goods																	
General Merchandise																	
Department Stores	\$634	\$1,363	25%	54%	\$341	\$756	25%	30%	\$189					84%	\$530	16%	\$104
Warehouse Clubs & Supercenters, other GM	\$6,831	\$16,757	25%	61%	\$4,189	\$9,295	25%	34%	\$2,324					95%	\$6,513	5%	\$318
Subtotal	\$7,465	\$18,120	25%	61%	\$4,530	\$10,051	25%	34%	\$2,513					94%	\$7,043	6%	\$422
Other Shopper's Goods																	
Clothing & Accessories	\$15,853	\$2,632	75%	12%	\$1,974	\$2,920	90%	17%	\$2,628					29%	\$4,602	71%	\$11,250
Furniture & Home Furnishings	\$13,607	\$2,388	75%	13%	\$1,791	\$2,650	90%	18%	\$2,385					31%	\$4,176	69%	\$9,431
Electronics & Appliances	\$9,400	\$1,440	80%	12%	\$1,152	\$1,598	90%	15%	\$1,438					28%	\$2,590	72%	\$6,810
Sporting Goods, Hobby, Book, & Music Stores	\$19,555	\$2,295	75%	9%	\$1,721	\$2,546	90%	12%	\$2,291	\$18,623	50%	48%	\$9,312	68%	\$13,324	32%	\$6,231
Miscellaneous Retail	\$16,804	\$1,945	90%	10%	\$1,751	\$2,158	90%	12%	\$1,942					22%	\$3,693	78%	\$13,111
Subtotal	\$75,219	\$12,800	66%	11%	\$8,390	\$11,871	90%	14%	\$10,684	\$6,771	90%	8%	\$6,094	46%	\$34,479	54%	\$40,740
Total Shopper's Goods	\$82,684	\$30,920	42%	16%	\$12,920	\$17,151	77%	16%	\$13,197					50%	\$41,522	50%	\$41,162
Eating and Drinking	\$34,283	\$10,490	65%	20%	\$6,819	\$5,819	65%	11%	\$3,782	\$33,060	60%	58%	\$19,836	89%	\$30,437	11%	\$3,846
Building Material & Garden	\$9,163	\$5,769	60%	38%	\$3,461	\$3,200	60%	21%	\$1,920					59%	\$5,381	41%	\$3,782
Total Retail Goods	\$146,617	\$69,328	45%	21%	\$31,496	\$38,454	65%	17%	\$25,050	\$61,789	62%	26%	\$38,243	65%	\$94,789	35%	\$51,828

Source: Claritas; 2017 Census of Retail Trade; Economic & Planning Systems

Supportable Square Feet - Current Spending and Capture of Leakage

Description	Avg. Sales	Current Supportable Sq. Ft.		Current Residents			Second Homeowners			Overnight Visitors						
	per Sq. Ft.	Estimated Sales (\$000s)	Supportable. Sq. Ft.	Leakage	Capture Rate	Supportable Sq. Ft.	Leakage	Capture Rate	Supportable Sq. Ft.	Exp. Pot.	Capture Rate	Supportable Sq. Ft.				
Convenience Goods																
Supermarkets and Other Grocery Stores	\$480	\$5,387	11,222	\$8,562	50%	8,918	\$3,799	50%	3,957	\$333	75%	582				
Convenience Stores (incl. Gas Stations)	\$400	\$1,152	2,879	\$4,343	50%	5,428	\$2,007	50%	2,509							
Beer, Wine, & Liquor Stores	\$360	\$3,279	9,109	\$234	50%	326	\$130	50%	181							
Health and Personal Care	\$480	\$4,630	9,646	\$713	50%	742	\$198	50%	206							
Total Convenience Goods	\$430		32,856	\$13,851		15,415	\$6,134		6,853							
Shopper's Goods																
General Merchandise	\$300	\$7,043	23,476	\$13,590	10%	4,530	\$7,538	10%	2,513	\$9,312	25%	7,760				
Other Shopper's Goods																
Clothing & Accessories	\$300	\$4,602	15,342	\$658	25%	548	\$292	25%	243							
Furniture & Home Furnishings	\$300	\$4,176	13,920	\$597	25%	498	\$265	25%	221							
Electronics & Appliances	\$480	\$2,590	5,396	\$288	25%	150	\$160	25%	83							
Sporting Goods, Hobby, Book, & Music Stores	\$300	\$13,324	44,413	\$574	50%	956	\$255	50%	424							
Miscellaneous Retail	\$300	\$3,693	12,309	\$195	25%	162	\$216	25%	180							
Subtotal - Other Shoppers' Goods	\$336		91,380	\$2,311		2,314	\$1,187		1,151	\$677	50%	1,008				
Total Shopper's Goods				\$15,901		6,844	\$8,725		3,664							
Eating and Drinking	\$360	\$30,437	84,546	\$3,672	25%	2,550	\$2,037	25%	1,414	\$13,224	25%	9,183				
Building Material & Garden	\$360	\$5,381	14,949	\$2,308	10%	641	\$1,280	10%	356							
Total Retail Goods			247,206	\$35,732		25,450	18,176		12,287	\$23,546		18,532				

Source: Economic & Planning Systems

Supportable Square Feet - Spending Growth

Store Type	Sales per Square Foot	Resident Exp. Potential	Resident Capture		Second Homeowner Exp. Potential	Second Homeowner Capture		Total Est. Sales	Total Sq. Ft.
			Ex. Pot. Capture Rate	Est. Sales		Ex. Pot. Capture Rate	Est. Sales		
		2030 Growth (\$000s)	% of Total	(\$000s)	2030 Growth (\$000s)	% of Total	(\$000s)	2030 Growth (\$000s)	2030 Growth
Total Personal Income (TPI)									
Convenience Goods									
Supermarkets and Other Grocery Stores	\$480	\$1,637	40%	\$655	\$1,715	50%	\$857	\$1,512	3,150
Convenience Stores (incl. Gas Stations)	\$400	\$692	25%	\$173	\$725	25%	\$181	\$354	885
Beer, Wine, & Liquor Stores	\$360	\$336	90%	\$302	\$352	90%	\$317	\$619	1,720
Health and Personal Care	\$480	\$511	80%	\$409	\$535	90%	\$482	\$891	1,855
Total Convenience Goods		\$3,176	48%	\$1,539	\$3,327	55%	\$1,837	\$3,376	7,612
Shopper's Goods									
General Merchandise									
Department Stores		\$195	25%	\$49	\$205	25%	\$51	\$100	
Warehouse Clubs & Supercenters, other GM		\$2,403	25%	\$601	\$2,517	25%	\$629	\$1,230	
Subtotal		\$2,598	25%	\$650	\$2,722	25%	\$681	\$1,330	4,434
Other Shopper's Goods									
Clothing & Accessories	\$300	\$377	75%	\$283	\$791	90%	\$712	\$995	3,316
Furniture & Home Furnishings	\$300	\$342	75%	\$257	\$718	90%	\$646	\$903	3,009
Electronics & Appliances	\$480	\$207	80%	\$165	\$433	90%	\$389	\$555	1,156
Sporting Goods, Hobby, Book, & Music Stores	\$300	\$329	75%	\$247	\$689	90%	\$621	\$867	2,891
Miscellaneous Retail	\$300	\$279	90%	\$251	\$584	90%	\$526	\$777	2,590
Subtotal		\$1,835	66%	\$1,203	\$3,215	90%	\$2,894	\$4,097	12,962
Total Shopper's Goods		\$4,434	42%	\$1,853	\$4,645	77%	\$3,574	\$5,427	17,396
Eating and Drinking		\$360	65%	\$978	\$1,576	65%	\$1,024	\$2,002	5,561
Building Material & Garden		\$827	50%	\$414	\$867	50%	\$433	\$847	2,353
Total Retail Goods		\$9,941	48%	\$4,783	\$10,415	66%	\$6,869	\$11,652	32,921

Source: 2017 Census of Retail Trade; Economic & Planning Systems

Detailed Employment Classification

Description	Blaine County		Office	Industrial	Retail Trade / Commercial	Accom. and Food Services	Institutional	Total	Employees with No Space Demand
	Current	Future							
	Employment 2022	Employment 2030							
Agriculture, Forestry, Fishing and Hunting	109	130	0.0%	25.0%	0.0%	0.0%	0.0%	25.0%	75.0%
Mining, Quarrying, and Oil and Gas Extraction	26	22	0.0%	25.0%	0.0%	0.0%	0.0%	25.0%	75.0%
Utilities	32	33	10.0%	50.0%	0.0%	0.0%	0.0%	60.0%	40.0%
Construction	2,441	2,764	10.0%	30.0%	0.0%	0.0%	0.0%	40.0%	60.0%
Manufacturing	377	414	0.0%	75.0%	0.0%	0.0%	0.0%	75.0%	25.0%
Wholesale Trade	206	232	0.0%	75.0%	0.0%	0.0%	0.0%	75.0%	25.0%
Retail Trade	1,548	1,589	0.0%	0.0%	90.0%	0.0%	0.0%	90.0%	10.0%
Transportation and Warehousing	265	283	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	50.0%
Information	243	262	40.0%	10.0%	10.0%	0.0%	0.0%	60.0%	40.0%
Finance and Insurance	308	318	60.0%	0.0%	20.0%	0.0%	0.0%	80.0%	20.0%
Real Estate and Rental and Leasing	378	417	30.0%	0.0%	20.0%	0.0%	0.0%	50.0%	50.0%
Professional, Scientific, and Technical Services	814	860	50.0%	15.0%	15.0%	0.0%	0.0%	80.0%	20.0%
Management of Companies and Enterprises	52	57	50.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%
Administrative and Support and Waste Management and Remediation Services	771	835	50.0%	20.0%	10.0%	0.0%	0.0%	80.0%	20.0%
Education Services	1,042	1,153	20.0%	0.0%	10.0%	0.0%	60.0%	90.0%	10.0%
Health Care and Social Assistance	968	1,091	30.0%	0.0%	0.0%	0.0%	60.0%	90.0%	10.0%
Arts, Entertainment, and Recreation	477	562	10.0%	20.0%	20.0%	0.0%	0.0%	50.0%	50.0%
Accommodation and Food Services	2,586	2,807	0.0%	0.0%	0.0%	80.0%	0.0%	80.0%	20.0%
Other Services (except Public Administration)	560	634	25.0%	25.0%	25.0%	0.0%	0.0%	75.0%	25.0%
Public Administration	597	697	30.0%	10.0%	0.0%	0.0%	50.0%	90.0%	10.0%
Proprietors	7,957	8,741	25.0%	0.0%	0.0%	0.0%	0.0%	25.0%	75.0%

Source: BEA; Idaho Dept of Labor; Economic & Planning Systems

Employees by Space Type

Description	Blaine County Employment		2022 Employees by Type					2030 Employment by Type				
	2022	2030	Office	Industrial	Retail Trade / Commercial	Accom. and Food Services	Institutional	Office	Industrial	Retail Trade / Commercial	Accom. and Food Services	Institutional
Agriculture, Forestry, Fishing and Hunting	109	130	0	27	0	0	0	0	32	0	0	0
Mining, Quarrying, and Oil and Gas Extraction	26	22	0	7	0	0	0	0	5	0	0	0
Utilities	32	33	3	16	0	0	0	3	17	0	0	0
Construction	2,441	2,764	244	732	0	0	0	276	829	0	0	0
Manufacturing	377	414	0	283	0	0	0	0	310	0	0	0
Wholesale Trade	206	232	0	155	0	0	0	0	174	0	0	0
Retail Trade	1,548	1,589	0	0	1,393	0	0	0	0	1,430	0	0
Transportation and Warehousing	265	283	0	133	0	0	0	0	142	0	0	0
Information	243	262	97	24	24	0	0	105	26	26	0	0
Finance and Insurance	308	318	185	0	62	0	0	191	0	64	0	0
Real Estate and Rental and Leasing	378	417	113	0	76	0	0	125	0	83	0	0
Professional, Scientific, and Technical Services	814	860	407	122	122	0	0	430	129	129	0	0
Management of Companies and Enterprises	52	57	26	0	0	0	0	28	0	0	0	0
Administrative and Support and Waste Management and Remediation Services	771	835	386	154	77	0	0	417	167	83	0	0
Education Services	1,042	1,153	208	0	104	0	625	231	0	115	0	692
Health Care and Social Assistance	968	1,091	290	0	0	0	581	327	0	0	0	655
Arts, Entertainment, and Recreation	477	562	48	95	95	0	0	56	112	112	0	0
Accomodation and Food Services	2,586	2,807	0	0	0	2,069	0	0	0	0	2,246	0
Other Services (except Public Administration)	560	634	140	140	140	0	0	158	158	158	0	0
Public Administration	597	697	179	60	0	0	299	209	70	0	0	349
Proprietors	7,957	8,741	<u>1,989</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,185</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total			4,316	1,948	2,094	2,069	1,505	4,743	2,172	2,202	2,246	1,695

Source: BEA; Idaho Dept of Labor; Economic & Planning Systems

Blaine County and Ketchum Employment Space Demand (Sq.Ft.)

Description				2022-2030		
				Total	Ann. #	Ann. %
<b>Blaine County</b>						
	<i>Building Square Feet per Employee</i>					
Office	150	647,408	711,521	64,113	8,014	1.2%
Industrial	250	486,875	543,114	56,239	7,030	1.4%
Total		1,134,283	1,254,635	120,352	15,044	1.3%
<b>Ketchum</b>						
	<i>City Capture</i>					
Office	49%	318,036	349,532	31,495	3,937	1.2%
Industrial	24%	114,914	128,188	13,274	1,659	1.4%
Total		432,950	477,720	44,769	5,596	

Source: CoStar; Economic & Planning Systems

## Attachment D

# EPS Financial Feasibility Models



*The Economics of Land Use*



## **Draft Financial Model**

# **Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot**

### **Prepared for:**

City of Ketchum

### **Prepared by:**

Economic & Planning Systems, Inc.

*Economic & Planning Systems, Inc.  
730 17th Street, Suite 630  
Denver, CO 80202-3511  
303 623 3557 tel  
303 623 9049 fax*

*Berkeley  
Sacramento  
Denver*

**[www.epsys.com](http://www.epsys.com)**

### **Date:**

June 21, 2023

EPS #233053

Table 1

## Project Summary and Key Assumptions

Feasibility Model: Ketchum Ordinance 1234 - Interior Stand **Option 1**

Option	Option 1	Option 2	Option 3	Option 4
Description	Interior Standard Lot - Mixed-Use < 30% Commercial Minimum Residential Density	Interior Standard Lot-100% Residential Minimum Density	Interior Standard Lot-100% Residential High Density	Option 2 iteration
Zoning Description	Mixed-Use	Mixed-Use	Mixed-Use	Mixed-Use
Stories	3-Story	3-Story	3-Story	3-Story
Parking	Tuck Under / Surface	Tuck Under / Surface	Tuck Under / Surface	Tuck Under / Surface
<b>LOT AREA</b>				
Front (Feet)	55	55	55	55
Side (Feet)	100	100	100	100
Total Area (sf)	5,500	5,500	5,500	5,500
Total Area (ac)	0.13	0.13	0.13	0.13
<b>Commercial</b>				
<b>Gross Building Area</b>				
Ground Level	2,862	0	0	0
Floor 2	0	0	0	0
Floor 3	0	0	0	0
<b>Total</b>	<b>2,862</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Efficiency Factor</b>	<b>57%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Net Leasable Area</b>				
Ground Level	1,624	0	0	0
Floor 2	0	0	0	0
Floor 3	0	0	0	0
<b>Total</b>	<b>1,624</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Average Rental Rate (NNN)</b>	<b>\$42.0</b>	<b>\$42.0</b>	<b>\$42.0</b>	<b>\$42.0</b>
<b>MULTIFAMILY</b>				
<b>Gross Building Area</b>				
Ground Level	0	2,471	3,953	2,471
Floor 2	4,756	4,506	4,180	4,163
Floor 3	<u>3,100</u>	<u>4,506</u>	<u>4,180</u>	<u>3,938</u>
<b>Total</b>	<b>7,856</b>	<b>11,483</b>	<b>12,313</b>	<b>10,571</b>
<b>Efficiency Factor</b>	<b>95.5%</b>	<b>83.7%</b>	<b>73.8%</b>	<b>83.4%</b>
<b>Net Leasable Area</b>				
Ground Level	0	1,317	1,840	1,317
Floor 2	4,500	3,998	3,625	3,750
Floor 3	3,000	4,299	<u>3,625</u>	<u>3,750</u>
<b>Total</b>	<b>7,500</b>	<b>9,614</b>	<b>9,090</b>	<b>8,817</b>
<b>Units</b>				
Penthouse	2	1	0	2
Condo	1	4	11	3
Market Rate Rental	0	0	0	0
Community Housing	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Total</b>	<b>4</b>	<b>7</b>	<b>13</b>	<b>7</b>
<b>Average Unit Size</b>				
Penthouse	3,000	3,000	0	3,000
Condo	750	1,434	738	646
Market Rate Rental	0	0	0	0
Community Housing	750	439	485	439
Community Housing Requirement	887	1,017	1,158	1,017
Fee in Lieu Square Feet	137	139	188	139
<b>Rates/Prices</b>				
<b>For-Sale (Price per SF)</b>				
Penthouse	\$2,000	\$2,000	\$2,000	\$2,000
Condo	\$1,250	\$1,250	\$1,250	\$1,250
<b>For-Rent (Rent per SF)</b>				
Market Rate	\$4.00	\$4.00	\$4.00	\$4.00
Community Housing	\$1.68	\$2.68	\$2.43	\$2.68
<b>PARKING</b>				
<b>Parking Summary</b>				
Surface	2	3	5	3
Tuck Under	2	2	0	2
Podium	0	0	0	0
Underground Parking	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>

Table 1

Project Summary and Key Assumptions

Feasibility Model: Ketchum Ordinance 1234 - Interior Stand Option 1

Option		Option 1	Option 2	Option 3	Option 4
<b>PROJECT COSTS</b>					
<b>Hard Costs</b>					
Land Cost	per land sf	\$235	\$235	\$235	\$235
Site Costs	per land sf	\$15	\$15	\$15	\$15
Surface Parking Costs	per space	\$3,500	\$3,500	\$3,500	\$3,500
Tuck Under Cost	per space	\$5,000	\$5,000	\$5,000	\$5,000
Building Cost - Podium	per sf	\$80	\$80	\$80	\$80
Building Cost - Underground Parking	per sf	\$450	\$450	\$450	\$450
Building Cost - Multifamily	per sf	\$850	\$850	\$850	\$850
Building Cost - Commercial	per sf	\$650	\$650	\$650	\$650
<b>PROJECT RETURN AND GAP</b>					
<b>PROJECT COST</b>					
Total Cost		\$11,775,874	\$12,334,272	\$12,626,972	\$11,406,748
Per GBA		\$1,099	\$1,165	\$1,164	\$1,179
Per Unit		\$2,943,968	\$1,762,039	\$971,306	\$1,629,535
<b>STATIC EVALUATION</b>					
<b>Return on Cost</b>					
Total Project Value		\$14,096,788	\$13,284,264	\$10,860,067	\$14,487,864
Total Project Cost		\$11,775,874	\$12,334,272	\$12,626,972	\$11,406,748
Project Return		\$2,320,914	\$949,992	-\$1,766,905	\$3,081,116
Return on Cost		19.7%	7.7%	-14.0%	27.0%
Target		12%-15%	12%-15%	12%-15%	12%-15%
<b>TIME SERIES</b>					
<b>Return on Cost</b>					
<b>Project IRR</b>					
Hurdle Rate		9.15%	8.77%	8.77%	8.77%
Actual Rate		11.53%	5.5%	-4.0%	16.88%
Gap/Surplus (NPV)		\$509,535	-\$589,288	-\$2,949,023	\$1,312,679
% of Total		4.3%	-4.8%	-23.4%	11.5%

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsm\JT-Summary

**Table 2**  
**Development Costs**  
**Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot**

Option:		Option 1	Option 2	Option 3	Option 4
<b>PROGRAM</b>					
<b>Site Area</b>		<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>
<b>Multifamily Gross Area</b>					
Ground Level		-	1,573	2,492	1,579
Floor 2		4,756	4,506	4,180	4,163
Floor 3		3,100	4,506	4,180	3,938
<b>Multifamily Units</b>		<b>4</b>	<b>7</b>	<b>13</b>	<b>7</b>
<b>Commercial Gross Area</b>					
Ground Level		2,862	-	-	-
Floor 2		-	-	-	-
Floor 3		-	-	-	-
<b>Building Gross Area</b>					
Ground Level		2,862	1,573	2,492	1,579
Floor 2		4,756	4,506	4,180	4,163
Floor 3		3,100	4,506	4,180	3,938
<b>Parking</b>					
Surface Spaces		2	3	5	3
Tuck Under Spaces		2	2	-	2
Podium Area (sf)		-	-	-	-
Underground Parking Area (sf)		-	-	-	-
<b>PROJECT COSTS</b>					
<b>Acquisition and Site</b>		<b>\$ 1,375,000</b>	<b>\$ 1,375,000</b>	<b>\$ 1,375,000</b>	<b>\$ 1,375,000</b>
Acquisition Cost		\$ 1,292,500	\$ 1,292,500	\$ 1,292,500	\$ 1,292,500
General Site Costs		\$ 82,500	\$ 82,500	\$ 82,500	\$ 82,500
<i>Land Cost per Unit</i>		<i>\$323,125</i>	<i>\$184,643</i>	<i>\$99,423</i>	<i>\$184,643</i>
<b>Hard Costs</b>		<b>\$ 8,554,900</b>	<b>\$ 9,017,776</b>	<b>\$ 9,242,040</b>	<b>\$ 8,247,647</b>
Surface Parking Costs	\$3,500 per space	\$ 7,000	\$ 10,500	\$ 17,500	\$ 10,500
Tuck Under Cost	\$5,000 per space	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Building Cost - Podium	\$80 per sf	\$ -	\$ -	\$ -	\$ -
Building Cost - Underground Parking	\$450 per sf	\$ -	\$ -	\$ -	\$ -
Building Cost - Multifamily	\$850 per sf	\$ 6,677,600	\$ 8,997,276	\$ 9,224,540	\$ 8,227,147
Building Cost - Commercial	\$650 per sf	\$ 1,860,300	\$ -	\$ -	\$ -
<b>Soft Costs</b>		<b>\$ 1,845,974</b>	<b>\$ 1,941,497</b>	<b>\$ 2,009,932</b>	<b>\$ 1,784,102</b>
Design and Architecture	5.0% % of HC	\$ 427,745	\$ 450,889	\$ 462,102	\$ 412,382
Building Permits and Use Tax	5.0% % of HC	\$ 427,745	\$ 450,889	\$ 462,102	\$ 412,382
FF&E, Taxes, Insurance & Project Marketing	7.5% % of HC	\$ 641,618	\$ 676,333	\$ 693,153	\$ 618,573
Community Housing Fee in Lieu	\$450 per sf of CH	\$ 61,650	\$ 62,550	\$ 84,600	\$ 62,550
Developer Fee	2.5% % of Total Cost	\$ 287,216	\$ 300,836	\$ 307,975	\$ 278,213
<b>% of Hard Costs</b>		<b>21.6%</b>	<b>21.5%</b>	<b>21.7%</b>	<b>21.6%</b>
<b>TOTAL CONSTRUCTION COST</b>					
		<b>\$ 10,400,874</b>	<b>\$ 10,959,272</b>	<b>\$ 11,251,972</b>	<b>\$ 10,031,748</b>
<b>TOTAL COST</b>					
		<b>\$ 11,775,874</b>	<b>\$ 12,334,272</b>	<b>\$ 12,626,972</b>	<b>\$ 11,406,748</b>
Per GBA		\$1,099	\$1,165	\$1,164	\$1,179
Per Unit		\$2,943,968	\$1,762,039	\$971,306	\$1,629,535

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsm\JT-Cost

**Table 3**  
**Hurdle Rates**  
**Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot**

Description	Option 1	Option 2	Option 3	Option 4
Multifamily	7,500	9,614	9,090	8,817
Commercial	1,624	0	0	0
Cap Rate				
Multifamily	4.50%	4.50%	4.50%	4.50%
Commercial	6.50%	6.50%	6.50%	6.50%
<b>Average</b>	<b>4.86%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>
Discount Rate				
Multifamily	6.00%	6.00%	6.00%	6.00%
Commercial	8.00%	8.00%	8.00%	8.00%
<b>Average</b>	<b>6.36%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>
Debt %	65.0%	65.0%	65.0%	65.0%
Equity %	35.0%	35.0%	35.0%	35.0%
Debt Rate	6.0%	6.0%	6.0%	6.0%
Equity Rate	15.0%	13.9%	13.9%	13.9%
<b>Average</b>	<b>9.15%</b>	<b>8.77%</b>	<b>8.77%</b>	<b>8.77%</b>

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsm]T-Hurdle Rate

Option 1  
Operating Revenues and OpEx: Static  
Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

Type	Factor	Rate	Lease Rate per year	Total Revenue	% of Total
<b>REVENUE</b>					
	Units	NRSF			
<b>Multifamily</b>		<b>7,500 NRSF</b>		<b>\$ 12,620,000</b>	
<b>For-Sale</b>	<b>3</b>				
Penthouse	2	6,000 NRSF	\$2,000.00 per sf	\$ 12,000,000	
Condo	1	750 NRSF	\$1,250.00 per sf	\$ 937,500	
Garage Spaces	4		\$50,000.00 per space	\$ 200,000	
Sales Cost	4% % of income		172,500 per unit	\$ (517,500)	
<b>Rental</b>	<b>1</b>			<b>\$ 15,150</b>	
Market Rate Rental	-	0 NRSF	\$4.00 per sf	\$ -	0.0% of PGI
Community Housing	1	750 NRSF	\$1.68 per sf	\$ 15,150	18.1% of PGI
<b>Other MF Income</b>				<b>\$ 120</b>	<b>0.1% of PGI</b>
Storage Units	50% of units	1 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Parking Revenue	100% of units	1 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Trash Fee	100% of units	1 units	\$10.0 per unit/mo	\$ 120	0.1% of PGI
Admin Income	100% of units	1 units	\$0.0 per unit/yr	\$ -	0.0% of PGI
<b>Commercial Income</b>				<b>\$ 68,208</b>	<b>81.7% of PGI</b>
Ground Level		1,624 sf	\$42.0 per sf	\$ 68,208	81.7% of PGI
Floor 2		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 3		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
<b>POTENTIAL GROSS INCOME (PGI)</b>				<b>\$ 83,478</b>	<b>100.0% of PGI</b>
Less: Vacancy (Residential)	5.0% per year			\$ (763)	-0.9% of PGI
Less: Vacancy (Commercial)	7.0% per year			\$ (4,775)	-5.7% of PGI
<b>EFFECTIVE GROSS INCOME (EGI)</b>				<b>\$ 77,939</b>	<b>93.4% of PGI</b>
<b>EXPENDITURES</b>					
<b>Variable Operating Expenses</b>	<b>\$ 2,899.00</b> per unit/yr.		<b>Adjustment</b>	<b>\$ (2,899)</b>	<b>3.7% of EGI</b>
Repairs & Maintenance	\$ 250.0 per unit/yr.	1 units	100% % of total	\$ (250)	0.3% of EGI
Service Contracts	\$ 200.0 per unit/yr.	1 units	100% % of total	\$ (200)	0.3% of EGI
Turnover Costs	\$ 199.0 per unit/yr.	1 units	100% % of total	\$ (199)	0.3% of EGI
Payroll (Inc. Taxes & Benefits)	\$ 1,250.0 per unit/yr.	1 units	100% % of total	\$ (1,250)	1.6% of EGI
Administrative	\$ 250.0 per unit/yr.	1 units	100% % of total	\$ (250)	0.3% of EGI
Leasing & Marketing	\$ 250.0 per unit/yr.	1 units	100% % of total	\$ (250)	0.3% of EGI
Utilities	\$ 500.0 per unit/yr.	1 units	100% % of total	\$ (500)	0.6% of EGI
<b>Non-Variable Expenses</b>			<b>Adjustment</b>	<b>\$ (3,028)</b>	<b>3.9% of EGI</b>
Property Taxes	0.00% % of value	\$1,476,788 total val.	100% % of total	\$ -	0.0% of EGI
Insurance	\$ 300.0 per unit/yr.	1 units	100% % of total	\$ (300)	0.4% of EGI
Management Fee	3.5% of EGI	\$77,939 EGI	100% % of total	\$ (2,728)	3.5% of EGI
DDA	- mill levy	\$0 total val.	0% % of total	\$ -	0.0% of EGI
			100% % of total	\$ -	0.0% of EGI
<b>TOTAL OPERATING EXPENSES</b>				<b>\$ (5,927)</b>	<b>7.6% of EGI</b>
<b>Replacement Reserves</b>			<b>Adjustment</b>	<b>\$ (300)</b>	<b>0.4% of EGI</b>
Replacement Reserves	\$ 300.0 per unit/yr.	1 units	100% % of total	\$ (300)	0.4% of EGI
<b>TOTAL EXPENSES</b>				<b>\$ (6,227)</b>	<b>8.0% of EGI</b>
<b>UNLEVERAGED RETURN METRICS</b>					
<b>Net Operating Income</b>				<b>\$ 71,713</b>	<b>92.0% of EGI</b>
<b>Est. Rental Value</b>				<b>\$ 1,476,788</b>	<b>4.9% Cap rate</b>
<b>Sale Revenue</b>				<b>\$ 12,620,000</b>	
<b>Total Project Value</b>				<b>\$ 14,096,788</b>	
<b>Total Project Cost</b>				<b>\$ 11,775,874</b>	
<b>Project Return</b>				<b>\$ 2,320,914</b>	
<b>Return on Cost</b>				<b>19.71%</b>	
<b>Hurdle Rate</b>				<b>12.00%</b>	

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsm\T-Operating-1

Option 1  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

\*continued on next page

Description	Factor	Escalation	Total	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>DEVELOPMENT COSTS</b>									
<b>% of Cost</b>									
Acquisition and Site			100%	100%	0%	0%	0%	0%	0%
Hard Costs			100%	35%	65%	0%	0%	0%	0%
Soft Costs			100%	65%	35%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$11,775,874</b>	<b>-\$5,569,098</b>	<b>-\$6,206,776</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	-\$1,375,000	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$8,554,900	0.0%	-\$8,554,900	-\$2,994,215	-\$5,560,685	\$0	\$0	\$0	\$0
Soft Costs	\$1,845,974	0.0%	-\$1,845,974	-\$1,199,883	-\$646,091	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$11,775,874</b>	<b>-\$5,569,098</b>	<b>-\$6,206,776</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>									
<b>% of Revenue</b>									
Residential Rental Income				0%	0%	50%	100%	100%	100%
Residential Sales				0%	25%	50%	25%	0%	0%
Commercial Income				0%	0%	50%	100%	100%	100%
Operating Expenditures				0%	0%	50%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$0</b>	<b>\$0</b>	<b>\$40,544</b>	<b>\$82,710</b>	<b>\$84,364</b>	<b>\$86,051</b>
Residential Rental Income	\$15,270	2.0%		\$0	\$0	\$7,943	\$16,204	\$16,528	\$16,859
Commercial Income	\$68,208	2.0%		\$0	\$0	\$35,482	\$72,383	\$73,831	\$75,307
Multifamily Vacancy	5.0%			\$0	\$0	-\$397	-\$810	-\$826	-\$843
Commercial Vacancy	7.0%			\$0	\$0	-\$2,484	-\$5,067	-\$5,168	-\$5,272
<b>Operating Expenses</b>				<b>\$0</b>	<b>\$0</b>	<b>-\$3,239</b>	<b>-\$6,608</b>	<b>-\$6,740</b>	<b>-\$6,875</b>
Operating Expenditures	-\$6,227	2.0%		\$0	\$0	-\$3,239	-\$6,608	-\$6,740	-\$6,875
<b>Net Operating Income</b>				<b>\$0</b>	<b>\$0</b>	<b>\$37,305</b>	<b>\$76,102</b>	<b>\$77,624</b>	<b>\$79,177</b>
<b>DISPOSITION REVENUE</b>									
<b>Gross Revenue</b>			<b>\$14,973,701</b>	<b>\$0</b>	<b>\$3,284,375</b>	<b>\$6,568,750</b>	<b>\$3,284,375</b>	<b>\$0</b>	<b>\$0</b>
Residential Sales	\$13,137,500		\$13,137,500	\$0	\$3,284,375	\$6,568,750	\$3,284,375	\$0	\$0
Rental Asset Sales	4.86% cap rate	Year 10	\$1,836,201	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cost of Sale</b>			<b>-\$553,043</b>	<b>\$0</b>	<b>-\$131,375</b>	<b>-\$262,750</b>	<b>-\$131,375</b>	<b>\$0</b>	<b>\$0</b>
Residential Sales	4.0%		-\$525,500	\$0	-\$131,375	-\$262,750	-\$131,375	\$0	\$0
Rental Asset Sales	1.5%		-\$27,543	\$0	\$0	\$0	\$0	\$0	\$0
<b>Project Net Sale Revenue</b>			<b>\$14,420,658</b>	<b>\$0</b>	<b>\$3,153,000</b>	<b>\$6,306,000</b>	<b>\$3,153,000</b>	<b>\$0</b>	<b>\$0</b>
<b>PROJECT CASH FLOWS</b>									
<b>Net Project Cash Flows</b>			<b>\$3,335,269</b>	<b>-\$5,569,098</b>	<b>-\$3,053,776</b>	<b>\$6,343,305</b>	<b>\$3,229,102</b>	<b>\$77,624</b>	<b>\$79,177</b>
Construction Costs			-\$11,775,874	-\$5,569,098	-\$6,206,776	\$0	\$0	\$0	\$0
Net Operating Income			\$690,486	\$0	\$0	\$37,305	\$76,102	\$77,624	\$79,177
Project Disposition Income			\$14,420,658	\$0	\$3,153,000	\$6,306,000	\$3,153,000	\$0	\$0
<b>Net Present Value</b>	9.15%		<b>\$509,535</b>	<b>-\$5,569,098</b>	<b>-\$2,797,779</b>	<b>\$5,324,369</b>	<b>\$2,483,193</b>	<b>\$54,689</b>	<b>\$51,107</b>
<b>Project IRR</b>			<b>11.53%</b>						

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN233053-Ketchum Retail and Feasibility Study\Modele\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsx[T-Time Series-1]

Option 1  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

Description	Factor	Escalation	Total	Year 6	Year 7	Year 8	Year 9	Year 10
<b>DEVELOPMENT COSTS</b>								
<b>% of Cost</b>								
Acquisition and Site			100%	0%	0%	0%	0%	0%
Hard Costs			100%	0%	0%	0%	0%	0%
Soft Costs			100%	0%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$11,775,874</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$8,554,900	0.0%	-\$8,554,900	\$0	\$0	\$0	\$0	\$0
Soft Costs	\$1,845,974	0.0%	-\$1,845,974	\$0	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$11,775,874</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>								
<b>% of Revenue</b>								
Residential Rental Income				100%	100%	100%	100%	100%
Residential Sales				0%	0%	0%	0%	0%
Commercial Income				100%	100%	100%	100%	100%
Operating Expenditures				100%	100%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$87,773</b>	<b>\$89,528</b>	<b>\$91,319</b>	<b>\$93,145</b>	<b>\$95,008</b>
Residential Rental Income	\$15,270	2.0%		\$17,196	\$17,540	\$17,891	\$18,248	\$18,613
Commercial Income	\$68,208	2.0%		\$76,813	\$78,350	\$79,917	\$81,515	\$83,145
Multifamily Vacancy	5.0%			-\$860	-\$877	-\$895	-\$912	-\$931
Commercial Vacancy	7.0%			-\$5,377	-\$5,484	-\$5,594	-\$5,706	-\$5,820
<b>Operating Expenses</b>				<b>-\$7,012</b>	<b>-\$7,153</b>	<b>-\$7,296</b>	<b>-\$7,442</b>	<b>-\$7,591</b>
Operating Expenditures	-\$6,227	2.0%		-\$7,012	-\$7,153	-\$7,296	-\$7,442	-\$7,591
<b>Net Operating Income</b>				<b>\$80,760</b>	<b>\$82,375</b>	<b>\$84,023</b>	<b>\$85,703</b>	<b>\$87,417</b>
<b>DISPOSITION REVENUE</b>								
<b>Gross Revenue</b>			<b>\$14,973,701</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,836,201</b>
Residential Sales	\$13,137,500		\$13,137,500	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	4.86% cap rate	Year 10	\$1,836,201	\$0	\$0	\$0	\$0	\$1,836,201
<b>Cost of Sale</b>			<b>-\$553,043</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$27,543</b>
Residential Sales	4.0%		-\$525,500	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	1.5%		-\$27,543	\$0	\$0	\$0	\$0	-\$27,543
<b>Project Net Sale Revenue</b>			<b>\$14,420,658</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,808,658</b>
<b>PROJECT CASH FLOWS</b>								
<b>Net Project Cash Flows</b>			<b>\$3,335,269</b>	<b>\$80,760</b>	<b>\$82,375</b>	<b>\$84,023</b>	<b>\$85,703</b>	<b>\$1,896,075</b>
Construction Costs			-\$11,775,874	\$0	\$0	\$0	\$0	\$0
Net Operating Income			\$690,486	\$80,760	\$82,375	\$84,023	\$85,703	\$87,417
Project Disposition Income			\$14,420,658	\$0	\$0	\$0	\$0	\$1,808,658
<b>Net Present Value</b>	9.15%		<b>\$509,535</b>	<b>\$47,759</b>	<b>\$44,630</b>	<b>\$41,707</b>	<b>\$38,975</b>	<b>\$789,984</b>
<b>Project IRR</b>			<b>11.53%</b>					

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Modele\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsx[T-T



## Option 2

## Operating Revenues and OpEx: Static

## Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

Type	Factor	Rate	Lease Rate per year	Total Revenue	% of Total
<b>REVENUE</b>					
	Units	NRSF			
<b>Multifamily</b>		<b>9,614 NRSF</b>		<b>\$ 12,893,200</b>	
<b>For-Sale</b>	<b>5</b>				
Penthouse	1	3,000 NRSF	\$2,000.00 per sf	\$ 6,000,000	
Condo	4	5,736 NRSF	\$1,250.00 per sf	\$ 7,170,000	
Garage Spaces	5		\$50,000.00 per space	\$ 250,000	
Sales Cost	4% % of income		105,360 per unit	\$ (526,800)	
<b>Rental</b>	<b>2</b>			<b>\$ 28,264</b>	
Market Rate Rental	-	0 NRSF	\$4.00 per sf	\$ -	0.0% of PGI
Community Housing	2	878 NRSF	\$2.68 per sf	\$ 28,264	99.2% of PGI
<b>Other MF Income</b>				<b>\$ 240</b>	<b>0.8% of PGI</b>
Storage Units	50% of units	2 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Parking Revenue	100% of units	0 units	\$50.0 per unit/mo	\$ -	0.0% of PGI
Trash Fee	100% of units	2 units	\$10.0 per unit/mo	\$ 240	0.8% of PGI
Admin Income	100% of units	2 units	\$0.0 per unit/yr	\$ -	0.0% of PGI
<b>Commercial Income</b>				<b>\$ -</b>	<b>0.0% of PGI</b>
Ground Level		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 2		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 3		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
<b>POTENTIAL GROSS INCOME (PGI)</b>				<b>\$ 28,504</b>	<b>100.0% of PGI</b>
Less: Vacancy (Residential)	5.0% per year			\$ (1,425)	-5.0% of PGI
Less: Vacancy (Commercial)	7.0% per year			\$ -	0.0% of PGI
<b>EFFECTIVE GROSS INCOME (EGI)</b>				<b>\$ 27,079</b>	<b>95.0% of PGI</b>
<b>EXPENDITURES</b>					
<b>Variable Operating Expenses</b>	<b>\$ 2,899.00</b> per unit/yr.		<b>Adjustment</b>	<b>\$ (5,798)</b>	<b>21.4% of EGI</b>
Repairs & Maintenance	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.8% of EGI
Service Contracts	\$ 200.0 per unit/yr.	2 units	100% % of total	\$ (400)	1.5% of EGI
Turnover Costs	\$ 199.0 per unit/yr.	2 units	100% % of total	\$ (398)	1.5% of EGI
Payroll (Inc. Taxes & Benefits)	\$ 1,250.0 per unit/yr.	2 units	100% % of total	\$ (2,500)	9.2% of EGI
Administrative	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.8% of EGI
Leasing & Marketing	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.8% of EGI
Utilities	\$ 500.0 per unit/yr.	2 units	100% % of total	\$ (1,000)	3.7% of EGI
<b>Non-Variable Expenses</b>			<b>Adjustment</b>	<b>\$ (3,083)</b>	<b>11.4% of EGI</b>
Property Taxes	0.39% % of value	\$391,064 total val.	100% % of total	\$ (1,535)	5.7% of EGI
Insurance	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	2.2% of EGI
Management Fee	3.5% of EGI	\$27,079 EGI	100% % of total	\$ (948)	3.5% of EGI
DDA	- mill levy	\$0 total val.	0% % of total	\$ -	0.0% of EGI
			100% % of total	\$ -	0.0% of EGI
<b>TOTAL OPERATING EXPENSES</b>				<b>\$ (8,881)</b>	<b>32.8% of EGI</b>
<b>Replacement Reserves</b>			<b>Adjustment</b>	<b>\$ (600)</b>	<b>2.2% of EGI</b>
Replacement Reserves	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	2.2% of EGI
<b>TOTAL EXPENSES</b>				<b>\$ (9,481)</b>	<b>35.0% of EGI</b>
<b>UNLEVERAGED RETURN METRICS</b>					
<b>Net Operating Income</b>				<b>\$ 17,598</b>	<b>65.0% of EGI</b>
<b>Est. Rental Value</b>				<b>\$ 391,064</b>	<b>4.5% Cap rate</b>
<b>Sale Revenue</b>				<b>\$ 12,893,200</b>	
<b>Total Project Value</b>				<b>\$ 13,284,264</b>	
<b>Total Project Cost</b>				<b>\$ 12,334,272</b>	
<b>Project Return</b>				<b>\$ 949,992</b>	
<b>Return on Cost</b>				<b>7.70%</b>	
<b>Hurdle Rate</b>				<b>12.00%</b>	

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsm]T-Operating-2

Option 2  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

\*continued on next page

Description	Factor	Escalation	Total	Year 0	Year 1	Year 2	Year 3	Year 4
<b>DEVELOPMENT COSTS</b>								
<b>% of Cost</b>								
Acquisition and Site			100%	100%	0%	0%	0%	0%
Hard Costs			100%	35%	65%	0%	0%	0%
Soft Costs			100%	65%	35%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$12,334,272</b>	<b>-\$5,793,194</b>	<b>-\$6,541,078</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	-\$1,375,000	\$0	\$0	\$0	\$0
Hard Costs	\$9,017,776	0.0%	-\$9,017,776	-\$3,156,221	-\$5,861,554	\$0	\$0	\$0
Soft Costs	\$1,941,497	0.0%	-\$1,941,497	-\$1,261,973	-\$679,524	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$12,334,272</b>	<b>-\$5,793,194</b>	<b>-\$6,541,078</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>								
<b>% of Revenue</b>								
Residential Rental Income				0%	0%	50%	100%	100%
Residential Sales				0%	25%	50%	25%	0%
Commercial Income				0%	0%	50%	100%	100%
Operating Expenditures				0%	0%	50%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$0</b>	<b>\$0</b>	<b>\$14,086</b>	<b>\$28,736</b>	<b>\$29,311</b>
Residential Rental Income	\$28,504	2.0%		\$0	\$0	\$14,828	\$30,249	\$30,853
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			\$0	\$0	-\$741	-\$1,512	-\$1,543
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>\$0</b>	<b>\$0</b>	<b>-\$4,932</b>	<b>-\$10,061</b>	<b>-\$10,262</b>
Operating Expenditures	-\$9,481	2.0%		\$0	\$0	-\$4,932	-\$10,061	-\$10,262
<b>Net Operating Income</b>				<b>\$0</b>	<b>\$0</b>	<b>\$9,154</b>	<b>\$18,675</b>	<b>\$19,049</b>
<b>DISPOSITION REVENUE</b>								
<b>Gross Revenue</b>			<b>\$13,906,239</b>	<b>\$0</b>	<b>\$3,355,000</b>	<b>\$6,710,000</b>	<b>\$3,355,000</b>	<b>\$0</b>
Residential Sales	\$13,420,000		\$13,420,000	\$0	\$3,355,000	\$6,710,000	\$3,355,000	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$486,239	\$0	\$0	\$0	\$0	\$0
<b>Cost of Sale</b>			<b>-\$544,094</b>	<b>\$0</b>	<b>-\$134,200</b>	<b>-\$268,400</b>	<b>-\$134,200</b>	<b>\$0</b>
Residential Sales	4.0%		-\$536,800	\$0	-\$134,200	-\$268,400	-\$134,200	\$0
Rental Asset Sales	1.5%		-\$7,294	\$0	\$0	\$0	\$0	\$0
<b>Project Net Sale Revenue</b>			<b>\$13,362,145</b>	<b>\$0</b>	<b>\$3,220,800</b>	<b>\$6,441,600</b>	<b>\$3,220,800</b>	<b>\$0</b>
<b>PROJECT CASH FLOWS</b>								
<b>Net Project Cash Flows</b>			<b>\$1,197,315</b>	<b>-\$5,793,194</b>	<b>-\$3,320,278</b>	<b>\$6,450,754</b>	<b>\$3,239,475</b>	<b>\$19,049</b>
Construction Costs			-\$12,334,272	-\$5,793,194	-\$6,541,078	\$0	\$0	\$0
Net Operating Income			\$169,441	\$0	\$0	\$9,154	\$18,675	\$19,049
Project Disposition Income			\$13,362,145	\$0	\$3,220,800	\$6,441,600	\$3,220,800	\$0
<b>Net Present Value</b>	8.77%		<b>-\$589,288</b>	<b>-\$5,793,194</b>	<b>-\$3,052,704</b>	<b>\$5,452,945</b>	<b>\$2,517,709</b>	<b>\$13,611</b>
<b>Project IRR</b>			<b>5.46%</b>					

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsx[T-Time Series-2]

Option 2  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

Description	Factor	Escalation	Total	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>DEVELOPMENT COSTS</b>									
<b>% of Cost</b>									
Acquisition and Site			100%	0%	0%	0%	0%	0%	0%
Hard Costs			100%	0%	0%	0%	0%	0%	0%
Soft Costs			100%	0%	0%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$12,334,272</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	\$0	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$9,017,776	0.0%	-\$9,017,776	\$0	\$0	\$0	\$0	\$0	\$0
Soft Costs	\$1,941,497	0.0%	-\$1,941,497	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$12,334,272</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>									
<b>% of Revenue</b>									
Residential Rental Income				100%	100%	100%	100%	100%	100%
Residential Sales				0%	0%	0%	0%	0%	0%
Commercial Income				100%	100%	100%	100%	100%	100%
Operating Expenditures				100%	100%	100%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$29,897</b>	<b>\$30,495</b>	<b>\$31,105</b>	<b>\$31,727</b>	<b>\$32,361</b>	<b>\$33,009</b>
Residential Rental Income	\$28,504	2.0%		\$31,471	\$32,100	\$32,742	\$33,397	\$34,065	\$34,746
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			-\$1,574	-\$1,605	-\$1,637	-\$1,670	-\$1,703	-\$1,737
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>-\$10,468</b>	<b>-\$10,677</b>	<b>-\$10,890</b>	<b>-\$11,108</b>	<b>-\$11,330</b>	<b>-\$11,557</b>
Operating Expenditures	-\$9,481	2.0%		-\$10,468	-\$10,677	-\$10,890	-\$11,108	-\$11,330	-\$11,557
<b>Net Operating Income</b>				<b>\$19,429</b>	<b>\$19,818</b>	<b>\$20,214</b>	<b>\$20,619</b>	<b>\$21,031</b>	<b>\$21,452</b>
<b>DISPOSITION REVENUE</b>									
<b>Gross Revenue</b>			<b>\$13,906,239</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$486,239</b>
Residential Sales	\$13,420,000		\$13,420,000	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$486,239	\$0	\$0	\$0	\$0	\$0	\$486,239
<b>Cost of Sale</b>			<b>-\$544,094</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$7,294</b>
Residential Sales	4.0%		-\$536,800	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	1.5%		-\$7,294	\$0	\$0	\$0	\$0	\$0	-\$7,294
<b>Project Net Sale Revenue</b>			<b>\$13,362,145</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$478,945</b>
<b>PROJECT CASH FLOWS</b>									
<b>Net Project Cash Flows</b>			<b>\$1,197,315</b>	<b>\$19,429</b>	<b>\$19,818</b>	<b>\$20,214</b>	<b>\$20,619</b>	<b>\$21,031</b>	<b>\$500,397</b>
Construction Costs			-\$12,334,272	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income			\$169,441	\$19,429	\$19,818	\$20,214	\$20,619	\$21,031	\$21,452
Project Disposition Income			\$13,362,145	\$0	\$0	\$0	\$0	\$0	\$478,945
<b>Net Present Value</b>	8.77%		<b>-\$589,288</b>	<b>\$12,765</b>	<b>\$11,971</b>	<b>\$11,226</b>	<b>\$10,528</b>	<b>\$9,873</b>	<b>\$215,982</b>
<b>Project IRR</b>			<b>5.46%</b>						

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsx[T-T

## Option 3

## Operating Revenues and OpEx: Static

## Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

Type	Factor	Rate	Lease Rate per year	Total Revenue	% of Total
<b>REVENUE</b>					
	Units	NRSF			
<b>Multifamily</b>		<b>8,120 NRSF</b>		<b>\$ 9,994,000</b>	
<b>For-Sale</b>	<b>11</b>				
Penthouse	0	0 NRSF	\$2,000.00 per sf	\$ -	
Condo	11	8,120 NRSF	\$1,250.00 per sf	\$ 10,150,000	
Garage Spaces	5		\$50,000.00 per space	\$ 250,000	
Sales Cost	4% % of income		36,909 per unit	\$ (406,000)	
<b>Rental</b>	<b>2</b>			<b>\$ 53,614</b>	
Market Rate Rental	-	0 NRSF	\$4.00 per sf	\$ -	0.0% of PGI
Community Housing	2	1,840 NRSF	\$2.43 per sf	\$ 53,614	99.6% of PGI
<b>Other MF Income</b>				<b>\$ 240</b>	<b>0.4% of PGI</b>
Storage Units	50% of units	2 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Parking Revenue	100% of units	0 units	\$50.0 per unit/mo	\$ -	0.0% of PGI
Trash Fee	100% of units	2 units	\$10.0 per unit/mo	\$ 240	0.4% of PGI
Admin Income	100% of units	2 units	\$0.0 per unit/yr	\$ -	0.0% of PGI
<b>Commercial Income</b>				<b>\$ -</b>	<b>0.0% of PGI</b>
Ground Level		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 2		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 3		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
<b>POTENTIAL GROSS INCOME (PGI)</b>				<b>\$ 53,854</b>	<b>100.0% of PGI</b>
Less: Vacancy (Residential)	5.0% per year			\$ (2,693)	-5.0% of PGI
Less: Vacancy (Commercial)	7.0% per year			\$ -	0.0% of PGI
<b>EFFECTIVE GROSS INCOME (EGI)</b>				<b>\$ 51,161</b>	<b>95.0% of PGI</b>
<b>EXPENDITURES</b>					
<b>Variable Operating Expenses</b>	<b>\$ 2,899.00</b> per unit/yr.		<b>Adjustment</b>	<b>\$ (5,798)</b>	<b>11.3% of EGI</b>
Repairs & Maintenance	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.0% of EGI
Service Contracts	\$ 200.0 per unit/yr.	2 units	100% % of total	\$ (400)	0.8% of EGI
Turnover Costs	\$ 199.0 per unit/yr.	2 units	100% % of total	\$ (398)	0.8% of EGI
Payroll (Inc. Taxes & Benefits)	\$ 1,250.0 per unit/yr.	2 units	100% % of total	\$ (2,500)	4.9% of EGI
Administrative	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.0% of EGI
Leasing & Marketing	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.0% of EGI
Utilities	\$ 500.0 per unit/yr.	2 units	100% % of total	\$ (1,000)	2.0% of EGI
<b>Non-Variable Expenses</b>			<b>Adjustment</b>	<b>\$ (5,790)</b>	<b>11.3% of EGI</b>
Property Taxes	0.39% % of value	\$866,067 total val.	100% % of total	\$ (3,400)	6.6% of EGI
Insurance	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	1.2% of EGI
Management Fee	3.5% of EGI	\$51,161 EGI	100% % of total	\$ (1,791)	3.5% of EGI
DDA	- mill levy	\$0 total val.	0% % of total	\$ -	0.0% of EGI
			100% % of total	\$ -	0.0% of EGI
<b>TOTAL OPERATING EXPENSES</b>				<b>\$ (11,588)</b>	<b>22.7% of EGI</b>
<b>Replacement Reserves</b>			<b>Adjustment</b>	<b>\$ (600)</b>	<b>1.2% of EGI</b>
Replacement Reserves	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	1.2% of EGI
<b>TOTAL EXPENSES</b>				<b>\$ (12,188)</b>	<b>23.8% of EGI</b>
<b>UNLEVERAGED RETURN METRICS</b>					
<b>Net Operating Income</b>				<b>\$ 38,973</b>	<b>76.2% of EGI</b>
<b>Est. Rental Value</b>				<b>\$ 866,067</b>	<b>4.5% cap rate</b>
<b>Sale Revenue</b>				<b>\$ 9,994,000</b>	
<b>Total Project Value</b>				<b>\$ 10,860,067</b>	
<b>Total Project Cost</b>				<b>\$ 12,626,972</b>	
<b>Project Return</b>				<b>\$ (1,766,905)</b>	
<b>Return on Cost</b>				<b>-13.99%</b>	
<b>Hurdle Rate</b>				<b>12.00%</b>	

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsm\T-Operating-3

Option 3  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

\*continued on next page

Description	Factor	Escalation	Total	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>DEVELOPMENT COSTS</b>									
<b>% of Cost</b>									
Acquisition and Site			100%	100%	0%	0%	0%	0%	0%
Hard Costs			100%	35%	65%	0%	0%	0%	0%
Soft Costs			100%	65%	35%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$12,626,972</b>	<b>-\$5,916,170</b>	<b>-\$6,710,802</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	-\$1,375,000	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$9,242,040	0.0%	-\$9,242,040	-\$3,234,714	-\$6,007,326	\$0	\$0	\$0	\$0
Soft Costs	\$2,009,932	0.0%	-\$2,009,932	-\$1,306,456	-\$703,476	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$12,626,972</b>	<b>-\$5,916,170</b>	<b>-\$6,710,802</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>									
<b>% of Revenue</b>									
Residential Rental Income				0%	0%	50%	100%	100%	100%
Residential Sales				0%	25%	50%	25%	0%	0%
Commercial Income				0%	0%	50%	100%	100%	100%
Operating Expenditures				0%	0%	50%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$0</b>	<b>\$0</b>	<b>\$26,614</b>	<b>\$54,293</b>	<b>\$55,379</b>	<b>\$56,486</b>
Residential Rental Income	\$53,854	2.0%		\$0	\$0	\$28,015	\$57,150	\$58,293	\$59,459
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			\$0	\$0	-\$1,401	-\$2,858	-\$2,915	-\$2,973
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>\$0</b>	<b>\$0</b>	<b>-\$6,340</b>	<b>-\$12,934</b>	<b>-\$13,193</b>	<b>-\$13,457</b>
Operating Expenditures	-\$12,188	2.0%		\$0	\$0	-\$6,340	-\$12,934	-\$13,193	-\$13,457
<b>Net Operating Income</b>				<b>\$0</b>	<b>\$0</b>	<b>\$20,274</b>	<b>\$41,358</b>	<b>\$42,186</b>	<b>\$43,029</b>
<b>DISPOSITION REVENUE</b>									
<b>Gross Revenue</b>			<b>\$11,476,846</b>	<b>\$0</b>	<b>\$2,600,000</b>	<b>\$5,200,000</b>	<b>\$2,600,000</b>	<b>\$0</b>	<b>\$0</b>
Residential Sales	\$10,400,000		\$10,400,000	\$0	\$2,600,000	\$5,200,000	\$2,600,000	\$0	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$1,076,846	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cost of Sale</b>			<b>-\$432,153</b>	<b>\$0</b>	<b>-\$104,000</b>	<b>-\$208,000</b>	<b>-\$104,000</b>	<b>\$0</b>	<b>\$0</b>
Residential Sales	4.0%		-\$416,000	\$0	-\$104,000	-\$208,000	-\$104,000	\$0	\$0
Rental Asset Sales	1.5%		-\$16,153	\$0	\$0	\$0	\$0	\$0	\$0
<b>Project Net Sale Revenue</b>			<b>\$11,044,693</b>	<b>\$0</b>	<b>\$2,496,000</b>	<b>\$4,992,000</b>	<b>\$2,496,000</b>	<b>\$0</b>	<b>\$0</b>
<b>PROJECT CASH FLOWS</b>									
<b>Net Project Cash Flows</b>			<b>-\$1,207,027</b>	<b>-\$5,916,170</b>	<b>-\$4,214,802</b>	<b>\$5,012,274</b>	<b>\$2,537,358</b>	<b>\$42,186</b>	<b>\$43,029</b>
Construction Costs			-\$12,626,972	-\$5,916,170	-\$6,710,802	\$0	\$0	\$0	\$0
Net Operating Income			\$375,252	\$0	\$0	\$20,274	\$41,358	\$42,186	\$43,029
Project Disposition Income			\$11,044,693	\$0	\$2,496,000	\$4,992,000	\$2,496,000	\$0	\$0
<b>Net Present Value</b>	8.77%		<b>-\$2,949,023</b>	<b>-\$5,916,170</b>	<b>-\$3,875,141</b>	<b>\$4,236,970</b>	<b>\$1,972,027</b>	<b>\$30,144</b>	<b>\$28,269</b>
<b>Project IRR</b>			<b>-3.96%</b>						

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Modele\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsx[T-Time Series-3]

Option 3  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

Description	Factor	Escalation	Total	Year 6	Year 7	Year 8	Year 9	Year 10
<b>DEVELOPMENT COSTS</b>								
<b>% of Cost</b>								
Acquisition and Site			100%	0%	0%	0%	0%	0%
Hard Costs			100%	0%	0%	0%	0%	0%
Soft Costs			100%	0%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$12,626,972</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$9,242,040	0.0%	-\$9,242,040	\$0	\$0	\$0	\$0	\$0
Soft Costs	\$2,009,932	0.0%	-\$2,009,932	\$0	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$12,626,972</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>								
<b>% of Revenue</b>								
Residential Rental Income				100%	100%	100%	100%	100%
Residential Sales				0%	0%	0%	0%	0%
Commercial Income				100%	100%	100%	100%	100%
Operating Expenditures				100%	100%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$57,616</b>	<b>\$58,768</b>	<b>\$59,943</b>	<b>\$61,142</b>	<b>\$62,365</b>
Residential Rental Income	\$53,854	2.0%		\$60,648	\$61,861	\$63,098	\$64,360	\$65,648
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			-\$3,032	-\$3,093	-\$3,155	-\$3,218	-\$3,282
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>-\$13,726</b>	<b>-\$14,000</b>	<b>-\$14,280</b>	<b>-\$14,566</b>	<b>-\$14,857</b>
Operating Expenditures	-\$12,188	2.0%		-\$13,726	-\$14,000	-\$14,280	-\$14,566	-\$14,857
<b>Net Operating Income</b>				<b>\$43,890</b>	<b>\$44,768</b>	<b>\$45,663</b>	<b>\$46,576</b>	<b>\$47,508</b>
<b>DISPOSITION REVENUE</b>								
<b>Gross Revenue</b>			<b>\$11,476,846</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,076,846</b>
Residential Sales	\$10,400,000		\$10,400,000	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$1,076,846	\$0	\$0	\$0	\$0	\$1,076,846
<b>Cost of Sale</b>			<b>-\$432,153</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$16,153</b>
Residential Sales	4.0%		-\$416,000	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	1.5%		-\$16,153	\$0	\$0	\$0	\$0	-\$16,153
<b>Project Net Sale Revenue</b>			<b>\$11,044,693</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,060,693</b>
<b>PROJECT CASH FLOWS</b>								
<b>Net Project Cash Flows</b>			<b>-\$1,207,027</b>	<b>\$43,890</b>	<b>\$44,768</b>	<b>\$45,663</b>	<b>\$46,576</b>	<b>\$1,108,201</b>
Construction Costs			-\$12,626,972	\$0	\$0	\$0	\$0	\$0
Net Operating Income			\$375,252	\$43,890	\$44,768	\$45,663	\$46,576	\$47,508
Project Disposition Income			\$11,044,693	\$0	\$0	\$0	\$0	\$1,060,693
<b>Net Present Value</b>	8.77%		<b>-\$2,949,023</b>	<b>\$26,511</b>	<b>\$24,862</b>	<b>\$23,316</b>	<b>\$21,865</b>	<b>\$478,324</b>
<b>Project IRR</b>			<b>-3.96%</b>					

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feeability Models\233053-MODEL-Interior Lot-06-19-2023.xlsx[T-T

## Option 4

## Operating Revenues and OpEx: Static

## Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

Type	Factor	Rate	Lease Rate per year	Total Revenue	% of Total
<b>REVENUE</b>					
	Units	NRSF			
<b>Multifamily</b>		<b>7,939 NRSF</b>		<b>\$ 14,096,800</b>	
<b>For-Sale</b>	<b>5</b>				
Penthouse	2	6,000 NRSF	\$2,000.00 per sf	\$ 12,000,000	
Condo	3	1,939 NRSF	\$1,250.00 per sf	\$ 2,423,750	
Garage Spaces	5		\$50,000.00 per space	\$ 250,000	
Sales Cost	4% % of income		115,390 per unit	\$ (576,950)	
<b>Rental</b>	<b>2</b>			<b>\$ 28,264</b>	
Market Rate Rental	-	0 NRSF	\$4.00 per sf	\$ -	0.0% of PGI
Community Housing	2	878 NRSF	\$2.68 per sf	\$ 28,264	99.2% of PGI
<b>Other MF Income</b>				<b>\$ 240</b>	<b>0.8% of PGI</b>
Storage Units	50% of units	0 units	\$25.0 per unit/mo	\$ -	0.0% of PGI
Parking Revenue	100% of units	0 units	\$50.0 per unit/mo	\$ -	0.0% of PGI
Trash Fee	100% of units	2 units	\$10.0 per unit/mo	\$ 240	0.8% of PGI
Admin Income	100% of units	2 units	\$0.0 per unit/yr	\$ -	0.0% of PGI
<b>Commercial Income</b>				<b>\$ -</b>	<b>0.0% of PGI</b>
Ground Level		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 2		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 3		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
<b>POTENTIAL GROSS INCOME (PGI)</b>				<b>\$ 28,504</b>	<b>100.0% of PGI</b>
Less: Vacancy (Residential)	5.0% per year			\$ (1,425)	-5.0% of PGI
Less: Vacancy (Commercial)	7.0% per year			\$ -	0.0% of PGI
<b>EFFECTIVE GROSS INCOME (EGI)</b>				<b>\$ 27,079</b>	<b>95.0% of PGI</b>
<b>EXPENDITURES</b>					
<b>Variable Operating Expenses</b>	<b>\$ 2,899.00</b> per unit/yr.		<b>Adjustment</b>	<b>\$ (5,798)</b>	<b>21.4% of EGI</b>
Repairs & Maintenance	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.8% of EGI
Service Contracts	\$ 200.0 per unit/yr.	2 units	100% % of total	\$ (400)	1.5% of EGI
Turnover Costs	\$ 199.0 per unit/yr.	2 units	100% % of total	\$ (398)	1.5% of EGI
Payroll (Inc. Taxes & Benefits)	\$ 1,250.0 per unit/yr.	2 units	100% % of total	\$ (2,500)	9.2% of EGI
Administrative	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.8% of EGI
Leasing & Marketing	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.8% of EGI
Utilities	\$ 500.0 per unit/yr.	2 units	100% % of total	\$ (1,000)	3.7% of EGI
<b>Non-Variable Expenses</b>			<b>Adjustment</b>	<b>\$ (3,083)</b>	<b>11.4% of EGI</b>
Property Taxes	0.39% % of value	\$391,064 total val.	100% % of total	\$ (1,535)	5.7% of EGI
Insurance	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	2.2% of EGI
Management Fee	3.5% of EGI	\$27,079 EGI	100% % of total	\$ (948)	3.5% of EGI
DDA	- mill levy	\$0 total val.	0% % of total	\$ -	0.0% of EGI
			100% % of total	\$ -	0.0% of EGI
<b>TOTAL OPERATING EXPENSES</b>				<b>\$ (8,881)</b>	<b>32.8% of EGI</b>
<b>Replacement Reserves</b>			<b>Adjustment</b>	<b>\$ (600)</b>	<b>2.2% of EGI</b>
Replacement Reserves	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	2.2% of EGI
<b>TOTAL EXPENSES</b>				<b>\$ (9,481)</b>	<b>35.0% of EGI</b>
<b>UNLEVERAGED RETURN METRICS</b>					
<b>Net Operating Income</b>				<b>\$ 17,598</b>	<b>65.0% of EGI</b>
<b>Est. Rental Value</b>				<b>\$ 391,064</b>	<b>4.5% cap rate</b>
<b>Sale Revenue</b>				<b>\$ 14,096,800</b>	
<b>Total Project Value</b>				<b>\$ 14,487,864</b>	
<b>Total Project Cost</b>				<b>\$ 11,406,748</b>	
<b>Project Return</b>				<b>\$ 3,081,116</b>	
<b>Return on Cost</b>				<b>27.01%</b>	
<b>Hurdle Rate</b>				<b>12.00%</b>	

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsm]T-Operating-4

Option 4  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

\*continued on next page

Description	Factor	Escalation	Total	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>DEVELOPMENT COSTS</b>									
<b>% of Cost</b>									
Acquisition and Site			100%	100%	0%	0%	0%	0%	0%
Hard Costs			100%	35%	65%	0%	0%	0%	0%
Soft Costs			100%	65%	35%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$11,406,748</b>	<b>-\$5,421,342</b>	<b>-\$5,985,406</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	-\$1,375,000	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$8,247,647	0.0%	-\$8,247,647	-\$2,886,676	-\$5,360,970	\$0	\$0	\$0	\$0
Soft Costs	\$1,784,102	0.0%	-\$1,784,102	-\$1,159,666	-\$624,436	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$11,406,748</b>	<b>-\$5,421,342</b>	<b>-\$5,985,406</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>									
<b>% of Revenue</b>									
Residential Rental Income				0%	0%	50%	100%	100%	100%
Residential Sales				0%	25%	50%	25%	0%	0%
Commercial Income				0%	0%	50%	100%	100%	100%
Operating Expenditures				0%	0%	50%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$0</b>	<b>\$0</b>	<b>\$14,086</b>	<b>\$28,736</b>	<b>\$29,311</b>	<b>\$29,897</b>
Residential Rental Income	\$28,504	2.0%		\$0	\$0	\$14,828	\$30,249	\$30,853	\$31,471
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			\$0	\$0	-\$741	-\$1,512	-\$1,543	-\$1,574
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>\$0</b>	<b>\$0</b>	<b>-\$4,932</b>	<b>-\$10,061</b>	<b>-\$10,262</b>	<b>-\$10,468</b>
Operating Expenditures	-\$9,481	2.0%		\$0	\$0	-\$4,932	-\$10,061	-\$10,262	-\$10,468
<b>Net Operating Income</b>				<b>\$0</b>	<b>\$0</b>	<b>\$9,154</b>	<b>\$18,675</b>	<b>\$19,049</b>	<b>\$19,429</b>
<b>DISPOSITION REVENUE</b>									
<b>Gross Revenue</b>			<b>\$15,159,989</b>	<b>\$0</b>	<b>\$3,668,438</b>	<b>\$7,336,875</b>	<b>\$3,668,438</b>	<b>\$0</b>	<b>\$0</b>
Residential Sales	\$14,673,750		\$14,673,750	\$0	\$3,668,438	\$7,336,875	\$3,668,438	\$0	\$0
Rental Asset Sales	4.50% cap rate Year 10		\$486,239	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cost of Sale</b>			<b>-\$594,244</b>	<b>\$0</b>	<b>-\$146,738</b>	<b>-\$293,475</b>	<b>-\$146,738</b>	<b>\$0</b>	<b>\$0</b>
Residential Sales	4.0%		-\$586,950	\$0	-\$146,738	-\$293,475	-\$146,738	\$0	\$0
Rental Asset Sales	1.5%		-\$7,294	\$0	\$0	\$0	\$0	\$0	\$0
<b>Project Net Sale Revenue</b>			<b>\$14,565,745</b>	<b>\$0</b>	<b>\$3,521,700</b>	<b>\$7,043,400</b>	<b>\$3,521,700</b>	<b>\$0</b>	<b>\$0</b>
<b>PROJECT CASH FLOWS</b>									
<b>Net Project Cash Flows</b>			<b>\$3,328,439</b>	<b>-\$5,421,342</b>	<b>-\$2,463,706</b>	<b>\$7,052,554</b>	<b>\$3,540,375</b>	<b>\$19,049</b>	<b>\$19,429</b>
Construction Costs			-\$11,406,748	-\$5,421,342	-\$5,985,406	\$0	\$0	\$0	\$0
Net Operating Income			\$169,441	\$0	\$0	\$9,154	\$18,675	\$19,049	\$19,429
Project Disposition Income			\$14,565,745	\$0	\$3,521,700	\$7,043,400	\$3,521,700	\$0	\$0
<b>Net Present Value</b>	8.77%		<b>\$1,312,679</b>	<b>-\$5,421,342</b>	<b>-\$2,265,161</b>	<b>\$5,961,658</b>	<b>\$2,751,568</b>	<b>\$13,611</b>	<b>\$12,765</b>
<b>Project IRR</b>			<b>16.88%</b>						

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsx[T-Time Series-4]



Option 4  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Standard Lot

Description	Factor	Escalation	Total	Year 6	Year 7	Year 8	Year 9	Year 10
<b>DEVELOPMENT COSTS</b>								
<b>% of Cost</b>								
Acquisition and Site			100%	0%	0%	0%	0%	0%
Hard Costs			100%	0%	0%	0%	0%	0%
Soft Costs			100%	0%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$11,406,748</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$8,247,647	0.0%	-\$8,247,647	\$0	\$0	\$0	\$0	\$0
Soft Costs	\$1,784,102	0.0%	-\$1,784,102	\$0	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$11,406,748</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>								
<b>% of Revenue</b>								
Residential Rental Income				100%	100%	100%	100%	100%
Residential Sales				0%	0%	0%	0%	0%
Commercial Income				100%	100%	100%	100%	100%
Operating Expenditures				100%	100%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$30,495</b>	<b>\$31,105</b>	<b>\$31,727</b>	<b>\$32,361</b>	<b>\$33,009</b>
Residential Rental Income	\$28,504	2.0%		\$32,100	\$32,742	\$33,397	\$34,065	\$34,746
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			-\$1,605	-\$1,637	-\$1,670	-\$1,703	-\$1,737
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>-\$10,677</b>	<b>-\$10,890</b>	<b>-\$11,108</b>	<b>-\$11,330</b>	<b>-\$11,557</b>
Operating Expenditures	-\$9,481	2.0%		-\$10,677	-\$10,890	-\$11,108	-\$11,330	-\$11,557
<b>Net Operating Income</b>				<b>\$19,818</b>	<b>\$20,214</b>	<b>\$20,619</b>	<b>\$21,031</b>	<b>\$21,452</b>
<b>DISPOSITION REVENUE</b>								
<b>Gross Revenue</b>			<b>\$15,159,989</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$486,239</b>
Residential Sales	\$14,673,750		\$14,673,750	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$486,239	\$0	\$0	\$0	\$0	\$486,239
<b>Cost of Sale</b>			<b>-\$594,244</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$7,294</b>
Residential Sales	4.0%		-\$586,950	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	1.5%		-\$7,294	\$0	\$0	\$0	\$0	-\$7,294
<b>Project Net Sale Revenue</b>			<b>\$14,565,745</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$478,945</b>
<b>PROJECT CASH FLOWS</b>								
<b>Net Project Cash Flows</b>			<b>\$3,328,439</b>	<b>\$19,818</b>	<b>\$20,214</b>	<b>\$20,619</b>	<b>\$21,031</b>	<b>\$500,397</b>
Construction Costs			-\$11,406,748	\$0	\$0	\$0	\$0	\$0
Net Operating Income			\$169,441	\$19,818	\$20,214	\$20,619	\$21,031	\$21,452
Project Disposition Income			\$14,565,745	\$0	\$0	\$0	\$0	\$478,945
<b>Net Present Value</b>	8.77%		<b>\$1,312,679</b>	<b>\$11,971</b>	<b>\$11,226</b>	<b>\$10,528</b>	<b>\$9,873</b>	<b>\$215,982</b>
<b>Project IRR</b>			<b>16.88%</b>					

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Lot-06-19-2023.xlsx[T-T

*The Economics of Land Use*



## **Draft Financial Model**

### **Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot**

**Prepared for:**

City of Ketchum

**Prepared by:**

Economic & Planning Systems, Inc.

*Economic & Planning Systems, Inc.  
730 17th Street, Suite 630  
Denver, CO 80202-3511  
303 623 3557 tel  
303 623 9049 fax*

*Berkeley  
Sacramento  
Denver*

*[www.epsys.com](http://www.epsys.com)*

**Date:**

June 21, 2023

EPS #233053

**Table 1**  
**Project Summary and Key Assumptions**

Feasibility Model: Ketchum Ordinance 1234 - Corner Standard Lot - **Option 1**

Option	Option 1	Option 2	Option 3
Description	Corner Standard Lot - Mixed-Use <30% Commercial Minimum Density	Corner Standard Lot - 100% Residential Minimum Density	Corner Standard Lot - 100% Residential High Density
Zoning Description	Mixed-Use	Mixed-Use	Mixed-Use
Stories	3-Story	3-Story	3-Story
Parking	Tuck Under / Surface	Tuck Under / Surface	Tuck Under / Surface

#### LOT AREA

Front (Feet)	55	55	55
Side (Feet)	100	100	100
Total Area (sf)	5,500	5,500	5,500
Total Area (ac)	0.13	0.13	0.13

#### Commercial

##### Gross Building Area

Ground Level	2,190	0	0
Floor 2	0	0	0
Floor 3	0	0	0
Total	2,190	0	0

##### Efficiency Factor

	66%	0%	0%
--	-----	----	----

##### Net Leasable Area

Ground Level	1,450	0	0
Floor 2	0	0	0
Floor 3	0	0	0
Total	1,450	0	0

##### Average Rental Rate (NNN)

	\$42.0	\$42.0	\$42.0
--	--------	--------	--------

#### MULTIFAMILY

##### Gross Building Area

Ground Level	0	2,154	3,352
Floor 2	4,455	4,305	4,500
Floor 3	3,491	4,305	4,500
Total	7,946	10,764	12,352

##### Efficiency Factor

	88.3%	84.6%	75.7%
--	-------	-------	-------

##### Net Leasable Area

Ground Level	0	1,206	1,850
Floor 2	4,015	3,847	3,750
Floor 3	3,000	4,055	3,750
Total	7,015	9,108	9,350

##### Units

Penthouse	2	1	1
Condo	1	4	8
Market Rate Rental	0	0	0
Community Housing	1	2	2
Total	4	7	11

##### Average Unit Size

Penthouse	3,000	3,000	3,000
Condo	515	1,326	656
Market Rate Rental	0	0	0
Community Housing	500	402	550
Community Housing Required	853	895	1,043
Fee in Lieu SF	353	91	-57

##### Rates/Prices

<b>For-Sale (Price per SF)</b>			
Penthouse	\$2,000	\$2,000	\$2,000
Condo	\$1,250	\$1,250	\$1,250
<b>For-Rent (Rent per SF)</b>			
Market Rate	\$4.00	\$4.00	\$4.00
Community Housing	\$2.36	\$2.93	\$2.14

#### PARKING

##### Parking Summary

Surface	2	3	3
Tuck Under	2	2	0
Podium	0	0	0
Underground Parking	0	0	0
Total	4	5	3

Table 1

Project Summary and Key Assumptions

Feasibility Model: Ketchum Ordinance 1234 - Corner Stana Option 1

Option		Option 1	Option 2	Option 3
<b>PROJECT COSTS</b>				
<b>Hard Costs</b>				
Land Cost	per land sf	\$235	\$235	\$235
Site Costs	per land sf	\$15	\$15	\$15
Surface Parking Costs	per space	\$3,500	\$3,500	\$3,500
Tuck Under Cost	per space	\$5,000	\$5,000	\$5,000
Building Cost - Podium	per sf	\$80	\$80	\$80
Building Cost - Underground Parking	per sf	\$450	\$450	\$450
Building Cost - Multifamily	per sf	\$850	\$850	\$850
Building Cost - Commercial	per sf	\$650	\$650	\$650
<b>PROJECT RETURN AND GAP</b>				
<b>PROJECT COST</b>				
Total Cost		\$11,441,568	\$11,749,335	\$13,137,436
Per GBA		\$1,129	\$1,171	\$1,148
Per Unit		\$2,860,392	\$1,678,476	\$1,194,312
<b>STATIC EVALUATION</b>				
<b>Return on Cost</b>				
Total Project Value		\$13,664,174	\$12,662,062	\$12,962,156
Total Project Cost		\$11,441,568	\$11,749,335	\$13,137,436
Project Return		\$2,222,607	\$912,727	-\$175,280
Return on Cost		19.4%	7.8%	-1.3%
Target		12%-15%	12%-15%	12%-15%
<b>TIME SERIES</b>				
<b>Return on Cost</b>				
<b>Project IRR</b>				
Hurdle Rate		9.15%	8.78%	8.78%
Actual Rate		11.4%	5.4%	1.1%
Gap/Surplus (NPV)		\$468,641	-\$555,017	-\$1,645,292
% of Total		4.1%	-4.7%	-12.5%

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Corner Lot-06-19-2023.xlsx]T-Summary

**Table 2**  
**Development Costs**  
**Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot**

Option:		Option 1	Option 2	Option 3
<b>PROGRAM</b>				
<b>Site Area</b>		<b>5,500</b>	<b>5,500</b>	<b>5,500</b>
<b>Multifamily Gross Area</b>				
Ground Level		-	1,425	2,444
Floor 2		4,455	4,305	4,500
Floor 3		3,491	4,305	4,500
<b>Multifamily Units</b>		<b>4</b>	<b>7</b>	<b>11</b>
<b>Commercial Gross Area</b>				
Ground Level		2,190	-	-
Floor 2		-	-	-
Floor 3		-	-	-
<b>Building Gross Area</b>				
Ground Level		2,190	1,425	2,444
Floor 2		4,455	4,305	4,500
Floor 3		3,491	4,305	4,500
<b>Parking</b>				
Surface Spaces		2	3	3
Tuck Under Spaces		2	2	-
Podium Area (sf)		-	-	-
Underground Parking Area (sf)		-	-	-
<b>PROJECT COSTS</b>				
<b>Acquisition and Site</b>		<b>\$ 1,375,000</b>	<b>\$ 1,375,000</b>	<b>\$ 1,375,000</b>
Acquisition Cost		\$ 1,292,500	\$ 1,292,500	\$ 1,292,500
General Site Costs		\$ 82,500	\$ 82,500	\$ 82,500
<i>Land Cost per Unit</i>		<i>\$323,125</i>	<i>\$184,643</i>	<i>\$117,500</i>
<b>Hard Costs</b>		<b>\$ 8,194,600</b>	<b>\$ 8,550,482</b>	<b>\$ 9,737,882</b>
Surface Parking Costs	\$3,500 per space	\$ 7,000	\$ 10,500	\$ 10,500
Tuck Under Cost	\$5,000 per space	\$ 10,000	\$ 10,000	-
Building Cost - Podium	\$80 per sf	\$ -	\$ -	\$ -
Building Cost - Underground Parking	\$450 per sf	\$ -	\$ -	\$ -
Building Cost - Multifamily	\$850 per sf	\$ 6,754,100	\$ 8,529,982	\$ 9,727,382
Building Cost - Commercial	\$650 per sf	\$ 1,423,500	\$ -	\$ -
<b>Soft Costs</b>		<b>\$ 1,871,968</b>	<b>\$ 1,823,853</b>	<b>\$ 2,024,555</b>
Design and Architecture	5.0% % of HC	\$ 409,730	\$ 427,524	\$ 486,894
Building Permits and Use Tax	5.0% % of HC	\$ 409,730	\$ 427,524	\$ 486,894
FF&E, Taxes, Insurance & Project Marketing	7.5% % of HC	\$ 614,595	\$ 641,286	\$ 730,341
Community Housing Fee in Lieu	\$450 per sf of CH	\$ 158,850	\$ 40,950	\$ -
Developer Fee	2.5% % of Total Cost	\$ 279,063	\$ 286,569	\$ 320,425
<b>% of Hard Costs</b>		<b>22.8%</b>	<b>21.3%</b>	<b>20.8%</b>
<b>TOTAL CONSTRUCTION COST</b>				
<b>TOTAL COST</b>		<b>\$ 11,441,568</b>	<b>\$ 11,749,335</b>	<b>\$ 13,137,436</b>
Per GBA		\$1,129	\$1,171	\$1,148
Per Unit		\$2,860,392	\$1,678,476	\$1,194,312

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Corner Lot-06-19-2023.xlsx\T-Cost

**Table 3**  
**Hurdle Rates**  
**Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot**

Description	Option 1	Option 2	Option 3
Multifamily	7,015	9,108	9,350
Commercial	1,450	0	0
Cap Rate			
Multifamily	4.50%	4.50%	4.50%
Commercial	6.50%	6.50%	6.50%
<b>Average</b>	<b>4.84%</b>	<b>4.50%</b>	<b>4.50%</b>
Discount Rate			
Multifamily	6.00%	6.00%	6.00%
Commercial	8.00%	8.00%	8.00%
<b>Average</b>	<b>6.34%</b>	<b>6.00%</b>	<b>6.00%</b>
Debt %	65.0%	65.0%	65.0%
Equity %	35.0%	35.0%	35.0%
Debt Rate	6.0%	6.0%	6.0%
Equity Rate	15.0%	13.9%	13.9%
<b>Average</b>	<b>9.15%</b>	<b>8.78%</b>	<b>8.78%</b>

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Cor

Option 1  
Operating Revenues and OpEx: Static  
Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot

Type	Factor	Rate	Lease Rate per year	Total Revenue	% of Total
<b>REVENUE</b>					
	Units	NRSF			
<b>Multifamily</b>		<b>7,015 NRSF</b>		<b>\$ 12,338,000</b>	
<b>For-Sale</b>	<b>3</b>				
Penthouse	2	6,000 NRSF	\$2,000.00 per sf	\$ 12,000,000	
Condo	1	515 NRSF	\$1,250.00 per sf	\$ 643,750	
Garage Spaces	4		\$50,000.00 per space	\$ 200,000	
Sales Cost	4% % of income		168,583 per unit	\$ (505,750)	
<b>Rental</b>	<b>1</b>			<b>\$ 14,132</b>	
Market Rate Rental	-	0 NRSF	\$4.00 per sf	\$ -	0.0% of PGI
Community Housing	1	500 NRSF	\$2.36 per sf	\$ 14,132	18.8% of PGI
<b>Other MF Income</b>				<b>\$ 120</b>	<b>0.2% of PGI</b>
Storage Units	50% of units	1 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Parking Revenue	100% of units	1 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Trash Fee	100% of units	1 units	\$10.0 per unit/mo	\$ 120	0.2% of PGI
Admin Income	100% of units	1 units	\$0.0 per unit/yr	\$ -	0.0% of PGI
<b>Commecial Income</b>				<b>\$ 60,900</b>	<b>81.0% of PGI</b>
Ground Level		1,450 sf	\$42.0 per sf	\$ 60,900	81.0% of PGI
Floor 2		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 3		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
<b>POTENTIAL GROSS INCOME (PGI)</b>				<b>\$ 75,152</b>	<b>100.0% of PGI</b>
Less: Vacancy (Residential)	5.0% per year			\$ (713)	-0.9% of PGI
Less: Vacancy (Commercial)	7.0% per year			\$ (4,263)	-5.7% of PGI
<b>EFFECTIVE GROSS INCOME (EGI)</b>				<b>\$ 70,176</b>	<b>93.4% of PGI</b>
<b>EXPENDITURES</b>					
<b>Variable Operating Expenses</b>	<b>\$ 2,899.00</b> per unit/yr.		<b>Adjustment</b>	<b>\$ (2,899)</b>	<b>4.1% of EGI</b>
Repairs & Maintenance	\$ 250.0 per unit/yr.	1 units	100% % of total	\$ (250)	0.4% of EGI
Service Contracts	\$ 200.0 per unit/yr.	1 units	100% % of total	\$ (200)	0.3% of EGI
Turnover Costs	\$ 199.0 per unit/yr.	1 units	100% % of total	\$ (199)	0.3% of EGI
Payroll (Inc. Taxes & Benefits)	\$ 1,250.0 per unit/yr.	1 units	100% % of total	\$ (1,250)	1.8% of EGI
Administrative	\$ 250.0 per unit/yr.	1 units	100% % of total	\$ (250)	0.4% of EGI
Leasing & Marketing	\$ 250.0 per unit/yr.	1 units	100% % of total	\$ (250)	0.4% of EGI
Utilities	\$ 500.0 per unit/yr.	1 units	100% % of total	\$ (500)	0.7% of EGI
<b>Non-Variable Expenses</b>			<b>Adjustment</b>	<b>\$ (2,756)</b>	<b>3.9% of EGI</b>
Property Taxes	0.00% % of value	\$1,326,174 total val.	100% % of total	\$ -	0.0% of EGI
Insurance	\$ 300.0 per unit/yr.	1 units	100% % of total	\$ (300)	0.4% of EGI
Management Fee	3.5% of EGI	\$70,176 EGI	100% % of total	\$ (2,456)	3.5% of EGI
DDA	- mill levy	\$0 total val.	0% % of total	\$ -	0.0% of EGI
			100% % of total	\$ -	0.0% of EGI
<b>TOTAL OPERATING EXPENSES</b>				<b>\$ (5,655)</b>	<b>8.1% of EGI</b>
<b>Replacement Reserves</b>			<b>Adjustment</b>	<b>\$ (300)</b>	<b>0.4% of EGI</b>
Replacement Reserves	\$ 300.0 per unit/yr.	1 units	100% % of total	\$ (300)	0.4% of EGI
<b>TOTAL EXPENSES</b>				<b>\$ (5,955)</b>	<b>8.5% of EGI</b>
<b>UNLEVERAGED RETURN METRICS</b>					
<b>Net Operating Income</b>				<b>\$ 64,221</b>	<b>91.5% of EGI</b>
<b>Est. Rental Value</b>				<b>\$ 1,326,174</b>	<b>4.8% Cap rate</b>
<b>Sale Revenue</b>				<b>\$ 12,338,000</b>	
<b>Total Project Value</b>				<b>\$ 13,664,174</b>	
<b>Total Project Cost</b>				<b>\$ 11,441,568</b>	
<b>Project Return</b>				<b>\$ 2,222,607</b>	
<b>Return on Cost</b>				<b>19.43%</b>	
<b>Hurdle Rate</b>				<b>12.00%</b>	

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feeability Models\233053-MODEL-Corner Lot-06-19-2023.xlsm]T-Operating-1

Option 1  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot

\*continued on next page

Description	Factor	Escalation	Total	Year 0	Year 1	Year 2	Year 3	Year 4
<b>DEVELOPMENT COSTS</b>								
<b>% of Cost</b>								
Acquisition and Site			100%	100%	0%	0%	0%	0%
Hard Costs			100%	35%	65%	0%	0%	0%
Soft Costs			100%	65%	35%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$11,441,568</b>	<b>-\$5,459,889</b>	<b>-\$5,981,679</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	-\$1,375,000	\$0	\$0	\$0	\$0
Hard Costs	\$8,194,600	0.0%	-\$8,194,600	-\$2,868,110	-\$5,326,490	\$0	\$0	\$0
Soft Costs	\$1,871,968	0.0%	-\$1,871,968	-\$1,216,779	-\$655,189	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$11,441,568</b>	<b>-\$5,459,889</b>	<b>-\$5,981,679</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>								
<b>% of Revenue</b>								
Residential Rental Income				0%	0%	50%	100%	100%
Residential Sales				0%	25%	50%	25%	0%
Commercial Income				0%	0%	50%	100%	100%
Operating Expenditures				0%	0%	50%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$0</b>	<b>\$0</b>	<b>\$36,506</b>	<b>\$74,472</b>	<b>\$75,961</b>
Residential Rental Income	\$14,252	2.0%		\$0	\$0	\$7,414	\$15,124	\$15,427
Commercial Income	\$60,900	2.0%		\$0	\$0	\$31,680	\$64,628	\$65,920
Multifamily Vacancy	5.0%			\$0	\$0	-\$371	-\$756	-\$771
Commercial Vacancy	7.0%			\$0	\$0	-\$2,218	-\$4,524	-\$4,614
<b>Operating Expenses</b>				<b>\$0</b>	<b>\$0</b>	<b>-\$3,098</b>	<b>-\$6,320</b>	<b>-\$6,446</b>
Operating Expenditures	-\$5,955	2.0%		\$0	\$0	-\$3,098	-\$6,320	-\$6,446
<b>Net Operating Income</b>				<b>\$0</b>	<b>\$0</b>	<b>\$33,408</b>	<b>\$68,152</b>	<b>\$69,515</b>
<b>DISPOSITION REVENUE</b>								
<b>Gross Revenue</b>			<b>\$14,492,681</b>	<b>\$0</b>	<b>\$3,210,938</b>	<b>\$6,421,875</b>	<b>\$3,210,938</b>	<b>\$0</b>
Residential Sales	\$12,843,750		\$12,843,750	\$0	\$3,210,938	\$6,421,875	\$3,210,938	\$0
Rental Asset Sales	4.84% cap rate	Year 10	\$1,648,931	\$0	\$0	\$0	\$0	\$0
<b>Cost of Sale</b>			<b>-\$538,484</b>	<b>\$0</b>	<b>-\$128,438</b>	<b>-\$256,875</b>	<b>-\$128,438</b>	<b>\$0</b>
Residential Sales	4.0%		-\$513,750	\$0	-\$128,438	-\$256,875	-\$128,438	\$0
Rental Asset Sales	1.5%		-\$24,734	\$0	\$0	\$0	\$0	\$0
<b>Project Net Sale Revenue</b>			<b>\$13,954,197</b>	<b>\$0</b>	<b>\$3,082,500</b>	<b>\$6,165,000</b>	<b>\$3,082,500</b>	<b>\$0</b>
<b>PROJECT CASH FLOWS</b>								
<b>Net Project Cash Flows</b>			<b>\$3,130,984</b>	<b>-\$5,459,889</b>	<b>-\$2,899,179</b>	<b>\$6,198,408</b>	<b>\$3,150,652</b>	<b>\$69,515</b>
Construction Costs			-\$11,441,568	-\$5,459,889	-\$5,981,679	\$0	\$0	\$0
Net Operating Income			\$618,354	\$0	\$0	\$33,408	\$68,152	\$69,515
Project Disposition Income			\$13,954,197	\$0	\$3,082,500	\$6,165,000	\$3,082,500	\$0
<b>Net Present Value</b>	9.15%		<b>\$468,641</b>	<b>-\$5,459,889</b>	<b>-\$2,656,142</b>	<b>\$5,202,747</b>	<b>\$2,422,865</b>	<b>\$48,976</b>
<b>Project IRR</b>			<b>11.45%</b>					

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Modele\Feasibility Models\233053-MODEL-Corner Lot-06-19-2023.xlsx[T-Time Series-1



Option 1  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot

Description	Factor	Escalation	Total	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>DEVELOPMENT COSTS</b>									
<b>% of Cost</b>									
Acquisition and Site			100%	0%	0%	0%	0%	0%	0%
Hard Costs			100%	0%	0%	0%	0%	0%	0%
Soft Costs			100%	0%	0%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$11,441,568</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	\$0	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$8,194,600	0.0%	-\$8,194,600	\$0	\$0	\$0	\$0	\$0	\$0
Soft Costs	\$1,871,968	0.0%	-\$1,871,968	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$11,441,568</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>									
<b>% of Revenue</b>									
Residential Rental Income				100%	100%	100%	100%	100%	100%
Residential Sales				0%	0%	0%	0%	0%	0%
Commercial Income				100%	100%	100%	100%	100%	100%
Operating Expenditures				100%	100%	100%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$77,480</b>	<b>\$79,030</b>	<b>\$80,611</b>	<b>\$82,223</b>	<b>\$83,867</b>	<b>\$85,545</b>
Residential Rental Income	\$14,252	2.0%		\$15,735	\$16,050	\$16,371	\$16,698	\$17,032	\$17,373
Commercial Income	\$60,900	2.0%		\$67,239	\$68,583	\$69,955	\$71,354	\$72,781	\$74,237
Multifamily Vacancy	5.0%			-\$787	-\$802	-\$819	-\$835	-\$852	-\$869
Commercial Vacancy	7.0%			-\$4,707	-\$4,801	-\$4,897	-\$4,995	-\$5,095	-\$5,197
<b>Operating Expenses</b>				<b>-\$6,575</b>	<b>-\$6,706</b>	<b>-\$6,841</b>	<b>-\$6,977</b>	<b>-\$7,117</b>	<b>-\$7,259</b>
Operating Expenditures	-\$5,955	2.0%		-\$6,575	-\$6,706	-\$6,841	-\$6,977	-\$7,117	-\$7,259
<b>Net Operating Income</b>				<b>\$70,905</b>	<b>\$72,323</b>	<b>\$73,770</b>	<b>\$75,245</b>	<b>\$76,750</b>	<b>\$78,285</b>
<b>DISPOSITION REVENUE</b>									
<b>Gross Revenue</b>			<b>\$14,492,681</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,648,931</b>
Residential Sales	\$12,843,750		\$12,843,750	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	4.84% cap rate	Year 10	\$1,648,931	\$0	\$0	\$0	\$0	\$0	\$1,648,931
<b>Cost of Sale</b>			<b>-\$538,484</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$24,734</b>
Residential Sales	4.0%		-\$513,750	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	1.5%		-\$24,734	\$0	\$0	\$0	\$0	\$0	-\$24,734
<b>Project Net Sale Revenue</b>			<b>\$13,954,197</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,624,197</b>
<b>PROJECT CASH FLOWS</b>									
<b>Net Project Cash Flows</b>			<b>\$3,130,984</b>	<b>\$70,905</b>	<b>\$72,323</b>	<b>\$73,770</b>	<b>\$75,245</b>	<b>\$76,750</b>	<b>\$1,702,482</b>
Construction Costs			-\$11,441,568	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income			\$618,354	\$70,905	\$72,323	\$73,770	\$75,245	\$76,750	\$78,285
Project Disposition Income			\$13,954,197	\$0	\$0	\$0	\$0	\$0	\$1,624,197
<b>Net Present Value</b>	9.15%		<b>\$468,641</b>	<b>\$45,768</b>	<b>\$42,770</b>	<b>\$39,968</b>	<b>\$37,350</b>	<b>\$34,903</b>	<b>\$709,325</b>
<b>Project IRR</b>			<b>11.45%</b>						

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Modele\Feasibility Models\233053-MODEL-Corner Lot-06-19-2023.xlsm[T-T]

Option 2  
Operating Revenues and OpEx: Static  
Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot

Type	Factor	Rate	Lease Rate per year	Total Revenue	% of Total
<b>REVENUE</b>					
	Units	NRSF			
<b>Multifamily</b>		<b>9,108 NRSF</b>		<b>\$ 12,374,800</b>	
<b>For-Sale</b>	<b>5</b>				
Penthouse	1	3,000 NRSF	\$2,000.00 per sf	\$ 6,000,000	
Condo	4	5,304 NRSF	\$1,250.00 per sf	\$ 6,630,000	
Garage Spaces	5		\$50,000.00 per space	\$ 250,000	
Sales Cost	4% % of income		101,040 per unit	\$ (505,200)	
<b>Rental</b>	<b>2</b>			<b>\$ 22,724</b>	
Market Rate Rental	-	0 NRSF	\$4.00 per sf	\$ -	0.0% of PGI
Community Housing	2	804 NRSF	\$2.36 per sf	\$ 22,724	99.0% of PGI
<b>Other MF Income</b>				<b>\$ 240</b>	<b>1.0% of PGI</b>
Storage Units	50% of units	2 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Parking Revenue	100% of units	0 units	\$50.0 per unit/mo	\$ -	0.0% of PGI
Trash Fee	100% of units	2 units	\$10.0 per unit/mo	\$ 240	1.0% of PGI
Admin Income	100% of units	2 units	\$0.0 per unit/yr	\$ -	0.0% of PGI
<b>Commecial Income</b>				<b>\$ -</b>	<b>0.0% of PGI</b>
Ground Level		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 2		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 3		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
<b>POTENTIAL GROSS INCOME (PGI)</b>				<b>\$ 22,964</b>	<b>100.0% of PGI</b>
Less: Vacancy (Residential)	5.0% per year			\$ (1,148)	-5.0% of PGI
Less: Vacancy (Commercial)	7.0% per year			\$ -	0.0% of PGI
<b>EFFECTIVE GROSS INCOME (EGI)</b>				<b>\$ 21,816</b>	<b>95.0% of PGI</b>
<b>EXPENDITURES</b>					
<b>Variable Operating Expenses</b>	<b>\$ 2,899.00</b> per unit/yr.		<b>Adjustment</b>	<b>\$ (5,798)</b>	<b>26.6% of EGI</b>
Repairs & Maintenance	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	2.3% of EGI
Service Contracts	\$ 200.0 per unit/yr.	2 units	100% % of total	\$ (400)	1.8% of EGI
Turnover Costs	\$ 199.0 per unit/yr.	2 units	100% % of total	\$ (398)	1.8% of EGI
Payroll (Inc. Taxes & Benefits)	\$ 1,250.0 per unit/yr.	2 units	100% % of total	\$ (2,500)	11.5% of EGI
Administrative	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	2.3% of EGI
Leasing & Marketing	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	2.3% of EGI
Utilities	\$ 500.0 per unit/yr.	2 units	100% % of total	\$ (1,000)	4.6% of EGI
<b>Non-Variable Expenses</b>			<b>Adjustment</b>	<b>\$ (2,491)</b>	<b>11.4% of EGI</b>
Property Taxes	0.39% % of value	\$287,262 total val.	100% % of total	\$ (1,128)	5.2% of EGI
Insurance	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	2.8% of EGI
Management Fee	3.5% of EGI	\$21,816 EGI	100% % of total	\$ (764)	3.5% of EGI
DDA	- mill levy	\$0 total val.	0% % of total	\$ -	0.0% of EGI
			100% % of total	\$ -	0.0% of EGI
<b>TOTAL OPERATING EXPENSES</b>				<b>\$ (8,289)</b>	<b>38.0% of EGI</b>
<b>Replacement Reserves</b>			<b>Adjustment</b>	<b>\$ (600)</b>	<b>2.8% of EGI</b>
Replacement Reserves	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	2.8% of EGI
<b>TOTAL EXPENSES</b>				<b>\$ (8,889)</b>	<b>40.7% of EGI</b>
<b>UNLEVERAGED RETURN METRICS</b>					
<b>Net Operating Income</b>				<b>\$ 12,927</b>	<b>59.3% of EGI</b>
<b>Est. Rental Value</b>				<b>\$ 287,262</b>	<b>4.5% Cap rate</b>
<b>Sale Revenue</b>				<b>\$ 12,374,800</b>	
<b>Total Project Value</b>				<b>\$ 12,662,062</b>	
<b>Total Project Cost</b>				<b>\$ 11,749,335</b>	
<b>Project Return</b>				<b>\$ 912,727</b>	
<b>Return on Cost</b>				<b>7.77%</b>	
<b>Hurdle Rate</b>				<b>12.00%</b>	

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Corner Lot-06-19-2023.xlsm]T-Operating-2

Option 2  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot

\*continued on next page

Description	Factor	Escalation	Total	Year 0	Year 1	Year 2	Year 3	Year 4
<b>DEVELOPMENT COSTS</b>								
<b>% of Cost</b>								
Acquisition and Site			100%	100%	0%	0%	0%	0%
Hard Costs			100%	35%	65%	0%	0%	0%
Soft Costs			100%	65%	35%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$11,749,335</b>	<b>-\$5,553,173</b>	<b>-\$6,196,162</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	-\$1,375,000	\$0	\$0	\$0	\$0
Hard Costs	\$8,550,482	0.0%	-\$8,550,482	-\$2,992,669	-\$5,557,813	\$0	\$0	\$0
Soft Costs	\$1,823,853	0.0%	-\$1,823,853	-\$1,185,505	-\$638,349	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$11,749,335</b>	<b>-\$5,553,173</b>	<b>-\$6,196,162</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>								
<b>% of Revenue</b>								
Residential Rental Income				0%	0%	50%	100%	100%
Residential Sales				0%	25%	50%	25%	0%
Commercial Income				0%	0%	50%	100%	100%
Operating Expenditures				0%	0%	50%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$0</b>	<b>\$0</b>	<b>\$11,349</b>	<b>\$23,151</b>	<b>\$23,614</b>
Residential Rental Income	\$22,964	2.0%		\$0	\$0	\$11,946	\$24,370	\$24,857
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			\$0	\$0	-\$597	-\$1,218	-\$1,243
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>\$0</b>	<b>\$0</b>	<b>-\$4,624</b>	<b>-\$9,433</b>	<b>-\$9,622</b>
Operating Expenditures	-\$8,889	2.0%		\$0	\$0	-\$4,624	-\$9,433	-\$9,622
<b>Net Operating Income</b>				<b>\$0</b>	<b>\$0</b>	<b>\$6,725</b>	<b>\$13,718</b>	<b>\$13,992</b>
<b>DISPOSITION REVENUE</b>								
<b>Gross Revenue</b>			<b>\$13,237,174</b>	<b>\$0</b>	<b>\$3,220,000</b>	<b>\$6,440,000</b>	<b>\$3,220,000</b>	<b>\$0</b>
Residential Sales	\$12,880,000		\$12,880,000	\$0	\$3,220,000	\$6,440,000	\$3,220,000	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$357,174	\$0	\$0	\$0	\$0	\$0
<b>Cost of Sale</b>			<b>-\$520,558</b>	<b>\$0</b>	<b>-\$128,800</b>	<b>-\$257,600</b>	<b>-\$128,800</b>	<b>\$0</b>
Residential Sales	4.0%		-\$515,200	\$0	-\$128,800	-\$257,600	-\$128,800	\$0
Rental Asset Sales	1.5%		-\$5,358	\$0	\$0	\$0	\$0	\$0
<b>Project Net Sale Revenue</b>			<b>\$12,716,617</b>	<b>\$0</b>	<b>\$3,091,200</b>	<b>\$6,182,400</b>	<b>\$3,091,200</b>	<b>\$0</b>
<b>PROJECT CASH FLOWS</b>								
<b>Net Project Cash Flows</b>			<b>\$1,091,747</b>	<b>-\$5,553,173</b>	<b>-\$3,104,962</b>	<b>\$6,189,125</b>	<b>\$3,104,918</b>	<b>\$13,992</b>
Construction Costs			-\$11,749,335	-\$5,553,173	-\$6,196,162	\$0	\$0	\$0
Net Operating Income			\$124,466	\$0	\$0	\$6,725	\$13,718	\$13,992
Project Disposition Income			\$12,716,617	\$0	\$3,091,200	\$6,182,400	\$3,091,200	\$0
<b>Net Present Value</b>	8.78%		<b>-\$555,017</b>	<b>-\$5,553,173</b>	<b>-\$2,854,387</b>	<b>\$5,230,490</b>	<b>\$2,412,236</b>	<b>\$9,994</b>
<b>Project IRR</b>			<b>5.42%</b>					

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feeability Models\233053-MODEL-Corner Lot-06-19-2023.xlsx[T-Time Series-2]

Option 2  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot

Description	Factor	Escalation	Total	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>DEVELOPMENT COSTS</b>									
<b>% of Cost</b>									
Acquisition and Site			100%	0%	0%	0%	0%	0%	0%
Hard Costs			100%	0%	0%	0%	0%	0%	0%
Soft Costs			100%	0%	0%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$11,749,335</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	\$0	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$8,550,482	0.0%	-\$8,550,482	\$0	\$0	\$0	\$0	\$0	\$0
Soft Costs	\$1,823,853	0.0%	-\$1,823,853	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$11,749,335</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>									
<b>% of Revenue</b>									
Residential Rental Income				100%	100%	100%	100%	100%	100%
Residential Sales				0%	0%	0%	0%	0%	0%
Commercial Income				100%	100%	100%	100%	100%	100%
Operating Expenditures				100%	100%	100%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$24,087</b>	<b>\$24,568</b>	<b>\$25,060</b>	<b>\$25,561</b>	<b>\$26,072</b>	<b>\$26,593</b>
Residential Rental Income	\$22,964	2.0%		\$25,354	\$25,861	\$26,379	\$26,906	\$27,444	\$27,993
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			-\$1,268	-\$1,293	-\$1,319	-\$1,345	-\$1,372	-\$1,400
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>-\$9,814</b>	<b>-\$10,011</b>	<b>-\$10,211</b>	<b>-\$10,415</b>	<b>-\$10,623</b>	<b>-\$10,836</b>
Operating Expenditures	-\$8,889	2.0%		-\$9,814	-\$10,011	-\$10,211	-\$10,415	-\$10,623	-\$10,836
<b>Net Operating Income</b>				<b>\$14,272</b>	<b>\$14,558</b>	<b>\$14,849</b>	<b>\$15,146</b>	<b>\$15,449</b>	<b>\$15,758</b>
<b>DISPOSITION REVENUE</b>									
<b>Gross Revenue</b>			<b>\$13,237,174</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$357,174</b>
Residential Sales	\$12,880,000		\$12,880,000	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$357,174	\$0	\$0	\$0	\$0	\$0	\$357,174
<b>Cost of Sale</b>			<b>-\$520,558</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$5,358</b>
Residential Sales	4.0%		-\$515,200	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	1.5%		-\$5,358	\$0	\$0	\$0	\$0	\$0	-\$5,358
<b>Project Net Sale Revenue</b>			<b>\$12,716,617</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$351,817</b>
<b>PROJECT CASH FLOWS</b>									
<b>Net Project Cash Flows</b>			<b>\$1,091,747</b>	<b>\$14,272</b>	<b>\$14,558</b>	<b>\$14,849</b>	<b>\$15,146</b>	<b>\$15,449</b>	<b>\$367,574</b>
Construction Costs			-\$11,749,335	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income			\$124,466	\$14,272	\$14,558	\$14,849	\$15,146	\$15,449	\$15,758
Project Disposition Income			\$12,716,617	\$0	\$0	\$0	\$0	\$0	\$351,817
<b>Net Present Value</b>	8.78%		<b>-\$555,017</b>	<b>\$9,371</b>	<b>\$8,787</b>	<b>\$8,239</b>	<b>\$7,726</b>	<b>\$7,244</b>	<b>\$158,457</b>
<b>Project IRR</b>			<b>5.42%</b>						

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Corner Lot-06-19-2023.xlsx[T-T]

Option 3  
Operating Revenues and OpEx: Static  
Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot

Type	Factor	Rate	Lease Rate per year	Total Revenue	% of Total
<b>REVENUE</b>					
	Units	NRSF			
<b>Multifamily</b>		<b>8,250 NRSF</b>		<b>\$ 12,210,000</b>	
<b>For-Sale</b>	<b>9</b>				
Penthouse	1	3,000 NRSF	\$2,000.00 per sf	\$ 6,000,000	
Condo	8	5,250 NRSF	\$1,250.00 per sf	\$ 6,562,500	
Garage Spaces	3		\$50,000.00 per space	\$ 150,000	
Sales Cost	4% % of income		55,833 per unit	\$ (502,500)	
<b>Rental</b>	<b>2</b>			<b>\$ 47,535</b>	
Market Rate Rental	-	0 NRSF	\$4.00 per sf	\$ -	0.0% of PGI
Community Housing	2	1,850 NRSF	\$2.14 per sf	\$ 47,535	99.5% of PGI
<b>Other MF Income</b>				<b>\$ 240</b>	<b>0.5% of PGI</b>
Storage Units	50% of units	2 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Parking Revenue	100% of units	0 units	\$50.0 per unit/mo	\$ -	0.0% of PGI
Trash Fee	100% of units	2 units	\$10.0 per unit/mo	\$ 240	0.5% of PGI
Admin Income	100% of units	2 units	\$0.0 per unit/yr	\$ -	0.0% of PGI
<b>Commecial Income</b>				<b>\$ -</b>	<b>0.0% of PGI</b>
Ground Level		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 2		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 3		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
<b>POTENTIAL GROSS INCOME (PGI)</b>				<b>\$ 47,775</b>	<b>100.0% of PGI</b>
Less: Vacancy (Residential)	5.0% per year			\$ (2,389)	-5.0% of PGI
Less: Vacancy (Commercial)	7.0% per year			\$ -	0.0% of PGI
<b>EFFECTIVE GROSS INCOME (EGI)</b>				<b>\$ 45,386</b>	<b>95.0% of PGI</b>
<b>EXPENDITURES</b>					
<b>Variable Operating Expenses</b>	<b>\$ 2,899.00</b> per unit/yr.		<b>Adjustment</b>	<b>\$ (5,798)</b>	<b>12.8% of EGI</b>
Repairs & Maintenance	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.1% of EGI
Service Contracts	\$ 200.0 per unit/yr.	2 units	100% % of total	\$ (400)	0.9% of EGI
Turnover Costs	\$ 199.0 per unit/yr.	2 units	100% % of total	\$ (398)	0.9% of EGI
Payroll (Inc. Taxes & Benefits)	\$ 1,250.0 per unit/yr.	2 units	100% % of total	\$ (2,500)	5.5% of EGI
Administrative	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.1% of EGI
Leasing & Marketing	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	1.1% of EGI
Utilities	\$ 500.0 per unit/yr.	2 units	100% % of total	\$ (1,000)	2.2% of EGI
<b>Non-Variable Expenses</b>			<b>Adjustment</b>	<b>\$ (5,141)</b>	<b>11.3% of EGI</b>
Property Taxes	0.39% % of value	\$752,156 total val.	100% % of total	\$ (2,952)	6.5% of EGI
Insurance	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	1.3% of EGI
Management Fee	3.5% of EGI	\$45,386 EGI	100% % of total	\$ (1,589)	3.5% of EGI
DDA	- mill levy	\$0 total val.	0% % of total	\$ -	0.0% of EGI
			100% % of total	\$ -	0.0% of EGI
<b>TOTAL OPERATING EXPENSES</b>				<b>\$ (10,939)</b>	<b>24.1% of EGI</b>
<b>Replacement Reserves</b>			<b>Adjustment</b>	<b>\$ (600)</b>	<b>1.3% of EGI</b>
Replacement Reserves	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	1.3% of EGI
<b>TOTAL EXPENSES</b>				<b>\$ (11,539)</b>	<b>25.4% of EGI</b>
<b>UNLEVERAGED RETURN METRICS</b>					
<b>Net Operating Income</b>				<b>\$ 33,847</b>	<b>74.6% of EGI</b>
<b>Est. Rental Value</b>				<b>\$ 752,156</b>	<b>4.5% cap rate</b>
<b>Sale Revenue</b>				<b>\$ 12,210,000</b>	
<b>Total Project Value</b>				<b>\$ 12,962,156</b>	
<b>Total Project Cost</b>				<b>\$ 13,137,436</b>	
<b>Project Return</b>				<b>\$ (175,280)</b>	
<b>Return on Cost</b>				<b>-1.33%</b>	
<b>Hurdle Rate</b>				<b>12.00%</b>	

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Corner Lot-06-19-2023.xlsm]T-Operating-3

Option 3  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot

\*continued on next page

Description	Factor	Escalation	Total	Year 0	Year 1	Year 2	Year 3	Year 4
<b>DEVELOPMENT COSTS</b>								
<b>% of Cost</b>								
Acquisition and Site			100%	100%	0%	0%	0%	0%
Hard Costs			100%	35%	65%	0%	0%	0%
Soft Costs			100%	65%	35%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$13,137,436</b>	<b>-\$6,099,219</b>	<b>-\$7,038,217</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	-\$1,375,000	\$0	\$0	\$0	\$0
Hard Costs	\$9,737,882	0.0%	-\$9,737,882	-\$3,408,259	-\$6,329,623	\$0	\$0	\$0
Soft Costs	\$2,024,555	0.0%	-\$2,024,555	-\$1,315,960	-\$708,594	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$13,137,436</b>	<b>-\$6,099,219</b>	<b>-\$7,038,217</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>								
<b>% of Revenue</b>								
Residential Rental Income				0%	0%	50%	100%	100%
Residential Sales				0%	25%	50%	25%	0%
Commercial Income				0%	0%	50%	100%	100%
Operating Expenditures				0%	0%	50%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$0</b>	<b>\$0</b>	<b>\$23,610</b>	<b>\$48,164</b>	<b>\$49,127</b>
Residential Rental Income	\$47,775	2.0%		\$0	\$0	\$24,852	\$50,699	\$51,713
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			\$0	\$0	-\$1,243	-\$2,535	-\$2,586
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>\$0</b>	<b>\$0</b>	<b>-\$6,003</b>	<b>-\$12,245</b>	<b>-\$12,490</b>
Operating Expenditures	-\$11,539	2.0%		\$0	\$0	-\$6,003	-\$12,245	-\$12,490
<b>Net Operating Income</b>				<b>\$0</b>	<b>\$0</b>	<b>\$17,607</b>	<b>\$35,919</b>	<b>\$36,637</b>
<b>DISPOSITION REVENUE</b>								
<b>Gross Revenue</b>			<b>\$13,647,711</b>	<b>\$0</b>	<b>\$3,178,125</b>	<b>\$6,356,250</b>	<b>\$3,178,125</b>	<b>\$0</b>
Residential Sales	\$12,712,500		\$12,712,500	\$0	\$3,178,125	\$6,356,250	\$3,178,125	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$935,211	\$0	\$0	\$0	\$0	\$0
<b>Cost of Sale</b>			<b>-\$522,528</b>	<b>\$0</b>	<b>-\$127,125</b>	<b>-\$254,250</b>	<b>-\$127,125</b>	<b>\$0</b>
Residential Sales	4.0%		-\$508,500	\$0	-\$127,125	-\$254,250	-\$127,125	\$0
Rental Asset Sales	1.5%		-\$14,028	\$0	\$0	\$0	\$0	\$0
<b>Project Net Sale Revenue</b>			<b>\$13,125,183</b>	<b>\$0</b>	<b>\$3,051,000</b>	<b>\$6,102,000</b>	<b>\$3,051,000</b>	<b>\$0</b>
<b>PROJECT CASH FLOWS</b>								
<b>Net Project Cash Flows</b>			<b>\$313,643</b>	<b>-\$6,099,219</b>	<b>-\$3,987,217</b>	<b>\$6,119,607</b>	<b>\$3,086,919</b>	<b>\$36,637</b>
Construction Costs			-\$13,137,436	-\$6,099,219	-\$7,038,217	\$0	\$0	\$0
Net Operating Income			\$325,897	\$0	\$0	\$17,607	\$35,919	\$36,637
Project Disposition Income			\$13,125,183	\$0	\$3,051,000	\$6,102,000	\$3,051,000	\$0
<b>Net Present Value</b>	8.78%		<b>-\$1,645,292</b>	<b>-\$6,099,219</b>	<b>-\$3,665,443</b>	<b>\$5,171,740</b>	<b>\$2,398,253</b>	<b>\$26,167</b>
<b>Project IRR</b>			<b>1.13%</b>					

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN233053-Ketchum Retail and Feasibility Study\Models\Feeability Models\T233053-MODEL-Corner Lot-06-19-2023.xlsm[T-Time Series-3

Option 3  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Corner Stanadard Lot

Description	Factor	Escalation	Total	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>DEVELOPMENT COSTS</b>									
<b>% of Cost</b>									
Acquisition and Site			100%	0%	0%	0%	0%	0%	0%
Hard Costs			100%	0%	0%	0%	0%	0%	0%
Soft Costs			100%	0%	0%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$13,137,436</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,375,000	0.0%	-\$1,375,000	\$0	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$9,737,882	0.0%	-\$9,737,882	\$0	\$0	\$0	\$0	\$0	\$0
Soft Costs	\$2,024,555	0.0%	-\$2,024,555	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$13,137,436</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>									
<b>% of Revenue</b>									
Residential Rental Income				100%	100%	100%	100%	100%	100%
Residential Sales				0%	0%	0%	0%	0%	0%
Commercial Income				100%	100%	100%	100%	100%	100%
Operating Expenditures				100%	100%	100%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$50,110</b>	<b>\$51,112</b>	<b>\$52,134</b>	<b>\$53,177</b>	<b>\$54,240</b>	<b>\$55,325</b>
Residential Rental Income	\$47,775	2.0%		\$52,747	\$53,802	\$54,878	\$55,976	\$57,095	\$58,237
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			-\$2,637	-\$2,690	-\$2,744	-\$2,799	-\$2,855	-\$2,912
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>-\$12,740</b>	<b>-\$12,995</b>	<b>-\$13,255</b>	<b>-\$13,520</b>	<b>-\$13,790</b>	<b>-\$14,066</b>
Operating Expenditures	-\$11,539	2.0%		-\$12,740	-\$12,995	-\$13,255	-\$13,520	-\$13,790	-\$14,066
<b>Net Operating Income</b>				<b>\$37,370</b>	<b>\$38,117</b>	<b>\$38,880</b>	<b>\$39,657</b>	<b>\$40,450</b>	<b>\$41,259</b>
<b>DISPOSITION REVENUE</b>									
<b>Gross Revenue</b>			<b>\$13,647,711</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$935,211</b>
Residential Sales	\$12,712,500		\$12,712,500	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$935,211	\$0	\$0	\$0	\$0	\$0	\$935,211
<b>Cost of Sale</b>			<b>-\$522,528</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$14,028</b>
Residential Sales	4.0%		-\$508,500	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	1.5%		-\$14,028	\$0	\$0	\$0	\$0	\$0	-\$14,028
<b>Project Net Sale Revenue</b>			<b>\$13,125,183</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$921,183</b>
<b>PROJECT CASH FLOWS</b>									
<b>Net Project Cash Flows</b>			<b>\$313,643</b>	<b>\$37,370</b>	<b>\$38,117</b>	<b>\$38,880</b>	<b>\$39,657</b>	<b>\$40,450</b>	<b>\$962,443</b>
Construction Costs			-\$13,137,436	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income			\$325,897	\$37,370	\$38,117	\$38,880	\$39,657	\$40,450	\$41,259
Project Disposition Income			\$13,125,183	\$0	\$0	\$0	\$0	\$0	\$921,183
<b>Net Present Value</b>	8.78%		<b>-\$1,645,292</b>	<b>\$24,536</b>	<b>\$23,007</b>	<b>\$21,573</b>	<b>\$20,229</b>	<b>\$18,968</b>	<b>\$414,897</b>
<b>Project IRR</b>			<b>1.13%</b>						

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feeability Models\233053-MODEL-Corner Lot-06-19-2023.xlsm[T-Tir

*The Economics of Land Use*



## **Draft Financial Model**

## **Feasibility Model: Ketchum Ordinance 1234 - Interior Long Lot**

### **Prepared for:**

City of Ketchum

### **Prepared by:**

Economic & Planning Systems, Inc.

*Economic & Planning Systems, Inc.  
730 17th Street, Suite 630  
Denver, CO 80202-3511  
303 623 3557 tel  
303 623 9049 fax*

*Berkeley  
Sacramento  
Denver*

**[www.epsys.com](http://www.epsys.com)**

### **Date:**

June 21, 2023

EPS #233053



Table 1  
Project Summary and Key Assumptions  
Feasibility Model: Ketchum Ordinance 1234 - Interior Long Lot

Option 1

Option	Option 1	Option 2
Description	Interior Long Lot - Mixed-Use <30% Commercial Minimum Residential Density	Interior Long Lot - 100% Residential Minimum Density
Zoning Description	Mixed-Use	Mixed-Use
Stories	3-Story	3-Story
Parking	Tuck Under / Surface	Tuck Under / Surface

## LOT AREA

Front (Feet)	55	55
Side (Feet)	150	150
Total Area (sf)	8,250	8,250
Total Area (ac)	0.19	0.19

## Commercial

## Gross Building Area

Ground Level	5,360	0
Floor 2	0	0
Floor 3	0	0
Total	5,360	0

## Efficiency Factor

57% 0%

## Net Leasable Area

Ground Level	3,033	0
Floor 2	0	0
Floor 3	0	0
Total	3,033	0

## Average Rental Rate (NNN)

\$42.0 \$42.0

## MULTIFAMILY

## Gross Building Area

Ground Level	0	5,360
Floor 2	6,130	6,130
Floor 3	6,130	6,130
Total	12,260	17,620

## Efficiency Factor

92.9% 76.6%

## Net Leasable Area

Ground Level	0	2,250
Floor 2	5,625	5,625
Floor 3	5,760	5,625
Total	11,385	13,500

## Units

Penthouse	3	2
Condo	2	7
Market Rate Rental	0	0
Community Housing	1	2
Total	6	11

## Average Unit Size

Penthouse	2,920	3,000
Condo	750	857
Market Rate Rental	0	0
Community Housing	1,125	750
Required Community Housing	1,593	1,593
Fee-In-Lieu SF	468	93

## Rates/Prices

## For-Sale (Price per SF)

Penthouse	\$2,000	\$2,000
Condo	\$1,250	\$1,250

## For-Rent (Rent per SF)

Market Rate	\$4.00	\$4.00
Community Housing	\$1.12	\$1.68

## PARKING

## Parking Summary

Surface	2	2
Tuck Under	4	4
Podium	0	0
Underground Parking	0	0
Total	6	6

## PROJECT COSTS

## Hard Costs

Land Cost	per land sf	\$200	\$200
Site Costs	per land sf	\$15	\$15
Surface Parking Costs	per space	\$3,500	\$3,500
Tuck Under Cost	per space	\$5,000	\$5,000
Building Cost - Podium	per sf	\$80	\$80
Building Cost - Underground Parking	per sf	\$450	\$450
Building Cost - Multifamily	per sf	\$850	\$850
Building Cost - Commercial	per sf	\$650	\$650

## PROJECT RETURN AND GAP

## PROJECT COST

Total Cost	\$18,813,311	\$17,450,621
Per GBA	\$1,068	\$1,148
Per Unit	\$3,135,552	\$1,586,420

## STATIC EVALUATION

## Return on Cost

Total Project Value	\$21,455,857	\$19,259,954
Total Project Cost	\$18,813,311	\$17,450,621
Project Return	\$2,642,546	\$1,809,333
Return on Cost	14.0%	10.4%
Target	12%-15%	12%-15%

## TIME SERIES

## Return on Cost

Project IRR		
Hurdle Rate	9.15%	8.70%
Actual Rate	8.97%	7.01%
Gap/Surplus (NPV)	-\$62,921	-\$395,734
% of Total	-0.3%	-2.3%

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN233053-Ketchum Retail and Feasibility Study\Models\Feasibility Model\233053-MODEL-Interior Long Lot-06-19-2023.xlsx[T-Summary

**Table 2**  
**Development Costs**  
**Feasibility Model: Ketchum Ordinance 1234 - Interior Long Lot**

Option:		Option 1	Option 2
<b>PROGRAM</b>			
<b>Site Area</b>		<b>8,250</b>	<b>8,250</b>
<b>Multifamily Gross Area</b>			
Ground Level		-	2,937
Floor 2		6,130	6,130
Floor 3		6,130	6,130
<b>Multifamily Units</b>		<b>6</b>	<b>11</b>
<b>Commercial Gross Area</b>			
Ground Level		5,360	-
Floor 2		-	-
Floor 3		-	-
<b>Building Gross Area</b>			
Ground Level		5,360	2,937
Floor 2		6,130	6,130
Floor 3		6,130	6,130
<b>Parking</b>			
Surface Spaces		2	2
Tuck Under Spaces		4	4
Podium Area (sf)		-	-
Underground Parking Area (sf)		-	-
<b>PROJECT COSTS</b>			
<b>Acquisition and Site</b>		<b>\$ 1,773,750</b>	<b>\$ 1,773,750</b>
Acquisition Cost		\$ 1,650,000	\$ 1,650,000
General Site Costs		\$ 123,750	\$ 123,750
<i>Land Cost per Unit</i>		<i>\$275,000</i>	<i>\$150,000</i>
<b>Hard Costs</b>		<b>\$ 13,932,000</b>	<b>\$ 12,944,167</b>
Surface Parking Costs	\$3,500 per space	\$ 7,000	\$ 7,000
Tuck Under Cost	\$5,000 per space	\$ 20,000	\$ 20,000
Building Cost - Podium	\$80 per sf	\$ -	\$ -
Building Cost - Underground Parking	\$450 per sf	\$ -	\$ -
Building Cost - Multifamily	\$850 per sf	\$ 10,421,000	\$ 12,917,167
Building Cost - Commercial	\$650 per sf	\$ 3,484,000	\$ -
<b>Soft Costs</b>		<b>\$ 3,107,561</b>	<b>\$ 2,732,704</b>
Design and Architecture	5.0% % of HC	\$ 696,600	\$ 647,208
Building Permits and Use Tax	5.0% % of HC	\$ 696,600	\$ 647,208
FF&E, Taxes, Insurance & Project Marketing	7.5% % of HC	\$ 1,044,900	\$ 970,813
Community Housing Fee in Lieu	\$450 per sf of CH	\$ 210,600	\$ 41,850
Developer Fee	2.5% % of Total Cost	\$ 458,861	\$ 425,625
<b>% of Hard Costs</b>		<b>22.3%</b>	<b>21.1%</b>
<b>TOTAL CONSTRUCTION COST</b>		<b>\$ 17,039,561</b>	<b>\$ 15,676,871</b>
<b>TOTAL COST</b>		<b>\$ 18,813,311</b>	<b>\$ 17,450,621</b>
Per GBA		\$1,068	\$1,148
Per Unit		\$3,135,552	\$1,586,420

Source: Economic & Planning Systems

Z:\Shared\Projects\IDEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Long Lot-06-19-2023.xlsm]T-Cost

**Table 3**  
**Hurdle Rates**  
**Feasibility Model: Ketchum Ordinance 1234 - Interior Long Lot**

Description	Option 1	Option 2
Multifamily	11,385	13,500
Commercial	3,033	0
Cap Rate		
Multifamily	4.50%	4.50%
Commercial	6.50%	6.50%
<b>Average</b>	<b>4.92%</b>	<b>4.50%</b>
Discount Rate		
Multifamily	6.00%	6.00%
Commercial	8.00%	8.00%
<b>Average</b>	<b>6.42%</b>	<b>6.00%</b>
Debt %	65.0%	65.0%
Equity %	35.0%	35.0%
Debt Rate	6.0%	6.0%
Equity Rate	15.0%	13.7%
<b>Average</b>	<b>9.15%</b>	<b>8.70%</b>

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\[233053-MODEL-Interior Long Lot-06-19-2023.xlsm]T-Hurdle Rate

## Option 1

## Operating Revenues and OpEx: Static

## Feasibility Model: Ketchum Ordinance 1234 - Interior Long Lot

Type	Factor	Rate	Lease Rate per year	Total Revenue	% of Total
<b>REVENUE</b>					
	Units	NRSF			
<b>Multifamily</b>		<b>11,385 NRSF</b>		<b>\$ 18,919,200</b>	
<b>For-Sale</b>	<b>5</b>				
Penthouse	3	8,760 NRSF	\$2,000.00 per sf	\$ 17,520,000	
Condo	2	1,500 NRSF	\$1,250.00 per sf	\$ 1,875,000	
Garage Spaces	6		\$50,000.00 per space	\$ 300,000	
Sales Cost	4% % of income		155,160 per unit	\$ (775,800)	
<b>Rental</b>	<b>1</b>			<b>\$ 15,150</b>	
Market Rate Rental	-	0 NRSF	\$4.00 per sf	\$ -	0.0% of PGI
Community Housing	1	1,125 NRSF	\$1.12 per sf	\$ 15,150	10.6% of PGI
<b>Other MF Income</b>				<b>\$ 120</b>	<b>0.1% of PGI</b>
Storage Units	50% of units	1 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Parking Revenue	100% of units	1 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Trash Fee	100% of units	1 units	\$10.0 per unit/mo	\$ 120	0.1% of PGI
Admin Income	100% of units	1 units	\$0.0 per unit/yr	\$ -	0.0% of PGI
<b>Commercial Income</b>				<b>\$ 127,386</b>	<b>89.3% of PGI</b>
Ground Level		3,033 sf	\$42.0 per sf	\$ 127,386	89.3% of PGI
Floor 2		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 3		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
<b>POTENTIAL GROSS INCOME (PGI)</b>				<b>\$ 142,656</b>	<b>100.0% of PGI</b>
Less: Vacancy (Residential)	5.0% per year			\$ (763)	-0.5% of PGI
Less: Vacancy (Commercial)	7.0% per year			\$ (8,917)	-6.3% of PGI
<b>EFFECTIVE GROSS INCOME (EGI)</b>				<b>\$ 132,975</b>	<b>93.2% of PGI</b>
<b>EXPENDITURES</b>					
<b>Variable Operating Expenses</b>	<b>\$ 2,899.00</b> per unit/yr.		<b>Adjustment</b>	<b>\$ (2,899)</b>	<b>2.2% of EGI</b>
Repairs & Maintenance	\$ 250.0 per unit/yr.	1 units	100% % of total	\$ (250)	0.2% of EGI
Service Contracts	\$ 200.0 per unit/yr.	1 units	100% % of total	\$ (200)	0.2% of EGI
Turnover Costs	\$ 199.0 per unit/yr.	1 units	100% % of total	\$ (199)	0.1% of EGI
Payroll (Inc. Taxes & Benefits)	\$ 1,250.0 per unit/yr.	1 units	100% % of total	\$ (1,250)	0.9% of EGI
Administrative	\$ 250.0 per unit/yr.	1 units	100% % of total	\$ (250)	0.2% of EGI
Leasing & Marketing	\$ 250.0 per unit/yr.	1 units	100% % of total	\$ (250)	0.2% of EGI
Utilities	\$ 500.0 per unit/yr.	1 units	100% % of total	\$ (500)	0.4% of EGI
<b>Non-Variable Expenses</b>			<b>Adjustment</b>	<b>\$ (4,954)</b>	<b>3.7% of EGI</b>
Property Taxes	0.00% % of value	\$2,536,657 total val.	100% % of total	\$ -	0.0% of EGI
Insurance	\$ 300.0 per unit/yr.	1 units	100% % of total	\$ (300)	0.2% of EGI
Management Fee	3.5% of EGI	\$132,975 EGI	100% % of total	\$ (4,654)	3.5% of EGI
DDA	- mill levy	\$0 total val.	0% % of total	\$ -	0.0% of EGI
			100% % of total	\$ -	0.0% of EGI
<b>TOTAL OPERATING EXPENSES</b>				<b>\$ (7,853)</b>	<b>5.9% of EGI</b>
<b>Replacement Reserves</b>			<b>Adjustment</b>	<b>\$ (300)</b>	<b>0.2% of EGI</b>
Replacement Reserves	\$ 300.0 per unit/yr.	1 units	100% % of total	\$ (300)	0.2% of EGI
<b>TOTAL EXPENSES</b>				<b>\$ (8,153)</b>	<b>6.1% of EGI</b>
<b>UNLEVERAGED RETURN METRICS</b>					
<b>Net Operating Income</b>				<b>\$ 124,822</b>	<b>93.9% of EGI</b>
<b>Est. Rental Value</b>				<b>\$ 2,536,657</b>	<b>4.9% Cap rate</b>
<b>Sale Revenue</b>				<b>\$ 18,919,200</b>	
<b>Total Project Value</b>				<b>\$ 21,455,857</b>	
<b>Total Project Cost</b>				<b>\$ 18,813,311</b>	
<b>Project Return</b>				<b>\$ 2,642,546</b>	
<b>Return on Cost</b>				<b>14.05%</b>	
<b>Hurdle Rate</b>				<b>12.00%</b>	

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Long Lot-06-19-2023.xlsm\T-Operating-1

Option 1  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Long Lot

\*continued on next page

Description	Factor	Escalation	Total	Year 0	Year 1	Year 2	Year 3	Year 4
<b>DEVELOPMENT COSTS</b>								
<b>% of Cost</b>								
Acquisition and Site			100%	100%	0%	0%	0%	0%
Hard Costs			100%	35%	65%	0%	0%	0%
Soft Costs			100%	65%	35%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$18,813,311</b>	<b>-\$8,669,865</b>	<b>-\$10,143,446</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,773,750	0.0%	-\$1,773,750	-\$1,773,750	\$0	\$0	\$0	\$0
Hard Costs	\$13,932,000	0.0%	-\$13,932,000	-\$4,876,200	-\$9,055,800	\$0	\$0	\$0
Soft Costs	\$3,107,561	0.0%	-\$3,107,561	-\$2,019,915	-\$1,087,646	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$18,813,311</b>	<b>-\$8,669,865</b>	<b>-\$10,143,446</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>								
<b>% of Revenue</b>								
Residential Rental Income				0%	0%	50%	100%	100%
Residential Sales				0%	25%	50%	25%	0%
Commercial Income				0%	0%	50%	100%	100%
Operating Expenditures				0%	0%	50%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$0</b>	<b>\$0</b>	<b>\$69,174</b>	<b>\$141,114</b>	<b>\$143,936</b>
Residential Rental Income	\$15,270	2.0%		\$0	\$0	\$7,943	\$16,204	\$16,528
Commercial Income	\$127,386	2.0%		\$0	\$0	\$66,266	\$135,183	\$137,887
Multifamily Vacancy	5.0%			\$0	\$0	-\$397	-\$810	-\$826
Commercial Vacancy	7.0%			\$0	\$0	-\$4,639	-\$9,463	-\$9,652
<b>Operating Expenses</b>				<b>\$0</b>	<b>\$0</b>	<b>-\$4,241</b>	<b>-\$8,652</b>	<b>-\$8,825</b>
Operating Expenditures	-\$8,153	2.0%		\$0	\$0	-\$4,241	-\$8,652	-\$8,825
<b>Net Operating Income</b>				<b>\$0</b>	<b>\$0</b>	<b>\$64,932</b>	<b>\$132,462</b>	<b>\$135,111</b>
<b>DISPOSITION REVENUE</b>								
<b>Gross Revenue</b>			<b>\$22,849,014</b>	<b>\$0</b>	<b>\$4,923,750</b>	<b>\$9,847,500</b>	<b>\$4,923,750</b>	<b>\$0</b>
Residential Sales	\$19,695,000		\$19,695,000	\$0	\$4,923,750	\$9,847,500	\$4,923,750	\$0
Rental Asset Sales	4.92% cap rate	Year 10	\$3,154,014	\$0	\$0	\$0	\$0	\$0
<b>Cost of Sale</b>			<b>-\$835,110</b>	<b>\$0</b>	<b>-\$196,950</b>	<b>-\$393,900</b>	<b>-\$196,950</b>	<b>\$0</b>
Residential Sales	4.0%		-\$787,800	\$0	-\$196,950	-\$393,900	-\$196,950	\$0
Rental Asset Sales	1.5%		-\$47,310	\$0	\$0	\$0	\$0	\$0
<b>Project Net Sale Revenue</b>			<b>\$22,013,904</b>	<b>\$0</b>	<b>\$4,726,800</b>	<b>\$9,453,600</b>	<b>\$4,726,800</b>	<b>\$0</b>
<b>PROJECT CASH FLOWS</b>								
<b>Net Project Cash Flows</b>			<b>\$4,402,442</b>	<b>-\$8,669,865</b>	<b>-\$5,416,646</b>	<b>\$9,518,532</b>	<b>\$4,859,262</b>	<b>\$135,111</b>
Construction Costs			-\$18,813,311	-\$8,669,865	-\$10,143,446	\$0	\$0	\$0
Net Operating Income			\$1,201,850	\$0	\$0	\$64,932	\$132,462	\$135,111
Project Disposition Income			\$22,013,904	\$0	\$4,726,800	\$9,453,600	\$4,726,800	\$0
<b>Net Present Value</b>	9.15%		<b>-\$62,921</b>	<b>-\$8,669,865</b>	<b>-\$4,962,571</b>	<b>\$7,989,554</b>	<b>\$3,736,793</b>	<b>\$95,191</b>
<b>Project IRR</b>			<b>8.97%</b>					

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Modele\Feasibility Models\233053-MODEL-Interior Long Lot-06-19-2023.xlsx[T-Time Series-1

Option 1  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Long Lot

Description	Factor	Escalation	Total	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>DEVELOPMENT COSTS</b>									
<b>% of Cost</b>									
Acquisition and Site			100%	0%	0%	0%	0%	0%	0%
Hard Costs			100%	0%	0%	0%	0%	0%	0%
Soft Costs			100%	0%	0%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$18,813,311</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,773,750	0.0%	-\$1,773,750	\$0	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$13,932,000	0.0%	-\$13,932,000	\$0	\$0	\$0	\$0	\$0	\$0
Soft Costs	\$3,107,561	0.0%	-\$3,107,561	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$18,813,311</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>									
<b>% of Revenue</b>									
Residential Rental Income				100%	100%	100%	100%	100%	100%
Residential Sales				0%	0%	0%	0%	0%	0%
Commercial Income				100%	100%	100%	100%	100%	100%
Operating Expenditures				100%	100%	100%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$146,815</b>	<b>\$149,751</b>	<b>\$152,747</b>	<b>\$155,801</b>	<b>\$158,917</b>	<b>\$162,096</b>
Residential Rental Income	\$15,270	2.0%		\$16,859	\$17,196	\$17,540	\$17,891	\$18,248	\$18,613
Commercial Income	\$127,386	2.0%		\$140,644	\$143,457	\$146,326	\$149,253	\$152,238	\$155,283
Multifamily Vacancy	5.0%			-\$843	-\$860	-\$877	-\$895	-\$912	-\$931
Commercial Vacancy	7.0%			-\$9,845	-\$10,042	-\$10,243	-\$10,448	-\$10,657	-\$10,870
<b>Operating Expenses</b>				<b>-\$9,002</b>	<b>-\$9,182</b>	<b>-\$9,365</b>	<b>-\$9,553</b>	<b>-\$9,744</b>	<b>-\$9,939</b>
Operating Expenditures	-\$8,153	2.0%		-\$9,002	-\$9,182	-\$9,365	-\$9,553	-\$9,744	-\$9,939
<b>Net Operating Income</b>				<b>\$137,813</b>	<b>\$140,570</b>	<b>\$143,381</b>	<b>\$146,249</b>	<b>\$149,174</b>	<b>\$152,157</b>
<b>DISPOSITION REVENUE</b>									
<b>Gross Revenue</b>			<b>\$22,849,014</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,154,014</b>
Residential Sales	\$19,695,000		\$19,695,000	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	4.92% cap rate	Year 10	\$3,154,014	\$0	\$0	\$0	\$0	\$0	\$3,154,014
<b>Cost of Sale</b>			<b>-\$835,110</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$47,310</b>
Residential Sales	4.0%		-\$787,800	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	1.5%		-\$47,310	\$0	\$0	\$0	\$0	\$0	-\$47,310
<b>Project Net Sale Revenue</b>			<b>\$22,013,904</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,106,704</b>
<b>PROJECT CASH FLOWS</b>									
<b>Net Project Cash Flows</b>			<b>\$4,402,442</b>	<b>\$137,813</b>	<b>\$140,570</b>	<b>\$143,381</b>	<b>\$146,249</b>	<b>\$149,174</b>	<b>\$3,258,861</b>
Construction Costs			-\$18,813,311	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income			\$1,201,850	\$137,813	\$140,570	\$143,381	\$146,249	\$149,174	\$152,157
Project Disposition Income			\$22,013,904	\$0	\$0	\$0	\$0	\$0	\$3,106,704
<b>Net Present Value</b>	9.15%		<b>-\$62,921</b>	<b>\$88,956</b>	<b>\$83,128</b>	<b>\$77,683</b>	<b>\$72,594</b>	<b>\$67,839</b>	<b>\$1,357,777</b>
<b>Project IRR</b>			<b>8.97%</b>						

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Long Lot-06-19-2023.xlsx

## Option 2

## Operating Revenues and OpEx: Static

## Feasibility Model: Ketchum Ordinance 1234 - Interior Long Lot

Type	Factor	Rate	Lease Rate per year	Total Revenue	% of Total
<b>REVENUE</b>					
	Units	NRSF			
<b>Multifamily</b>		<b>13,500 NRSF</b>		<b>\$ 19,020,000</b>	
<b>For-Sale</b>	<b>9</b>				
Penthouse	2	6,000 NRSF	\$2,000.00 per sf	\$ 12,000,000	
Condo	7	6,000 NRSF	\$1,250.00 per sf	\$ 7,500,000	
Garage Spaces	6		\$50,000.00 per space	\$ 300,000	
Sales Cost	4% % of income		86,667 per unit	\$ (780,000)	
<b>Rental</b>	<b>2</b>			<b>\$ 20,199</b>	
Market Rate Rental	-	0 NRSF	\$4.00 per sf	\$ -	0.0% of PGI
Community Housing	2	1,500 NRSF	\$1.12 per sf	\$ 20,199	98.8% of PGI
<b>Other MF Income</b>				<b>\$ 240</b>	<b>1.2% of PGI</b>
Storage Units	50% of units	2 units	\$0.0 per unit/mo	\$ -	0.0% of PGI
Parking Revenue	100% of units	0 units	\$50.0 per unit/mo	\$ -	0.0% of PGI
Trash Fee	100% of units	2 units	\$10.0 per unit/mo	\$ 240	1.2% of PGI
Admin Income	100% of units	2 units	\$0.0 per unit/yr	\$ -	0.0% of PGI
<b>Commercial Income</b>				<b>\$ -</b>	<b>0.0% of PGI</b>
Ground Level		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 2		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
Floor 3		0 sf	\$42.0 per sf	\$ -	0.0% of PGI
<b>POTENTIAL GROSS INCOME (PGI)</b>				<b>\$ 20,439</b>	<b>100.0% of PGI</b>
Less: Vacancy (Residential)	5.0% per year			\$ (1,022)	-5.0% of PGI
Less: Vacancy (Commercial)	7.0% per year			\$ -	0.0% of PGI
<b>EFFECTIVE GROSS INCOME (EGI)</b>				<b>\$ 19,417</b>	<b>95.0% of PGI</b>
<b>EXPENDITURES</b>					
<b>Variable Operating Expenses</b>	<b>\$ 2,899.00</b> per unit/yr.		<b>Adjustment</b>	<b>\$ (5,798)</b>	<b>29.9% of EGI</b>
Repairs & Maintenance	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	2.6% of EGI
Service Contracts	\$ 200.0 per unit/yr.	2 units	100% % of total	\$ (400)	2.1% of EGI
Turnover Costs	\$ 199.0 per unit/yr.	2 units	100% % of total	\$ (398)	2.0% of EGI
Payroll (Inc. Taxes & Benefits)	\$ 1,250.0 per unit/yr.	2 units	100% % of total	\$ (2,500)	12.9% of EGI
Administrative	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	2.6% of EGI
Leasing & Marketing	\$ 250.0 per unit/yr.	2 units	100% % of total	\$ (500)	2.6% of EGI
Utilities	\$ 500.0 per unit/yr.	2 units	100% % of total	\$ (1,000)	5.2% of EGI
<b>Non-Variable Expenses</b>			<b>Adjustment</b>	<b>\$ (2,221)</b>	<b>11.4% of EGI</b>
Property Taxes	0.39% % of value	\$239,954 total val.	100% % of total	\$ (942)	4.9% of EGI
Insurance	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	3.1% of EGI
Management Fee	3.5% of EGI	\$19,417 EGI	100% % of total	\$ (680)	3.5% of EGI
DDA	- mill levy	\$0 total val.	0% % of total	\$ -	0.0% of EGI
			100% % of total	\$ -	0.0% of EGI
<b>TOTAL OPERATING EXPENSES</b>				<b>\$ (8,019)</b>	<b>41.3% of EGI</b>
<b>Replacement Reserves</b>			<b>Adjustment</b>	<b>\$ (600)</b>	<b>3.1% of EGI</b>
Replacement Reserves	\$ 300.0 per unit/yr.	2 units	100% % of total	\$ (600)	3.1% of EGI
<b>TOTAL EXPENSES</b>				<b>\$ (8,619)</b>	<b>44.4% of EGI</b>
<b>UNLEVERAGED RETURN METRICS</b>					
<b>Net Operating Income</b>				<b>\$ 10,798</b>	<b>55.6% of EGI</b>
<b>Est. Rental Value</b>				<b>\$ 239,954</b>	<b>4.5% Cap rate</b>
<b>Sale Revenue</b>				<b>\$ 19,020,000</b>	
<b>Total Project Value</b>				<b>\$ 19,259,954</b>	
<b>Total Project Cost</b>				<b>\$ 17,450,621</b>	
<b>Project Return</b>				<b>\$ 1,809,333</b>	
<b>Return on Cost</b>				<b>10.37%</b>	
<b>Hurdle Rate</b>				<b>12.00%</b>	

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Long Lot-06-19-2023.xlsm|T-Operating-2

Option 2  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Long Lot

\*continued on next page

Description	Factor	Escalation	Total	Year 0	Year 1	Year 2	Year 3	Year 4
<b>DEVELOPMENT COSTS</b>								
<b>% of Cost</b>								
Acquisition and Site			100%	100%	0%	0%	0%	0%
Hard Costs			100%	35%	65%	0%	0%	0%
Soft Costs			100%	65%	35%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$17,450,621</b>	<b>-\$8,080,466</b>	<b>-\$9,370,155</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,773,750	0.0%	-\$1,773,750	-\$1,773,750	\$0	\$0	\$0	\$0
Hard Costs	\$12,944,167	0.0%	-\$12,944,167	-\$4,530,458	-\$8,413,708	\$0	\$0	\$0
Soft Costs	\$2,732,704	0.0%	-\$2,732,704	-\$1,776,258	-\$956,446	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$17,450,621</b>	<b>-\$8,080,466</b>	<b>-\$9,370,155</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>								
<b>% of Revenue</b>								
Residential Rental Income				0%	0%	50%	100%	100%
Residential Sales				0%	25%	50%	25%	0%
Commercial Income				0%	0%	50%	100%	100%
Operating Expenditures				0%	0%	50%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$0</b>	<b>\$0</b>	<b>\$10,101</b>	<b>\$20,606</b>	<b>\$21,018</b>
Residential Rental Income	\$20,439	2.0%		\$0	\$0	\$10,633	\$21,690	\$22,124
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			\$0	\$0	-\$532	-\$1,085	-\$1,106
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>\$0</b>	<b>\$0</b>	<b>-\$4,484</b>	<b>-\$9,147</b>	<b>-\$9,330</b>
Operating Expenditures	-\$8,619	2.0%		\$0	\$0	-\$4,484	-\$9,147	-\$9,330
<b>Net Operating Income</b>				<b>\$0</b>	<b>\$0</b>	<b>\$5,617</b>	<b>\$11,459</b>	<b>\$11,688</b>
<b>DISPOSITION REVENUE</b>								
<b>Gross Revenue</b>			<b>\$20,098,352</b>	<b>\$0</b>	<b>\$4,950,000</b>	<b>\$9,900,000</b>	<b>\$4,950,000</b>	<b>\$0</b>
Residential Sales	\$19,800,000		\$19,800,000	\$0	\$4,950,000	\$9,900,000	\$4,950,000	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$298,352	\$0	\$0	\$0	\$0	\$0
<b>Cost of Sale</b>			<b>-\$796,475</b>	<b>\$0</b>	<b>-\$198,000</b>	<b>-\$396,000</b>	<b>-\$198,000</b>	<b>\$0</b>
Residential Sales	4.0%		-\$792,000	\$0	-\$198,000	-\$396,000	-\$198,000	\$0
Rental Asset Sales	1.5%		-\$4,475	\$0	\$0	\$0	\$0	\$0
<b>Project Net Sale Revenue</b>			<b>\$19,301,877</b>	<b>\$0</b>	<b>\$4,752,000</b>	<b>\$9,504,000</b>	<b>\$4,752,000</b>	<b>\$0</b>
<b>PROJECT CASH FLOWS</b>								
<b>Net Project Cash Flows</b>			<b>\$1,955,224</b>	<b>-\$8,080,466</b>	<b>-\$4,618,155</b>	<b>\$9,509,617</b>	<b>\$4,763,459</b>	<b>\$11,688</b>
Construction Costs			-\$17,450,621	-\$8,080,466	-\$9,370,155	\$0	\$0	\$0
Net Operating Income			\$103,968	\$0	\$0	\$5,617	\$11,459	\$11,688
Project Disposition Income			\$19,301,877	\$0	\$4,752,000	\$9,504,000	\$4,752,000	\$0
<b>Net Present Value</b>	8.70%		<b>-\$395,734</b>	<b>-\$8,080,466</b>	<b>-\$4,248,489</b>	<b>\$8,048,130</b>	<b>\$3,708,688</b>	<b>\$8,372</b>
<b>Project IRR</b>			<b>7.01%</b>					

Source: Economic &amp; Planning Systems

Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Modele\Feasibility Models\233053-MODEL-Interior Long Lot-06-19-2023.xlsx\T-Time Series-2



Option 2  
Operating Revenues and OpEx: Time Series  
Feasibility Model: Ketchum Ordinance 1234 - Interior Long Lot

Description	Factor	Escalation	Total	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>DEVELOPMENT COSTS</b>									
<b>% of Cost</b>									
Acquisition and Site			100%	0%	0%	0%	0%	0%	0%
Hard Costs			100%	0%	0%	0%	0%	0%	0%
Soft Costs			100%	0%	0%	0%	0%	0%	0%
<b>Construction Cost</b>			<b>-\$17,450,621</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acquisition and Site	\$1,773,750	0.0%	-\$1,773,750	\$0	\$0	\$0	\$0	\$0	\$0
Hard Costs	\$12,944,167	0.0%	-\$12,944,167	\$0	\$0	\$0	\$0	\$0	\$0
Soft Costs	\$2,732,704	0.0%	-\$2,732,704	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Construction Costs</b>			<b>-\$17,450,621</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET OPERATING INCOME</b>									
<b>% of Revenue</b>									
Residential Rental Income				100%	100%	100%	100%	100%	100%
Residential Sales				0%	0%	0%	0%	0%	0%
Commercial Income				100%	100%	100%	100%	100%	100%
Operating Expenditures				100%	100%	100%	100%	100%	100%
<b>Revenue (Effective Gross Income)</b>				<b>\$21,438</b>	<b>\$21,867</b>	<b>\$22,304</b>	<b>\$22,751</b>	<b>\$23,206</b>	<b>\$23,670</b>
Residential Rental Income	\$20,439	2.0%		\$22,567	\$23,018	\$23,478	\$23,948	\$24,427	\$24,915
Commercial Income	\$0	2.0%		\$0	\$0	\$0	\$0	\$0	\$0
Multifamily Vacancy	5.0%			-\$1,128	-\$1,151	-\$1,174	-\$1,197	-\$1,221	-\$1,246
Commercial Vacancy	7.0%			\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>				<b>-\$9,517</b>	<b>-\$9,707</b>	<b>-\$9,901</b>	<b>-\$10,099</b>	<b>-\$10,301</b>	<b>-\$10,507</b>
Operating Expenditures	-\$8,619	2.0%		-\$9,517	-\$9,707	-\$9,901	-\$10,099	-\$10,301	-\$10,507
<b>Net Operating Income</b>				<b>\$11,922</b>	<b>\$12,160</b>	<b>\$12,403</b>	<b>\$12,651</b>	<b>\$12,905</b>	<b>\$13,163</b>
<b>DISPOSITION REVENUE</b>									
<b>Gross Revenue</b>			<b>\$20,098,352</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$298,352</b>
Residential Sales	\$19,800,000		\$19,800,000	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	4.50% cap rate	Year 10	\$298,352	\$0	\$0	\$0	\$0	\$0	\$298,352
<b>Cost of Sale</b>			<b>-\$796,475</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$4,475</b>
Residential Sales	4.0%		-\$792,000	\$0	\$0	\$0	\$0	\$0	\$0
Rental Asset Sales	1.5%		-\$4,475	\$0	\$0	\$0	\$0	\$0	-\$4,475
<b>Project Net Sale Revenue</b>			<b>\$19,301,877</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$293,877</b>
<b>PROJECT CASH FLOWS</b>									
<b>Net Project Cash Flows</b>			<b>\$1,955,224</b>	<b>\$11,922</b>	<b>\$12,160</b>	<b>\$12,403</b>	<b>\$12,651</b>	<b>\$12,905</b>	<b>\$307,039</b>
Construction Costs			-\$17,450,621	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income			\$103,968	\$11,922	\$12,160	\$12,403	\$12,651	\$12,905	\$13,163
Project Disposition Income			\$19,301,877	\$0	\$0	\$0	\$0	\$0	\$293,877
<b>Net Present Value</b>	8.70%		<b>-\$395,734</b>	<b>\$7,855</b>	<b>\$7,371</b>	<b>\$6,917</b>	<b>\$6,490</b>	<b>\$6,090</b>	<b>\$133,307</b>
<b>Project IRR</b>			<b>7.01%</b>						

Source: Economic & Planning Systems  
Z:\Shared\Projects\DEN\233053-Ketchum Retail and Feasibility Study\Models\Feasibility Models\233053-MODEL-Interior Long Lot-06-19-2023.xlsx