CREATING A CORPORATE CAMPUS:
A SITE FEASIBILITY STUDY

by

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ABSTRACT

This thesis examines the issues of concern to a major industrial corporation confronted with an investment decision regarding the creation of a "corporate campus" on existing company property. The purpose of the corporate campus would be to create a bucolic environment whereby harried professionals and executives can escape their traditional surroundings and yield to productive sessions of strategic planning, corporate offices, and management training.

Given that the landowner, located in upstate New York, has more than sufficient land for their own internal needs, a secondary consideration becomes how might they create an environment offering benefits to other potential users as well. A solution is desired that will preserve the site's pristine environment while simultameously maximizing its value. The proposed corporate campus is compared to 24 research parks that have been successful in doing so.

This thesis then will attempt to answer the following questions:

1. What are the opportunities and constraints of the property under consideration?
2. What uses are appropriate given both the corporate need and the competitive market for those needs?
3. What are the development options? How can maximum environment and value be achieved?
4. What are the financial implications of these options?

Thesis Supervisor: Gary Hack
Title: Professor of Urban Design

ACKNOWLEDGEMENTS

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First, H. Bruce Russell, Eastman Kodak Company vice-president and Director, Corporate Real Estate Office, for affording me the opportunity and support to undertake this feasibility study as the subject of my thesis;

Second, Gary Hack, Professor of Urban Design, MIT, for finding the time and patience to guide me through this endeavor;

Third, Robert C. Moyer, Eastman Kodak Company, Manager of Development, Corporate Real Estate Office, for providing me with much practical advice and a reminder that real projects don't necessarily follow academic formats;

Fourth, Brian E. Donovan, President, First American Real Estate, for his insights and knowledge of the local real estate markets.

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(continued)

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CHAPTER I

INTRODUCTION

Background

This thesis examines the issues of concern to landowners and real estate developers confronted with an investment decision regarding the creation of a "corporate campus". The corporate campus is generally associated with a bucolic environment designed specifically to promote an air of productive thinking and/or studying, be it strategic planning, professional development, corporate conferencing, etc....

The trend to the corporate campus has seen ubiquitous application throughout metropolitan America as urban areas traditionally regarded as home to corporate business (e.g. Stanford, Boston, New York) have become burdened with longer commuting times for employees and higher housing costs for their families. The corporate campus may take the form of either a retreat or place of escape. It may also involve the wholesale relocation of the headquarters itself, people, offices and all.

A few well-known features of the corporate campus are:

1. Large amounts of open space, generally either heavily landscaped, or in its "natural" form, especially in those areas where mature tree stands are already available.
2. An intensive use of amenities, both inside and out-of-doors, including atriums, higher levels of finish,

health clubs/Nautilus rooms, biking and jogging paths, etc....

As background to the following discussions, a typical and recently acclaimed example of the corporate campus can be found in Canton, Massachusetts, at the home of Codex Corporation.[1] (see Appendix A). The Codex mission was to provide this outdoor setting while staying within an easy commuting distance from Boston and surrounding suburbs.[2]

This thesis will consider some of the issues involved in a corporation's pursuit of such an undertaking by examining a current "real-life" example in detail: a corporate campus for Eastman Kodak Company near Rochester, NY.[3]

Eastman Kodak

Eastman Kodak is well-known as a world-wide leader in production of quality photographic cameras, films and papers and copier systems. It is also a major producer of chemicals, electronic media and batteries. And with the purchase of Sterling Drug in 1988, Kodak has become a major force in the pharmaceuticals business as well.

With 1987 sales of $13.3 billion, Kodak is listed in Fortune magazine as the 25th largest U.S. industrial

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[1] Fred Koetter, "The Corporate Villa", Design Quarterly, vol. 135, pp. 14-27.

[2] Canton is located approximately 15 miles south of Boston in the high-tech Rt. 128 area.

[3] "Eastman Kodak", "Kodak", "the client", shall all refer to the same party throughout this paper.

corporation.[4] Kodak is growing too: 1987 sales were a record, up 15% from the previous year. According to some Kodak executives, company growth projections indicate annual sales of $30 billion and beyond by the turn of the century.[5]

Kodak has long been firmly committed to excellence and quality in everything they do. Referring to their 1987 annual report (appropriately entitled "The Quality Image"): "In every way that we know, we are re-inforcing our hundred year image of excellence-the quality image of Kodak." [6]

Kodak is headquartered in Rochester, NY, located in Monroe County in western New York state. (see Exhibit #1). With 3 major manufacturing plants, corporate research and development operations, and corporate offices, Kodak plays a dominant role in the health and vitality of the region's economy. In 1986, 45,530 of the company's 120,000 employees world-wide were located in Rochester.[7] Putting the importance of Kodak to the community in perspective, with total Monroe County employment in that same year of

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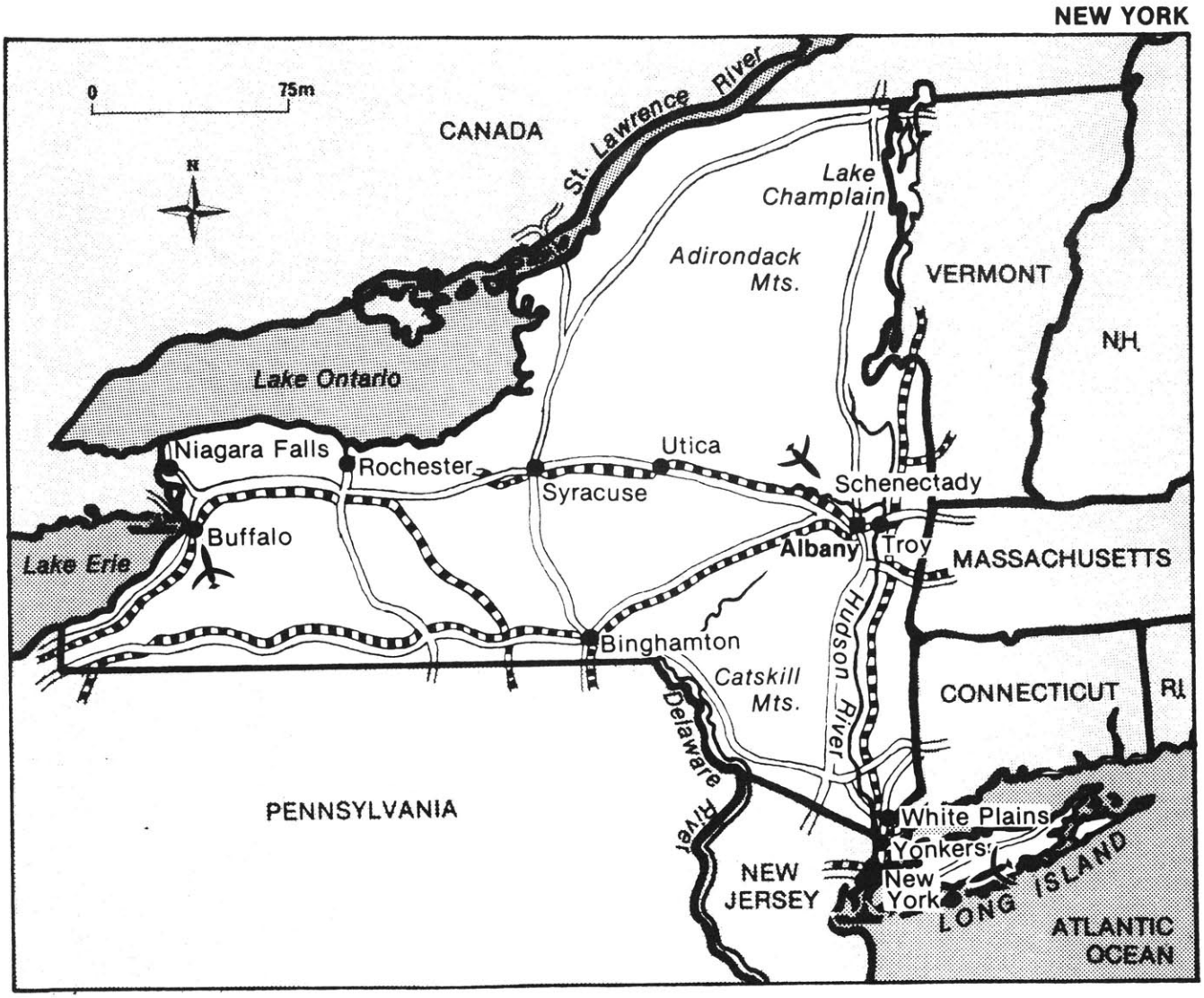
[4] "The Fortune 500: Largest U.S. Industrial Corporations", Fortune, April 25, 1988, p.D11.

[5] John R. Middleton, Manager, Corporate Property Portfolio, Corporate Real Estate Office, Eastman Kodak Company, June 1, 1988.

[6] "The Quality Image", 1987 Annual Report Eastman Kodak Company, p. (inside front cover).

[7] Rochester Times Union, February 27, 1987.

EXHIBIT #1: NEW YORK STATE



341,200, roughly 1 of every 7 people employed in the metropolitan area were employed by Kodak.[8] With a county population of 708,000, over 6% of all county residents (children and retirees included) were likewise employed by the film giant.[9]

City of Rochester, NY [10]

The City of Rochester, Monroe County, New York, is located on Lake Ontario, approximately midpoint between Buffalo and Syracuse, and encompasses a land area of 36.4 miles. The City was listed as the third largest in the state at the time of the 1980 national census.

In its early years the City was a trading, milling, and transportation center. Today it enjoys a reputation as a "high-technology" city with its concentration of scientific industry, medical research, and academic institutions. A Chamber of Commerce publication identified the greater Rochester area as a precision industry area with a higher percentage of highly skilled professionals, scientific, and industrially employed persons than almost any other region

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[8] Rochester Area Chamber of Commerce, Fact Folio Demographic Data, The City-II, p.15 (no date).

[9] Ibid., p.13.

[10] "Rochester" can refer to the City of Rochester, the general metropolitan area, or the SMSA comprised of Monroe, Ontario, Livingston, Wayne, and Orleans counties. Unless otherwise stated, this paper will use it in referring to the general metropolitan area. Ex. The Town of Henrietta is in "Rochester".

of the country.[11] Two-thirds of all manufacturing jobs in Monroe County are located within the City where companies manufacture film, paper, cameras, optical goods, dental equipment, glass-lined steel tanks, office duplicating equipment, and automotive parts.[12]

Rochester serves as a regional focal point for educational, health, and cultural activities, including the University of Rochester and the Rochester Institute of Technology.

In the recent Inc. magazine annual ranking of metropolitan economies, Rochester is listed as #90 of 156, having fallen from #70 in 1987, the previous year.[13] Further discussion about this issue and Rochester and Monroe County demographics is included in Chapter VI Market Analysis.

Scope of Thesis

Kodak currently owns a 300,000 SF "Marketing and Education Center" constructed on a 50 acre campus in the Town of Henrietta, just south of the City and approximately 10 miles from their formal corporate headquarters. It is located near the intersection of East River Rd. and LeHigh Station Road, just east of the Genesee River in an area of rolling hillsides and farmlands. (see Exhibit #2).

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[11] Idem.

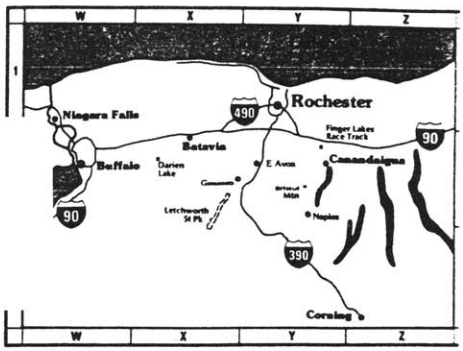
[12] Idem.

[13] "Metro Reports: Hot Spots", Inc., March 1988, p.75.

ROCHESTER
and
MONROE COUNTY AREA

0 5 MILES

EXHIBIT #2:
MONROE COUNTY and TOWN of HENRIETTA, NY



A detailed description of the general area is given in Chapter III Site Context.

Originally designed and built in the early 1970's, Kodak's current marketing and education center, in the ideal case, would be much larger and have a level of finish appropriate for a $30 billion multi-national corporation preparing to enter the 21st century.[14] In addition, Kodak owns more than 700 acres of abutting land that currently is leased to area farmers (i.e. unimproved farmland). Kodak's Corporate Real Estate Office[15] believes that an opportunity may currently exist to capitalize on this rural setting and to provide their company with a high-quality multi-dimensional corporate headqauters and conferencing center.

The mission of this thesis then is to examine this opportunity and generate an action plan for CREO. Specifically:

1. What are the opportunities and constraints of the property under consideration?

2. What uses are appropriate given both the corporate need and the competitive market for those needs?

3. What are the development options? How can maximum environment and value be achieved?

4. What are the financial implications of these options?

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[14] Paraphrasing and interpretation by the writer based on interviews with the client on June 1, 1988.

[15] abbreviated CREO

This thesis will answer these questions by examining what attributes are important to a corporate campus and by determining the opportunities and constraints of properties located in the general vicinity of the site. Important development issues including traffic, zoning, and location will be identified as will the significant question of market supply and demand for competitive product. Finally, a family of development scenarios will be proposed along with estimates of capital requirements and financial performance of each.

Assumptions

The base assumptions for this project are:[16]

1. The base corporate need for a headquarters-type facility located physically removed from the lines-of-business: 300,000 SF.

2. A corporate conferencing/retreat facility: 100,000 SF.

3. Housing for corporate guests and visitors: 400 units.

4. Other features: hotel, restaurant, health club, bike trails.

5. Speculative development: to be considered and analyzed with the realization that spec building is secondary to the corporate need.

Detailed assumptions related to preparation of capital

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[16] CREO management session, June 1, 1988, Messers. Russell, Moyer, Middleton, Wooley, and Ms. Lejman, notes by A.F. Rice.

estimates and financial pro-formas will be discussed as they are used in the various parts of this project.

CHAPTER II

ATTRIBUTES of the CORPORATE CAMPUS

First Priority: The Corporate Need

The client has clearly stated that any development at the Henrietta site will first and foremost satisfy the in-house needs of their growing company. With the existing education center of 300,000 square feet, adjacent undeveloped land area of 700 acres and the potential for an additional 300,000 SF, Kodak certainly has a "critical mass" of sufficient size to enable them to create their own park on a build-to-suit basis. The corporate campus then will be conceived with the primary mission of creating a Kodak facility for Kodak needs. The client does not intend to enter the business of real estate development.[17]

While not intending to directly enter the development business, Kodak is quick to realize the potential value to be generated by creating such an environment with immediate access to the New York State Thruway, Rochester airport, and other local technolgy-driven companies. Given that Kodak has a need for a campus-type facility, a secondary consideration becomes how can they create the "right' environment such that maximium value can be generated?

Kodak's time frame of reference is long-term. They want to maintain the country setting that exists today and to

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[17] Robert C. Moyer, Manager, Development/Project Management, CREO, Eastman Kodak, June 21, 1988.

attract other compatible tenants by way of providing an unbeatable combination of value and environment. To fully realize the potential of the Henrietta site however may involve a period of orderly growth of up to 30 years duration.[18] Upon closer examination, Moyer's prediction is well backed by the track record of other business and research parks scattered around the country. A 1983 study by Battelle Research concluded that the average research park has taken or will take from 15 to 30 years to fill with appropriate tenants.[19] A similar study by the Urban Land Institute found the average land absorption rate to be 21 acres per year and 2 tenants per year, based upon a survey of 24 leading examples of research parks.[20]

Creating a Successful Park

As with any real estate venture, the well-known axiom of "location, location, location" applies first and foremost to the creation of the succesful business and high-tech park. After location, access to a skilled labor force, to academic institutions, and to transportation networks are all critical.[21] For the corporate campus, close proximity to

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[18] Idem.

[19] Charles W. Minshall, "Sites for High Technology Activities", Battelle Research, 1983, p.7.

[20] Rachelle L. Levitt, "Research Parks and Other Ventures: The University Real Estate Connection", Urban Land Institute, 1985, p.99.

[21] Douglas Porter, "Research Parks: An Emerging Phenomenon", Urban Land, September 1984, p.9.

the corporate offices is, of course, critical.

The most successful parks share a common attribute: protective covenants that strictly control permitted land use, traffic, appearance, and general provisions that would otherwise have an impact on the park's environment. Basically, the park's owners maintain their own set of private zoning regulations for use on their property. This further restricts the "as-of-right" abilities of individual tenants to act without the best interests of the park as a whole in mind.[22]

Porter has studied research parks at length for the Urban Land Institute (ULI). Given the common corporate association with most research parks and the high-tech flavor of the general Rochester area (including the Henrietta site), results of his investigations may well help Kodak to predict and plan in advance what amenities and features tenants may find of particular interest. Combining these features with Kodak's superior location (and name association) may well provide the necessary "ingredients" for a most successful campus park project.

Attributes of Successful Business/Research Parks

When talking of successful business/research parks, three examples of such are noted: North Carolina's Research Park Triangle, Stanford's Research Park, and Philadelphia's

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[22] Idem.

University City Science Center[23]. These successful partnerships have been forged around a sort of mutual dependency: high-tech companies upon the university system to provide trained employees and the universities in turn, on industry for support of research and academic programs. Finally, local governments often step in to further enhance this relationship with municipal incentives justified on the basis of an enhanced community image. Perhaps because of growth in high-technology in general and the synergies available with the business/university park concept, it may be of little surprise that since the country's first park was opened in California (Menlo Park) in 1948, over 150 have followed suit.[24]

Investigations conducted by the ULI in 1984 included the survey of 35 research parks. Their study revealed what features, amenities, and attributes managers at tenants' companies believed was important in their decision-making and site selection processes:[25]

1. Good reasonably-priced housing within reasonable commuting distance,
2. Very good elementary and secondary schools,
3. Reasonable standard and cost of living,
4. Varied cultural and recreational activities,
5. Attractive location to scientific and technical

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[23] Ibid., p.6.

[24] Ibid., p.7.

[25] Porter, op. cit., p.9.

personnel,

6. Flexibility for expansion at reasonable cost,

7. Pleasant surroundings and absence of incompatible land uses,

8. Availability of "start-up" or "incubator" facilities,

9. Expanding nucleus of high-tech industry and services,and,

10. Favorable overall business climate.

The ULI study also involved interviews with park operations management to offer the perspective of the owner and their perceptions of the ingredients of the successful park:[26]

1. Aggressive professional marketing on joint-venture basis between the developer and local economic development (municipal) officials,

2. Necessity of an "anchor", almost exactly analogous to the shopping center case,

3. Tight management, tight controls, flexible pricing,

4. Well-developed links to the high-tech community,

5. Wide range of services, including meeting rooms, business libraries, restaurants, motels, package-shipment collection points, travel agents, and,

6. Highly organized and dependable services including maintenance, snow removal, and catering.

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[26] Porter, op. cit., p.9.

Survey of Existing Successful Business/Research Parks

Whether for research or business purposes, the trend has clearly been to provide lower building densities and higher landscape percentages as the trend to higher amenity levels increases.[27]

A second and related study also conducted in 1984 by Ohio State University provided that institution with design input prior to initiating their own research park program.[28] The Ohio State study was exhaustive in detail and provided much quantitative information on attributes of parks constructed through 1984. Presented below is a summary of their findings.[29]

Research Parks Surveyed:

Stanford Industrial Park
University of Connecticut Research Park
New Haven Science Park
University of Delaware Research Park
Central Florida Research Park
Innovation Park--Tallahassee
University of South Florida Park
Florida Research and Technology Park
University of Georgia Research Park
Purdue Industrial Research Park
Orono Research Park--Maine

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[27] Julian Weiss, "Changing Business Parks Forever", Business Facilities, June 1983, p.38.

[28] Levitt, op. cit., "Excerpts From a Comparative Study of University-Affiliated Research Parks", pp. 99-113.

[29] The original text provides information broken down by individual location.

Simplex Development--MIT
Greater Ann Arbor Research Park
Forrestall Park--Princeton
New Mexico State University
Cornell Industrial Research Park
Rochester High Technology Park
Rensselaer Technology Center
University Research Park--Charlotte
Triangle Research Park--Raleigh
Miami Valley Research Park
Swearingen Research Park--Oklahoma
University of Utah Research Park
Research and Technology Park--Pullman

Building-to-Land Ratios

Results of the Ohio State survey indicate an average site coverage ratio as follows (all percents refer to total site area):

Maximum Building Footprint: 27% average with range of 15 to 33%. For the Henrietta site with an initial 300,000 SF conference center, 100,000 SF spec or expansion space, and 50,000 SF of "other" space, and a two-story height restriction, approximately 40 acres of land would be required to match the campus amenity level of existing research parks. To match the Research Triangle Park with its spacious 15% coverage would require 70 acres to be developed and landscaped.[30]

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[30] Frito-Lays' new corporate campus in Plano, Texas, sites a 500,000 sq.ft. corporate center on 218 acres for a FAR of 0.05. The site includes a 10-acre pond.

Landscaping is also significant at these same parks. On average, 51% of the total space is landscaped.

Lot Size and Total Acreage

Total acreage runs the full spectrum of possibilities, ranging from a high of 6200 acres at the Research Triangle Park to a low of 27 at MIT.[31] On average the research parks cover 1042 acres.

Individual lot sizes are much more uniform, ranging from 5 to 25 acres each with an average of 14.[32] Compared to these other multi-tenant parks, the existing Henrietta site at 700 acres is small, but perhaps not so when compared to the Rochester High Technology Center at 55 acres.[33] (Age of course would be a major factor in any size comparison.)

Building Size

Park buildings averaged 62,000 SF each over the sample with a range of 5,000 SF at Swearingen to a maximum of 3,000,000 and 6 stories at Research Triangle.

Zoning Restrictions

70% of the park managers surveyed chose to control park use through restrictive covenants rather than via zoning

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[31] MIT Simplex is located in a high density urban area in a very non-campus environment.

[32] Exceptions do exist, of course, such as IBM's single block of 1500 acres at UNC-Charlotte.

[33] Rochester High Technology Park, also Rochester Science Park, is located within the City of Rochester (East Henrietta Road) and has available sewer service. An access road has been installed by the City.

ordinances. Rose reports that tenants often imposed upon themselves a higher standard of operation than was required by either zoning or restrictive covenants.[34]

Most parks either existed within a light industrial zone or created a new "R&D" zone specifically for their project.

Design covenants are generally strictly enforced within the park boundaries: 64% do not even have existing procedures whereby tenant requests for variances can be formally reviewed.

Amenities

On-site park amenities can yield owners and developers two primary advantages. First, and most obvious, prospective tenants will be attracted to areas that dollar-for-dollar, offer a higher amenity package, especially for those services "needed" by professional tenants. Second, is the hidden benefit of having these services provided from within the park (and under control of park management) and in conjunction with park covenants. With proper planning, park owners should be able to enjoy a monopoly position for basic retail and food services. In addition, uncontrolled proliferation of services "at the fence-line" is minimized.

The OSU study reveals the frequency with which some of the common amenities are being offered to park tenants at

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[34] Rose Thomas, "The New Corporate Campus", Building Design and Construction, August 1983, pp.77-78.

the other sites as follows:[35]

Hotel:	38%	Conference Center:	58%
Airport:	13%	Bank:	21%
Restaurant:	38%	Jogging Path:	33%
Tennis Courts:	8%	Gymnasium:	13%
Retail:	17%		

Tenant and Employee Density

The number of tenants per park ranged from a low of one (1) at MIT to 46 at Research Triangle to 80 at Stanford Industrial. The number of employees ranged from a low of 40 at Central Florida to a high of 26,000 at Stanford.

In a separate study, typical research park employment densities are 20 people per built acre.[36]

Using this employment density and data presented earlier, the Kodak-Henrietta site could accomodate 3800 employees eventually at build-out.[37]

Parking Ratios

Parking ratios vary from 1 space per 200 SF at the University of Utah site to 1 space per 300 SF at Stanford.

Current Town of Henrietta zoning requires only 1 space

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[35] Percentages relate to amenities "on" or "near' the site. Sample size for this item: 24. Ex: Hotel: 38% indicates that 9 of the parks surveyed had a hotel either on or near the site proper.

[36] Santa Cruz Data, Vol. #9, Appendix C, p.3.

[37] (710 acres * 27% max. footprint) * 20 employees per built acre.

per 300 SF, the lowest number in the OSU study.[38]

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[38] Code of the Town of Henrietta, paragraph 127-38, p.12757, amended July 15, 1987.

CHAPTER III

SITE CONTEXT

Site Description

The project area is a 700-acre tract of land located in Henrietta, 8 miles south of the Rochester CBD[39] (and Kodak corporate headquarters) and 13 miles south of Lake Ontario. The site is bounded by the Genesee River to the west, the New York State Thruway to the south, and private croplands to the east and north.[40] Exact site boundaries are indicated on Exhibit #3.

Like most of the Finger Lakes region of upstate New York, the terrain consists primarily of gentle rolling drumlins covered with a combination of grain-type crops (85%) and maple and oak tree-stands (15%). Refer to Exhibits nos. 4, 5, and 6 for photographs of typical portions of the site.

The site remains as primarily crop-land with the following improvements:

1. The Kodak Marketing Education Center, located near the intersection of E. River and LeHigh Station Roads, comprised of four 2-story buildings totalling 300,000 square feet, 50 acres of landscaped grounds, and 3 parking lots

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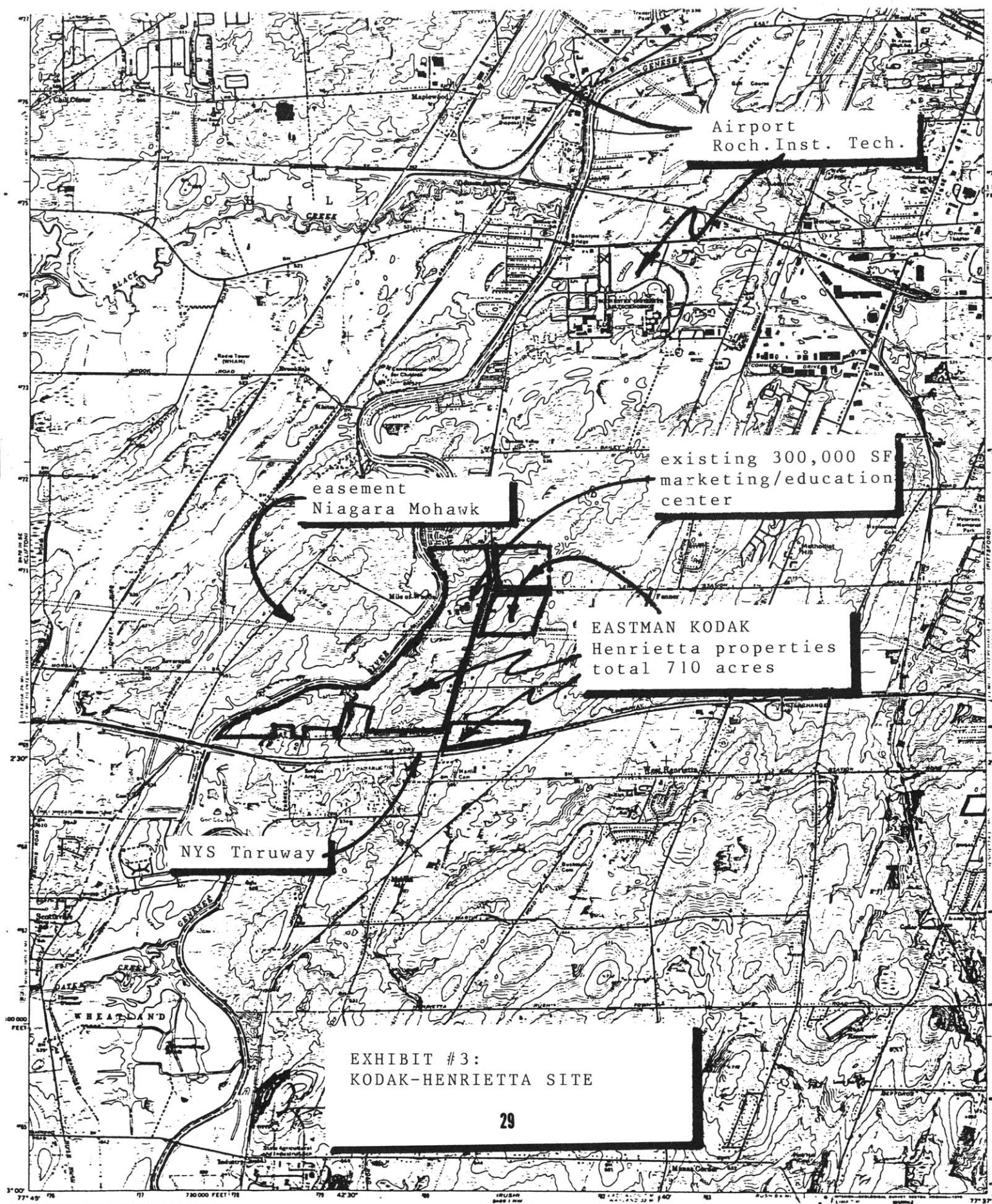
[39] Central business district.

[40] Given the abundance of croplands in the immediate area of the site, it is reasonable to expect that the client could economically and significantly expand their land holding well beyond the current 700-acres.


Airport
Roch.Inst. Tech.
existing 300,000 SF
marketing/education
center
easement
Niagara Mohawk
EASTMAN KODAK
Henrietta properties
total 710 acres
NYS Tnruway
EXHIBIT #3:
KODAK-HENRIETTA SITE
29
Mapped, edited, and published by the Geological Survey
Control by USGS, USC&GS, and New York Geodetic Survey
Topography by photogrammetric methods from aerial photographs taken 1971. Field checked 1971
Supersedes Genesee Junction map dated 1952
Projection and 10,000-foot grid ticks: New York coordinate system, west zone (Transverse Mercator)
1000-meter Universal Transverse Mercator grid ticks, zone 18, shown in blue
1927 North American datum
Fine red dashed lines indicate selected fences and field lines where generally visible on aerial photographs. This information is unchecked
Red tint indicates areas in which only landmark buildings are shown
Revisions shown in purple compiled from aerial photographs taken 1976 and other sources. This information not field checked. Map edited 1978
Purple tint indicates urban areas
SCALE 1:24 000
CONTOUR INTERVAL 5 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1929
UTM GRID AND 1978 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET
THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U. S. GEOLOGICAL SURVEY, RESTON, VIRGINIA 22092
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST
QUADRANGLE LOCATION
ROAD CLASSIFICATION
Primary highway, hard surface
Light-duty road, hard or improved surface
Secondary highway, hard surface
Unimproved road
Interstate Route
U. S. Route
State Route
WEST HENRIETTA, N.Y.
N4300—W7737.5/7.5
1971
PHOTOREVISED 1978
AMS 5470 II SW—SERIES V831

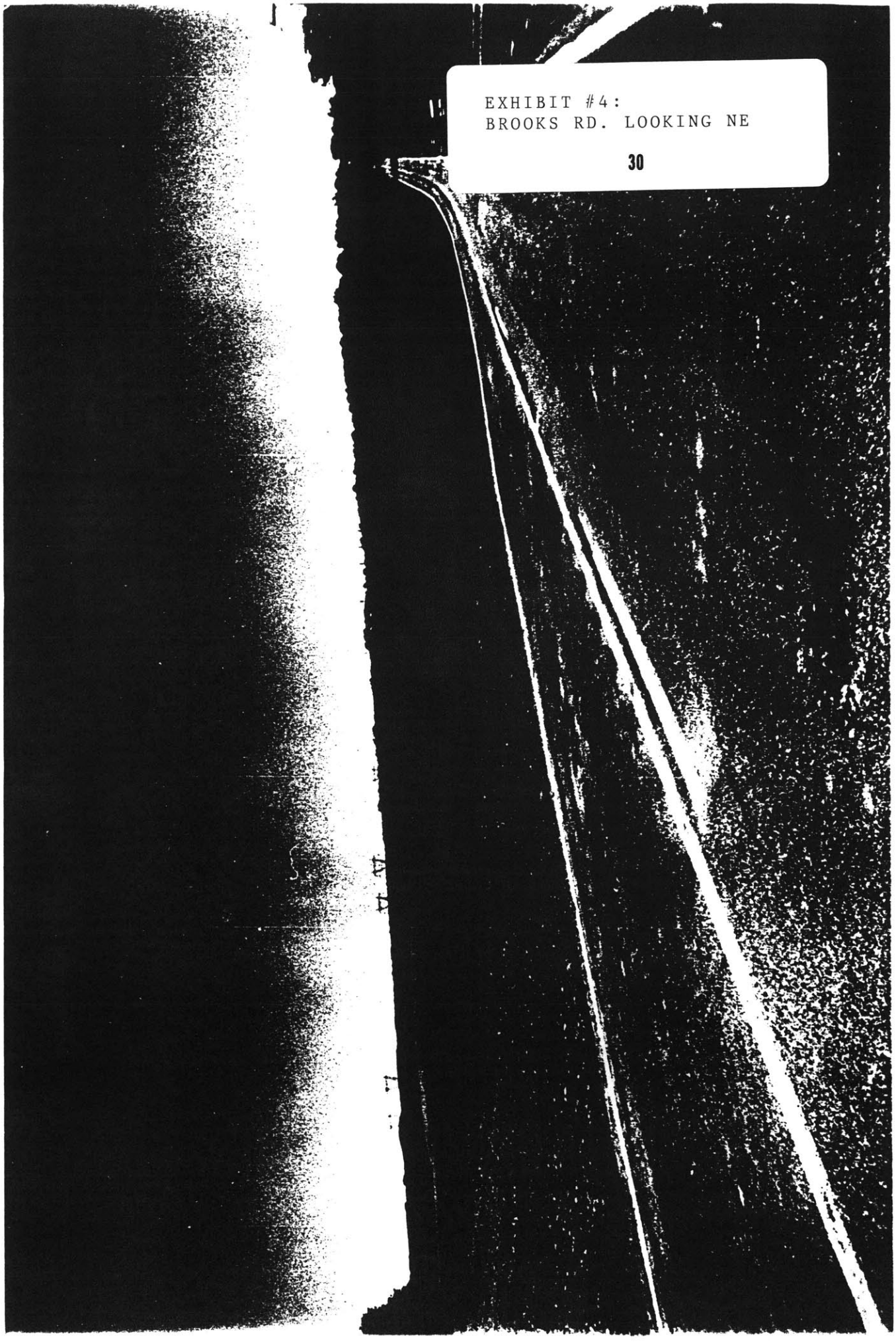


EXHIBIT #4:
BROOKS RD. LOOKING NE

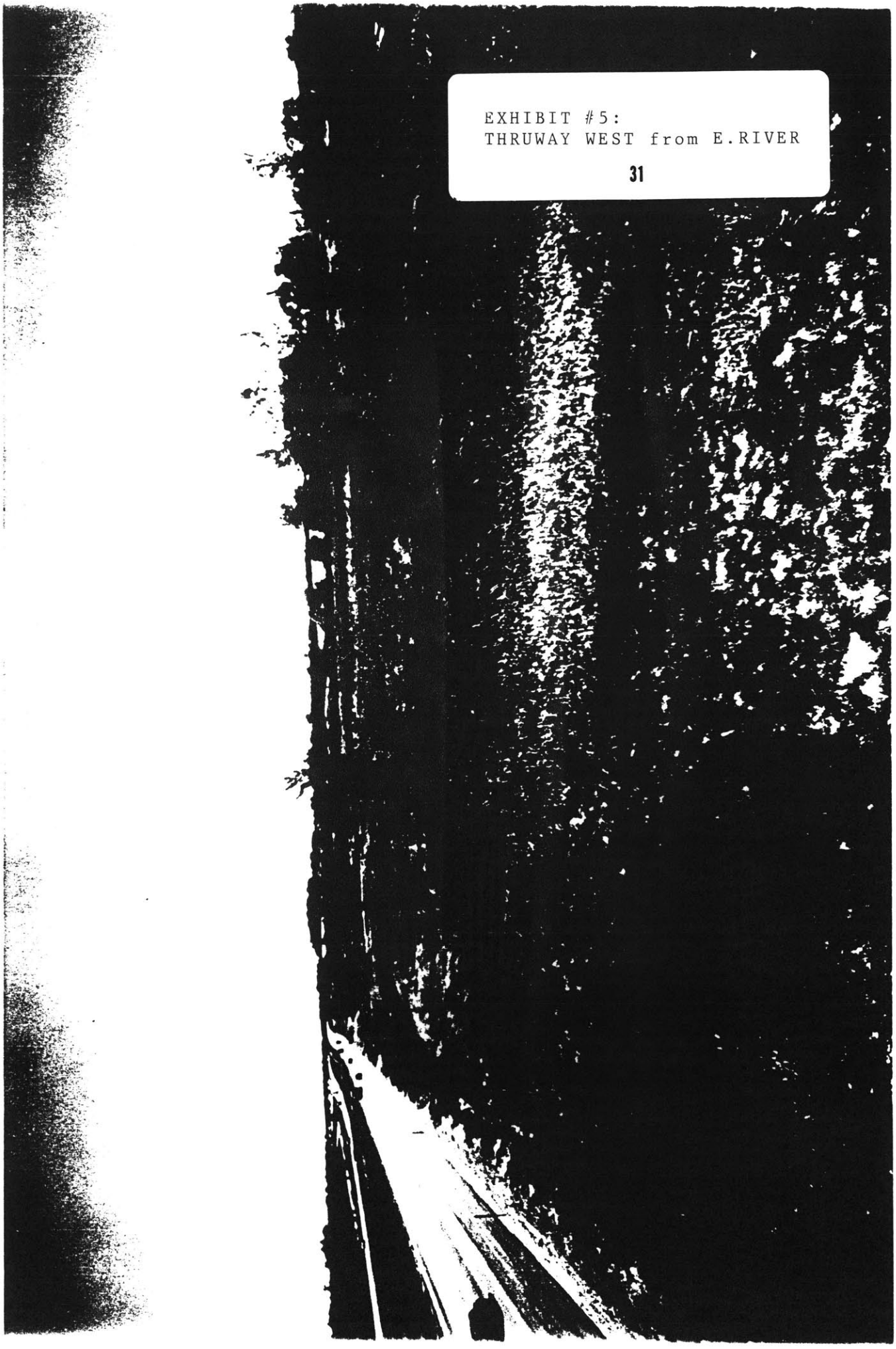


EXHIBIT #5:
THRUWAY WEST from E.RIVER

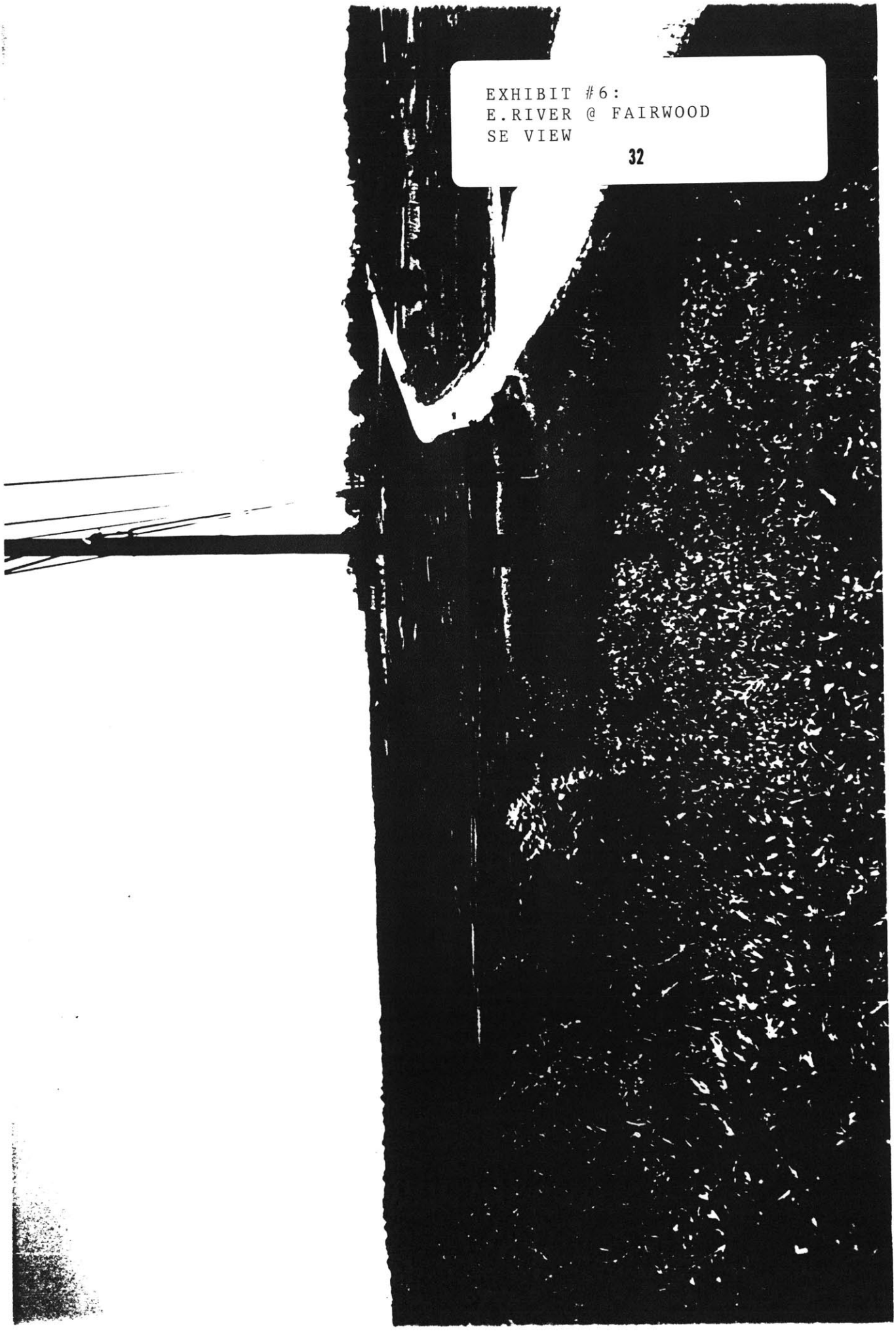


EXHIBIT #6:
E.RIVER @ FAIRWOOD
SE VIEW

with a total capacity of 670 cars.

2. A 350-foot wide utility easement and associated high-tension electrical towers running east/west through the full width of the property midway between LeHigh Station and Brooks Roads.

3. Two Kodak-owned single-family residences.

After subtracting existing improvements, utility easements, and the 100-year floodplain north of the Marketing Center, approximately 575 net developable acres remain[41].

Close inspection of the site's aerial photograph (Exhibit #7) will reveal the existence of widely scattered residences abutting the site along the roadways E. River, Farrell Rd. Extension, Bailey, LeHigh Station and Brooks. This aerial also clearly shows the Thruway/Interstate 390 interchange to the east by 5 miles, the Conrail right-of-way running north-south, and a number of residential sub-divisions immediately west of West Henrietts Rd. to the northwest.

As shown in (previous) Exhibit #2, significant neighbors beyond the confines of the site proper include the Rochester Airport (NW by 6 miles), Rochester Institute of Technology[42] (north by 3 miles), University of Rochester/Strong Hospital

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[41] Marketing Center; 50 acres, Niagara Mohawk; 35 acres, other utilities (Henrietta and Monroe County Pure Waters); 10 acres, DEC wetlands; 25 acres. Total restricted or undevelopable: 120 acres.

[42] aka RIT

EXHIBIT #7

(NE by 7 miles) and the Riverton planned-unit-development (south by 1 mile).

Considering the general site area as a whole and without regard to current property lines, it is apparent that a series of natural barriers are present at the perimeter of the site. The River and Thruway lie to the south and west, RIT and its 1300 acre site to the north, and the Conrail right-of-way to the east. It should also be noted that the majority of land not owned by Kodak but abutting the site area is concentrated in only 6 parcels. These natural barriers and large-parcel croplands may provide the client with significant opportunity to create and control the valuable campus environment they seek. The possibility of the undisturbed environment being eroded by perimeter development could be minimized.

Soils Report

A detailed soils survey for the project area (and all of Monroe County) was executed by Cornell University in 1955 for the U.S. Department of Agriculture/Soils Conservation Service.[43] Even though now 33 years old, the local Conservation Service still considers this information to be current for the area given its relatively unchanged and unimproved use as farmland.

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[43] Soil Survey: Monroe County New York, United States Department of Agriculture, March, 1973.

In summary, the Cornell study concluded that:[44]

1. The soil generally has poor drainage characteristics. Adequate perk capacity may be difficult or impossible to obtain for all but the lowest density residential developments. Septic capacity will be minimal.

2. Approximately 50% of the Kodak site area suffers from high water table with seasonal depths up to only 1.5 feet below grade. This high water table is caused by bedrock elevations being likewise close to the surface. Below-grade installations (utilities, basements, storage tanks) will require special design treatments.

3. The site contains 100-year flood-plain designations along the Genesee River and Red Creek at the northeast sector of the site as declared by Federal and State agencies.[45]

4. Much of the sub-surface soils have insufficient load-bearing capacities. Additional geotechnical investigations will be required to determine the appropriate foundation systems required but it can be expected that significant soils rework (such as excavation and replacement) in areas where foundations will be installed.

With bedrock as near to the surface as 1.5 feet and

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[44] Ibid., pp. 50, 60, 84.

[45] Federal Emergency Management Agency (FEMA) and Department of Environmental Conservation (DEC). Local contact is Mr. Michael Flannigan, Monroe County Department of Environmental Engineering.

frost-line conditions at 4+ feet, significant rock removal may be necessary in certain areas of the site. With local bedrock being comprised primarily of sandstone and glacial till, much of this rock will be rippable with conventional heavy equipment. Due to the depth of material however, additional geotech investigation should be accomplished on this item as well.

Appendix B contains a detailed itemization of the geotechnical considerations and related soils maps that will permit the location of the 30 soils types and subsurface conditions on the site.

Topographic Survey

The USGS topographic map for the project area is shown in Exhibit #8 [46]. This map indicates that elevations in the area range from a low of 520 feet above sea level (creek beds at the site's perimeter) to a high of 625 feet (at the junction of E. River and Brooks Roads).

Implications of these elevations will be discussed in the following section (Opportunities and Constraints) and in Chapter VI Scenarios for Development.

Opportunities and Constraints

Exhibit #9 provides a map summarizing the opportunities and constraints for development of this site.[47] The key

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[46] "West Henrietta, NY", United States Department of Interior Geological Survey, 7.5 minute series, 1978.

[47] Unpublished work by the author, June 1988.

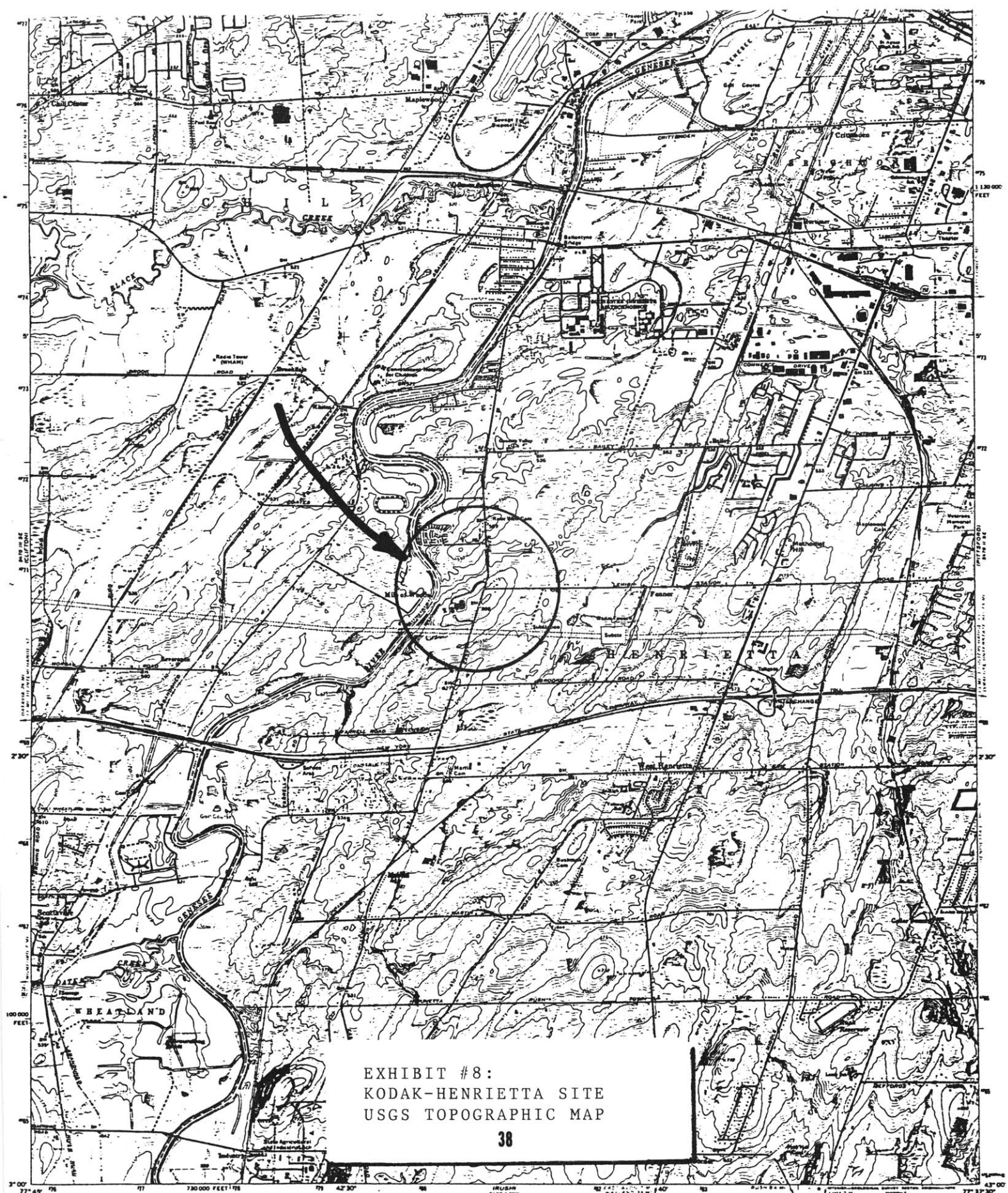

EXHIBIT #8:
KODAK-HENRIETTA SITE
USGS TOPOGRAPHIC MAP

38

Mapped, edited, and published by the Geological Survey

Control by USGS, USC&GS, and New York Geodetic Survey

Topography by photogrammetric methods from aerial photographs taken 1971. Field checked 1971
Supersedes Geneseo section map dated 1952

Projection and 10,000-foot grid ticks: New York coordinate system, west zone (Transverse Mercator)
1000-meter Universal Transverse Mercator grid ticks, zone 18, shown in blue

Fine red dashed lines indicate selected fence and field lines where generally visible on aerial photographs. This information is unchecked

Red tint indicates areas in which only landmark buildings are shown

Revisions shown in purple compiled from aerial photographs taken 1976 and other source data. This information not field checked. Map edited 1978

Purple tint indicates extension of urban areas

SCALE 1:24 000

CONTOUR INTERVAL 5 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1929

UTM GRID AND 1978 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U.S. GEOLOGICAL SURVEY, RESTON, VIRGINIA 22092
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

QUADRANGLE LOCATION

ROAD CLASSIFICATION

Primary highway, hard surface — Light-duty road, hard or improved surface
Secondary highway, hard surface — Unimproved road
Interstate Route — U.S. Route — State Route

WEST HENRIETTA, N.Y.
N4300—W7737.5/7.5

1971
PHOTOREVISED 1978
AMS 5470 II SW—SERIES V851

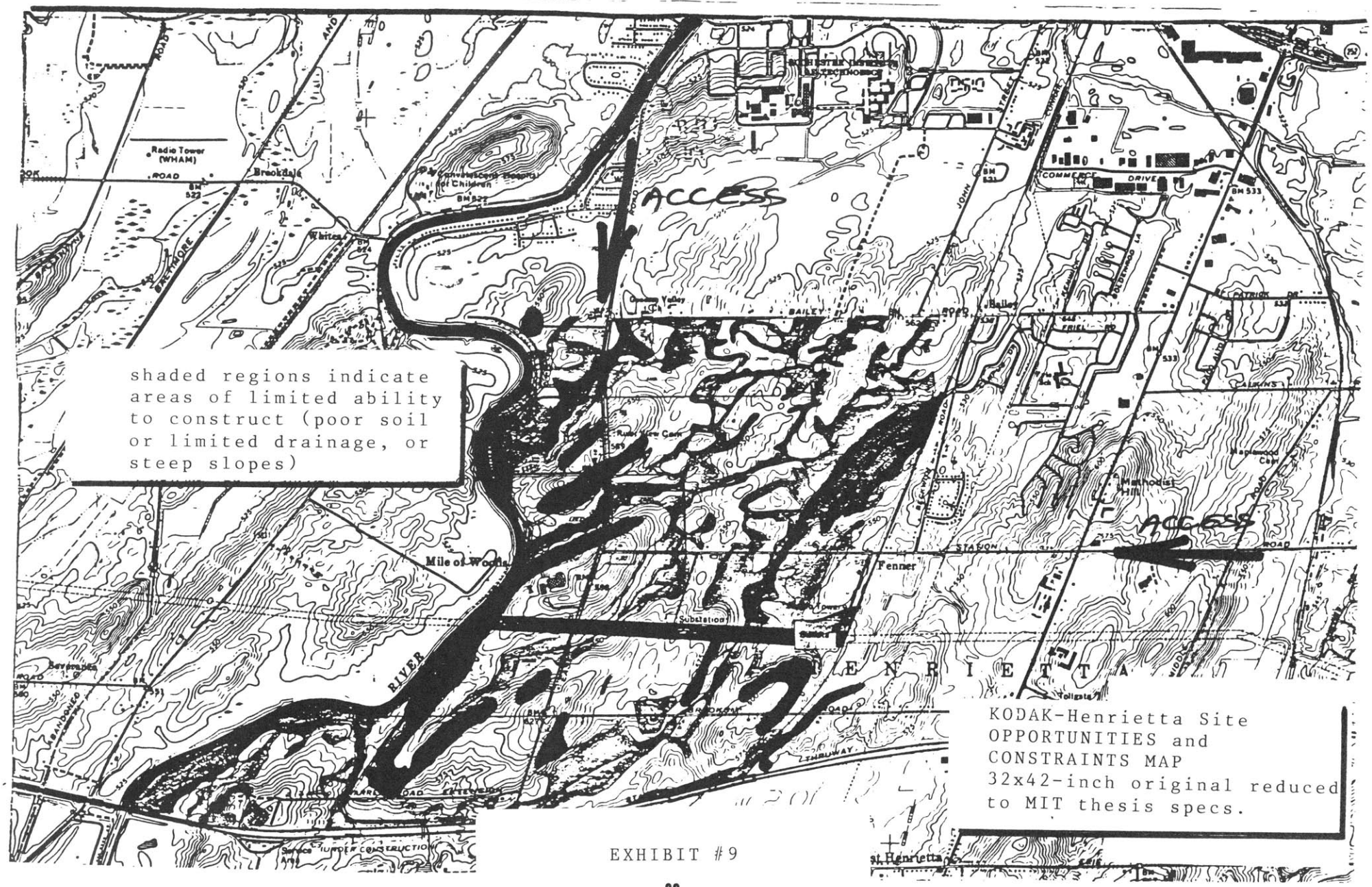
shaded regions indicate areas of limited ability to construct (poor soil or limited drainage, or steep slopes)
ACCESS
ACCESS
Radio Tower (WHAM)
Brookdale
Mile of Woods
Fenner
Substation
RIVER
HENRIETTA
KODAK-Henrietta Site
OPPORTUNITIES and
CONSTRAINTS MAP
32x42-inch original reduced
to MIT thesis specs.

EXHIBIT #9

points to be considered are:

1. Easements: Easements include the previously discussed Niagara Mohawk high tension (overhead) system and easements for other utility systems. Monroe County Pure Waters District operates a 30-inch gravity-flow sanitary system flowing north from Riverton along the east bank of the Genesee to a pumping station near RIT. Also, the Town of Henrietta and Rochester Gas and Electric have easements running adjacent to the site perpendicular to LeHigh Station.

2. View Corridors: Favorable view corridors exist from the intersection of LeHigh Station and East River northeast to the downtown skyline (from an elevation of 580 feet) but unfavorable from the same location south and southeast over the Niagara-Mohawk towers and substation. Favorable views are possible also from the site's high point at E. River and Brooks south (el. 625) and northeast to the city skyline over top of the utility towers at elevation 550 ft.

3. Steep slopes: Moderate to somewhat steep slopes with grades of 8 to 25% exist at several locations within the site, representing primarily capital and operating cost considerations for siting of parking lots, building foundations, and landscaping.

4. Wetlands: Natural and seasonal waterways exist. Site landscaping and stormwater management considerations may be enhanced by strategic placement of buildings to capture the

amenity value of these areas as opposed to removing them. Also, high water tables exist over approximately 50% of the site and become more prevalent as elevations approach that of the River at 510 feet.

5. Zoning Boundaries: to be discussed in Chapter IV following.

6. Residential Areas: About 100 individual dwellings are scattered over the general site area, plus a moderate-sized RIT student housing complex north of the Kodak property at Fairwood Drive and a sub-division of over 50 homes at Shore Drive on the east bank of the River and west and north of the RIT apartments. Of these dwellings, only two are known to be on Kodak property while approximately a dozen are abuttors.

7. Transportation and Access: Primary access to the site is from East River Road and LeHigh Station Road. LeHigh Sation Road provides indirect access to the New York State Thruway and Interstate Route 390 via a 2.5 mile drive by car. West Henrietta Road provides access to the major retail areas of the County, and to downtown Rochester. Access to the west side of the River and the Rochester airport is somewhat convoluted due to the lack of any bridges in the immediate area. The Airport then is about a 8 mile drive over a combination of local, state, and expressway roads. Chapter VI will address the access challenge.

In summary, prime opportunities for development appear

to be located centrally around the site's two high points: at the existing Marketing Center on both sides of East River Road and totalling 100 acres, and at East River and Brooks Roads, from the middle of Farrell Road Extension northeast to the Niagara Mohawk substation, covering 300 acres.

CHAPTER IV

DEVELOPMENT ISSUES

Permitting and the Development Climate

Enabling legislation by the State of New York has empowered the Building Inspector of the Town of Henrietta to enforce the zoning ordinance of the town. The ordinance is fashioned as a typical (Euclidean) device to "promote the public health, safety, morals, and general welfare of the residents...".[48]

The Building Inspector, Mr. David Pirello, has full legal authority to grant or deny both the permit to construct, and the permit to occupy. Appeals are possible through the Henrietta Zoning Board of Appeals in cases where the applicant believes that a variance or change in zoning classification is warranted, or alternatively, that the decision of the Inspector has caused undue harm to the applicant. Zoning appeals are often subject to open review at town board meetings (at the discretion of the Inspector) but certain requests require it, as in the demolition of a historic structure.

Henrietta adopted a zoning plan and zoning board in 1945.[49] Non-conforming uses established prior to that time are exempt from current Code.

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[48] Chapter 127, Code of Town of Henrietta, (Rochester, NY, General Code Publishers, 1988), p.12705.

[49] Elanor Kalsbeck, Henrietta Heritage, (no publisher listed, 1977), p.325.

The Town is governed by a town board of four council members, and the town supervisor, all elected at-large by the qualified voters of the Town. A majority vote of at least three is required for the Town to take any affirmative action.[50] The Town Board meets twice per month; the Zoning Board of Appeals, once.

Jim Breese was elected Town Supervisor three years ago and is now mid-way through his second two-year term. He is extremely pro-growth and pro-development and a conservative Republican. He is very popular with his constituents as well as the Town Board members and is expected to remain in office indefinitely. There is no legal limit to the number of consecutive terms the Town Supervisor can hold.[51]

Overlaid on this pro-development Town Board is the advisory function of the Monroe County Department of Planning. The County Planning Department has an on-going concern that the high rates of development occurring in much of Monroe County dictate the need for a regional planning commission. The function of the regional board would be to ensure that county infra-structure, in particular highways and sewers, have sufficient capacity to support the projects approved at only the town level. The first indication of a successful move in this direction has

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[50] Governmental Services Guide: Town of Henrietta, (Rochester, NY, GCP Communications, 1987), p.2.

[51] Telephone interview with Henrietta Town Historian, Helen Elam, June 28, 1988.

been achieved with the regional traffic and environmental impact studies required of the developers of the future Marketplace Center adjacent to the popular Marketplace Mall. The County would like to see this approach taken on all development proposals.[52]

Supporting the move for regional planning are home-owners to the east of Henrietta. These persons originally moved "to the country" and chose the pristine environment available in Pittsford or Penfield only to find rapid development near-by (but across townlines) destroying "their" environment.[53]

The development climate in Henrietta is very favorable at this time with no end in the foreseeable future. However, indications have surfaced that neighboring towns that do not share Henrietta's enthusiasm for development may pursue options to force a change of attitude. The County Planning Department appears ready to listen, perhaps even wants to listen, to these other communities and their residents. Establishing as-of-right development approvals in Henrietta's current pro-growth climate may prove valuable in the not-too-distant future.

Zoning

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[52] Interview with Al Grover, Assistant Planner, Monroe County Department of Planning, June 14, 1988. Paraphrasing by the author.

[53] Telephone interview, Walt Peter, Penfield Planning Board Chairperson, June 30, 1988.

The Town of Henrietta is divided into 8 differant zoning districts (refer to Zoning Map, exhibit #10). They are:[54]

1. R-1 Residential
2. R-2 Residential
3. B-1 Commercial
4. B-2 Commercial
5. PCD Planned Commercial Development
6. PUD Planned Unit Development
7. I General Industrial
8. HP Historic Sites

R-1 Residential:

This category primarily allows for two-story single family homes. There are two subcategories, R-1-20 with a 20,000 square foot minimum lot, 1400 sq. ft. floor area minimum, and two-car garage, and R-1-15 with a 15,000 square foot minimum, 850 sq. ft. minimum floor area, and 1-car garage required. Setback and frontage restrictions are also given.[55]

R-2 Residential:

This category includes all of R-1 plus 2-family dwellings on 15,000 sq. ft. minimum lots and 810 sq. ft. minimum floor areas, and apartment buildings, with a 3-story maximum and required off-street parking at 2.5 spaces/unit. Setback and frontage restrictions apply.[56]

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[54] Code, op.cit., p.12711.

[55] Ibid., p.12715.

[56] Idid., p.12714.

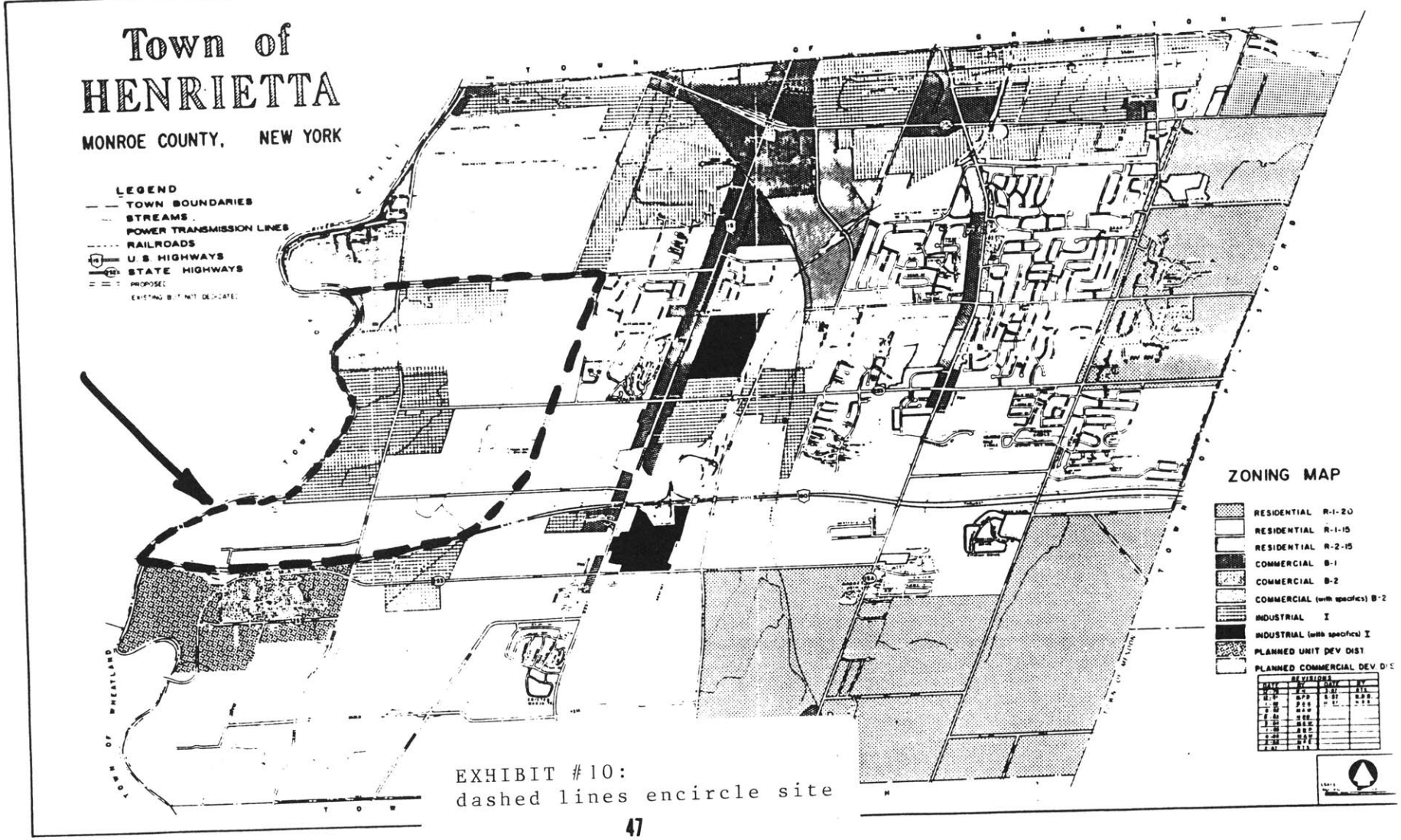

EXHIBIT #10:
dashed lines encircle site

Two-family homes require a special permit.

B-1 Commercial:

The B-1 district is primarily a retail and motel disrict. The maximum building size is 40,000 sq. ft. with a 40-foot height limit and maximum 50% site coverage. Motels require a special permit. Specific requirements are given for setbacks and frontage requirements.[57]

The B-2 district is similar to B-1. Primary uses are offices and professional buildings. R-1-15 residential is permitted; bars and restaurants are not.[58]

Planned Commercial Development (PCD):

PCDs are designed to provide an integrated shopping center and/or office environment for the convenience of the user. Permitted uses include dry cleaners, bars, restaurants, hotels/motels, churches, and indoor recreational facilities. The minimum site size is 10 acres, maximum height is 40-feet, and maximum foot-print of 30% of the site area. Off-street parking at 1 space per 300 sq. ft. is required.[59]

Planned Unit Development (PUD):

PUDs are designed to offer an integrated residential community incorporating a variety of types of residential and non-residential building types in order to function as a

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[57] Ibid., p.12721.

[58] Ibid., p.12725.

[59] Ibid., p.12729.

self-sufficient neighborhood. The minimum site size is 150 contiguous acres. Design and use restrictions are purposely less refined compared to other designations to encourage the developer's interaction with town officials.[60]

I Industrial:

The industrial classification is intended for manufacturing, R and D, and academic institutions. Prohibited uses include single and two-family residences. Apartment buildings are approved for industrial areas but with special permitting required. Building heights are limited to 40 feet.

The Kodak site is currently zoned industrial north of Brooks Road; R-1-15 south of it. The client may wish to consider rezoning the north property to enable full development of the corporate campus and research park concept. Several options are available, including "special R and D" or special-use permit.

HP Historic Sites:

The historic sites designation was originated to "preserve historic or architecturally worthy buildings and neighborhoods". The designation is applied to basically any residential dwelling constructed before 1900. It restricts the alteration or demolition of any structure so designated, requiring a town hearing for demolition or a special permit

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[60] Ibid., p.12735.

for alterations.[61] Special permits for any designation require a public hearing.

The HP designation includes wording that could be misused by anti-development groups in the future. Specifically, any request for alteration of a historic structure that is denied by the Town Board cannot be resubmitted for at least six months, and for demolitions, twelve months.

The list of historic sites in Henrietta is long, including several within the general Kodak site area, such as the cobblestone farmhouse at the intersection of East River and Farrell Road Extension, just north of the Thruway. The list of sites is published in the Code but changes constantly as additional homes are listed and approved. The Town Historian administers the effort.[62]

Consideration of the location of historic sites will be important in the design and site planning process. As written today, the HP designation limits or prohibits any change of "street scape" in the vicinity of the historic site.[63]

Summarizing the zoning environment, special permits and public hearings are the rule for most development other than 2,000 single-family residences planned for sites already

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[61] Ibid., p.12753.

[62] Helen Elam, 98 Tall Oak Lane, Pittsford, NY, 14534.

[63] Ibid., p.12752.

zoned R1. Construction of larger office buildings can be accomplished within industrial zones by special permit or within B2 zones (also by special permit) if total floor area exceeds 40,000 square feet. Developers should be prepared for face-to-face public review, and perhaps negotiation of scale. This could pose a liability in future years as traffic congestion increases and open space decreases.

Infrastructure

Sanitary sewer service is provided to much of the Town by the Monroe County Pure Waters Department. In the vicinity of the Kodak site, a 30-inch diameter sanitary receptor is installed on the east bank of the Genesee. This system was installed between 1965 and 1975 and was designed to handle 15 million gallons per day of sewage from the Riverton PUD just south of the Thruway. (This sewer line is shown on the Opportunities and Constraints map, Exhibit #9.) With only 2000 actual inhabitants at Riverton, that project fell far short of its goal of occupancy by 40,000 residents.As a result there is 5 million gallons per day of capacity remaining in this relatively new sewer system.[64]

With the exception of the receptor itself, no sanitary service piping has been installed in the area of the Kodak site. Due to the industrial zoning in the Kodak site area, town officials never felt it to be a smart investment of

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[64] Telephone interview with Phil Steinfeldt, Engineer, Monroe County Pure Waters, june 30, 1988.

taxpayer dollars to install a sanitary system. Now, in a time of higher interest rates relative to the early 60's, and a scarcity of Federal monies, developers are literally on their own. If their project necessitates sewer service, then they are responsible for its installation.[65]

Sanitary sewers in this area are particularly important because of the unsuitable conditions for septic service as explained in Chapter III. Homes in the immediate area do have septic systems today due only to the fact that densities are very low and that the sytems were installed in a less environmentally-aware time.

The client will want to consider capital cost implications when siting buildings, especially given the existence of bedrock at elevations often only 1-2 feet below grade.[66]

County water service is available in the area. Distribution mains are installed under main roads at which point developers are responsible for installing branch lines into their development.[67]

Traffic

The Kodak site area is served locally by East River

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[65] Interview with Herb Davis, Town of Henrietta Plumbing Inspector, June 15, 1988.

[66] Town building officials require water lines to be buried at 5 feet below grade and sanitary lines at 4 feet below grade.

[67] Herb Davis, June 15, 1988.

Road, Bailey Road, LeHigh Station, and Brooks Rd. Further to the west, West Henrietta Road provides access to the Thruway and major retail and commercial areas.

As part of their state highway maintenance system, the New York State Department of Transportation (NYS DOT) periodically monitors these roads to determine level of service and ultimately, traveller safety.

Within the last several years, the NYS DOT, in conjunction with the Federal Highway Authority (FHWA), has completed Interstate 390 to the east and south of the site. Part of the success of this interstate program was a reduction in the amount of through traffic on the "local" streets such as East River Road. Updated traffic counts by the DOT verify this fact.[68]

The most recent counts available for these local roadways are given below. Counts are expressed as maximum counts per hour in one lane. Capacities given are based on Monroe County's rule of thumb of 900 cars/hour peak in one direction on a two-lane semi-rural roadway.[69]

East River Road at Bailey: 480 cars/hour (53%)

LeHigh Station: 185 cars/hour (21%)

Brooks Road: 54 cars/hour (6%)

Bailey Road: 300 cars/hour (33%)

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[68] Interview with Terry Rice, Senior Traffic Engineer, Monroe County Department of Traffic Engineering, June 21, 1988.

[69] Terry Rice, June 21, 1988.

Determining the development capacity of these roadways, standard regression equations from the Institute of Traffic Engineers (ITE) were utilized.[70] Examining East River Road and noting an available one-way capacity of up to 420 cars per hour, approximately 294,000 sq.ft. of commercial office space can be accommodated without roadway modifications.[71] More study will be required as designs are given further consideration but the initial findings indicate that moderate improvements on East River Road may be necessary for schemes involving 400,000 square feet and more. (Proformas in Chapter VII Financial Analysis include calculations for traffic impacts from mixed-use options as well.)[72]

Proximity to New York State Thruway

As discussed earlier, Kodak's immediate proximity to the Thruway system provides a significant opportunity to create the all-important "location" for the proposed campus. As determined by Porter, transportation access is one of the

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[70] Institute of Traffic Engineers, Trip generation Manual, 4th ed., 1987, pp.256, 1149, 1199, 885, 293.

[71] 900 maximum less 480 existing allows 420 cars/hour additional in one lane. ITE assumes inbound traffic represents 83% of total, therefore (420 divided by .83) represents the total basis for the square foot calculation. Using the ITE equation: ln(trips per hour)=ln(1000 GLA)+1.46 and solving for GLA results in 294, otherwise 294,000 sq.ft..

[72] ITE notes that under perfect conditions and without intersections, a 2-lane semi-rural highway can carry 1400 cars in each direction.

most critical factors in designing a successful park. Providing direct access to the most significant highway in the Mid-Atlantic states, while simultaneously offering an international airport only 8 miles away, would provide "location" and "access" of unrivalled degree in the Rochester area.

Because of their ability to add instant value to development sites, interchange requests are becoming increasingly popular in recent years, averaging about 50 per year over the Federal highway system.[73] Many of the requests have also been successful: 23 were approved by the Federal Highway Administration (FHWA) in 1986 alone.[74]

Benefits to the community not withstanding, interchanges in New York State on the Thruway system are represent a formidable task: in 35 years of operation, only 6 new interchanges have been added to the entire 559-mile long Thruway system.[75] Dodds identified the other criteria that the Authority considers prior to even contacting the FHWA:

1. No direct termination of ramps on or in private developments (emphasized),

2. Circumferential roads servicing the new interchange

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[73] "Demand Rising for Interchanges", Engineering News Record, April 30, 1987. p.24.

[74] Idem.

[75] Telephone interview with Dwayne Dodds, Engineer and Project Planner, New York State Thruway Authority, Albany, NY, June 30, 1988.

need to have matching capacity, implying that if a new interchange is justified, a new roadway system may be also,

3. Revenue potential vs. operating costs and legal requirements to protect interests of Thruway system bondholders (through 1996),

4. Potential for creating additional problems with wrong-way drivers and toll-evaders,

5. Traffic engineering and highway geometry considerations.

Recognizing this trend to more interchange requests, the FHWA has re-issued criteria to their field offices stressing the need for the interchange project to be justifiable on technical-only grounds. A copy of this FHWA memo was obtained via public domain for this thesis and is included as Appendix C.[76] The memo states that highway interchange justifications should include the following points:

1. Purpose of the interchange,

2. Relationship to other highway projects,

3. Distances to and size of communities served,

4. Description of existing access system, including distances to adjacent interchanges, and,

5. Traffic and operational analysis, including ability of collector streets to distribute traffic away from the new

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[76] "Additional Access Requests-Analysis and Documentation Requirements", United States Department of Transportation, FHWA, internal memorandum, July 2, 1987.

access.

Interchange spacing criteria is further clarified in other FHWA documents.[77] It states that urban area minimum average spacing should be 2 miles; for suburban areas, 4 miles on average; rural areas, 8 miles on average. Absolute spacing is 1 mile in urban areas and 3 miles in rural areas. (An absolute for suburban is not given.)

Interchange approvals in New York State involve significantly more scrutiny than simply transportation-related considerations, namely environmental. NEPA (National Environmental Protection Act) and SEQR (State Environmental Quality Review) usually take precedence during the approval process. Due to SEQR requirements the lead agency, usually the locality in which the issue exists, is responsible for ensuring that the appropriate environmental features are in place before taking any action.[78] Traffic engineering may not even be a factor if environmental issues can not be resolved.

Mr. Maury Rothenberg, President, JHK and Associates, and former director of the FHWA, offers a simplier view of the situation. He states that any new interchange on the Interstate system requires two ingredients for success:

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[77] The 1989 Estimate of the Cost of Completing the Inrestate System Instruction Manual, U.S. Department of Transportation, FHWA, January, 1988, p.II-10.

[78] Telephone interview, Ted Smith, New York State Department of Transportation, Albany, NY, June 30, 1988.

money and politics. Money: about $20 million for a full toll road interchange. Politics: unified support from the town supervisor up to and including the governor's office. "Then you can get your interchange built." (He also recommends determining which civil engineering design firm is most respected by the regional FHWA office and utilizing that company for engineering studies to support the request.)[79]

Tim White, an engineer in the Boston office of the FHWA (which also covers New York State) provides an example of a recent approval by that office: a new interchange on Interstate 93 just north of Boston designed to relieve truck traffic through local residential neighborhoods. A copy of the justification document used by the Massachusetts Department of Transportation and approved by the FHWA is attached as Appendix D.[80]

Public Services

The Town of Henrietta has sufficient existing capacity for schools, police, and fire protection, for current and foreseeable future needs. In the past the Town has not hesitated to invest in additional public service projects to support the growth of their town.[81]

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[79] Telephone interview, Maury Rothenberg, President, JHK and Associates, Arlington, Virginia, June 30, 1988.

[80] Interstate 93 Additional Access Justification, Woburn, Mass., no other information listed on document.

[81] Interview, David Pirello, Town of Henrietta Building Inspector, June 15, 1988.

CHAPTER V

MARKET ANALYSIS

Overview of Local Economy

The Rochester Chamber of Commerce Business Trends Committee is very bullish on the prospects for the regional economy for the balance of 1988.[82] Unemployment (3.4%) is approaching record lows, help wanted advertising is up considerably, and the 6-year erosion of manufacturing employment has apparently ended.[83]

Strenghtening of the US dollar against foreign currencies has helped local export-dependent manufacturing companies regain both volume and profits. Partially offsetting this good news is the potential for increased inflation as production schedules are strained, providing upward pressure on wage rates as full-employment is approached.

Significant elements of the Rochester area's economic forecast for 1988 and beyond are:

1. Manufacturing-sector employment grew by 3,000 jobs in the first quarter of 1988, reversing for the first time since 1981 a downward slide that ultimately resulted in the

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[82] The Business Trends Committee is comprised of nine economists from the manufacturing, banking, utilities, and state government sectors.

[83] "The Economic Review Letter", Rochester Area Chamber of Commerce, May, 1988.

loss of 30,000 jobs in the local economy.[84]

2. Non-manufacturing employment is expected to rise by 6,000 in 1988 to an all-time high.

3. Increased employment has been accomplished almost exclusively by reductions in the unemployment rate. New migration of workers and young people will be necessary for area growth to continue at current levels.[85]

4. Even with some decrease in area residential construction, highway infra-structure projects have provided a full-employment environment for the construction industry.[86]

Demographics

Monroe County was inhabited by 713,000 persons in 1985. That number is expected to grow to 730,000 by 1990, an increase of 17,000 or 2.4% over the 5-year period.[87] The population is growing slowly and aging very quickly. Between 1985 and the year 2000, the median age of County residents will increase from 30 years old to 37 years old, a statistic certain to have a major impact on the housing markets.[88]

Monroe County will follow the nation-wide trend of

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[84] Idem.

[85] Idem.

[86] Idem.

[87] "Transportation Data Guide", Genesee Transportation Council, January 1986, p.86-12-26

[88] Idem.

steadily decreasing household size.[89] Total households in the county will rise to 295,000 in 1990, up from 269,000 in 1985. Household unit size will correspondingly decrease to 2.5 persons compared to 2.6 in 1985.[90] (This household formation growth will be a major force in the residential markets as discussed later in this chapter.)

Total employment in 1985 in the County was 363,000. Forecasted employment for 1990 indicates a 6.8% increase to 387,000 for an annualized rate of growth of 1.3%.[91] The increase will be especially concentrated in the fire, insurance, and real estate sectors, all of whom are particularly heavy users of commercial office space.

The Office Market and the Corporate Need

As described in Chapter I, the "base" corporate need is initially 400,000 square feet of commercial space plus amenities. The "plus amenities" component of the client's needs immediately negates any consideration of the 1.5 million square feet of class A space currently on the market, even before considering the cost of constructing a competitive facility on their own property.[92] [93]

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89 "US Households Keep Declining in Size", Wall St. Journal, July 14, 1988, no page no.

90 Idem.

91 Genesee Transportation Council, loc. cit.

92 Brian E. Donovan, President, First American Real Estate, telephone interview June 29, 1988.

The spec-type properties considered above also are unsuitable for the client's needs for even more basic reasons; they are physically separated from the existing Marketing Center, and leasing space from others does nothing to enhance the value of their existing 700 acre land inventory.

In summary the corporate need remains unchanged; develop a corporate campus at the Henrietta site that fulfills Kodak's conferencing and headquarters needs with a concomitant increase in value for the entire site.

The Rochester Office Space Market

The class A office space market is comprised of approximately 16 million SF,[94] of which 7.4 million is located in the CBD.[95] At the time of the Birch report, 12.9% of the total space was vacant (4.5% downtown).[96] [97]

Based on employment growth in the SMSA of 69,600 with assumed constant office space productivity, an additional

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[93] Class A office space in amounts of 50,000 sq.ft. and larger are or will be soon available at various locations in the County: Canal View; 250,000 SF, Farash/RIT; 60,000 SF, Widewaters; 800,000 SF, Corporate Woods; 350,000 SF, Woodcliff; 50,000 SF.

[94] David L. Birch, America's Office Space Needs: 1985-1995, (Cambridge, MA, MIT Center for Real Estate Development, 1986), p.55.

[95] Survey of Downtown Office Space, Rochester Downtown Development Corporation, May 1987, no page no..

[96] Birch, op.cit..

[97] Rochester Downtown_____, op.cit..

4.3 million square feet will be needed to accomodate this growth.[98] (The New York State Department of Commerce projects the employment growth to be 85,700.) When correcting the construction figure for vacancy rates, i.e. allowing for absorption to decrease vacancies from 12.9% to a more "efficient" 6%, new construction requirements drop to 3.6 million square feet.[99]

Putting this fiqure in perspective, the Rochester development community erected 4.3 million square feet between 1975 and 1985. The result: developers will need to curtail their historical rate of development or suffer the consequences of an slightly over-built market (aka concessions).

Since the time of the Birch Report, 1.6 million square feet have been added to the Rochester market.[100] Preliminary indications are that the local development community will in fact erect more space than in the 1975-1985 time frame, much contrary to expectations if developers are in fact researching the market before building. All told, it appears that the early 1990s may be a time of deep discounts in face rents as developers attempt to find credit tenants for their buildings.

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[98] Birch, loc.cit., p.70.

[99] Ibid., p.80.

[100] Walter Causey, New York State Department of Economic Development, Albany, NY, telephone interview approx. June 13, 1988.

The above not withstanding, the Kodak corporate campus may pose some opportunities for development in the speculative office market. This would be possible due to the site's one-of-a-kind environment and amenity packages providing a market niche that only Kodak could fill. Other benefits such as association with the Kodak name, improved access to major highways, and decreased commuting times to executive communities may also lead decision-makers to opt for the Kodak site.

The Market for R&D Space

Monroe County and the Town of Henrietta contain a large number (approximately 200) of sites listed as "industrial park" or "industrial site". Nearby parks include the Rochester Science Park, John Bailey Center, and Pittsford High Tech Park to name but a few. None of these sites feature amenities even remotely close to those in the studies mentioned. What they can offer is short-notice occupancy and complete infrastructure. Some parks include pre-existing buildings. The John Bailey Center north-east of the Kodak site is being developed with new construction.

The amount of vacant land currently advertised through the County's Department of Economic Development indicates that there is a dearth of prospective tenants rather than a competitve market for them.[101]

The Rochester Hotel Market

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[101] Subjective claim by the author.

There are 5200 hotel/motel rooms in the metropolitan Rochester area, including "bed and breakfast" type establishments.[102] The 12-month average occupancy of these hotels is 65%, ranging from a low of 49% in December to a high of 85% in June.[103] Industry average occupancy is 72%.[104]

Using forecasted SMSA employment growth as a barometer of local business activity, 7% additional rooms will be required by 1995 to maintain constant occupancies,[105] or 364 rooms.

Several significant hotel projects are currently either under construction or in planning, including:[106]

1. Hyatt Hotel, 360 rooms, under construction, downtown Rochester.

2. Marketplace Center, 2 hotels, 750 rooms, in planning stage, Town of Henrietta.

3. Red Roof Inn, additional 100+ rooms, probably budget-type, in planning stages, Town of Henrietta.

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[102] Terry Bowman, Monroe County Department of Economic Development, telephone interview, July 8, 1988.

[103] Genesee transportation Council, Transportation Data Guide, January 1987, p.86-13-7.

[104] Harris, Kerr, Foster and Company, Trends in the Hotel-Motel Business, 1979, p.4.

[105] New York State Department of Commerce, Official Projections for New York State Counties: 1980-2010, New York State Data Center, 1980, table 2.

[106] Interview with Dave Pirello, Town of Henrietta Building Supervisor, June 15, 1988.

4. Gateway Inn, anticipated additional 100+ rooms, in planning stages, Town of Henrietta.

The four projects above total 1300+ rooms, well above the 360 rooms forecasted to sevice the growing economy. Occupancy rates may be reduced if assumptions hold true.

Included in these numbers is the significant demand generated by Kodak for their corporate and visitor needs. According to Kodak management, the company generates 90,000 room-nites per year of hotel space in Rochester alone.[107] Assuming this is mid-week business travel only and a 65% average occupancy is required to meet peak demands, Kodak's needs alone would consume an entire 550-room hotel,[108] the market for which they obviously control.

The Rochester Housing Market

As described earlier, the make-up of Rochester tenants and homeowners is changing rapidly. They, as a group, are getting older quickly and continue to live in households of diminishing size. As a result there will be over 42,000 new households formed between 1980 and 1990. Gauging from the 1980 Census, about 75% of these new households will purchase homes, the remainder becoming tenants in rental housing.

With the aging population, 1995 will find 10% fewer

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[107] John R. Middleton, Manager, Corporate Property Portfolio, Corporate Real Estate Office, Eastman Kodak Company, quoted June 1, 1988.

[108] (90,000 divided by 250 nites/yr) divided by occupancy (.65) yields 553 rooms.

people in the 20-34 year-old bracket, decreasing the number of prospective tenants for the local apartment market by the same amount.

Combining these two elements, a prediction of housing demand can be derived. Firstly, for apartment demand:

> Demand from new households is 25% of total new households or (.25*42,000)=10,500[109]
> Decrease in demand due to 10% fewer renter-aged individuals or (.10*92,674)=-9,270[110]
> Replacement demand due to physical deterioration at .1%/yr or (.001*92,674)*8=740
> TOTAL NET APARTMENT DEMAND: 1970 new units rental

Demand for new single-family residences can be determined in a similar fashion, assuming that all non-renter households are owner households. ("Doubling-up" should not introduce error. The Census Bureau definition of "household" only permits one household per dwelling unit.)

> Demand from new households is 75% of total new households or (.75*42,000)=31,500
> Renters "moving-up" due to age and loss from apartment units or (.10*92,674)=9,270
> Physical depletion at .1%/yr. or (.001*159,543)*8=1276
> TOTAL NET SFU DEMAND: 42,000 units

Information from building permits for apartment and single family unit construction reveals the amount of construction that has occurred to date for comparison to the

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[109] 1980 U.S.Census reports that 37% of all households in Monroe County were housed in rental units in 1980. The author has used his own judgement to update this fiqure to 25% in 1988, absent better information.

[110] 92700 apartment households existed in Monroe Couny at the time of the 1980 Census, per 1980 Census.

above demands[111]. Exhibits #11 and #12 following provide detailed construction data. Appendix E provides detailed information by town and product type for 1970-1988

In summary, homebuilders constructed 16,743 single family and townhouse homes between 1981 and May, 1988. The preceeding discussion calculated a net demand of 42,000 units, or a shortfall of over 25,000 units to be overcome before the close of the 1990 building season, an unreasonable expectation. Additional investigation will be required to determine which of the assumptions may be flawed. For the purpose of the Kodak Corporate Campus however, it does appear that the burgeoning baby-boomer and new household ranks are creating a historically very large demand that may offer development opportunities.

Summarizing the rental market, Exhibit #11 indicates that over this same time frame, 972 units of apartment dwellings have been erected. Compared to the calculated demand on the preceeding page, a shortfall of 1000 units is noted.

The apartment dwelling development opportunity is further enhanced when it is realized that in similar fashion to the hotel industry locally, Kodak is a major consumer. Middleton also reports that the company's demand for rental

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[111] Rochester Homebuilder's Association unpublished information, July 15, 1988, for Monroe County through May 31, 1988.

A.F.Rice Kodak-Henrietta Feasibility Study
SUMMARY: Residential Construction, Monroe County, NY 1970-1988

	1970-1988				1981-1988			
	APART	SFU	TOWN	TOT	APART	SFU	TOWN	TOT
Brig	1279	521	667	2467	138	197	256	591
Broc	268	155	100	523	4	56	24	84
Clar	108	428	13	549	0	150	0	150
Chil	491	2029	560	3080	1	835	185	1021
Chur	0	133	106	239	0	110	0	110
E. R	77	56	212	345	5	12	2	19
Fair	17	279	12	308	0	118	10	128
Gate	795	2315	271	3381	6	553	64	623
Gree	2059	7437	763	10259	18	3771	557	4346
Henr	1013	1799	544	3356	54	787	170	1011
Haml	164	1062	47	1273	2	291	1	294
Hilt	448	576	95	1119	60	352	11	423
Hone	184	40	74	298	56	13	0	69
Iron	905	882	121	1908	154	296	113	563
Mend	0	804	2	806	0	450	0	450
Parm	0	672	0	672	0	256	0	256
Ogde	496	1345	254	2095	0	643	64	707
Penf	579	2833	701	4113	119	1359	288	1766
Peri	1168	4150	1434	6752	76	1747	572	2395
Roch	64	179	33	276	136	403	164	703
Riga	0	376	0	376	0	184	0	184
Pitt	267	2202	193	2662	129	1013	169	1311
Rush	0	311	0	311	0	135	0	135
Scot	8	105	0	113	8	28	0	36
Spen	67	261	53	381	41	43	14	98
Webs	0	62	192	254	0	135	381	516
Webs	35	286	57	378	35	647	57	739
Whea	2	69	0	71	2	10	0	12
UDC	5025	25	400	5450	0	45	0	45
	15519	31392	6904	53815	1044	14639	3102	18785

EXHIBIT # 11

AFR file C:\SYMPH\FILES\BUILDER 07/24/88 ref: Rochester Homebuilders Assoc.

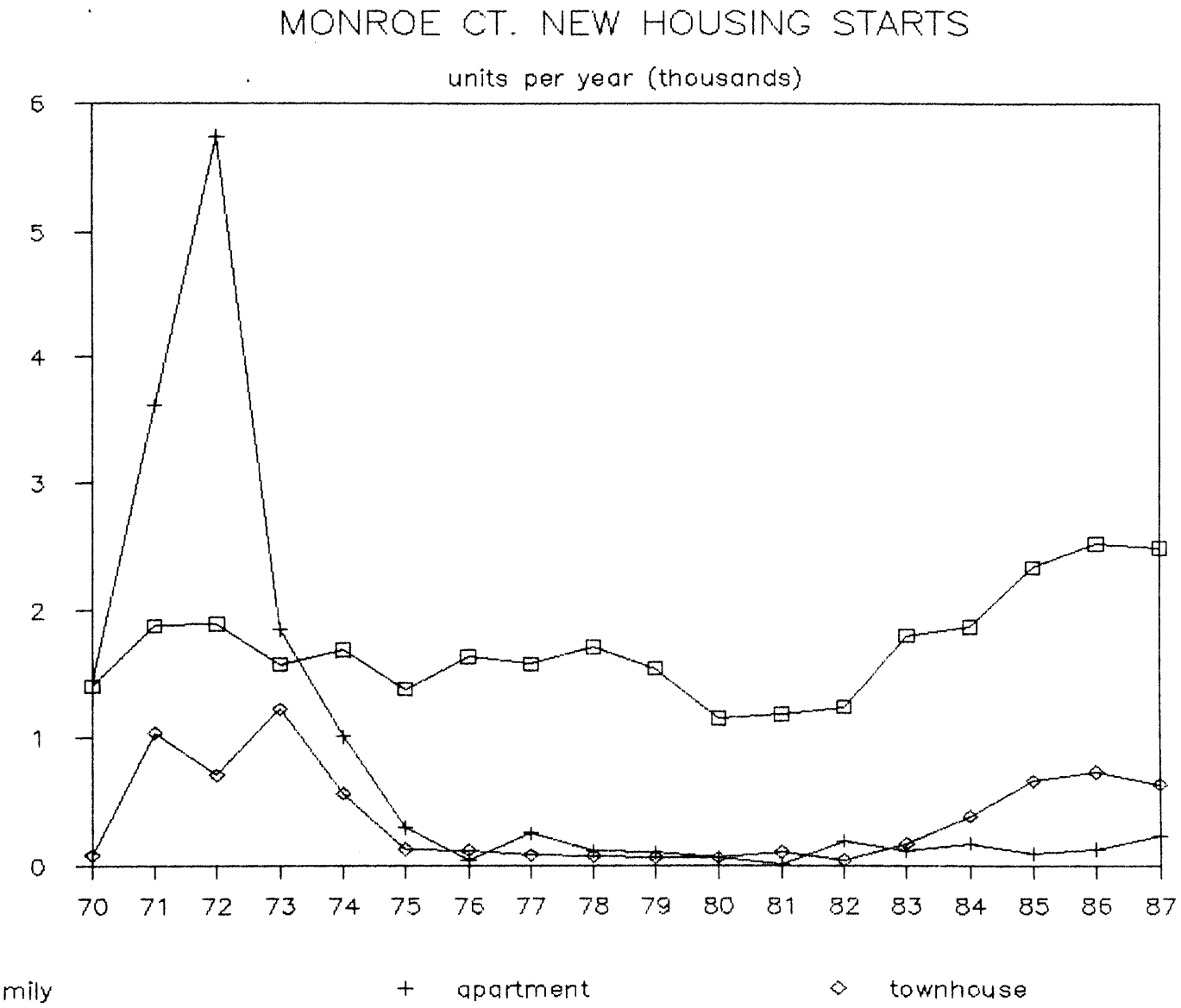

EXHIBIT #12:
CONSTRUCTION STARTS vs.
TIME

housing is equivalent to 250 units. Development scenarios to be discussed in Chapter VI will also include this option as well as the single family situation just described.

CHAPTER VI

SCENARIOS for DEVELOPMENT

Introduction

Recalling the mission of the corporate campus project, Kodak desires to provide a facility that will fulfill their corporate need through the year 2000. This corporate need is comprised of a headquarters facility (300,000 sq.ft.), conferencing center (100,000 sq.ft.), 400 units of housing, and various amenities. In addition, a plan that will enhance the value of the existing land in this same area (700 acres total) is highly desireable.

Creation of Value

In the last two years, industry and the development community have invested over $1.5 billion in Monroe County,[112] including 6800 units of residential housing.[113] During this time period of record-level construction, the Kodak site area has been relatively free of any development activity. Identifying opportunities for value-creation may start with an assessment of site weaknesses that could have partly responsible for this dearth of action. Possibilities include utilities, access, and people.

Infrastructure

The entire site area enclosed by the Genesee River and

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[112] Telephone interview, Walt Causey, New York State Department of Economic Development, June 13, 1988.

[113] Exhibit 11.

the Conrail railroad tracks to the east, nearly 2000 acres, is physically subdivided by only three roadways: Bailey, LeHigh Station and Brooks. What remains is several "mega-blocks"[114] of farm-land that have yet to be sub-divided by a group or agency that has the resources, inclination, or financial resources to underwrite such a project.

Even if the rumored John St. extension project comes to fruition,[115] miles of new secondary roadways need to be provided before this area becomes attractive compared to available land in neighboring towns. Exhibit #13 provides a conceptualization of what one possible roadway network might be comprised of. Installation of these roadways will increase land values by an amount equal to the developers' capitalized cost savings (i.e. the land residual increases). The new roadways shown in Exhibit #13 total 5.2 miles, including the John St. extension.

Direct access to the Kodak site from the west is currently prevented by the lack of crossing points over the Genesee River. Installation of a commercially-rated bridge over the river at the west end of Fairwood would also increase land value as commuting times to and from key points around the county are reduced.

Partly related to this lack of roadways is a

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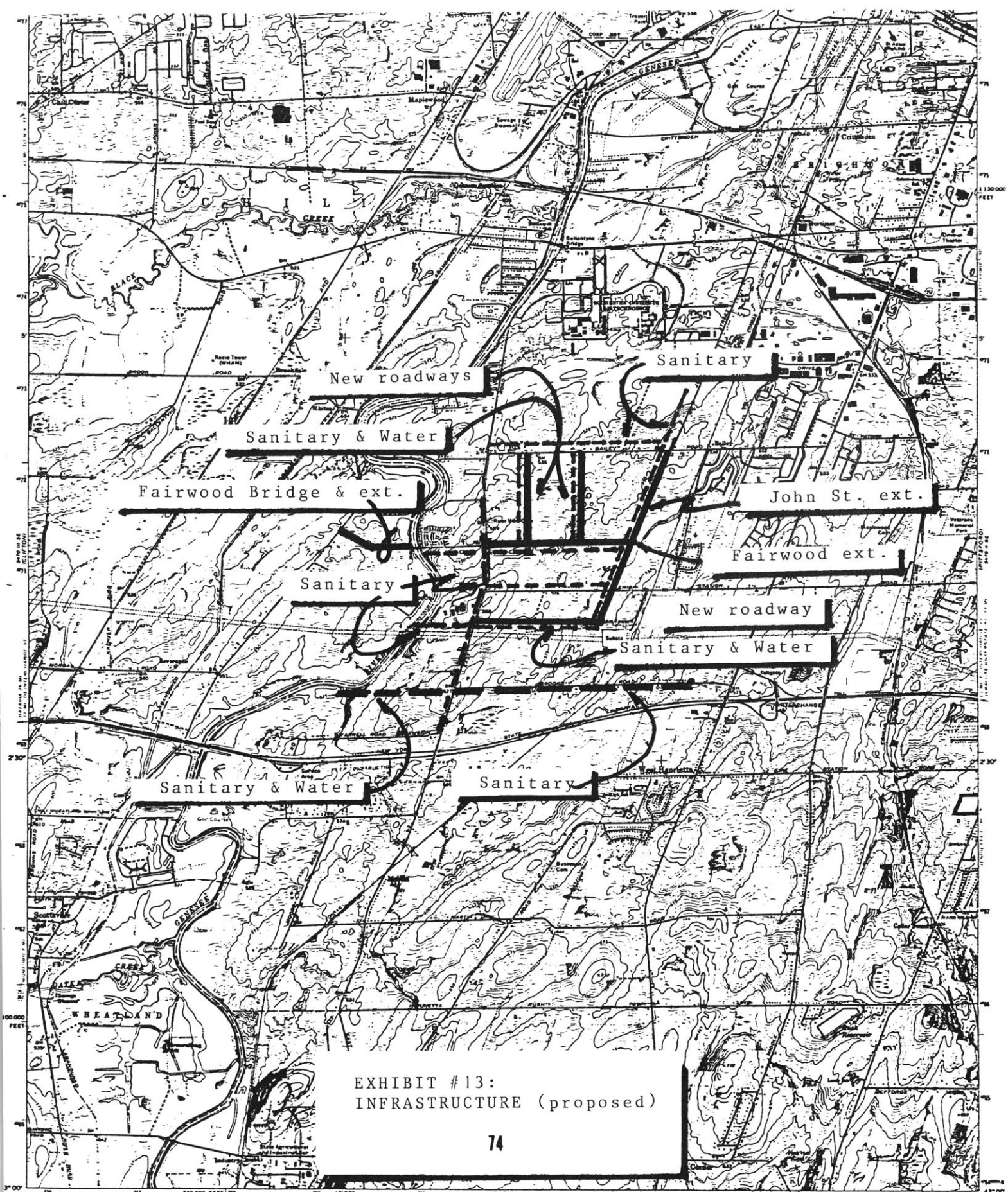
[114] Bailey/LeHigh: 1.1 square miles, LeHigh Brooks: .7 square miles.

[115] Interview with Al Grover, Monroe County Department of Planning, June 14, 1988.



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Control by USGS, USC&GS, and New York Geodetic Survey

Topography by photogrammetric methods from aerial photographs taken 1976. Field checked 1971

Supersedes Geneseo Junction map dated 1952

Projection and 10,000-foot grid ticks: New York coordinate system, west zone (Transverse Mercator)

1000-meter Universal Transverse Mercator grid ticks, zone 18, shown in blue

1927 North American datum

Fine red dashed lines indicate selected fence and field lines where generally visible on aerial photographs. This information is unchecked

Red tint indicates areas in which only landmark buildings are shown

Revisions shown in purple were compiled from aerial photographs taken 1976 and other source data. This information not field checked. Map edited 1978

Purple tint indicates new urban areas

SCALE 1:24 000

1 0 1 MILE

1000 0 1000 2000 3000 4000 5000 6000 7000 FEET

1 0 1 KILOMETER

CONTOUR INTERVAL 5 FEET

NATIONAL GEODETIC VERTICAL DATUM OF 1929

UTM GRID AND 1978 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS

FOR SALE BY U. S. GEOLOGICAL SURVEY, RESTON, VIRGINIA 22092

A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

QUADRANGLE LOCATION

ROAD CLASSIFICATION

Primary highway, hard surface — Light-duty road, hard or improved surface

Secondary highway, hard surface — Unimproved road

Interstate Route — U. S. Route — State Route

WEST HENRIETTA, N.Y.

N4300—W7737.5/7.5

1971

PHOTOREVISED 1978

AMS 5470 II SW—SERIES V871

concomitant absence of sanitary sewer service, excepting the 30-inch receptor installed on the east bank of the River (refer to previous Exhibit #11). The area without service extends from the Thruway north to (nearly) Bailey Road and east to Beckwith Street. According to Herb Davis, Henrietta plumbing inspector, this area of the town was never given much attention because priorities were directed further east. In addition, it was also assumed that the Kodak area was "only industrial". Exhibit #13 also depicts a proposed sanitary sewer network of approximately 12.1 miles.

Underground piping systems for ordinary water supplies are found along E. River, Brooks, LeHigh Station and Bailey Streets. Again due to the spacing of existing roadways, additional installations totalling at least 6.4 miles would be required.

The total installed cost of the infrastructure system described is approximately $12 million. Assuming an efficient land market and 100% public funding, the existing Kodak property would increase in value by $6,000 per acre, or a total of $4.3 million. (see Chapter VII for capital estimates.)

Business and Employment

Currently the only non-farm business in the immediate vicinity is the Kodak Marketing Center. In a fashion similar to the design of shopping centers, the area needs an "anchor" to provide a base of population to which the

service industry might cater. With a wider range of services and amenities available, attracting other businesses becomes simplier. More businesses lead to more employees, more employees to more services, until a point where the economic base is self-supporting. It is beyond the scope of this thesis to project any minimum base but the construction of additional facilities by Kodak (further "anchoring" the site), may be sufficient to precipitate demand for retail services and space. Land values will increase as residuals inflate with a change away from agricultural use of the land.

Development Options

This thesis presents 5 development options. They were chosen to provide decision-makers with a variety of scenarios depending upon capital limits, financial performance, risk preference, land requirements, and subjective constraints. Exhibit #14 summarizes the key features of each option. All options assume the eventual construction of a Kodak/RIT research park located south of Bailey Road. Only the BUILDOUT option assumes that this construction will occur in the short-term however because of the economic necessity of county and state agency funding of related roadway projects.

All options will also require particular attention to zoning regulations and zoning layouts. Execution of site plans discussed in this thesis without either a rezoning of

EXHIBIT #14

A.F.Rice KODAK-Henrietta Site Feasibility Study
SCENARIOS for DEVELOPMENT: SUMMARY of OPTIONS

parameter	BASE	STEP1	MAKE$	THRUWAY	BUILDOUT
land req'd	120	460	200	150	1300
new land	0	100	0	0	600
corp. space	400K	400K	400K	400K	400K
comm. space	0	200K	400K	200K	1900K
R&D space	0	0	0	0	0
hotel rooms	400	400	400	400	400
retail space	0	50K	50K	50K	225K
apartments	250	250	250	250	500
single fam.	0	200	0	230	1290
health club	0	10K	0	10K	10K
golf	0	18-hole	0	18-hole	18-hole
traffic:					
signals	1	4	2	3	10
turn lane	1	4	1	2	12
peak flow	660	940	1200	940	2970
roads (ft)	3,600	13,000	3,100	19,500	40,000
sewer (ft)	5,800	13,000	7,200	20,000	40,000
water (ft)	1,100	13,000	2,000	20,000	40,000
walks (ft)	1,000	26,000	6,000	20,000	70,000
bike path	10,000	10,000	0	15,000	15,000
tennis crts	4	4	4	4	4

notes:

1. "Roads" refer to minor or interior circulation roads only
2. "Health" refers to a 10,000 SF stand-alone health club
3. "Golf" refers to a 18-hole course with club-house
   Course is assumed to be self-sufficient (except debt service)
4. See pro-formas for detailed assumptions (Appendix)
5. Pro-development town board assumed to persist at least 10 years
6. Peak flow refers to peak hourly flow (AM) due to office commuters
   existing E. River Rd. has capacity for addition. 420 cars/hr at peak

AFR file OPTIONS 07/27/88

industrial areas to commercial B1 or B2 or requisition of special permits (via town hearings) to allow construction of hotels and/or apartment complexes in industrial areas will not be possible. It is assumed for this study that the pro-development attitudes of the Town Supervisor and Board will continue indefinitely. It should be noted however that commercial buildings are limited to 40,000 sq.ft. each in commercial zones as "as of right" development.

The STEP1 and BUILDOUT options do involve the "invasion" of vacant lands currently zoned residential (R1). Because site plan approval would likely require review of the developer's master plan, these more aggressive and longer-term investment scenarios could face opposition by abutting residential land-owners on LeHigh Station Road currently enjoying "free" access to unrestricted open space.

BASE

The "base" case represents a low-capital solution to the primary corporate need, i.e. the headquarters and conferencing functions. To conserve up-front capital requirements, 200 of the 400 hotel rooms are indefinitely deferred to a second phase to emphasize direct over non-direct facilities. The total cost of improvements is $60 million.

Exhibit #15 following provides a proposed basic site plan. Key features of the site plan include:

1. The corporate/conference center is located north of

EXHIBIT #15:
BASE OPTION SITE PLAN

the existing marketing facility, preventing any need for employees or visitors to cross the main roadway while travelling between buildings. Travel distances are minimized as well.

2. The hotel is located south of the main complex on the site's highest point, Brooks Road and E. River, providing visibility and exposure to Thruway travelers. In addition, integration with future construction of a premium resort golf community in this same area would enhance an already profitable hotel operation.

3. The apartment complex is located on the east side of E. River to ensure adequate separation of company and non-company uses should Kodak decide to lease to the public at large. Distance to the corporate campus is kept again to a minimum. Siting adjacent to the Niagara-Mohawk towers is intentional to ensure other (and future) higher-value uses have adequate access to premium lots.

4. New interior access roads and underground utilities are provided to satisfy immediate needs only.

STEP1

STEP1 refers to a longer-term horizon eventually leading to control and development of the entire 2000 acre region. Substantial investments are made in the area, most notably an adjacent golf-course and 13,000 feet of internal roads to establish Eastman Kodak as the site anchor. Total investment in non-frontage areas is still minimized to

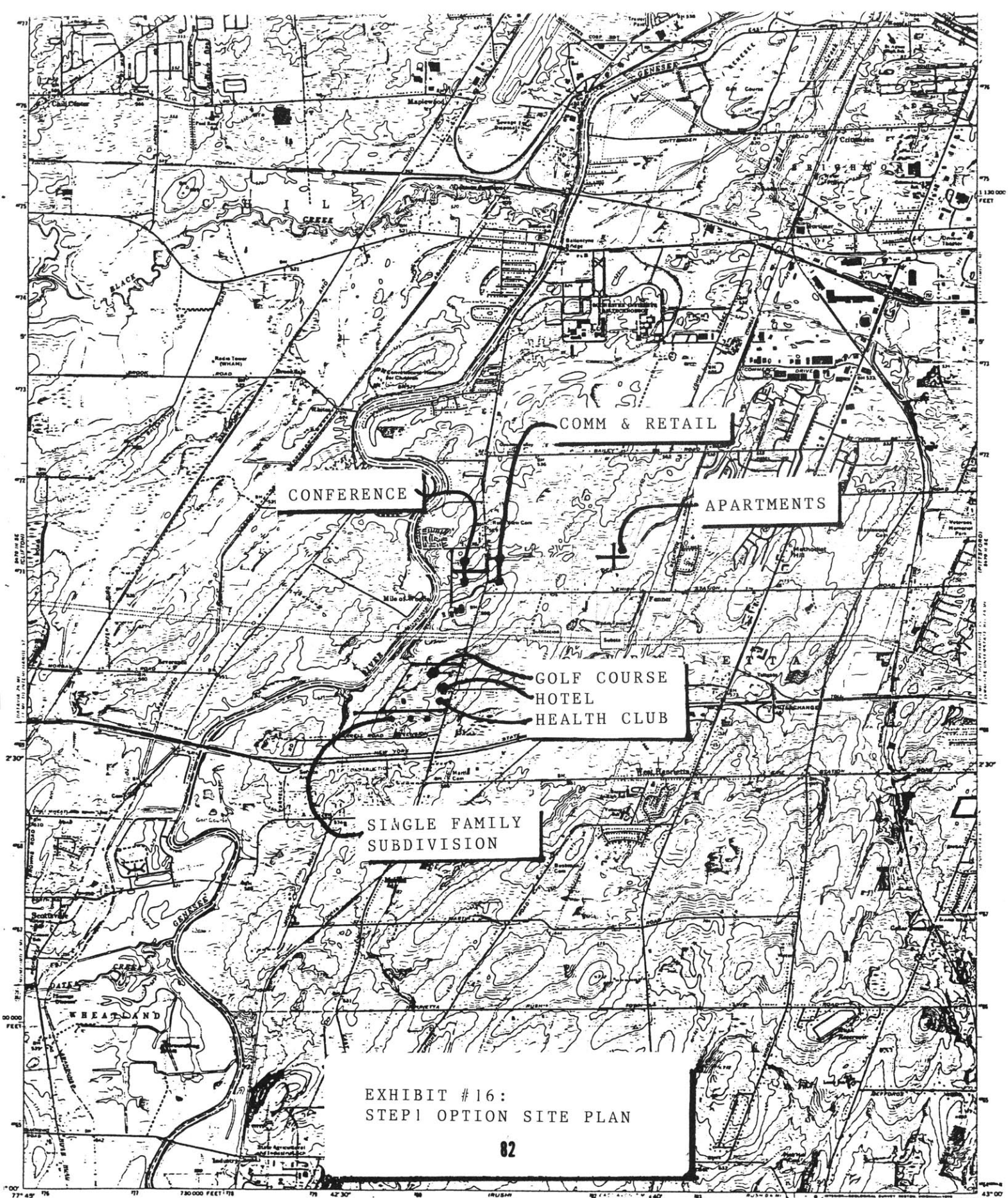
maintain a strong bargaining position with county and state officials while negotiating for the necessary $12 million in public infrastructure improvements desired. STEP1 is depicted in Exhibit #16. The total capital cost is $110 million. Key features are described below:

1. A 400,000 sq. ft. corporate and conference center located north of the existing buildings, placed strategically as described in BASE.

2. A 200,000 sq. ft. spec commercial building located on the east shoulder of E. River, south of Fairwood. This space will allow Kodak to expand in future years while segregating current company and non-company uses. Safe pedestrian access by future Kodak tenants could be assured with the installation of a tunnel system linking the east and west-side complexes in a similar fashion to the existing cafeteria tunnel.

3. The resort community (hotel/golf course/health club) is situated again on the Brooks Rd. hill for Thruway exposure while allowing adequate commercial office land closer to the Kodak buildings.

4. The 250-unit apartment complex is forced eastward to obtain frontage on the future John St. Extension. By doing so, Kodak again signals their intentions to politicians and competing developers, requiring long-term site purchases to have been completed beforehand. A temporary service road north from LeHigh Station to the complex will be required.



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Purple tint indicates extension of urban areas

SCALE 1:24 000

1 MILE

1000 0 1000 2000 3000 4000 5000 6000 7000 FEET

1 0 1 KILOMETER

CONTOUR INTERVAL 5 FEET

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Secondary highway, hard surface — Unimproved road

Interstate Route — U.S. Route — State Route

QUADRANGLE LOCATION

WEST HENRIETTA, N.Y.

N4300—W7737.5/7.5

1971

PHOTOREVISED 1978

5. A 50,000 sq.ft. retail strip center is proposed to serve the expanding population of the Henrietta site. It would be located in the spec office area to serve the needs of the immediate office population and the needs of the RIT apartments on Fairwood to the north. Locating the strip on the east side of E. River minimizes unwanted retail auto traffic through the corporate areas.

6. A 200-unit single family sub-division is proposed for the area north of Farrell Road Extension to capitalize on the increasingly upscale image of the area. In addition, it could be possible to capture value gained in offering employees of the now 900,000 sq.ft. office community the option of a "hassle-free" commute by car or by bicycle along the new 10,000 ft. bike path.

MAKE$

The MAKE$ site plan option attempts to increase the project's financial performance in the short-run by minimizing investment in infrastructure and placing buildings on E. River Rd. frontage. It is similar in site strategy to the BASE option described earlier except that 200,000 sq.ft. of spec office space and 50,000 sq.ft. of retail space has been added.

With the additional buildings, the MAKE$ option is estimated to cost $90 million to construct compared to $60 million for the BASE case. With the $30 million larger investment, total return over the project's 10-year life is

increased to 23% from 19%.

Exhibit #17 depicts the basic features and layout of the site for the MAKE$ option. Included are some 3100 feet of internal roads, 7200 feet of sanitary system, and 2000 feet of water lines. This option is not dependent on any present or future action by the County or State.

THRUWAY

As the program name suggests, the THRUWAY site plan option incorporates direct Thruway access to the Kodak site via a new interchange to be installed on East River Rd. This option includes the purchase of an additional 150 acres of land north of Brooks Road to enable construction of an 18-hole golf course with 30 executive-type fairway homes.

The total estimated cost of this option is $120 million, exclusive of the new interchange.

The site has been layed out with particular attention to future roadway projects such as the John Street Extension.

Key features of the site include:

1. A full clover-leaf interchange (with toll gates) designed and built by the FHWA and NYS DOT at an estimated cost of $15-$20 million.[116] Construction of this interchange, located 2.4 miles west of Interchange 46, would involve the taking and destruction of the designated

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[116] Telephone interview, Maury Rothenberg, president JHK and Associates, Arlington, Virginia, June 30, 1988.

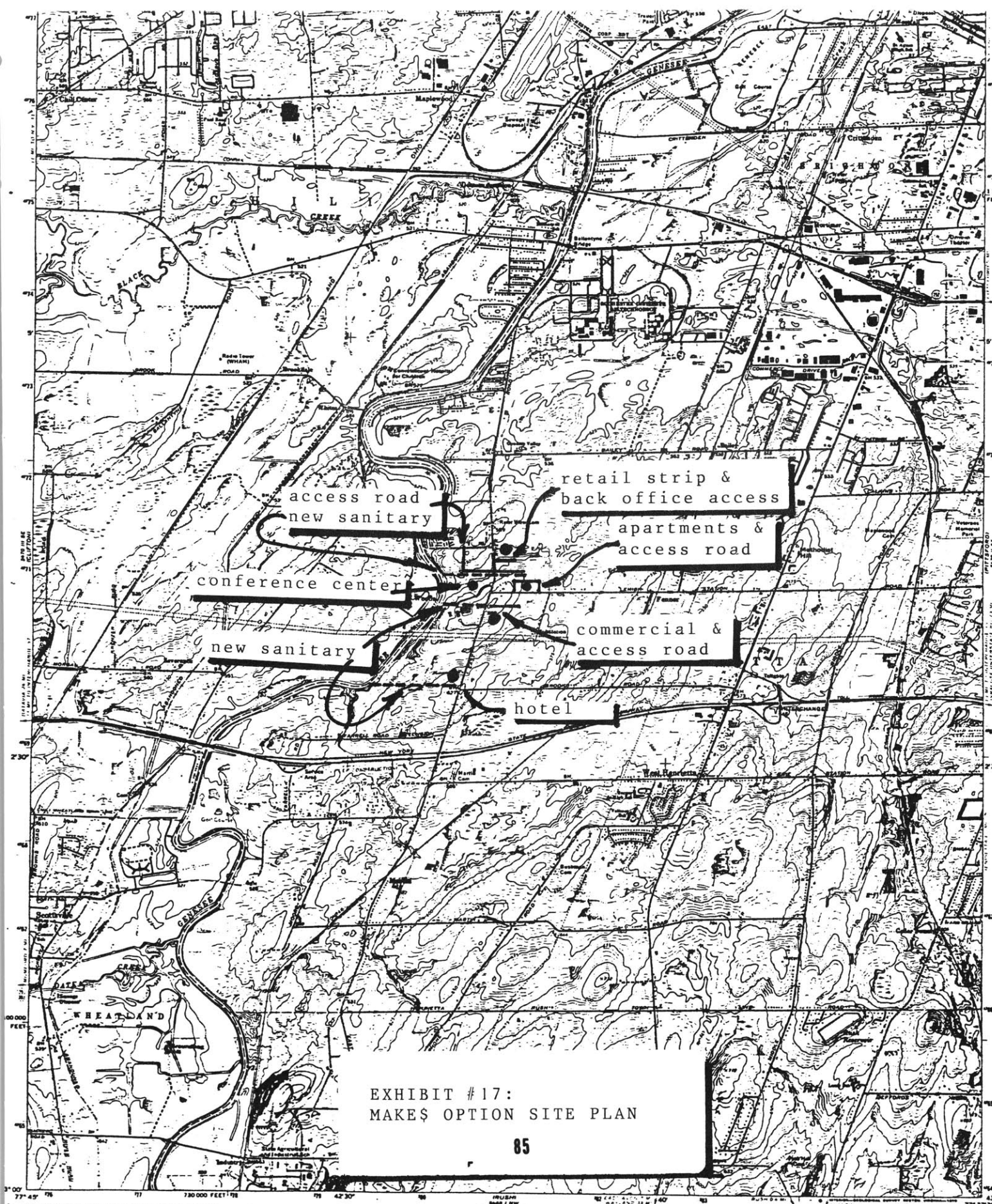

EXHIBIT #17:
MAKE$ OPTION SITE PLAN

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historic house at E. River and Farrell Rd. Extension. Some town resistance to this action might be expected due to the 150 year-old structure's cobblestone construction and standing as "one of the most valuable in Henrietta".[117]

2. A 200-unit single family subdivision with new roads and infrastructure located north of Farrell Road Extension on land zoned residential.

3. An 18-hole golf-course with club-house located between Brooks Road and the Niagaga Mohawk towers. The 150 acre course will include 30 top-end executive residences located sparingly on the sides of several fairways.

4. A 400-room hotel and 250-unit apartment complex located on the Brooks Road hill within easy walking distance to the golf-course and fully visible from the Thruway.

5. A retail strip center located 3000 feet from the Thruway and a short walk or "bike" from the Kodak corporate campus, capturing demand from the adjacent highway, hotel, and apartments, as well as office areas and RIT apartments further to the north at Fairwood.

6. The Kodak conferencing and headquarters facility (400,000 sq.ft.) and spec office park (200,00 sq.ft.) on the opposite side of E. River.

7. Internal roadways totalling 20,000 feet and underground water and sewage systems also totalling 20,000

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[117] Telephone interview with Town of Henrietta Historian, Helen Elam, June 28, 1988.

feet each.

Exhibit #18 provides a basic site plan indicating the location of these features.

BUILD-OUT

As the name implies, the "build-out' option includes the aggressive acquisition of all remaining 600-acres in the immediate region and installation (by the public sector) of the infrastructure system simultaneously.

The design of the site is patterned after the successful Research Triangle Park and calls for all buildable land to be covered with a 15% foot-print ratio (1st floor area/lot area).[118] A research park is created (i.e. roads and infrastructure) but buildings are assumed to be erected in the future and only on a build-to-suit or pre-lease basis.

The build-out option is comparatively massive, encompassing 2.3 million sq.ft. of conference and spec office space, a 225,000 retail center, and a 400-room resort/golf-center hotel. In addition, 1200 single family homes (2 per acre) encompass the entire south-west portion of the site. A 500-unit apartment complex is built adjacent to the John St. extension (see Exhibit #19).

The total cost of the BUILDOUT option is $420 million.

Site planning strategy is similar to that discussed

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[118] Proposed site plans in this thesis actually use a FAR of .15, which for a 2-story building is equivalent to a footprint of 7.5% of site area.

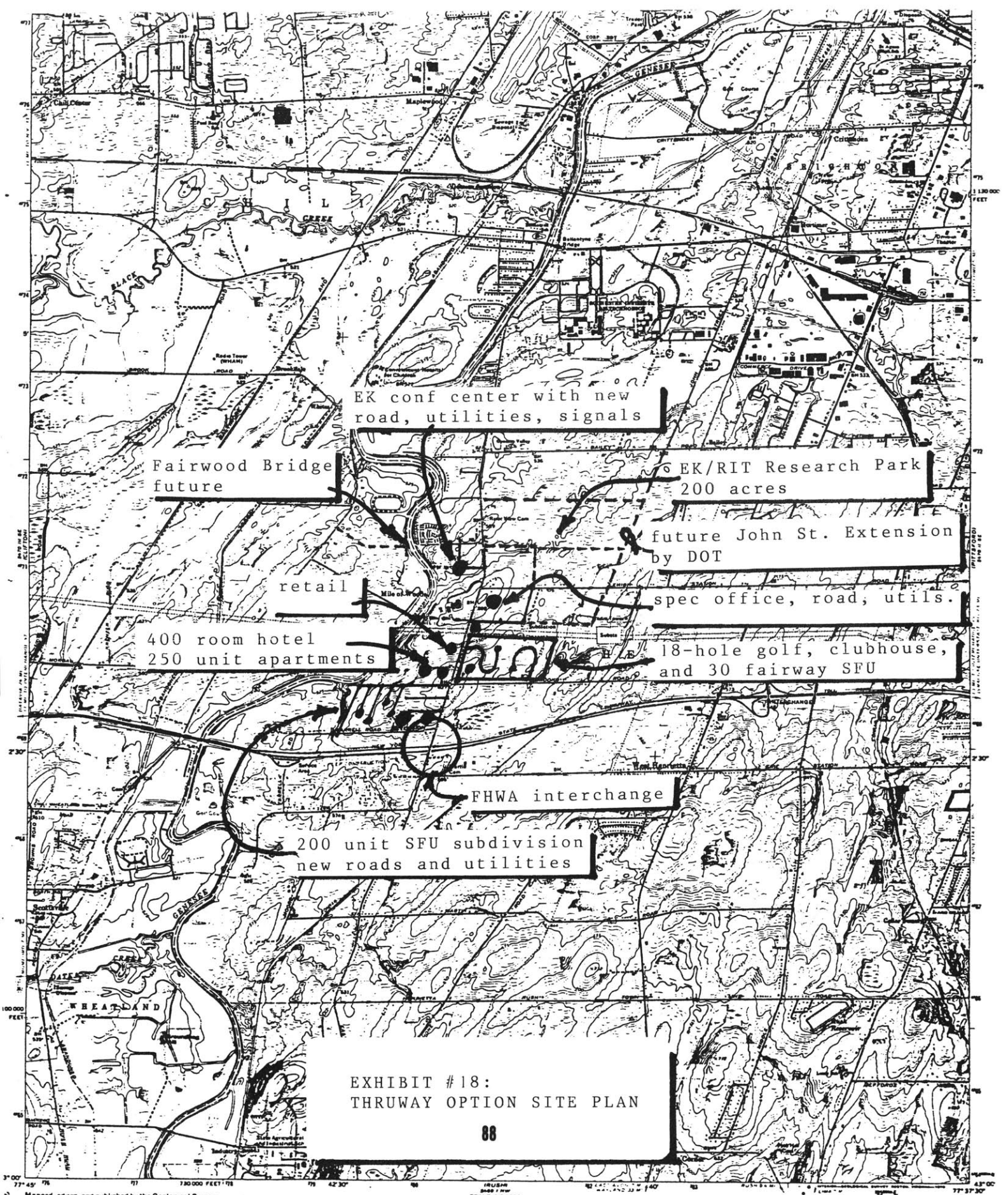

EXHIBIT #18:
THRUWAY OPTION SITE PLAN

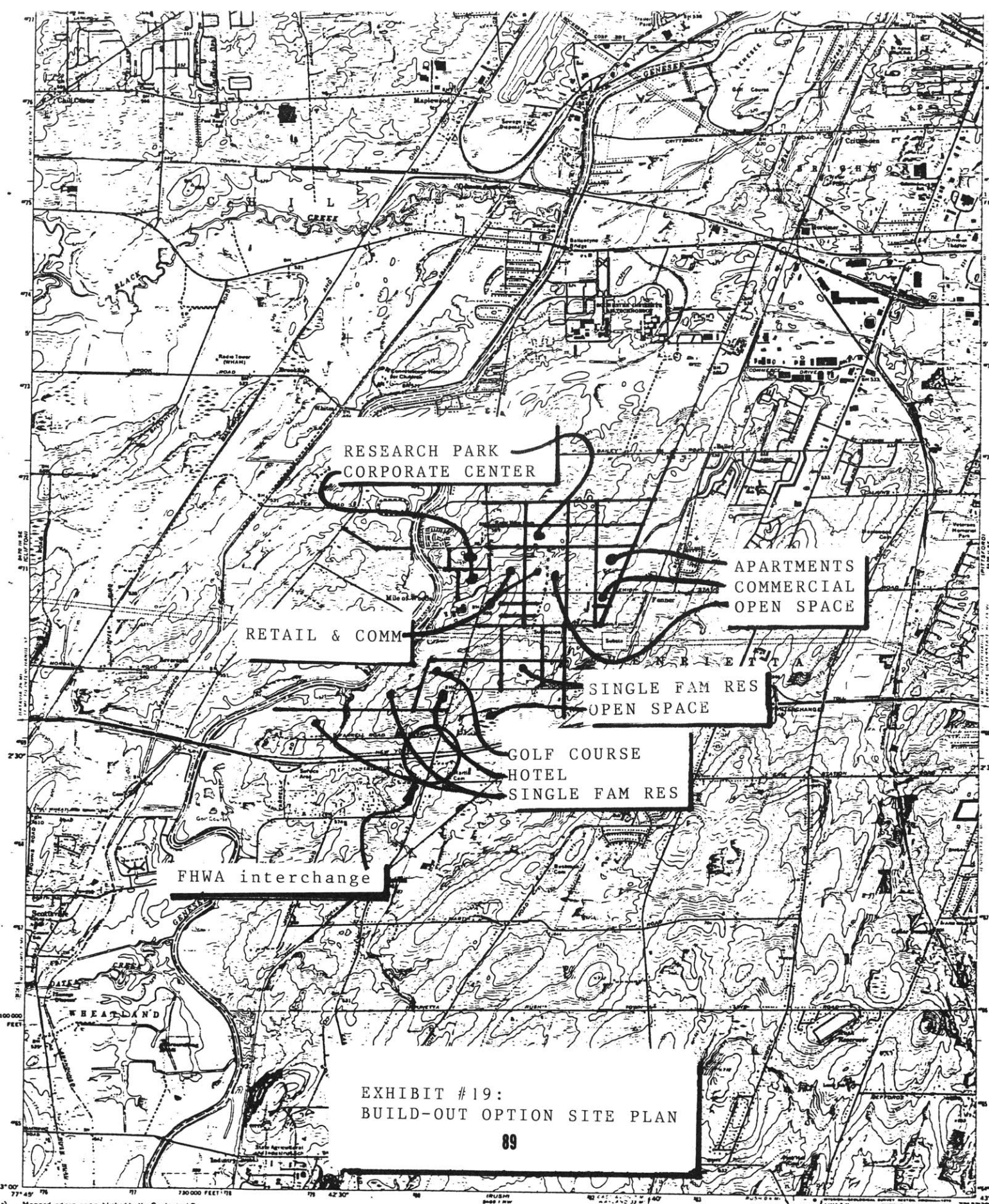

EXHIBIT #19:
BUILD-OUT OPTION SITE PLAN

earlier. Corporate facilities are kept segregated on the west side of E. River north of the Niagara-Mohawk towers. Spec offices and retail shops are clustered along E. River Road frontage as well as un-named new county roads connecting Bailey and LeHigh Station Roads. Apartments are again situated on the new John St. Extension. Open space is provided (100 acres) in two (wetlands) locations to maintain areas for wildlife habitats.

The large-size and high cost of the "build-out" option is over-shadowed by the inability of the existing roadway system (E. River Road) to provide adequate roadway capacity for the nearly 20,000 people who would work and/or live in the immediate area.[119] Even with the spacious 15% building coverage ratio, "grid-lock" would replace the once-pristine environment. It should be noted that, even with 400,000 sq.ft. going to corporate uses, the remaining 1.9 million sq.ft. of spec space represents 4 to 5 years of absorption for the entire Rochester office market.

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[119] Monroe County traffic Engineering reports that the one-way peak hour traffic flow on East River south of Bailey is 480 cars per hour. With a maximum peak of 900 before unacceptable service results, cuurent capacity is an additional 420 cars. using the earlier mentioned ITE Traffic Generation Manual, the 2.3 MM sq.ft. office area would increase peak traffic by over 3,000.

CHAPTER VII

FINANCIAL FEASIBILITY

Assumptions

Several key assumptions are used in determining the financial feasibility of the development scenarios.

First, the client will value all real estate holdings "at market". For example, the 400,000 sq.ft. corporate headquarters and conferencing buildings will be valued at market rents for comparable space in the open market, i.e. $18 per sq.ft.

Second, the level of finish and quality of the corporate center will be comparable to top-end class-A office space in the Rochester area. Construction costs will be financed with straight conventional debt based upon typical debt-coverage ratios.[120]

Third, the client will own and operate the facility for 10 years. At the end of the tenth year, the client will sell the entire development at prevailing capitalization rates for similar properties.

Fourth, for those options including construction of single-family residences, it is assumed that 100% are sold at the end of the construction period and all proceeds used to reduce permanent financing requirements.

Fifth, and last, the development will be approved and

---

[120] Short-term leases; minimum debt coverage ratio of 1.25, long-term leases; 1.10.

permitted by the current pro-growth Town of Henrietta Town Board. No exactions, fees, or indirect charges (e.g. construction of over-sized utility systems) will be levied.

Detailed assumptions regarding unit capital costs, operating costs, and financing are given in Appendicies G and H.

Infrastructure Capital Estimate

Chapter IV Development Issues described a network of roadways, bridge, and underground utilities systems required to support moderate to large scale development in the Kodak-Henrietta area.

The total installed cost of such a system is $12.2 million. Based upon a sensitivity analysis of road costs and construction interest rates, a cost range of $11.5 to $15.4 million could be expected.

Refer to Appendix F for additional details.

Financial Analysis of Development Scenarios[121]

Chapter VI. Scenarios for Development described the logic and scope of the five options for the Kodak-Henrietta site. Refer to previous Exhibit #14 for an overview.

Exhibit #20 presents in summary the results of the financial analysis of the five schemes. Several conclusions can be made:

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[121] Financial analysis of the proposed options was accomplished utilizing SYMPHONY spreadsheet software (Lotus Development) and programs written by the author specifically for the KODAK-Henrietta project.

EXHIBIT #20

A.F.Rice KODAK-Henrietta Site Feasibility Study
FINANCIAL ANALYSIS of DEVELOPMENT OPTIONS

parameter	BASE	STEP1	MAKE$	THRUWAY	BUILDOUT
LAND RESIDUALS (land value)					
total:	$18,000	$5,000	$23,000	$4,000	($34,000)
acres:	120	460	200	545	1300
per acre:	$154	$11	$114	$8	$0
BUILD & HOLD (10-year asset performance)					
total cost:	$63,000	$121,000	$98,000	$122,000	$432,000
NPV @ 10%:	$15,000	($16,000)	$19,000	($17,000)	($125,000)
IRR (%):	115	3	50	3	-2
L/V:	0.98	0.66	0.96	0.65	0.52
CASH REQD:	$1,000	$21,000	$4,000	$19,000	$45,000

notes:

1. All dollar amounts are in "thousands"
2. "Acres" refers to total acres of new only development
3. Financial analysis assumes "sell" at end of year 10
4. Corporate space valued at market-rent
5. Loan amounts based on standard debt coverage ratios (see text for explanation)
6. "V" for debt calculation (L/V) is "total installed cost"
7. "CASH REQD" does not include land cost
8. NOI growth rate assumed to be constant 2% per year. Appendicies H1-H5 (line 368) recalculate financials for growth rates between 0% and 9%

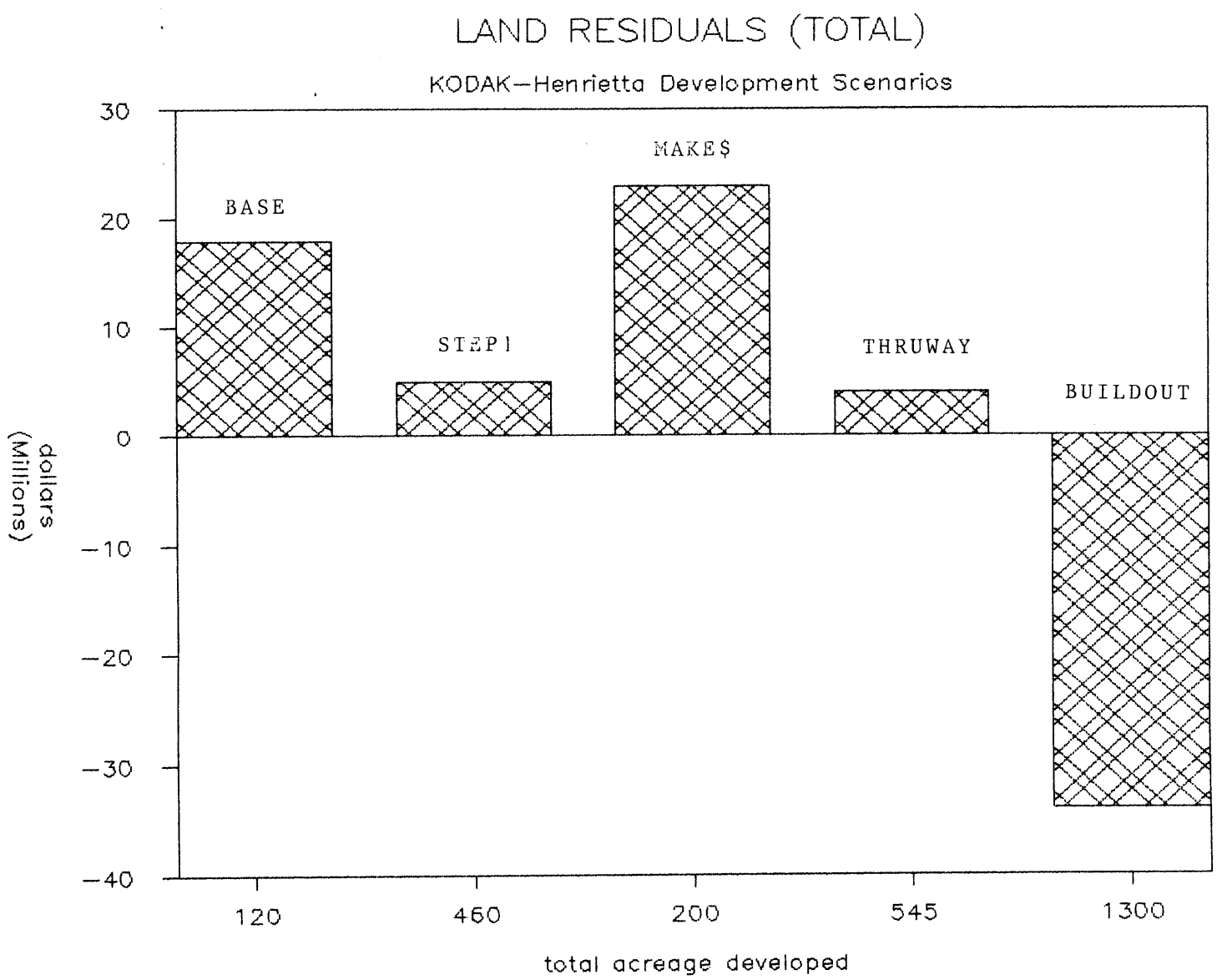
AFR file FINANCE 07/28/88

1. Value-creation at the Kodak-Henrietta site can be substantial. However, given the limits of existing infrastructure, creating substantial value over the entire 700+ acre site would be difficult. Referring to Exhibit #21, the two options that create substantial value, BASE and MAKE$, do so by heavily utilizing frontage sites and thereby minimizing investment in internal roadways and underground utility systems. It should be mentioned that both of these schemes however do maintain the low site coverage requirements as found in the Ohio State/Research Park study discussed in Chapter II.

2. Physical location (as measured as distance from E. River Road and existing sewer installations) has a tremendous impact on financial returns, even assuming that the basic additional roadway and sewer systems are installed via the public sector. Without public-sector involvement, substantial development of interior sections of the site (east of E. River and west of Conrail right-of-way) may not occur.

3. Development of the 400,000 square foot corporate center alone provides substantial financial reward in both the short-term (land residuals) and long-term (build and hold). The BASE and MAKE$ options may be representative of land values in the entire area after infra-structure projects are installed. Land-values in excess of $100,000 per acre would be possible.

EXHIBIT #21


LAND RESIDUALS (TOTAL)
KODAK—Henrietta Development Scenarios
30
20
10
0
−10
−20
−30
−40
dollars
(Millions)
BASE
STEP1
MAKE$
THRUWAY
BUILDOUT
120
460
200
545
1300
total acreage developed

4. Amenities (e.g. golf course) are difficult to economically justify in the short-term without a large asset-base against which to distribute costs. A large asset-base in turn suggests a longer-term and larger-scale project to afford office space absorption and installation of infrastructure. Larger-scale problems however will necessitate additional infrastructure investments (i.e. widen East River and LeHigh Station Roads) to provide additional peak-hour traffic capacity in the area.

4. Hotel operation provides the highest value-added per dollar of capital, followed (distantly) by retail and office operations.[122]

Correlated Risks

Substantial operating risk for this project exists for those options that include significant speculative hotel and office leasing. The "correlation" results when external influences beyond the developers' or owners' control simultaneously effects multiple parts of the project. With the MAKE$ option for example (400,000 sq.ft. spec office space and 400 hotel rooms), a drop in hotel occupancy from 65% to 50% and a related decrease in average effective rent from $18 to $14 per square foot could be precipitated by a recessionary business climate following a period of over-

---

[122] Refer to line 270 of financial pro-formas, Appendix H.

building in the local office space market.[123] The result would be a dramatic $20 million decrease in net present value, essentially destroying the project financially in the short-term at least.

Correlated risks and their impact on project viabilities (as measured by net present values) are tabulated on pro-forma line 409 in Appendicies H1-H5.[124]

Sensitivity Analysis: NOI Growth Rate

Calculation of financial performance for the "build and hold" strategy includes as an important assumption a NOI growth rate of 2% per year.[125] This assumption would be consistent with a period of low inflation and moderately slow economic growth combined with continued increases in the supply of space in all markets.

Changes in future economic conditions could increase (or decrease) this rate of growth with resultant impacts on financial performance. To provide better information for the decision-making process, the assumed NOI growth rate was relaxed. Project financials were re-calculated for values between 0% and 9%. Sample results for each scenario are

---

[123] Hotel occupancies in the Rochester area currently average 65% (from Chapter V).

[124] A discussion of strategies for hedging correlated risks is beyond the scope of this thesis. As a minimum however, each separate use (e.g. hotel vs. retail) should be profitable on a stand-alone basis.

[125] Net operating income defined as operating revenues less operating expenses.

given below using the internal-rate-of-return as criteria.[126]

BASE Case:	0%	NOI growth rate,	IRR=105%
	2%		115%
	6%		139%
STEP1 Case:	0%	NOI growth rate,	IRR=-2%
	2%		3%
	6%		11%
MAKE$ Case:	0%	NOI Growth rate,	IRR=41%
	2%		50%
	6%		64%
THRUWAY Case:	0%	NOI growth rate,	IRR=-2%
	2%		5%
	6%		11%
BUILDOUT Case:	0%	NOI growth rate,	IRR=-6%
	2%		-2%
	6%		4%

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[126] For full details, refer to Appendicies H1 through H5, financial pro-forma line 368.

CHAPTER VIII

SUMMARY of FINDINGS

This thesis began by asking four general questions about the development feasibility of a site for a potential corporate campus that may be developed by Eastman Kodak:

1. What are the opportunities and constraints of the property under consideration?

2. What uses are appropriate given both the corporate need and the competitive market for those needs?

3. What are the development options? How can maximum environment and value be achieved?

4. What are the financial implications of these options?

Having studied these issues in detail, answers to these questions may now be considered.

Opportunities and Constraints

ZONING: The Code of the Town of Henrietta provides a relatively informal system of zoning. It provides a general framework for communication between developers and planners but relies heavily upon a "special permit" system rather than extensive "as-of-right" development specifications. Developers should be aware that a change in political climate within the Town could give special interest groups and/or politicians considerable say over and above the development community.

Related to this "special permit" concern is the

expanding use of "historic site" designation for residential dwellings built before 1900. Largely a good-will intention on the part of the Town Board, wording in the Code could be used as an anti-development loop-hole in the future.

SOILS: Approximately 50% of the total site is comprised of soils not suitable for septic systems or foundation support. Sanitary sewer availability will be important. Excavation of unsuitable soils in and around foundations will be required in some areas.

INFRASTRUCTURE: The development potential of the site is constrained due to partial or complete lack of roadways and sewer branch lines. The cost of these systems is sufficiently high compared to land residuals that developers may choose to pick alternative sites (of which there are many) for those projects that need not be adjacent to Kodak or Rochester Institute of Technology. A public-relations campaign may be useful to garner the necessary political support when competing for limited public-sector capital budgets.

Development potential of the site is further constrained by the capacity of the two main (secondary) roadways that now serve the site. East River Road and LeHigh Station Road will become capacity strained well before site build-out occurs for all but the very lowest density developments.

APPROPRIATE USES: In a locale of such technolgy-minded

concerns such as RIT, Eastman Kodak, University of Rochester, Xerox, and General Motors, to name a few, the marriage of the university and industry together in a corporate campus/research park environment is logical. Researchers have studied and documented the success potential of similar parks elsewhere in the country. Market research of competitors and near-substitutes in the Rochester area however shows a plethora of existing parks pre-equipped with necessary roads and sewers. These competitors are actively pursuing tenants today to fill many vacant acres. Cautious optimism may be advisable.

The Rochester office and hotel markets are in the process of being over-built. Effective rents/rack-rates can be expected to decline in the future as a result. Correlated risks and its impact on financial performance was discussed.

Developers are underestimating the increasing demand for single-family homes for new households and move-up buyers, providing substantial opportunity for well-located sub-dividable property. Three differant site plans were investigated that pursued this opportunity.

The layout, size, and context of the site is such that a combination of uses can be accomodated in addition to the basic corporate need.

DEVELOPMENT OPTIONS: Self-imposed restrictions by local developers have been caused at least partly by the dearth of suitable roadway and sewer systems in the Kodak-

Henrietta area. It will be important that profit-minded landowners take measures (in the near-term) to ensure that area properties, if developed, are done so in a fashion consistent with future infrastructure projects. Requiring adequate frontage set-backs today will improve the likelihood of roadway expansions in the future.

The concept of an additional New York State Thruway interchange at the southern boundary of the property was discussed. It was found that stressing a universal public benefit, such as improved access to medical facilities, or to military installations, would increase the likelihood of a favorable outcome to a highly political process. It was also found that dissentors (perhaps landowners closer to the city) may attempt to create an image of selective favoritism as a way to forestall the requisite political backing.

FINANCIAL IMPLICATIONS: Development of a limited-scope mixed-use campus project can yield substantial economic rewards. Values in excess of $100,000 per acre can be created over a 100- to 200-acre site.

Large-scale development (400- to 2000-acres) will be difficult to justify without direct public investment. An initial investment of at least $12 million is required to precipitate economic development of much of the property within and adjacent to the Kodak-Henrietta site.

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APPENDIX A

Appendix A is a booklet entitled "The Corporate Villa" by Fred Kotter. Due to its non-conforming size, it is not included as an attachment to the thesis document. Refer to the Bibliography for a full reference.

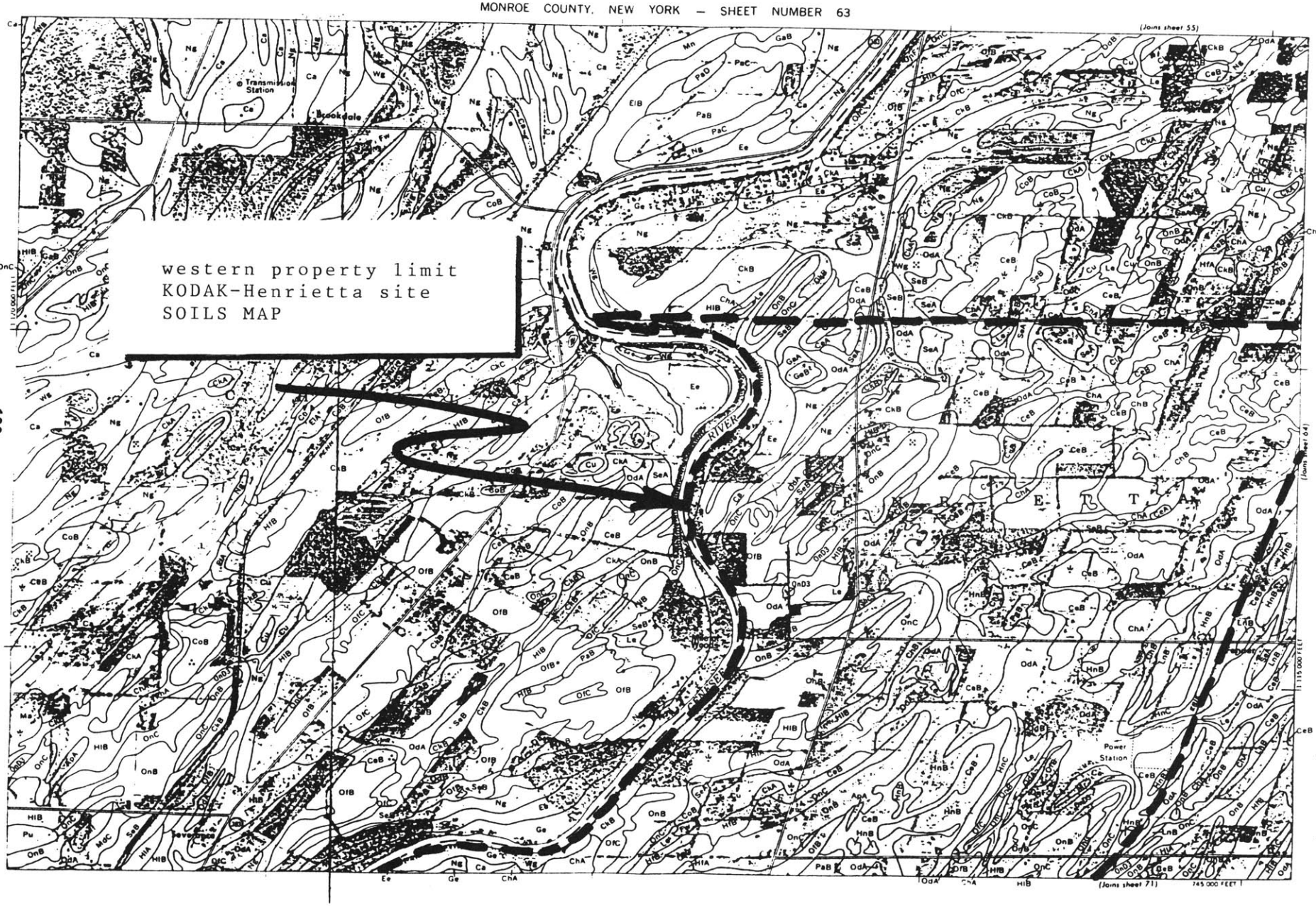
The booklet is available through the MIT Press or the Rotch Library at MIT.

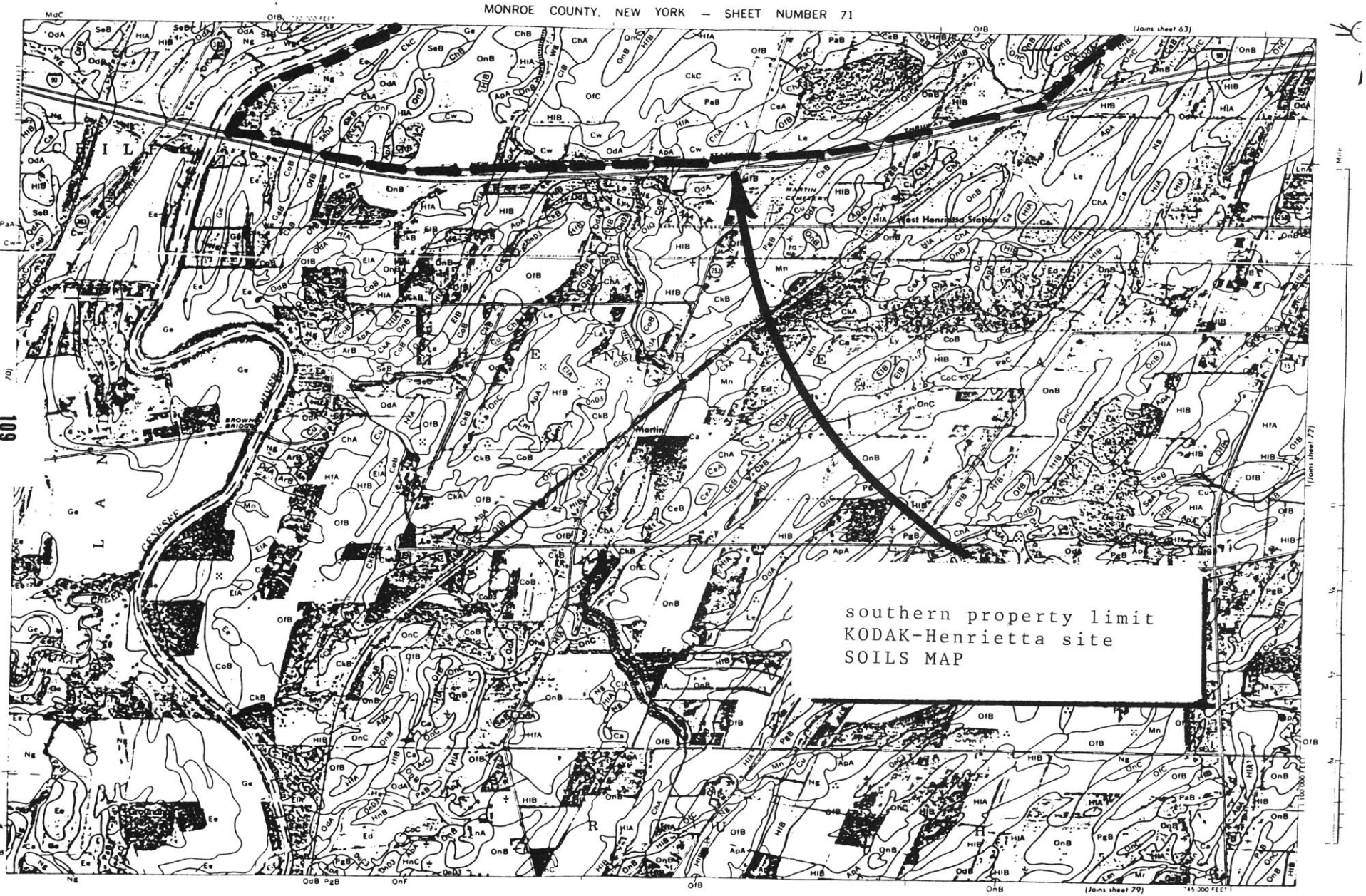
A.F.Rice KODAK-Henrietta Site Feasibility Study APPENDIX B
SOILS DATA TABLE (accompanies soils maps)

USDA abbrev	soil classification and % slope	bedrock depth (ft)	water depth (ft)	found. bearing capac.	use as fill	septic system drain	concern
ApA	Appleton loam, 0-3%	6+	.5-1	mod	good	no	water
ArB	Arkport sandy loam, 0-6%	6+	4+	var	fair	mod	
Ca	Canandaiqua silt loam	6+	0-.5	var	fair	no	water
CeA	Cayuga silt loam, 0-2%	4+	1.5-2	mod	poor	no	
CeB	Cayuga silt loam, 2-6%	4+	1.5-2	mod	poor	no	
ChA	Churchville loam, 0-2%	6+	.5-1	mod	poor	no	water
ChB	Churchville loam, 2-6%	6+	.5-1	mod	poor	no	water
ClA	Collamer silt loam, 0-2%	6+	1.5-2	low	fair	no	wet
ClB	Collamer silt loam, 2-6%	6+	1.5-2	low	fair	no	wet
CkA	Claverack sand, 0-2%	6+	1.5-2	low	good	no	
CkB	Claverack sand, 2-6%	6+	1.5-2	low	good	no	
CkC	Claverack sand, 6-12%	6+	1.5-2	low	good	no	slope
CoB	Colonie sand, 0-6%	6+	4+	fair	good	OK	
Cu	Cosad fine loamy sand	6+	.5-1	low	good	no	water
Cw	Cut and fill land	N/A	N/A	N/A	N/A	no	disturb
Ke	Kel silt loam	1.5-3.5+	1.5-2	var	no	no	water
Fw	Fresh water marsh	N/A	N/A	N/A	N/A	no	water
GaA	Galen sandy loam, 0-2%	6+	1.5-2	var	fair	mod	
GaB	Galen sandy loam, 2-6%	6+	1.5-2	var	fair	mod	
Ge	Genesee silt loam	6+	3.5	var	no	no	flood
HfA	Hilton sandy loam, 0-3%	4+	1.5-2	high	good	no	
HfB	Hilton sandy loam, 3-8%	4+	1.5-2	high	good	no	
HlA	Hilton loam, 0-3%	4+	1.5-2	high	good	no	
HlB	Hilton loam, 3-8%	4+	1.5-2	high	good	no	
HnB	Honoeye silt loam, 3-8%	6+	2.5	high	good	no	
HnC	Honoeye silt loam, 8-15%	6+	2.5	high	good	no	slope

A.F.Rice KODAK-Henrietta Site Feasibility Study
SOILS DATA TABLE (accompanies soils maps)

USDA abbrev	soil classification and % slope	bedrock depth (ft)	water depth (ft)	found. bearing capac.	use as fill	septic system drain	concern
Le	Lakemont silt loam	6+	0-.5	low	poor	no	water
LnB	Lima silt loam, 0-3%	6+	1.5-2	high	good	no	
Mr	Muck, deep	6+	0	none	no	no	water
Ng	Niagara silt loam	6+	.5-1	low	poor	no	water
OdA	Odessa silt loam, 0-2%	6+	.5-1	var	poor	no	water
OfB	Ontario sandy loam, 3-8%	6+	2.5-4	high	good	no	
OfC	Ontar. sandy loam, 8-15%	6+	2.5-4	high	good	no	slope
OnB	Ontario loam, 3-8%	6+	2.5-4	high	good	no	
OnC	Ontario loam, 8-15%	6+	2.5-4	high	good	no	slope
OnD3	Ontario loam, 15-25%	6+	2.5-4	high	good	no	slope
OnF	Ontario loam, 25-60%	6+	2.5-4	high	good	no	slope
PaA	Palmyra grav. loam, 0-3%	6+	6+	mod high	good	OK	
PaB	Palmyra grav. loam, 3-8%	6+	6+	mod high	good	OK	
PaC	Palmyra grv. loam, 8-15%	6+	6+	mod high	good	mod	slope
PgB	Palmyra grav. loam, 3-8%	6+	6+	mod high	good	OK	
PhA	Phelps fine loam, 0-3%	6+	1.5-2	moderate	good	mod	
SeA	Schoharie loam, 0-2%	6+	1.5-2	low	poor	no	
SeB	Schoharie loam, 2-6%	6+	1.5-2	low	poor	no	
ShC3	Schoharie loam, 6-12%	6+	1.5-2	low	poor	no	
Wg	Wayland silt loam	1.5-3.5	0-1	var	no	no	water


western property limit
KODAK-Henrietta site
SOILS MAP
Brookdale
Transmission Station
Power Station
Genesee River
(Joins sheet 55)
(Joins sheet 64)
(Joins sheet 71)
1 120 000 FEET
1 115 000 FEET
745 000 FEET


MONROE COUNTY, NEW YORK — SHEET NUMBER 71
southern property limit
KODAK-Henrietta site
SOILS MAP

HPP-14

Memorandum

U.S. Department of Transportation
Federal Highway Administration

APPENDIX C

Subject: Additional Access Requests - Analysis and Documentation Requirements

Date: July 23, 1987

From: John G. Bestgen
Regional Administrator
Albany, New York

Reply to Attn. of: HST-01

To: Division Administrators

For your information and guidance, we are forwarding Associate Administrator Leathers' July 2 memorandum concerning requests for additional access on the Interstate System. This memorandum specifically addresses the analysis and documentation necessary to support those requests.

Although it is traditional that each request for a change in access be accompanied by an access justification report which fully analyzes the engineering merits of the proposed modification, Mr. Leathers points out that submissions recently received in the Washington Office indicate that "...traffic analysis is not receiving adequate review." In doing this, he emphasizes that requests of this nature need to be subjected to a comprehensive engineering analysis and evaluation. It is of particular interest and importance that a state-of-the-art determination be made of the effect of the proposed modification on the Level of Service calculations. These calculations should be included in the appendix of future access justification request reports.

Additionally, all deletions or relocations of existing ramps are considered to be changes in access. Consequently, such modifications require a full submission to the Regional Office for approval action by FHWA Headquarters.

In conjunction with Mr. Leathers' concern, we also point out the need for thorough evaluations of requests which involve:

1. Design exceptions involving the retention or provision of substandard design features.

2. Provision of less than the full complement of basic traffic movements from/to all directions at interchanges.

In connection with (2), it is FHWA policy to encourage the construction of full interchanges and upgrade partial interchanges to full interchanges wherever feasible.

Walter C. Waidelich

Walter C. Waidelich, P.E., Director
Office of Engineering & Operations

Attachment

U.S. Department of Transportation
Federal Highway Administration

Memorandum

Washington, D.C. 20590

Subject: Additional Access Requests - Analysis and Documentation Requirements

Date: JUL - 2 1987

From: Associate Administrator for Engineering and Program Development

Reply to Attn. of: HNG-14

To: Regional Federal Highway Administrators
Direct Federal Program Administrator

We are receiving more and more requests for new or revised access to Interstate highways. Many of these requests are initiated by private development interests. These new access points are becoming a catalyst for new development or redevelopment. The private interests are often supported by local governments seeking an enhanced tax base.

The Federal Highway Administration (FHWA) does not oppose such proposals if they are properly developed. In reviewing any proposal for new or revised access, however, FHWA must assure itself that there is either no impact or only minimal adverse impact on the safety and operation of the Interstate facility itself and that adequate steps are being taken to assure such conditions. Further, FHWA must assure that the proper design criteria are used in accordance with 23 CFR 625.

Many of the access requests today involve significant modifications to existing interchanges or additional ramps, especially in urban areas, involving already closely spaced access and heavy volumes. Either case usually involves complex traffic operations. These modifications or new access points thus have the potential to significantly affect the level of service on the Interstate System. Our evaluation of the submissions to the Washington Office indicates that the traffic analysis often is not receiving adequate review. Bottomline statements regarding extent of impact on the Interstate facility are sometimes taken at face value without independent analysis. It is critically important that these types of access requests be subject to a detailed engineering review. Further the capacity analysis should be in accordance with the latest revisions to the 1985 Highway Capacity Manual (HCM). The software available for the HCM will greatly assist in this effort. Any access request submitted to the Washington Office will be reviewed using the procedures contained in the 1985 HCM.

We believe local jurisdictions may be making commitments before the States or FHWA have had an opportunity to review and take action. Requests for access are very often looked at in isolation, i.e., a single ramp to serve a particular purpose (property interest), rather than the highway network as a whole with its existing access and operations problems. Often only the lowest cost alternative is considered even though other alternatives exist which would provide not only the desired access but also improve traffic operations on the Interstate facility in question. We have noted this especially when a developer or the local community offers to pay for the construction.

Because the access issue is becoming more complex, especially in urban areas, both the FHWA and the State highway agency must try to get into the process as early as possible, even if no Federal or State funds are involved. Revised or new access points should not be looked at as isolated actions. We need to cooperate, preferably at the field level, to develop proposals that not only provide the desired new or improved access but also adequately address the safety and operation of the Interstate facility.

The information contained in a State's request must be sufficiently detailed to allow the FHWA to independently evaluate the impact of a change in or additional access on the Interstate System. More complex access requests will require a detailed proposal, including preliminary layouts, to support the request. The FHWA field offices should be prepared to return the State's request or seek additional information if the documentation package is incomplete.

In the past, guidance on the subject of additional access points was found in the Interstate cost estimate (ICE) manuals. Documentation for justification of additional ramps or interchanges had to demonstrate public benefits or need to use Interstate construction (IC) funds. With the passage of the 1981 Federal-Aid Highway Act, however, most requests for additional access points no longer involve a question of funding. Although the ICE manuals still contain good guidance, there is a need to update the guidance in light of public/private investment, and the often competing benefits/impacts associated with adding new access points to the Interstate System.

The attached guidance lists those items that should be covered in a justification. We request that the division offices discuss this matter with the State highway agency. Local highway agencies, consultants and developers, as appropriate, should also be made aware of these requirements.

Rex C. Leathers

Attachment

APPENDIX D

Interstate 93 Additional Access Justification Report, Woburn, Mass. Available through U.S. Department of Transportation, Federal Highway Authority, Cambridge, Mass, attn: Tim White.

A.F.Rice KODAK-Henrietta Feasibility Study
APARTMENT CONSTRUCTION Monroe County, NY

town	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988*	totals
Brig	344	310	460	27	0	0	0	0	0	0	0	0	47	26	28	19	18	0	0	1279
Broc	0	122	142	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	268
Clar	0	0	0	0	0	0	0	0	108	0	0	0	0	0	0	0	0	0	0	108
Chil	32	128	0	75	159	36	0	60	0	0	0	0	0	0	0	0	0	1	0	491
Chur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
E. R	4	0	36	6	26	0	0	0	0	0	0	0	0	0	2	2	1	0	0	77
Fair	0	0	8	0	2	7	0	0	0	0	0	0	0	0	0	0	0	0	0	17
Gate	107	145	112	272	8	12	20	0	4	101	8	0	0	6	0	0	0	0	0	795
Gree	620	284	435	581	120	0	0	0	1	0	0	0	0	0	0	0	18	0	0	2059
Henr	0	355	264	132	22	0	0	186	0	0	0	0	0	0	54	0	0	0	0	1013
Haml	60	0	2	12	88	0	0	0	0	0	0	0	0	0	0	0	0	2	0	164
Hilt	0	0	388	0	0	0	0	0	0	0	0	0	0	0	0	60	0	0	0	448
Hone	0	32	96	0	0	0	0	0	0	0	0	0	0	0	56	0	0	0	0	184
Iron	20	164	5	64	304	138	0	0	0	0	56	0	0	44	29	0	1	56	24	905
Mend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parm	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ogde	6	4	32	428	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	496
Penf	192	104	64	82	18	0	0	0	0	0	0	0	100	0	0	0	11	4	4	579
Peri	0	333	220	172	227	108	24	6	0	2	0	0	2	0	2	0	6	64	2	1168
Rochester																16	56	29	35	136
Riga	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pitt	72	0	58	0	4	4	0	0	0	0	0	0	40	40	0	0	17	32	0	267
Rush	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scot	0	0	0	0	0	0	0	0	0	0	0	4	4	0	0	0	0	0	0	8
Spen	0	0	26	0	0	0	0	0	0	0	0	0	0	0	2	0	2	37	0	67
Webster																0	0	0	0	0
Webs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	32	35
Wheatland																0	0	2	0	2
UDC	0	1631	3394	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5025
tota	1457	3612	5742	1851	1004	305	44	252	113	103	64	4	193	116	173	97	130	234	97	15591

* as of May 31, 1988

A.F.Rice KODAK-Henrietta Feasibility Study

SINGLE FAMILY DWELLING CONSTRUCTION Monroe County, NY

town	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988*	totals
Brig	22	41	24	42	78	29	13	13	14	33	15	32	21	29	46	31	24	8	6	521
Broc	7	15	6	4	15	19	14	14	3	1	1	2	4	6	9	14	9	9	3	155
Clar	22	40	28	28	17	7	20	69	19	23	5	5	7	14	16	32	20	41	15	428
Chil	118	162	96	74	79	71	113	116	162	147	56	63	66	100	95	155	170	125	61	2029
Chur	0	0	0	0	2	7	7	4	3	0	0	1	8	13	8	7	29	31	13	133
E. R	0	6	13	2	3	8	5	5	1	0	1	2	2	2	2	1	2	0	1	56
Fair	10	10	8	4	1	19	45	37	10	6	11	19	7	15	9	19	32	12	5	279
Gate	200	310	285	200	209	176	127	34	50	85	86	87	69	88	74	37	63	72	63	2315
Gree	136	296	319	343	353	306	372	377	460	402	302	239	358	600	607	646	587	547	187	7437
Henr	224	82	73	82	98	79	98	77	91	63	45	48	63	98	115	140	161	108	54	1799
Haml	24	77	93	63	79	116	92	87	75	34	31	30	21	38	44	45	41	41	31	1062
Hilt	15	46	36	5	16	13	4	13	33	28	15	10	19	38	35	56	93	74	27	576
Hone	0	2	1	2	1	3	3	2	1	3	9	3	4	0	2	1	2	1	0	40
Iron	42	59	55	66	84	56	70	47	47	34	26	26	22	31	54	47	60	40	16	882
Mend	4	16	29	39	39	47	38	48	38	31	25	22	36	62	73	63	80	76	38	804
Parm	27	83	70	49	41	31	33	26	22	25	9	19	22	27	31	51	39	48	19	672
Ogde	9	38	59	31	64	49	77	68	111	90	106	93	76	60	45	76	96	126	71	1345
Penf	149	146	159	142	116	67	127	147	141	149	131	103	92	155	168	285	210	251	95	2833
Peri	289	294	335	224	200	108	161	191	226	224	151	187	198	258	210	227	259	275	133	4150
Rochester															79	77	68	108	71	403
Riga	6	7	19	18	18	28	25	18	20	13	20	19	21	24	18	20	45	30	7	376
Pitt	85	102	140	130	101	74	102	121	127	121	86	156	105	115	99	116	131	185	106	2202
Rush	6	13	30	24	31	23	15	10	12	7	5	8	8	17	19	15	24	26	18	311
Scot	2	0	0	1	0	0	22	22	9	9	12	10	8	3	0	0	3	2	2	105
Spen	1	2	4	2	38	40	53	32	33	12	1	0	5	6	4	3	3	14	8	261
Swed	0															24	49	47	15	135
Webster																145	216	182	104	647
Webs	5	31	14	0	3	4	0	2	0	0	0	0	0	0	8	2	0	0	0	69
Wheatland																8	12	17	8	45
tota	1403	1878	1896	1575	1686	1380	1636	1580	1708	1540	1149	1184	1242	1799	1870	2343	2528	2496	1177	32070

* as of May 31, 1988

A.F.Rice Kodak-Henrietta Feasibility Study

TOWNHOUSE CONSTRUCTION Monroe County, New York

town	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988*	totals
Brig	0	0	76	198	94	43	0	0	0	0	0	14	7	24	66	66	42	29	8	667
Broc	0	60	16	0	0	0	0	0	0	0	0	0	0	0	0	0	24	0	0	100
Clar	0	0	4	2	2	3	2	0	0	0	0	0	0	0	0	0	0	0	0	13
Chil	21	146	0	49	159	0	0	0	0	0	0	0	0	0	22	51	34	32	46	560
Chur	0	0	0	104	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	106
E. R	0	132	64	10	2	0	0	2	0	0	0	0	0	0	2	0	0	0	0	212
Fair	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	3	4	3	12
Gate	0	34	6	16	58	27	0	6	28	20	12	10	0	2	21	23	8	0	0	271
Gree	0	34	73	85	10	0	0	0	4	0	0	0	0	20	35	143	177	95	87	763
Henr	14	32	78	148	74	28	0	0	0	0	0	0	6	8	39	11	8	52	46	544
Haml	0	0	10	36	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	47
Hilt	0	78	4	2	0	0	0	0	0	0	0	0	0	0	0	0	11	0	0	95
Hone	0	0	0	70	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	74
Iron	0	0	0	0	6	0	0	0	0	2	0	0	0	30	23	21	13	22	4	121
Mend	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	2
Parm	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ogde	0	0	138	16	32	0	4	0	0	0	0	0	0	0	0	6	12	38	8	254
Penf	43	79	41	71	32	0	67	28	12	20	20	70	10	17	25	48	67	38	13	701
Peri	0	40	169	412	85	25	27	31	31	18	24	12	16	74	103	109	71	136	51	1434
Rochester																76	37	44	7	164
Riga	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pitt	0	0	0	0	4	0	8	12	0	0	0	0	0	0	50	36	55	28	0	193
Rush	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scot	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Spen	0	0	27	0	0	0	12	0	0	0	0	0	0	0	0	0	14	0	0	53
Webster																72	117	109	83	381
Webs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	37	12	4	57
Wheatland																0	0	0	0	0
UDC	0	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	400
tota	78	1035	706	1221	564	126	120	79	75	60	58	106	40	175	390	662	730	639	360	7224

* as of May 31, 1988

A. F. Rice KODAK-Henrietta Site Feasibility Study CONCEPTUAL-GRADE CAPITAL ESTIMATE

OPTION: PUBLIC INFRASTRUCTURE

ASSUMPTIONS:HARD COSTS:			
land:	0	acres	
	5,000	$/acre	
open space:	30	% landscaped	
	30	% bldg. area 1st flr.	
	40,000	$/acre landscaping	
	100,000	$ signage allowance	
	50	% site pre-fenced	
fencing:	0	lineal feet	
	15	$/LF	
parking:	300	office SF/space	
	2.5	spaces/dwelling unit	
	350	total SF/space	
access road:	40	feet wide	
	27,200	feet total length	
	2.5	$/SF road cost	
	0	% road w/granite curbing	
	30	$/LF granite curb	
	150	LF/lightpole	
	25,000	SF/lightpole (lots)	
	4,000	$/lightpole	
erosion cont	50,000	$ allowance	
clear/grub:	3,000	$/acre site	
topsoil:	0.50	feet deep	
	3	$/cu yd stockpile	
site cut/fil	100,000	cubic yards total	
	5	$/cu yd (aver.)	
excavate/fil	10	$/cu yd (u/g util.)	
sanitary sys	64,000	lineal feet	
	10	$/LF (PVC)	
water system	33,700	lineal feet	
	20	$/LF (DIP)	
	112	# hydrants	
	2,000	$/hydrant installed	
elec/tel/ala	0	lineal feet	
	3	$/LF	
ductbank:	0	lineal feet	
	100	$/LF w/conc encase	
sidewalks:	0	feet total length	
	6	feet wide	
	4	$/SF sidewalk	
bike paths:	0	feet total length	
	8	feet wide	
	2	$/SF bike path	
tennis court	0	total number	
	10,000	$/court	

BUILDINGS (w/o soft $)		
comm.:	0	total SF
	2	floors
	40	$/SF base bldg.
	10	$/SF interiors
hotel:	0	total rooms
	3	floors
	450	SF/room aver.
	50	$/SF base bldg.
	10	$/SF interiors
retail:	0	total SF
	1	floors
	35	$/SF base bldg.
	10	$/SF interiors
apart.	0	total units
	950	SF/unit aver.
	2	# floors
	35	$/SF base bldg.
	10	$/SF improve.
SFU:	0	# units
	2	floors
	2400	SF/unit aver.
	30	$/SF aver. base
	10	$/SF improve.
health	0	SF
	35	$/SF
TRAFFIC		
signals	5	# intersections
	200,000	$/intersection
turn	0	# required
lanes:	20,000	$/lane aver.
roads:	1,500,000	$ contribution (bridge)

SOFT COSTS (development phase):		
financ:	11	% interest rate
(const)	40	% aver outstd bal.
	24	mos. to takeout
	1.0	% orig. fee
(perm):	10.5	% includes fee
	30	yr. term
taxes:	2.5	% of total cost
linkage	0	$ lump sum
lease:	1	% TIC
A/E:	7	% hard costs

	A	B	C	D	E	F	G	H	I	J
52	swimming poo		0	$ lump sum			legal:		4 % hard costs	
53	health club:		0	$ equipment allow.			market:		3 % hard costs	
54	contingency:		5	% of hard-costs			insur.:		1 % hard costs	
55							fees:		3 % hard costs	
56							(developer)			
57										
58										
59										
60	---									
61	CAPITAL COST ESTIMATE			$$$	$$$					
62	---									
63										
64	LAND				$0					
65										
66										
67	SITE				$735,479					
68		clear and grub		75,034			50% cleared previously			
69		remove/stock topsoil		60,444			6-inches over entire site			
70		erosion protection		100,000			allowance (regrade, hay, etc..)			
71		cut and fills		500,000			needs checking			
72		perimeter fencing		0						
73		signage		0						
74										
75										
76	LANDSCAPING				$0					
77										
78										
79	NEW SECONDARY ROADS				$3,445,333					
80		roadways		2,720,000						
81		curbing		0						
82		lighting		725,333						
83		sidewalks		0						
84										
85										
86	PARKING				$0					
87		at-grade open lot		0						
88		lighting		0						
89										
90										
91	UTILITIES				$2,515,667					
92		sanitary sewer		1,280,000						
93		water supply		1,011,000						
94		hydrants		224,667						
95		elec/tel/alarm		0						
96		ductbank		0						
97										
98										
99	BUILDINGS				$0					
100		commercial base		0						
101		commercial improve.		0						

A	B	C	D	E	F	G	H	I	J
102	hotel base		0						
103	hotel FF&E		0						
104	retail base		0						
105	retail improvements		0						
106	multi-family base		0						
107	multi-family FF&E		0						
108	residential base		0						
109	residential improve		0						
110	health club		0						
111									
112	AMENITIES			$0					
113	bike/jog paths		0						
114	tennis courts		0						
115	swimming pool		0						
116	health club		0						
117									
118									
119	TRAFFIC IMPROVEMENTS			$2,500,000					
120	signals		1,000,000						
121	turning lanes		0						
122	roadways		1,500,000						
123									
124									
125	SUB-TOTAL HARD COSTS			$9,196,479					
126	CONTINGENCY			$459,824					
127	TOTAL HARD COSTS			$9,656,303					
128									
129									
130	SOFT COSTS			$1,448,445					
131	architect/engineer		675,941						
132	legal services		386,252						
133	marketing		0						
134	insurance (dev. phase)		96,563						
135	developer fee		289,689						
136	linkage payment		0						
137									
138								SUMMARY	
139								land:	0
140	SUB-TOTAL HARD and SOFT COSTS:			$11,104,748				site improv:	9,196,479
141				----------				buildings:	0
142	PROP. TAXES (dev phase):		0					soft costs:	2,590,458
143	LEASING COMMISSIONS:		0					contingency:	459,824
144	SUB-TOTAL DEVELOPMENT COSTS:			$11,104,748					----------
145				----------				TOTAL:	12,246,761
146	CONSTRUCT LOAN PRINCIPAL		11,104,748						
147	CONSTRUCT LOAN INTEREST:		1,030,965						
148	CONSTRUCT LOAN FEE:		111,047						
149	TOTAL DEVELOPMENT BUDGET:			$12,246,761					
150				----------					
151	CALCULATIONS:								

A	B	C	D	E	F	G	H	I	J
152	required parking:		0 spaces						
153	asphalt area:		1,088,000 SF			25.0 acres			
154									
155									
156									
157	construction						roadway	total	
158	interest	construct	total				unit	development	
159	rate	interest	budget				cost	budget	
160	---	---	---				---	---	
161	11	1,030,965	12,246,761				2.5	12,246,761	
162	6	549,019	11,764,815				2	11,522,327	
163	7	643,631	11,859,427				2.25	11,884,544	
164	8	739,132	11,954,928				2.5	12,246,761	
165	9	835,521	12,051,317				2.75	12,608,977	
166	10	932,799	12,148,595				3	12,971,194	
167	11	1,030,965	12,246,761				3.25	13,333,411	
168	12	1,130,019	12,345,815				3.5	13,695,628	
169	13	1,229,962	12,445,758				3.75	14,057,844	
170	14	1,330,793	12,546,589				4	14,420,061	
171	15	1,432,513	12,648,308				4.25	14,782,278	
172	16	1,535,120	12,750,916				4.5	15,144,495	

INDEX

LAND RESIDUALS:

OPTION: BASE

KODAK-Henrietta Corporate Campus
Town of Henrietta, Rochester, NY

A	B	C	D	E	F	G	H	I	J
2	A.F. Rice	KODAK-Henrietta Site Feasibility Study				CONCEPTUAL-GRADE CAPITAL ESTIMATE			
3	OPTION: BASE CASE (corp campus only)								
4	---								
5	ASSUMPTIONS:HARD COSTS:								
6	---								
7	new land:	120	acres			BUILDINGS (w/o soft $)			
8		0	$/acre (see residuals line 320)			comm.:	400,000	total SF	
9	open space:	50	% landscaped				2	floors	
10		0.15	FAR				40	$/SF base bldg.	
11		10,000	$/acre landscaping				10	$/SF interiors	
12		50,000	$ signage allowance			hotel:	400	total rooms	
13		43,500	sq.ft. per acre				3	floors	
14	fencing:	10,000	lineal feet				450	SF/room aver.	
15		15	$/LF				50	$/SF base bldg.	
16	parking:	300	office SF/space				10	$/SF interiors	
17		2.5	spaces/dwelling unit			retail:	0	total SF	
18		350	total SF/space				1	floors	
19	access road:	30	feet wide				35	$/SF base bldg.	
20		3,600	feet total length				10	$/SF interiors	
21		2.5	$/SF road cost			apart.	250	total units	
22		5	% road w/granite curbing				950	SF/unit aver.	
23		30	$/LF granite curb				2	# floors	
24		200	LF/lightpole				35	$/SF base bldg.	
25		25,000	SF/lightpole (lots)				10	$/SF improve.	
26		4,000	$/lightpole			SFU:	0	# units	
27	erosion cont	20,000	$ allowance				2	floors	
28	clear/grub:	3,000	$/acre site				2400	SF/unit aver.	
29	topsoil:	0.50	feet deep				30	$/SF aver. base	
30		3	$/cu yd stockpile				10	$/SF improve.	
31	site cut/fil	20,000	cubic yards total			health	0	SF	
32		5	$/cu yd (aver.)				35	$/SF	
33	excavate/fil	10	$/cu yd (u/g util.)			TRAFFIC			
34	sanitary sys	5,800	lineal feet			signals	1	# intersections	
35		10	$/LF (PVC)				50,000	$/intersection	
36	water system	1,100	lineal feet			turn	1	# required	
37		20	$/LF (DIP)			lanes:	20,000	$/lane aver.	
38		6	# hydrants			other:	0		
39		2,000	$/hydrant installed			---			
40	elec/tel/ala	0	lineal feet (by utility)			SOFT COSTS (development phase):			
41		3	$/LF			---			
42	ductbank:	0	lineal feet (by utility)			financ:	10.50	% interest rate	
43		100	$/LF w/conc encase			(const)	40	% aver outstd bal.	
44	sidewalks:	1,000	feet total length				24	mos. to takeout	
45		5	feet wide				1.0	% orig. fee	
46		4	$/SF sidewalk			(perm):	10.00	% includes fee	
47	bike paths:	10,000	feet total length				30	yr. term	
48		8	feet wide			taxes:	2.5	% of total cost	
49		2	$/SF bike path			linkage	0	$ lump sum	
50	tennis court	4	total number			lease:	1	% TIC	
51		10,000	$/court			A/E:	6	% hard costs	

```
A      B           C          D           E          F       G          H          I          J
52 swimming poo          0 $ lump sum                        legal:          3 % hard costs
53 health club:          0 $ equipment allow.                market:         3 % hard costs
54 contingency:          5 % of hard-costs                   insur.:         1 % hard costs
55                                                           fees:           3 % hard costs
56                                                           (developer)
57
58
59
60
61 ---------------------------------------------------------------------------------------------------------
62 ASSUMPTIONS: OPERATING DATA and DEBT CAPACITIES
63 ---------------------------------------------------------------------------------------------------------
64 OFFICE                              HOTEL
65 effective re      $18.00            room rate:       $90.00
66 debt coverag        1.10            occupancy:         0.65
67 exit cap:           0.09            rack rate:       $58.50
68                                     debt cover:        1.25
69
70
71
72
73
74 APARTMENTS                          RETAIL
75 effect rent:        6.06            effect. rent:     20.00
76 vacancy rate        0.08            vacancy rate:      0.08
77 debt cover:         1.25            debt cover.:       1.10
78 exit cap:           0.09            exit cap:          0.09
79                                     expenses:         10.00
80                                     r.e. tax:          1.40
81
82
83
84 RESIDENTIAL
85 sales $/SF:        90.00
86 % sold:             0.90
87 DCR:        for sale units only                 cost of capital:          10 % after tax
88                                                 transactions costs         4 % in yr.10
89 compos. NOI growth rate:          2 %/yr.       combined tax rate:        33 % (state+fed)
90 ---------------------------------------------------------------------------------------------------------
91 CAPITAL COST ESTIMATE        $$$          $$$
92 ---------------------------------------------------------------------------------------------------------
93
94 LAND                                          $0 (see residuals)
95
96
97 SITE                                  $870,000
98   clear and grub              180,000          50% cleared previously
99   remove/stock topsoil        290,000          6-inches over entire site
100  erosion protection          100,000          allowance (regrade, hay, etc..)
101  cut and fills               100,000
```

A	B	C	D	E	F	G	H	I	J
102		perimeter fencing	150,000						
103		signage	50,000						
104									
105									
106	LANDSCAPING			$246,695		25 acres			
107									
108									
109	ACCESS ROADS			$372,800					
110		roadways	270,000						
111		curbing	10,800						
112		lighting	72,000						
113		sidewalks	20,000						
114									
115									
116	PARKING			$2,381,808					
117		at-grade open lot	2,238,542						
118		lighting	143,267						
119									
120									
121	UTILITIES			$160,000					
122		sanitary sewer	116,000						
123		water supply	33,000						
124		hydrants	11,000						
125		elec/tel/alarm	0						
126		ductbank	0						
127									
128									
129	BUILDINGS			$41,487,500		cost allocation:			
130		commercial base	16,000,000						
131		commercial improve.	4,000,000			comm.:	48.2%		$30,564,982
132		hotel base	9,000,000						
133		hotel FF&E	1,800,000			hotel:	26.0%		$16,505,090
134		retail base	0						
135		retail improvements	0			retail:	0.0%		$0
136		multi-family base	8,312,500						
137		multi-family FF&E	2,375,000			apart.:	25.8%		$16,333,162
138		residential base	0						
139		residential improve	0			SFU:	0.0%		$0
140		health club	0				---		---
141							100.00%		$63,403,234
142	AMENITIES			$200,000					
143		bike/jog paths	160,000						
144		tennis courts	40,000						
145		swimming pool	0						
146		health club	0						
147									
148									
149	TRAFFIC IMPROVEMENTS			$70,000					
150		signals	50,000						
151		turning lanes	20,000						

A	B	C	D	E	F	G	H	I	J
152	roadways		0						
153									
154									
155	SUB-TOTAL HARD COSTS			$45,788,804					
156	CONTINGENCY			$2,289,440					
157	TOTAL HARD COSTS			$48,078,244					
158									
159									
160	SOFT COSTS			$7,692,519					
161	architect/engineer		2,884,695						
162	legal services		1,442,347						
163	marketing		1,442,347						
164	insurance (dev. phase)		480,782						
165	developer fee		1,442,347						
166	linkage payment		0						
167									
168								SUMMARY	
169								land:	0
170	SUB-TOTAL HARD and SOFT COSTS:			$55,770,763				site improv:	4,301,304
171				---				buildings:	41,487,500
172	PROP. TAXES (dev phase):		1,394,269					soft costs:	15,324,991
173	LEASING COMMISSIONS:		557,708					contingency:	2,289,440
174	SUB-TOTAL DEVELOPMENT COSTS:			$57,722,740					---
175				---				TOTAL:	63,403,234
176	CONSTRUCT LOAN PRINCIPAL		57,722,740						
177	CONSTRUCT LOAN INTEREST:		5,103,267						
178	CONSTRUCT LOAN FEE:		577,227						
179	TOTAL DEVELOPMENT BUDGET:			$63,403,234					
180				---					
181	CALCULATIONS:								
182	required parking:		2,558	spaces					
183	parking area:		1,487,167	SF		34.2 acres			
184	SFU sales price:		$216,000						
185									
186	ANALYSIS of OPERATIONAL PERFORMANCE and DEBT CAPACITY:								
187	ref: IREM 1986 p.52, and RCMoyer (Kodak)				ref: Harris, Kerr, Foster, and Co., TRENDS, 1979, p.4				
188	---				---				
189		Office				Hotel			
190	---				---				
191	INCOME	% effec rent	$/SF/yr		INCOME	x rack	$/room/nite	$/SF/yr	
192	office	1.000	18.00		rack	1.000	58.50	47.4500	
193	retail	0.000	0.00		food	0.445	26.03	21.1153	
194	parking	0.000	0.00		beverage	0.177	10.35	8.3987	
195	other	0.090	1.62		telephone	0.045	2.63	2.1353	
196	vacant/bad	-0.050	-0.90		other	0.076	4.45	3.6062	
197	total	1.040	18.72		total	1.743	$101.97	$82.71	
198									
199	EXPENSE				EXPENSE				
200	utilities	0.290	5.22		room	0.263	15.39	12.4794	
201	jan./clean	0.059	1.06		f&b	0.488	28.55	23.1556	

A	B	C	D	E	F	G	H	I	J
202	maintenance	0.074	1.33		telephone	0.059	3.45	2.7996	
203	administr.	0.084	1.51		other	0.026	1.52	1.2337	
204	grounds	0.020	0.36		admin/gen	0.135	7.90	6.4058	
205	r.e. taxes	0.080	1.44		management	0.036	2.11	1.7082	
206	total	0.607	10.93		marketing	0.062	3.63	2.9419	
207					franchise$	0.005	0.29	0.2373	
208	------NOI---	0.433	$7.79		entertain	0.002	0.12	0.0949	
209					prop.manag	0.099	5.79	4.6976	
210	DCR:	1.1			utilities	0.076	4.45	3.6062	
211	debt serv. cap:		$7.09		prop. tax	0.059	3.45	2.7996	
212	total debt service cap:		$2,834,182		insurance	0.007	0.41	0.3322	
213					total	1.317	$77.04	$62.49	
214	exit cap rat	0.090							
215	capped value:		$86.60		-----NOI----		$24.92	$20.21	
216	total cap value:		$34,640,000						
217	total NOI/yr:		$3,117,600		debt cover:	1.25			
218					debt capac.:		$19.94		
219					total DS cap:		$2,910,773		
220									
221					exit cap :	0.09			
222					capped value:		276.9	$224.60	
223					total value:		$40,427,400		
224	ref: IREM 1986, p.169.				total NOI/yr:		$3,638,466		
225	----------				----------				
226	Apartments				Residential				
227	----------				----------				
228	INCOME	$/SF/yr			INCOME		$		
229	rent	6.060			new homes:		0		
230	-vacancies	-0.455			total:			0	
231	other incom	0.130							
232	total		5.736		EXPENSES				
233					base bldg:		0		
234	EXPENSE				improvmt:		0		
235	administr.	0.580			total:			0	
236	utilities	0.880							
237	security	0.036			PROFIT			0	
238	grounds	0.143							
239	maintenance	0.190							
240	paint	0.131							
241	r.e. tax	0.714							
242	insurance	0.119							
243	other	0.381							
244	total		3.174						
245									
246	------NOI---	$2.56							
247									
248	DCR:	1.25							
249	debt serv. cap:		$2.05						
250	total debt service cap:		$486,685						
251									

	Retail	
INCOME	$/SF/yr	
rent:	20.00	
-vacancies:	-1.50	
total:	18.50	
EXPENSES		

	A	B	C	D	E	F	G	H	I	J
252	exit cap rat		0.090			op. exp.:	10.00			
253	capped value:			$28.46		r.e. tax:	1.40			
254	total cap value:			$6,759,514		total:	11.40			
255	total NOI/yr.:			$608,356						
256						-----NOI---	7.10			
257										
258						DCR:	1.10			
259						DS cap.:	6.45			
260						tot DS cap:		$0		
261										
262						exit cap:	0.09			
263						capped NOI:	78.89			
264						tot cap val:		$0		
265						total NOI/yr:		$0		
266										
267										
268						Permanent				
269						Debt Service				
270	Component	Tot Value	Alloc Cost	Val/Cost		Capacity				
271	----------	----------	----------	----------		----------				
272	OFFICE	34,640,000	30,564,982	1.133		2,834,182				
273	HOTEL	40,427,400	16,505,090	2.449		2,910,773				
274	APARTMENTS	6,759,514	16,333,162	0.414		486,685				
275	RESIDENTIAL	0	0	ERR		0				
276	RETAIL	0	0	ERR		0				
277	----------	----------	----------	----------		----------				
278	totals	81,826,914	63,403,234	1.291		6,231,640				
279										
280										
281	TOTAL COST w/SALES:		$63,403,234			TOTAL VALUE w/SALES:			$81,826,914	
282	PERMANENT FINANCING:		$62,316,396			TOTAL DEVELOPT COST:			$63,403,234	
283			----------						----------	
284	EQUITY REQUIRED:		$1,086,838			PROFIT:			$18,423,679	
285	-LAND PURCHASE:		$0			(residual)				
286	-RESIDENT PROFIT:		$0							
287	----------		----------			Loan/Value:	0.98			
288	NEW CASH REQ'D:		$1,086,838							
289										
290	======ROE=========>		1695.2%							
291			(no time units)							
292										
293										
294										
295	LAND RESIDUALS CALCULATIONS									
296										
297	ASSUMED FAR:	0.15								
298			minimum	actual						
299	area	footprint	req'd	land						
300			land	used						
301	----------	----------	----------	----------						

A	B	C	D	E	F	G	H	I	J
302	office	4.60	30.65	70					
303	hotel	1.38	9.20	20					
304	retail	0.00	0.00	0					
305	apartment	2.73	18.20	30					
306	SFU	0.00	0.00	0					
307	health	0.00	0.00	0					
308	roads	2.48	2.48	incld					
309	parking	34.19	34.19	incld					
310	golf	0.00	0.00	0					
311									
312	TOTAL	45.38	94.72	120					
313									
314	remaining open space:		49.34	acres					
315	landscape req'd:		25	acres					
316									
317									
318									
319	total profit generated (line 284):			$18,423,679					
320	total profit (residual) per acre:			$153,531					
321									
322									
323									
324									
325									
326									
327									
328									

APPENDIX G2

INDEX

LAND RESIDUALS:

OPTION: STEP1

KODAK-Henrietta Corporate Campus
Town of Henrietta, Rochester, NY

A	B	C	D	E	F	G	H	I	J
2	A.F. Rice	KODAK-Henrietta Site Feasibility Study				CONCEPTUAL-GRADE CAPITAL ESTIMATE			
3	OPTION: STEP1 (1st phase of buildout)								
4	---								
5	ASSUMPTIONS:HARD COSTS:								
6	---								
7	new land:	460	acres			BUILDINGS (w/o soft $)			
8		0	$/acre (see residuals line 320)			comm.:	600,000	total SF	
9	open space:	50	% landscaped				2	floors	
10		0.15	FAR				40	$/SF base bldg.	
11		10,000	$/acre landscaping				10	$/SF interiors	
12		50,000	$ signage allowance			hotel:	400	total rooms	
13		43,500	sq.ft. per acre				3	floors	
14	fencing:	6,000	lineal feet				450	SF/room aver.	
15		15	$/LF				50	$/SF base bldg.	
16	parking:	300	office SF/space				10	$/SF interiors	
17		2.5	spaces/dwelling unit			retail:	50,000	total SF	
18		350	total SF/space				1	floors	
19	access road:	30	feet wide				35	$/SF base bldg.	
20		13,000	feet total length				10	$/SF interiors	
21		2.5	$/SF road cost			apart.	250	total units	
22		5	% road w/granite curbing				950	SF/unit aver.	
23		30	$/LF granite curb				2	# floors	
24		200	LF/lightpole				35	$/SF base bldg.	
25		25,000	SF/lightpole (lots)				10	$/SF improve.	
26		4,000	$/lightpole			SFU:	200	# units	
27	erosion cont	50,000	$ allowance				2	floors	
28	clear/grub:	3,000	$/acre site				2400	SF/unit aver.	
29	topsoil:	0.50	feet deep				30	$/SF aver. base	
30		3	$/cu yd stockpile				10	$/SF improve.	
31	site cut/fil	30,000	cubic yards total			health	10,000	SF	
32		5	$/cu yd (aver.)				35	$/SF	
33	excavate/fil	10	$/cu yd (u/g util.)			TRAFFIC			
34	sanitary sys	13,000	lineal feet			signals	4	# intersections	
35		10	$/LF (PVC)				50,000	$/intersection	
36	water system	13,000	lineal feet			turn	4	# required	
37		20	$/LF (DIP)			lanes:	20,000	$/lane aver.	
38		65	# hydrants			other:	1,800,000	$ golf course	
39		2,000	$/hydrant installed			---			
40	elec/tel/ala	0	lineal feet (by utility)			SOFT COSTS (development phase):			
41		3	$/LF			---			
42	ductbank:	0	lineal feet (by utility)			financ:	10.50	% interest rate	
43		100	$/LF w/conc encase			(const)	40	% aver outstd bal.	
44	sidewalks:	26,000	feet total length				24	mos. to takeout	
45		5	feet wide				1.0	% orig. fee	
46		4	$/SF sidewalk			(perm):	10.00	% includes fee	
47	bike paths:	10,000	feet total length				30	yr. term	
48		8	feet wide			taxes:	2.5	% of total cost	
49		2	$/SF bike path			linkage	0	$ lump sum	
50	tennis court	4	total number			lease:	1	% TIC	
51		10,000	$/court			A/E:	6	% hard costs	

A	B	C	D	E	F	G	H	I	J
52	swimming poo	0	$ lump sum			legal:		3 % hard costs	
53	health club:	100,000	$ equipment allow.			market:		3 % hard costs	
54	contingency:	5	% of hard-costs			insur.:		1 % hard costs	
55						fees:		3 % hard costs	
56						(developer)			
57									
58									
59									
60									
61	---								
62	ASSUMPTIONS: OPERATING DATA and DEBT CAPACITIES								
63	---								
64	OFFICE			HOTEL					
65	effective re	$18.00		room rate:	$90.00				
66	debt coverag	1.10		occupancy:	0.65				
67	exit cap:	0.09		rack rate:	$58.50				
68				debt cover:	1.25				
69									
70									
71									
72									
73									
74	APARTMENTS			RETAIL					
75	effect rent:	6.06		effect. rent:	20.00				
76	vacancy rate	0.08		vacancy rate:	0.08				
77	debt cover:	1.25		debt cover.:	1.10				
78	exit cap:	0.09		exit cap:	0.09				
79				expenses:	10.00				
80				r.e. tax:	1.40				
81									
82									
83									
84	RESIDENTIAL								
85	sales $/SF:	90.00							
86	% sold:	0.90							
87	DCR:	for sale units only				cost of capital:		10 % after tax	
88						transactions costs		4 % in yr.10	
89	compos. NOI growth rate:		2 %/yr.			combined tax rate:		33 % (state+fed)	
90	---								
91	CAPITAL COST ESTIMATE	$$$	$$$						
92	---								
93									
94	LAND				$0 (see residuals)				
95									
96									
97	SITE			$2,191,667					
98	clear and grub		690,000			50% cleared previously			
99	remove/stock topsoil		1,111,667			6-inches over entire site			
100	erosion protection		100,000			allowance (regrade, hay, etc..)			
101	cut and fills		150,000						

A	B	C	D	E	F	G	H	I	J
102		perimeter fencing	90,000						
103		signage	50,000						
104									
105									
106	LANDSCAPING			$830,000		83 acres			
107									
108									
109	ACCESS ROADS			$1,794,000					
110		roadways	975,000						
111		curbing	39,000						
112		lighting	260,000						
113		sidewalks	520,000						
114									
115									
116	PARKING			$3,654,175					
117		at-grade open lot	3,434,375						
118		lighting	219,800						
119									
120									
121	UTILITIES			$780,000					
122		sanitary sewer	260,000						
123		water supply	390,000						
124		hydrants	130,000						
125		elec/tel/alarm	0						
126		ductbank	0						
127									
128									
129	BUILDINGS			$73,287,500		cost allocation:			
130		commercial base	24,000,000						
131		commercial improve.	6,000,000			comm.:	41.1%		$48,363,630
132		hotel base	9,000,000						
133		hotel FF&E	1,800,000			hotel:	14.8%		$17,410,907
134		retail base	1,750,000						
135		retail improvements	500,000			retail:	3.1%		$3,627,272
136		multi-family base	8,312,500						
137		multi-family FF&E	2,375,000			apart.:	14.7%		$17,229,543
138		residential base	14,400,000						
139		residential improve	4,800,000			SFU:	26.3%		$30,952,723
140		health club	350,000				---		---
141							100.00%		$117,584,075
142	AMENITIES			$300,000					
143		bike/jog paths	160,000						
144		tennis courts	40,000						
145		swimming pool	0						
146		health club	100,000						
147									
148									
149	TRAFFIC IMPROVEMENTS			$2,080,000					
150		signals	200,000						
151		turning lanes	80,000						

A	B	C	D	E	F	G	H	I	J
152	roadways		1,800,000						
153									
154									
155	SUB-TOTAL HARD COSTS			$84,917,342					
156	CONTINGENCY			$4,245,867					
157	TOTAL HARD COSTS			$89,163,209					
158									
159									
160	SOFT COSTS			$14,266,113					
161	architect/engineer		5,349,793						
162	legal services		2,674,896						
163	marketing		2,674,896						
164	insurance (dev. phase)		891,632						
165	developer fee		2,674,896						
166	linkage payment		0						
167									
168							SUMMARY		
169							land:	0	
170	SUB-TOTAL HARD and SOFT COSTS:			$103,429,322			site improv:	11,629,842	
171				----------			buildings:	73,287,500	
172	PROP. TAXES (dev phase):		2,585,733				soft costs:	28,420,866	
173	LEASING COMMISSIONS:		1,034,293				contingency:	4,245,867	
174	SUB-TOTAL DEVELOPMENT COSTS:			$107,049,348				----------	
175				----------			TOTAL:	117,584,075	
176	CONSTRUCT LOAN PRINCIPAL		107,049,348						
177	CONSTRUCT LOAN INTEREST:		9,464,233						
178	CONSTRUCT LOAN FEE:		1,070,493						
179	TOTAL DEVELOPMENT BUDGET:			$117,584,075					
180				----------					
181	CALCULATIONS:								
182	required parking:		3,925	spaces					
183	parking area:		2,772,500	SF		63.7 acres			
184	SFU sales price:		$216,000						
185									
186	ANALYSIS of OPERATIONAL PERFORMANCE and DEBT CAPACITY:								
187	ref: IREM 1986 p.52, and RCMoyer (Kodak)				ref: Harris, Kerr, Foster, and Co., TRENDS, 1979, p.4				
188	----------				----------				
189		Office					Hotel		
190	----------				----------				
191	INCOME	% effec rent	$/SF/yr		INCOME	x rack	$/room/nite	$/SF/yr	
192	office	1.000	18.00		rack	1.000	58.50	47.4500	
193	retail	0.000	0.00		food	0.445	26.03	21.1153	
194	parking	0.000	0.00		beverage	0.177	10.35	8.3987	
195	other	0.090	1.62		telephone	0.045	2.63	2.1353	
196	vacant/bad	-0.050	-0.90		other	0.076	4.45	3.6062	
197	total	1.040	18.72		total	1.743	$101.97	$82.71	
198									
199	EXPENSE				EXPENSE				
200	utilities	0.290	5.22		room	0.263	15.39	12.4794	
201	jan./clean	0.059	1.06		f&b	0.488	28.55	23.1556	

A	B	C	D	E	F	G	H	I	J
202	maintenance	0.074	1.33		telephone	0.059	3.45	2.7996	
203	administr.	0.084	1.51		other	0.026	1.52	1.2337	
204	grounds	0.020	0.36		admin/gen	0.135	7.90	6.4058	
205	r.e. taxes	0.080	1.44		management	0.036	2.11	1.7082	
206	total	0.607	10.93		marketing	0.062	3.63	2.9419	
207					franchise$	0.005	0.29	0.2373	
208	------NOI---	0.433	$7.79		entertain	0.002	0.12	0.0949	
209					prop.manag	0.099	5.79	4.6976	
210	DCR:	1.1			utilities	0.076	4.45	3.6062	
211	debt serv. cap:		$7.09		prop. tax	0.059	3.45	2.7996	
212	total debt service cap:		$4,251,273		insurance	0.007	0.41	0.3322	
213					total	1.317	$77.04	$62.49	
214	exit cap rat	0.090							
215	capped value:		$86.60		-----NOI----		$24.92	$20.21	
216	total cap value:		$51,960,000						
217	total NOI/yr:		$4,676,400		debt cover:	1.25			
218					debt capac.:		$19.94		
219					total DS cap:		$2,910,773		
220									
221					exit cap :	0.09			
222					capped value:		276.9	$224.60	
223					total value:		$40,427,400		
224	ref: IREM 1986, p.169.				total NOI/yr:		$3,638,466		
225	----------				----------				
226	Apartments				Residential				
227	----------				----------				
228	INCOME	$/SF/yr			INCOME		$		
229	rent	6.060			new homes:		38,880,000		
230	-vacancies	-0.455			total:			38,880,000	
231	other incom	0.130							
232	total		5.736		EXPENSES				
233					base bldg:		14,400,000		
234	EXPENSE				improvmt:		4,800,000		
235	administr.	0.580			total:			19,200,000	
236	utilities	0.880							
237	security	0.036			PROFIT			19,680,000	
238	grounds	0.143							
239	maintenance	0.190							
240	paint	0.131							
241	r.e. tax	0.714							
242	insurance	0.119							
243	other	0.381			----------				
244	total		3.174		Retail				
245					----------				
246	------NOI---	$2.56			INCOME	$/SF/yr			
247					rent:	20.00			
248	DCR:	1.25			-vacancies:	-1.50			
249	debt serv. cap:		$2.05		total:	18.50			
250	total debt service cap:		$486,685						
251					EXPENSES				

	A	B	C	D	E	F	G	H	I	J
252	exit cap rat		0.090			op. exp.:	10.00			
253	capped value:			$28.46		r.e. tax:	1.40			
254	total cap value:			$6,759,514		total:	11.40			
255	total NOI/yr.:			$608,356						
256						-----NOI---	7.10			
257										
258						DCR:	1.10			
259						DS cap.:	6.45			
260						tot DS cap:		$322,727		
261										
262						exit cap:	0.09			
263						capped NOI:	78.89			
264						tot cap val:		$3,944,444		
265						total NOI/yr:		$355,000		
266										
267										
268						Permanent				
269						Debt Service				
270	Component	Tot Value	Alloc Cost	Val/Cost		Capacity				
271	---	---	---	---		---				
272	OFFICE	51,960,000	48,363,630	1.074		4,251,273				
273	HOTEL	40,427,400	17,410,907	2.322		2,910,773				
274	APARTMENTS	6,759,514	17,229,543	0.392		486,685				
275	RESIDENTIAL	19,680,000	30,952,723	0.636		0				
276	RETAIL	3,944,444	3,627,272	1.087		322,727				
277	---	---	---	---		---				
278	totals	122,771,358	117,584,075	1.044		7,971,458				
279										
280										
281	TOTAL COST w/SALES:		$117,584,075			TOTAL VALUE w/SALES:			$122,771,358	
282	PERMANENT FINANCING:		$79,714,578			TOTAL DEVELOPT COST:			$117,584,075	
283			---						---	
284	EQUITY REQUIRED:		$37,869,497			PROFIT:			$5,187,284	
285	-LAND PURCHASE:		$0			(residual)				
286	-RESIDENT PROFIT:		($19,680,000)							
287	---		---			Loan/Value:	0.68			
288	NEW CASH REQ'D:		$18,189,497							
289										
290	======ROE=========>		13.7%							
291			(no time units)							
292										
293										
294										
295	LAND RESIDUALS CALCULATIONS									
296										
297	ASSUMED FAR:		0.15							
298				minimum	actual					
299	area	footprint		req'd	land					
300				land	used					
301	---	---	---	---	---					

A	B	C	D	E	F	G	H	I	J
302	office	6.90	45.98	150					
303	hotel	1.38	9.20	20					
304	retail	1.15	7.66	10					
305	apartment	2.73	18.20	20					
306	SFU	4.69	100.00	110					
307	health	0.23	1.53	incld					
308	roads	8.97	8.97	incld					
309	parking	63.74	63.74	incld					
310	golf	150.00	150.00	150					
311									
312	TOTAL	239.78	405.27	460					
313									
314	remaining open space:		165.49	acres					
315	landscape req'd:		83	acres					
316									
317									
318									
319	total profit generated (line 284):			$5,187,284					
320	total profit (residual) per acre:			$11,277					
321									
322									
323									
324									
325									
326									
327									
328									

APPENDIX G3

INDEX

LAND RESIDUALS:

OPTION: MAKE$

KODAK-Henrietta Corporate Campus
Town of Henrietta, Rochester, NY

A	B	C	D	E	F	G	H	I	J
2	A.F. Rice	KODAK-Henrietta Site Feasibility Study				CONCEPTUAL-GRADE CAPITAL ESTIMATE			
3	OPTION: EXPAND MEC on EXISTING KODAK LAND								
4	---								
5	ASSUMPTIONS:HARD COSTS:								
6	---								
7	new land:	200	acres			BUILDINGS (w/o soft $)			
8		0	$/acre (see residuals line 320)			comm.:	800,000	total SF	
9	open space:	50	% landscaped				2	floors	
10		0.15	FAR				40	$/SF base bldg.	
11		10,000	$/acre landscaping				10	$/SF interiors	
12		50,000	$ signage allowance			hotel:	400	total rooms	
13		43,500	sq.ft. per acre				3	floors	
14	fencing:	10,000	lineal feet				450	SF/room aver.	
15		15	$/LF				50	$/SF base bldg.	
16	parking:	300	office SF/space				10	$/SF interiors	
17		2.5	spaces/dwelling unit			retail:	50,000	total SF	
18		350	total SF/space				1	floors	
19	access road:	30	feet wide				35	$/SF base bldg.	
20		3,100	feet total length				10	$/SF interiors	
21		2.5	$/SF road cost			apart.	250	total units	
22		5	% road w/granite curbing				950	SF/unit aver.	
23		30	$/LF granite curb				2	# floors	
24		200	LF/lightpole				35	$/SF base bldg.	
25		25,000	SF/lightpole (lots)				10	$/SF improve.	
26		4,000	$/lightpole			SFU:	0	# units	
27	erosion cont	20,000	$ allowance				2	floors	
28	clear/grub:	3,000	$/acre site				2400	SF/unit aver.	
29	topsoil:	0.50	feet deep				30	$/SF aver. base	
30		3	$/cu yd stockpile				10	$/SF improve.	
31	site cut/fil	20,000	cubic yards total			health	0	SF	
32		5	$/cu yd (aver.)				35	$/SF	
33	excavate/fil	10	$/cu yd (u/g util.)			TRAFFIC			
34	sanitary sys	7,200	lineal feet			signals	2	# intersections	
35		10	$/LF (PVC)				50,000	$/intersection	
36	water system	2,000	lineal feet			turn	1	# required	
37		20	$/LF (DIP)			lanes:	20,000	$/lane aver.	
38		10	# hydrants			other:	0	$ golf course	
39		2,000	$/hydrant installed			---			
40	elec/tel/ala	0	lineal feet (by utility)			SOFT COSTS (development phase):			
41		3	$/LF			---			
42	ductbank:	0	lineal feet (by utility)			financ:	10.50	% interest rate	
43		100	$/LF w/conc encase			(const)	40	% aver outstd bal.	
44	sidewalks:	6,000	feet total length				24	mos. to takeout	
45		5	feet wide				1.0	% orig. fee	
46		4	$/SF sidewalk			(perm):	10.00	% includes fee	
47	bike paths:	0	feet total length				30	yr. term	
48		8	feet wide			taxes:	2.5	% of total cost	
49		2	$/SF bike path			linkage	0	$ lump sum	
50	tennis court	4	total number			lease:	1	% TIC	
51		10,000	$/court			A/E:	6	% hard costs	

A	B	C	D	E	F	G	H	I	J
52	swimming poo		0 $ lump sum			legal:		3 % hard costs	
53	health club:		0 $ equipment allow.			market:		3 % hard costs	
54	contingency:		5 % of hard-costs			insur.:		1 % hard costs	
55						fees:		3 % hard costs	
56						(developer)			
57									
58									
59									
60									
61	----------								
62	ASSUMPTIONS: OPERATING DATA and DEBT CAPACITIES								
63	----------								
64	OFFICE			HOTEL					
65	effective re	$18.00		room rate:	$90.00				
66	debt coverag	1.10		occupancy:	0.65				
67	exit cap:	0.09		rack rate:	$58.50				
68				debt cover:	1.25				
69									
70									
71									
72									
73									
74	APARTMENTS			RETAIL					
75	effect rent:	6.06		effect. rent:	20.00				
76	vacancy rate	0.08		vacancy rate:	0.08				
77	debt cover:	1.25		debt cover.:	1.10				
78	exit cap:	0.09		exit cap:	0.09				
79				expenses:	10.00				
80				r.e. tax:	1.40				
81									
82									
83									
84	RESIDENTIAL								
85	sales $/SF:	90.00							
86	% sold:	0.90							
87	DCR:	for sale units only				cost of capital:		10 % after tax	
88						transactions costs		4 % in yr.10	
89	compos. NOI growth rate:			2 %/yr.		combined tax rate:		33 % (state+fed)	
90	----------								
91	CAPITAL COST ESTIMATE		$$$	$$$					
92	----------								
93									
94	LAND				$0 (see residuals)				
95									
96									
97	SITE			$1,108,333					
98	clear and grub		300,000		50% cleared previously				
99	remove/stock topsoil		483,333		6-inches over entire site				
100	erosion protection		100,000		allowance (regrade, hay, etc..)				
101	cut and fills		100,000		needs checking				

A	B	C	D	E	F	G	H	I	J
102	perimeter fencing		75,000		50% site already enclosed				
103	signage		50,000		allowance				
104									
105									
106	LANDSCAPING			$1,000,000					
107									
108									
109	ACCESS ROADS			$423,800					
110	roadways		232,500						
111	curbing		9,300						
112	lighting		62,000						
113	sidewalks		120,000						
114									
115									
116	PARKING			$3,778,308					
117	at-grade open lot		3,551,042						
118	lighting		227,267						
119									
120									
121	UTILITIES			$224,000					
122	sanitary sewer		144,000						
123	water supply		60,000						
124	hydrants		20,000						
125	elec/tel/alarm		0						
126	ductbank		0						
127									
128									
129	BUILDINGS			$63,737,500		cost allocation:			
130	commercial base		32,000,000						
131	commercial improve.		8,000,000			comm.:	62.8%		$61,204,978
132	hotel base		9,000,000						
133	hotel FF&E		1,800,000			hotel:	16.9%		$16,525,344
134	retail base		1,750,000						
135	retail improvements		500,000			retail:	3.5%		$3,442,780
136	multi-family base		8,312,500						
137	multi-family FF&E		2,375,000			apart.:	16.8%		$16,353,205
138	residential base		0						
139	residential improve		0			SFU:	0.0%		$0
140	health club		0				---		---
141							100.00%		$97,526,307
142	AMENITIES			$40,000					
143	bike/jog paths		0						
144	tennis courts		40,000						
145	swimming pool		0						
146	health club		0						
147									
148									
149	TRAFFIC IMPROVEMENTS			$120,000					
150	signals		100,000						
151	turning lanes		20,000						

A	B	C	D	E	F	G	H	I	J
152	roadways		0						
153									
154									
155	SUB-TOTAL HARD COSTS			$70,431,942					
156	CONTINGENCY			$3,521,597					
157	TOTAL HARD COSTS			$73,953,539					
158									
159									
160	SOFT COSTS			$11,832,566					
161	architect/engineer		4,437,212						
162	legal services		2,218,606						
163	marketing		2,218,606						
164	insurance (dev. phase)		739,535						
165	developer fee		2,218,606						
166	linkage payment		0						
167									
168								SUMMARY	
169								land:	0
170	SUB-TOTAL HARD and SOFT COSTS:			$85,786,105				site improv:	6,694,442
171				----------				buildings:	63,737,500
172	PROP. TAXES (dev phase):		2,144,653					soft costs:	23,572,768
173	LEASING COMMISSIONS:		857,861					contingency:	3,521,597
174	SUB-TOTAL DEVELOPMENT COSTS:			$88,788,619					----------
175				----------				TOTAL:	97,526,307
176	CONSTRUCT LOAN PRINCIPAL		88,788,619						
177	CONSTRUCT LOAN INTEREST:		7,849,802						
178	CONSTRUCT LOAN FEE:		887,886						
179	TOTAL DEVELOPMENT BUDGET:			$97,526,307					
180				----------					
181	CALCULATIONS:								
182	required parking:		4,058	spaces					
183	parking area:		2,192,167	SF		50.4 acres			
184	SFU sales price:		$216,000						
185									
186	ANALYSIS of OPERATIONAL PERFORMANCE and DEBT CAPACITY:								
187	ref: IREM 1986 p.52, and RCMoyer (Kodak)				ref: Harris, Kerr, Foster, and Co., TRENDS, 1979, p.4				
188	----------				----------				
189		Office				Hotel			
190	----------				----------				
191	INCOME	% effec rent	$/SF/yr		INCOME	x rack	$/room/nite	$/SF/yr	
192	office	1.000	18.00		rack	1.000	58.50	47.4500	
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197	total	1.040	18.72		total	1.743	$101.97	$82.71	
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199	EXPENSE				EXPENSE				
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204	grounds	0.020	0.36		admin/gen	0.135	7.90	6.4058	
205	r.e. taxes	0.080	1.44		management	0.036	2.11	1.7082	
206	total	0.607	10.93		marketing	0.062	3.63	2.9419	
207					franchise$	0.005	0.29	0.2373	
208	------NOI---	0.433	$7.79		entertain	0.002	0.12	0.0949	
209					prop.manag	0.099	5.79	4.6976	
210	DCR:	1.1			utilities	0.076	4.45	3.6062	
211	debt serv. cap:		$7.09		prop. tax	0.059	3.45	2.7996	
212	total debt service cap:		$5,668,364		insurance	0.007	0.41	0.3322	
213					total	1.317	$77.04	$62.49	
214	exit cap rat	0.090							
215	capped value:		$86.60		-----NOI----		$24.92	$20.21	
216	total cap value:		$69,280,000						
217	total NOI/yr:		$6,235,200		debt cover:	1.25			
218					debt capac.:		$19.94		
219					total DS cap:		$2,910,773		
220									
221					exit cap :	0.09			
222					capped value:		276.9	$224.60	
223					total value:		$40,427,400		
224	ref: IREM 1986, p.169.				total NOI/yr:		$3,638,466		
225	----------				----------				
226	Apartments				Residential				
227	----------				----------				
228	INCOME	$/SF/yr			INCOME		$		
229	rent	6.060			new homes:		0		
230	-vacancies	-0.455			total:			0	
231	other incom	0.130							
232	total		5.736		EXPENSES				
233					base bldg:		0		
234	EXPENSE				improvmt:		0		
235	administr.	0.580			total:			0	
236	utilities	0.880							
237	security	0.036			PROFIT			0	
238	grounds	0.143							
239	maintenance	0.190							
240	paint	0.131							
241	r.e. tax	0.714							
242	insurance	0.119							
243	other	0.381			----------				
244	total		3.174		Retail				
245					----------				
246	------NOI---	$2.56			INCOME	$/SF/yr			
247					rent:	20.00			
248	DCR:	1.25			-vacancies:	-1.50			
249	debt serv. cap:		$2.05		total:	18.50			
250	total debt service cap:		$486,685						
251					EXPENSES				

	A	B	C	D	E	F	G	H	I	J
252	exit cap rat		0.090			op. exp.:	10.00			
253	capped value:			$28.46		r.e. tax:	1.40			
254	total cap value:			$6,759,514		total:	11.40			
255	total NOI/yr.:			$608,356						
256						-----NOI---	7.10			
257										
258						DCR:	1.10			
259						DS cap.:	6.45			
260						tot DS cap:		$322,727		
261										
262						exit cap:	0.09			
263						capped NOI:	78.89			
264						tot cap val:		$3,944,444		
265						total NOI/yr:		$355,000		
266										
267										
268						Permanent				
269						Debt Service				
270	Component	Tot Value	Alloc Cost	Val/Cost		Capacity				
271	----------	----------	----------	----------		----------				
272	OFFICE	69,280,000	61,204,978	1.132		5,668,364				
273	HOTEL	40,427,400	16,525,344	2.446		2,910,773				
274	APARTMENTS	6,759,514	16,353,205	0.413		486,685				
275	RESIDENTIAL	0	0	ERR		0				
276	RETAIL	3,944,444	3,442,780	1.146		322,727				
277	----------	----------	----------	----------		----------				
278	totals	120,411,358	97,526,307	1.235		9,388,549				
279										
280										
281	TOTAL COST w/SALES:			$97,526,307		TOTAL VALUE w/SALES:			$120,411,358	
282	PERMANENT FINANCING:			$93,885,487		TOTAL DEVELOPT COST:			$97,526,307	
283				----------					----------	
284	EQUITY REQUIRED:			$3,640,819		PROFIT:			$22,885,052	
285	-LAND PURCHASE:			$0		(residual)				
286	-RESIDENT PROFIT:			$0						
287	----------			----------		Loan/Value:	0.96			
288	NEW CASH REQ'D:			$3,640,819						
289										
290	======ROE=========>			628.6%						
291				(no time units)						
292										
293										
294										
295	LAND RESIDUALS CALCULATIONS									
296										
297	ASSUMED FAR:		0.15							
298				minimum	actual					
299	area	footprint		req'd	land					
300				land	used					
301	----------	----------	----------	----------	----------					

A	B	C	D	E	F	G	H	I	J
302	office	9.20	61.30	150					
303	hotel	1.38	9.20	10					
304	retail	1.15	7.66	20					
305	apartment	2.73	18.20	20					
306	SFU	0.00	0.00	0					
307	health	0.00	0.00	0					
308	roads	2.14	2.14	incld					
309	parking	50.39	50.39	incld					
310	golf	0.00	0.00	0					
311									
312	TOTAL	66.99	148.89	200					
313									
314	remaining open space:		81.91	acres					
315	landscape req'd:		41	acres					
316									
317									
318									
319	total profit generated (line 284):			$22,885,052					
320	total profit (residual) per acre:			$114,425					
321									
322									
323									
324									
325									
326									
327									
328									

APPENDIX G4

INDEX

LAND RESIDUALS:

OPTION: THRUWAY

KODAK-Henrietta Corporate Campus
Town of Henrietta, Rochester, NY

	A	B	C	D	E	F	G	H	I	J
2	A.F. Rice	KODAK-Henrietta Site Feasibility Study					CONCEPTUAL-GRADE CAPITAL ESTIMATE			
3	OPTION: INTERCHANGE @ E.RIVER by FED. HIGHWAY AUTH.									
4	---									
5	ASSUMPTIONS:HARD COSTS:									
6	---									
7	new land:	150	acres				BUILDINGS (w/o soft $)			
8		0	$/acre (see residuals line 320)				comm.:	600,000	total SF	
9	open space:	50	% landscaped					2	floors	
10		0.15	FAR					40	$/SF base bldg.	
11		10,000	$/acre landscaping					10	$/SF interiors	
12		50,000	$ signage allowance				hotel:	400	total rooms	
13		43,500	sq.ft. per acre					3	floors	
14	fencing:	10,000	lineal feet					450	SF/room aver.	
15		15	$/LF					50	$/SF base bldg.	
16	parking:	300	office SF/space					10	$/SF interiors	
17		2.5	spaces/dwelling unit				retail:	50,000	total SF	
18		350	total SF/space					1	floors	
19	access road:	30	feet wide					35	$/SF base bldg.	
20		19,500	feet total length					10	$/SF interiors	
21		2.5	$/SF road cost				apart.	250	total units	
22		5	% road w/granite curbing					950	SF/unit aver.	
23		30	$/LF granite curb					2	# floors	
24		200	LF/lightpole					35	$/SF base bldg.	
25		25,000	SF/lightpole (lots)					10	$/SF improve.	
26		4,000	$/lightpole				SFU:	230	# units	
27	erosion cont	50,000	$ allowance					2	floors	
28	clear/grub:	3,000	$/acre site					2400	SF/unit aver.	
29	topsoil:	0.50	feet deep					30	$/SF aver. base	
30		3	$/cu yd stockpile					10	$/SF improve.	
31	site cut/fil	30,000	cubic yards total				health	10,000	SF	
32		5	$/cu yd (aver.)					35	$/SF	
33	excavate/fil	10	$/cu yd (u/g util.)				TRAFFIC			
34	sanitary sys	20,000	lineal feet				signals	3	# intersections	
35		10	$/LF (PVC)					50,000	$/intersection	
36	water system	20,000	lineal feet				turn	2	# required	
37		20	$/LF (DIP)				lanes:	20,000	$/lane aver.	
38		100	# hydrants				other:	1,800,000	$ golf course	
39		2,000	$/hydrant installed				---			
40	elec/tel/ala	0	lineal feet (by utility)				SOFT COSTS (development phase):			
41		3	$/LF				---			
42	ductbank:	0	lineal feet (by utility)				financ:	10.50	% interest rate	
43		100	$/LF w/conc encase				(const)	40	% aver outstd bal.	
44	sidewalks:	20,000	feet total length					24	mos. to takeout	
45		5	feet wide					1.0	% orig. fee	
46		4	$/SF sidewalk				(perm):	10.00	% includes fee	
47	bike paths:	15,000	feet total length					30	yr. term	
48		8	feet wide				taxes:	2.5	% of total cost	
49		2	$/SF bike path				linkage	0	$ lump sum	
50	tennis court	4	total number				lease:	1	% TIC	
51		10,000	$/court				A/E:	6	% hard costs	

	A	B	C	D	E	F	G	H	I	J
52	swimming poo		0	$ lump sum			legal:		3 % hard costs	
53	health club:		100,000	$ equipment allow.			market:		3 % hard costs	
54	contingency:		5	% of hard-costs			insur.:		1 % hard costs	
55							fees:		3 % hard costs	
56							(developer)			
57										
58										
59										
60										
61	----------									
62	ASSUMPTIONS: OPERATING DATA and DEBT CAPACITIES									
63	----------									
64	OFFICE				HOTEL					
65	effective re		$18.00		room rate:	$90.00				
66	debt coverag		1.10		occupancy:	0.65				
67	exit cap:		0.09		rack rate:	$58.50				
68					debt cover:	1.25				
69										
70										
71										
72										
73										
74	APARTMENTS				RETAIL					
75	effect rent:		6.06		effect. rent:	20.00				
76	vacancy rate		0.08		vacancy rate:	0.08				
77	debt cover:		1.25		debt cover.:	1.10				
78	exit cap:		0.09		exit cap:	0.09				
79					expenses:	10.00				
80					r.e. tax:	1.40				
81										
82										
83										
84	RESIDENTIAL									
85	sales $/SF:		90.00							
86	% sold:		0.90							
87	DCR:	for sale units only					cost of capital:		10 % after tax	
88							transactions costs		4 % in yr.10	
89	compos. NOI growth rate:			2 %/yr.			combined tax rate:		33 % (state+fed)	
90	----------									
91	CAPITAL COST ESTIMATE		$$$		$$$					
92	----------									
93										
94	LAND					$0 (see residuals)				
95										
96										
97	SITE				$889,000					
98	clear and grub			225,000			50% cleared previously			
99	remove/stock topsoil			362,500			6-inches over entire site			
100	erosion protection			100,000			allowance (regrade, hay, etc..)			
101	cut and fills			150,000			needs checking			

A	B	C	D	E	F	G	H	I	J
102	perimeter fencing		1,500		50% site already enclosed				
103	signage		50,000		allowance				
104									
105									
106	LANDSCAPING			$898,324	90 acres				
107									
108									
109	ACCESS ROADS			$2,311,000					
110	roadways		1,462,500						
111	curbing		58,500						
112	lighting		390,000						
113	sidewalks		400,000						
114									
115									
116	PARKING			$3,724,000					
117	at-grade open lot		3,500,000						
118	lighting		224,000						
119									
120									
121	UTILITIES			$1,200,000					
122	sanitary sewer		400,000						
123	water supply		600,000						
124	hydrants		200,000						
125	elec/tel/alarm		0						
126	ductbank		0						
127									
128									
129	BUILDINGS			$76,167,500		cost allocation:			
130	commercial base		24,000,000						
131	commercial improve.		6,000,000			comm.:	39.6%		$47,974,316
132	hotel base		9,000,000						
133	hotel FF&E		1,800,000			hotel:	14.2%		$17,270,754
134	retail base		1,750,000						
135	retail improvements		500,000			retail:	3.0%		$3,598,074
136	multi-family base		8,312,500						
137	multi-family FF&E		2,375,000			apart.:	14.1%		$17,090,850
138	residential base		16,560,000						
139	residential improve		5,520,000			SFU:	29.1%		$35,309,096
140	health club		350,000				---		---
141							100.00%		$121,243,090
142	AMENITIES			$380,000					
143	bike/jog paths		240,000						
144	tennis courts		40,000						
145	swimming pool		0						
146	health club		100,000						
147									
148									
149	TRAFFIC IMPROVEMENTS			$1,990,000					
150	signals		150,000						
151	turning lanes		40,000						

A	B	C	D	E	F	G	H	I	J
152	roadways		1,800,000						
153									
154									
155	SUB-TOTAL HARD COSTS			$87,559,824					
156	CONTINGENCY			$4,377,991					
157	TOTAL HARD COSTS			$91,937,815					
158									
159									
160	SOFT COSTS			$14,710,050					
161	architect/engineer		5,516,269						
162	legal services		2,758,134						
163	marketing		2,758,134						
164	insurance (dev. phase)		919,378						
165	developer fee		2,758,134						
166	linkage payment		0						
167									
168							SUMMARY		
169							land:	0	
170	SUB-TOTAL HARD and SOFT COSTS:			$106,647,865			site improv:	11,392,324	
171				----------			buildings:	76,167,500	
172	PROP. TAXES (dev phase):		2,666,197				soft costs:	29,305,275	
173	LEASING COMMISSIONS:		1,066,479				contingency:	4,377,991	
174	SUB-TOTAL DEVELOPMENT COSTS:			$110,380,541				----------	
175				----------			TOTAL:	121,243,090	
176	CONSTRUCT LOAN PRINCIPAL		110,380,541						
177	CONSTRUCT LOAN INTEREST:		9,758,744						
178	CONSTRUCT LOAN FEE:		1,103,805						
179	TOTAL DEVELOPMENT BUDGET:			$121,243,090					
180				----------					
181	CALCULATIONS:								
182	required parking:		4,000	spaces					
183	parking area:		3,039,750	SF		69.9 acres			
184	SFU sales price:		$216,000						
185									
186	ANALYSIS of OPERATIONAL PERFORMANCE and DEBT CAPACITY:								
187	ref: IREM 1986 p.52, and RCMoyer (Kodak)				ref: Harris, Kerr, Foster, and Co., TRENDS, 1979, p.4				
188	----------				----------				
189		Office					Hotel		
190	----------				----------				
191	INCOME	% effec rent	$/SF/yr		INCOME	x rack	$/room/nite	$/SF/yr	
192	office	1.000	18.00		rack	1.000	58.50	47.4500	
193	retail	0.000	0.00		food	0.445	26.03	21.1153	
194	parking	0.000	0.00		beverage	0.177	10.35	8.3987	
195	other	0.090	1.62		telephone	0.045	2.63	2.1353	
196	vacant/bad	-0.050	-0.90		other	0.076	4.45	3.6062	
197	total	1.040	18.72		total	1.743	$101.97	$82.71	
198									
199	EXPENSE				EXPENSE				
200	utilities	0.290	5.22		room	0.263	15.39	12.4794	
201	jan./clean	0.059	1.06		f&b	0.488	28.55	23.1556	

A	B	C	D	E
202	maintenance	0.074	1.33	
203	administr.	0.084	1.51	
204	grounds	0.020	0.36	
205	r.e. taxes	0.080	1.44	
206	total	0.607	10.93	
207				
208	------NOI---	0.433	$7.79	
209				
210	DCR:	1.1		
211	debt serv. cap:		$7.09	
212	total debt service cap:		$4,251,273	
213				
214	exit cap rat	0.090		
215	capped value:		$86.60	
216	total cap value:		$51,960,000	
217	total NOI/yr:		$4,676,400	
218				
219				
220				
221				
222				
223				
224	ref: IREM 1986, p.169.			
225	----------			
226	Apartments			
227	----------			
228	INCOME	$/SF/yr		
229	rent	6.060		
230	-vacancies	-0.455		
231	other incom	0.130		
232	total		5.736	
233				
234	EXPENSE			
235	administr.	0.580		
236	utilities	0.880		
237	security	0.036		
238	grounds	0.143		
239	maintenance	0.190		
240	paint	0.131		
241	r.e. tax	0.714		
242	insurance	0.119		
243	other	0.381		
244	total		3.174	
245				
246	------NOI---	$2.56		
247				
248	DCR:	1.25		
249	debt serv. cap:		$2.05	
250	total debt service cap:		$486,685	
251				

F	G	H	I	J
telephone	0.059	3.45	2.7996	
other	0.026	1.52	1.2337	
admin/gen	0.135	7.90	6.4058	
management	0.036	2.11	1.7082	
marketing	0.062	3.63	2.9419	
franchise$	0.005	0.29	0.2373	
entertain	0.002	0.12	0.0949	
prop.manag	0.099	5.79	4.6976	
utilities	0.076	4.45	3.6062	
prop. tax	0.059	3.45	2.7996	
insurance	0.007	0.41	0.3322	
total	1.317	$77.04	$62.49	
-----NOI----		$24.92	$20.21	
debt cover:	1.25			
debt capac.:		$19.94		
total DS cap:		$2,910,773		
exit cap :	0.09			
capped value:		276.9	$224.60	
total value:		$40,427,400		
total NOI/yr:		$3,638,466		

Residential				

INCOME		$		
new homes:		44,712,000		
total:			44,712,000	
EXPENSES				
base bldg:		16,560,000		
improvmt:		5,520,000		
total:			22,080,000	
PROFIT			22,632,000	

Retail

INCOME	$/SF/yr
rent:	20.00
-vacancies:	-1.50
total:	18.50
EXPENSES	

	A	B	C	D	E	F	G	H	I	J
252	exit cap rat		0.090			op. exp.:	10.00			
253	capped value:			$28.46		r.e. tax:	1.40			
254	total cap value:			$6,759,514		total:	11.40			
255	total NOI/yr.:			$608,356						
256						-----NOI---	7.10			
257										
258						DCR:	1.10			
259						DS cap.:	6.45			
260						tot DS cap:		$322,727		
261										
262						exit cap:	0.09			
263						capped NOI:	78.89			
264						tot cap val:		$3,944,444		
265						total NOI/yr:		$355,000		
266										
267										
268						Permanent				
269						Debt Service				
270	Component	Tot Value	Alloc Cost	Val/Cost		Capacity				
271	---	---	---	---		---				
272	OFFICE	51,960,000	47,974,316	1.083		4,251,273				
273	HOTEL	40,427,400	17,270,754	2.341		2,910,773				
274	APARTMENTS	6,759,514	17,090,850	0.396		486,685				
275	RESIDENTIAL	22,632,000	35,309,096	0.641		0				
276	RETAIL	3,944,444	3,598,074	1.096		322,727				
277	---	---	---	---		---				
278	totals	125,723,358	121,243,090	1.037		7,971,458				
279										
280										
281	TOTAL COST w/SALES:		$121,243,090			TOTAL VALUE w/SALES:			$125,723,358	
282	PERMANENT FINANCING:		$79,714,578			TOTAL DEVELOPT COST:			$121,243,090	
283			---						---	
284	EQUITY REQUIRED:		$41,528,512			PROFIT:			$4,480,269	
285	-LAND PURCHASE:		$0			(residual)				
286	-RESIDENT PROFIT:		($22,632,000)							
287	---		---			Loan/Value:	0.66			
288	NEW CASH REQ'D:		$18,896,512							
289										
290	======ROE=========>		10.8%							
291			(no time units)							
292										
293										
294										
295	LAND RESIDUALS CALCULATIONS									
296										
297	ASSUMED FAR:	0.15								
298			minimum	actual						
299	area	footprint	req'd	land						
300			land	used						
301	---	---	---	---						

A	B	C	D	E	F	G	H	I	J
302	office	6.90	45.98	150					
303	hotel	1.38	9.20	35					
304	retail	1.15	7.66	35					
305	apartment	2.73	18.20	35					
306	SFU	5.52	115.00	140					
307	health	0.23	1.53	incld					
308	roads	13.45	13.45	incld					
309	parking	69.88	69.88	incld					
310	golf	150.00	150.00	150					
311									
312	TOTAL	251.23	430.89	545					
313									
314	remaining open space:		179.66	acres					
315	landscape req'd:		90	acres					
316									
317									
318									
319	total profit generated (line 284):			$4,480,269					
320	total profit (residual) per acre:			$8,221					
321									
322									
323									
324									
325									
326									
327									
328									

APPENDIX G5

INDEX

LAND RESIDUALS:

OPTION: BUILD-OUT

KODAK-Henrietta Corporate Campus
Town of Henrietta, Rochester, NY

A	B	C	D	E	F	G	H	I	J
2	A.F. Rice	KODAK-Henrietta Site Feasibility Study				CONCEPTUAL-GRADE CAPITAL ESTIMATE			
3	OPTION: INTERCHANGE and BUILDOUT								
4	---								
5	ASSUMPTIONS:HARD COSTS:								
6	---								
7	new land:	600	acres			BUILDINGS (w/o soft $)			
8		0	$/acre (see residuals line 320)			conm.:	2,300,000	total SF	
9	open space:	50	% landscaped				2	floors	
10		0.15	FAR				40	$/SF base bldg.	
11		10,000	$/acre landscaping				10	$/SF interiors	
12		50,000	$ signage allowance			hotel:	400	total rooms	
13		43,500	sq.ft. per acre				3	floors	
14	fencing:	20,000	lineal feet				450	SF/room aver.	
15		15	$/LF				50	$/SF base bldg.	
16	parking:	300	office SF/space				10	$/SF interiors	
17		2.5	spaces/dwelling unit			retail:	225,000	total SF	
18		350	total SF/space				1	floors	
19	access road:	30	feet wide				35	$/SF base bldg.	
20		40,000	feet total length				10	$/SF interiors	
21		2.5	$/SF road cost			apart.	500	total units	
22		5	% road w/granite curbing				950	SF/unit aver.	
23		30	$/LF granite curb				2	# floors	
24		200	LF/lightpole				35	$/SF base bldg.	
25		25,000	SF/lightpole (lots)				10	$/SF improve.	
26		4,000	$/lightpole			SFU:	1290	# units	
27	erosion cont	100,000	$ allowance				2	floors	
28	clear/grub:	3,000	$/acre site				2400	SF/unit aver.	
29	topsoil:	0.50	feet deep				30	$/SF aver. base	
30		3	$/cu yd stockpile				10	$/SF improve.	
31	site cut/fil	50,000	cubic yards total			health	10,000	SF	
32		5	$/cu yd (aver.)				35	$/SF	
33	excavate/fil	10	$/cu yd (u/g util.)			TRAFFIC			
34	sanitary sys	40,000	lineal feet			signals	10	# intersections	
35		10	$/LF (PVC)				50,000	$/intersection	
36	water system	40,000	lineal feet			turn	20	# required	
37		20	$/LF (DIP)			lanes:	20,000	$/lane aver.	
38		200	# hydrants			other:	1,800,000	$ golf course	
39		2,000	$/hydrant installed			---			
40	elec/tel/ala	0	lineal feet (by utility)			SOFT COSTS (development phase):			
41		3	$/LF			---			
42	ductbank:	0	lineal feet (by utility)			financ:	10.50	% interest rate	
43		100	$/LF w/conc encase			(const)	40	% aver outstd bal.	
44	sidewalks:	70,000	feet total length				24	mos. to takeout	
45		5	feet wide				1.0	% orig. fee	
46		4	$/SF sidewalk			(perm):	10.00	% includes fee	
47	bike paths:	15,000	feet total length				30	yr. term	
48		8	feet wide			taxes:	2.5	% of total cost	
49		2	$/SF bike path			linkage	0	$ lump sum	
50	tennis court	4	total number			lease:	1	% TIC	
51		10,000	$/court			A/E:	6	% hard costs	

```
A      B            C          D                E          F       G          H          I              J
52 swimming poo    100,000 $ lump sum                          legal:          3 % hard costs
53 health club:    100,000 $ equipment allow.                  market:         3 % hard costs
54 contingency:          5 % of hard-costs                     insur.:         1 % hard costs
55                                                             fees:           3 % hard costs
56                                                             (developer)
57
58
59
60
61 ------------------------------------------------------------------------------------------------------------
62 ASSUMPTIONS: OPERATING DATA and DEBT CAPACITIES
63 ------------------------------------------------------------------------------------------------------------
64 OFFICE                              HOTEL
65 effective re      $18.00            room rate:      $90.00
66 debt coverag        1.10            occupancy:        0.65
67 exit cap:           0.09            rack rate:      $58.50
68                                     debt cover:       1.25
69
70
71
72
73
74 APARTMENTS                          RETAIL
75 effect rent:        6.06            effect. rent:    20.00
76 vacancy rate        0.08            vacancy rate:     0.08
77 debt cover:         1.25            debt cover.:      1.10
78 exit cap:           0.09            exit cap:         0.09
79                                     expenses:        10.00
80                                     r.e. tax:         1.40
81
82
83
84 RESIDENTIAL
85 sales $/SF:        90.00
86 % sold:             0.90
87 DCR:        for sale units only                 cost of capital:          10 % after tax
88                                                 transactions costs         4 % in yr.10
89 compos. NOI growth rate:          2 %/yr.       combined tax rate:        33 % (state+fed)
90 ------------------------------------------------------------------------------------------------------------
91 CAPITAL COST ESTIMATE        $$$          $$$
92 ------------------------------------------------------------------------------------------------------------
93
94 LAND                                          $0 (see residuals)
95
96
97 SITE                                 $2,753,000
98   clear and grub              900,000          50% cleared previously
99   remove/stock topsoil      1,450,000          6-inches over entire site
100  erosion protection          100,000          allowance (regrade, hay, etc..)
101  cut and fills               250,000          needs checking
```

A	B	C	D	E	F	G	H	I	J
102	perimeter fencing		3,000		50% site already enclosed				
103	signage		50,000		allowance				
104									
105									
106	LANDSCAPING			$4,072,088	407 acres				
107									
108									
109	ACCESS ROADS			$5,320,000					
110	roadways		3,000,000						
111	curbing		120,000						
112	lighting		800,000						
113	sidewalks		1,400,000						
114									
115									
116	PARKING			$12,591,775					
117	at-grade open lot		11,834,375						
118	lighting		757,400						
119									
120									
121	UTILITIES			$2,400,000					
122	sanitary sewer		800,000						
123	water supply		1,200,000						
124	hydrants		400,000						
125	elec/tel/alarm		0						
126	ductbank		0						
127									
128									
129	BUILDINGS			$281,490,000		cost allocation:			
130	commercial base		92,000,000						
131	commercial improve.		23,000,000			comm.:	40.9%		$176,609,063
132	hotel base		9,000,000						
133	hotel FF&E		1,800,000			hotel:	3.8%		$16,585,895
134	retail base		7,875,000						
135	retail improvements		2,250,000			retail:	3.6%		$15,549,276
136	multi-family base		16,625,000						
137	multi-family FF&E		4,750,000			apart.:	7.6%		$32,826,250
138	residential base		92,880,000						
139	residential improve		30,960,000			SFU:	44.0%		$190,184,925
140	health club		350,000				---		---
141							100.00%		$431,755,408
142	AMENITIES			$480,000					
143	bike/jog paths		240,000						
144	tennis courts		40,000						
145	swimming pool		100,000						
146	health club		100,000						
147									
148									
149	TRAFFIC IMPROVEMENTS			$2,700,000					
150	signals		500,000						
151	turning lanes		400,000						

A	B	C	D	E	F	G	H	I	J
152	roadways		1,800,000						
153									
154									
155	SUB-TOTAL HARD COSTS			$311,806,863					
156	CONTINGENCY			$15,590,343					
157	TOTAL HARD COSTS			$327,397,206					
158									
159									
160	SOFT COSTS			$52,383,553					
161	architect/engineer		19,643,832						
162	legal services		9,821,916						
163	marketing		9,821,916						
164	insurance (dev. phase)		3,273,972						
165	developer fee		9,821,916						
166	linkage payment		0						
167									
168							SUMMARY		
169							land:	0	
170	SUB-TOTAL HARD and SOFT COSTS:			$379,780,759			site improv:	30,316,863	
171				----------			buildings:	281,490,000	
172	PROP. TAXES (dev phase):		9,494,519				soft costs:	104,358,202	
173	LEASING COMMISSIONS:		3,797,808				contingency:	15,590,343	
174	SUB-TOTAL DEVELOPMENT COSTS:			$393,073,086				----------	
175				----------			TOTAL:	431,755,408	
176	CONSTRUCT LOAN PRINCIPAL		393,073,086						
177	CONSTRUCT LOAN INTEREST:		34,751,592						
178	CONSTRUCT LOAN FEE:		3,930,731						
179	TOTAL DEVELOPMENT BUDGET:			$431,755,408					
180				----------					
181	CALCULATIONS:								
182	required parking:		13,525	spaces					
183	parking area:		9,654,250	SF		221.9 acres			
184	SFU sales price:		$216,000						
185									
186	ANALYSIS of OPERATIONAL PERFORMANCE and DEBT CAPACITY:								
187	ref: IREM 1986 p.52, and RCMoyer (Kodak)				ref: Harris, Kerr, Foster, and Co., TRENDS, 1979, p.4				
188	----------				----------				
189		Office				Hotel			
190	----------				----------				
191	INCOME	% effec rent	$/SF/yr		INCOME	x rack	$/room/nite	$/SF/yr	
192	office	1.000	18.00		rack	1.000	58.50	47.4500	
193	retail	0.000	0.00		food	0.445	26.03	21.1153	
194	parking	0.000	0.00		beverage	0.177	10.35	8.3987	
195	other	0.090	1.62		telephone	0.045	2.63	2.1353	
196	vacant/bad	-0.050	-0.90		other	0.076	4.45	3.6062	
197	total	1.040	18.72		total	1.743	$101.97	$82.71	
198									
199	EXPENSE				EXPENSE				
200	utilities	0.290	5.22		room	0.263	15.39	12.4794	
201	jan./clean	0.059	1.06		f&b	0.488	28.55	23.1556	

A	B	C	D	E	F	G	H	I	J
202	maintenance	0.074	1.33		telephone	0.059	3.45	2.7996	
203	administr.	0.084	1.51		other	0.026	1.52	1.2337	
204	grounds	0.020	0.36		admin/gen	0.135	7.90	6.4058	
205	r.e. taxes	0.080	1.44		management	0.036	2.11	1.7082	
206	total	0.607	10.93		marketing	0.062	3.63	2.9419	
207					franchise$	0.005	0.29	0.2373	
208	------NOI---	0.433	$7.79		entertain	0.002	0.12	0.0949	
209					prop.manag	0.099	5.79	4.6976	
210	DCR:	1.1			utilities	0.076	4.45	3.6062	
211	debt serv. cap:		$7.09		prop. tax	0.059	3.45	2.7996	
212	total debt service cap:		$16,296,545		insurance	0.007	0.41	0.3322	
213					total	1.317	$77.04	$62.49	
214	exit cap rat	0.090							
215	capped value:		$86.60		-----NOI----		$24.92	$20.21	
216	total cap value:		$199,180,000						
217	total NOI/yr:		$17,926,200		debt cover:	1.25			
218					debt capac.:		$19.94		
219					total DS cap:		$2,910,773		
220									
221					exit cap :	0.09			
222					capped value:		276.9	$224.60	
223					total value:		$40,427,400		
224	ref: IREM 1986, p.169.				total NOI/yr:		$3,638,466		
225	----------				----------				
226	Apartments				Residential				
227	----------				----------				
228	INCOME	$/SF/yr			INCOME		$		
229	rent	6.060			new homes:		250,776,000		
230	-vacancies	-0.455			total:			250,776,000	
231	other incom	0.130							
232	total		5.736		EXPENSES				
233					base bldg:		92,880,000		
234	EXPENSE				improvmt:		30,960,000		
235	administr.	0.580			total:			123,840,000	
236	utilities	0.880							
237	security	0.036			PROFIT			126,936,000	
238	grounds	0.143							
239	maintenance	0.190							
240	paint	0.131							
241	r.e. tax	0.714							
242	insurance	0.119							
243	other	0.381							
244	total		3.174						
245									
246	------NOI---	$2.56							
247									
248	DCR:	1.25							
249	debt serv. cap:		$2.05						
250	total debt service cap:		$973,370						
251									

Retail

INCOME	$/SF/yr
rent:	20.00
-vacancies:	-1.50
total:	18.50

EXPENSES

	A	B	C	D	E	F	G	H	I	J
252	exit cap rat		0.090			op. exp.:	10.00			
253	capped value:			$28.46		r.e. tax:	1.40			
254	total cap value:			$13,519,028		total:	11.40			
255	total NOI/yr.:			$1,216,713						
256						-----NOI---	7.10			
257										
258						DCR:	1.10			
259						DS cap.:	6.45			
260						tot DS cap:		$1,452,273		
261										
262						exit cap:	0.09			
263						capped NOI:	78.89			
264						tot cap val:		$17,750,000		
265						total NOI/yr:		$1,597,500		
266										
267										
268						Permanent				
269						Debt Service				
270	Component	Tot Value	Alloc Cost	Val/Cost		Capacity				
271	----------	----------	----------	----------		----------				
272	OFFICE	199,180,000	176,609,063	1.128		16,296,545				
273	HOTEL	40,427,400	16,585,895	2.437		2,910,773				
274	APARTMENTS	13,519,028	32,826,250	0.412		973,370				
275	RESIDENTIAL	126,936,000	190,184,925	0.667		0				
276	RETAIL	17,750,000	15,549,276	1.142		1,452,273				
277	----------	----------	----------	----------		----------				
278	totals	397,812,428	431,755,408	0.921		21,632,961				
279										
280										
281	TOTAL COST w/SALES:		$431,755,408			TOTAL VALUE w/SALES:			$397,812,428	
282	PERMANENT FINANCING:		$216,329,610			TOTAL DEVELOPT COST:			$431,755,408	
283			----------						----------	
284	EQUITY REQUIRED:		$215,425,798			PROFIT:			($33,942,980)	
285	-LAND PURCHASE:		$0			(residual)				
286	-RESIDENT PROFIT:		**********							
287	----------		----------			Loan/Value:	0.50			
288	NEW CASH REQ'D:		$88,489,798							
289										
290	======ROE=========>		-15.8%							
291			(no time units)							
292										
293										
294										
295	LAND RESIDUALS CALCULATIONS									
296										
297	ASSUMED FAR:	0.15								
298			minimum	actual						
299	area	footprint	req'd	land						
300			land	used						
301	----------	----------	----------	----------						

A	B	C	D	E	F	G	H	I	J
302	office	26.44	176.25	280					
303	hotel	1.38	9.20	incld					
304	retail	5.17	34.48	40					
305	apartment	5.46	36.40	80					
306	SFU	34.76	630.00	630					
307	health	0.23	1.53	incld					
308	roads	27.59	27.59	incld					
309	parking	221.94	221.94	incld					
310	golf	150.00	150.00	150					
311	open	120.00	0.00	120					
312									
313	TOTAL	472.96	1,287.38	1,300					
314									
315	remaining open space:		814.42 acres						
316	landscape req'd:		407 acres						
317									
318									
319	total profit generated (line 284):		($33,942,980)						
320	total profit (residual) per acre:		($26,110)						
321									
322									
323									
324									
325									
326									
327									
328									

INDEX

APPENDIX H1

FINANCIAL ANALYSIS:

OPTION: BASE

Capital Cost and Operational Performance
KODAK-Henrietta Corporate Campus
Town of Henrietta, Rochester, NY

A	B	C	D	E	F	G	H	I	J
2	A.F. Rice	KODAK-Henrietta Site Feasibility Study				CONCEPTUAL-GRADE CAPITAL ESTIMATE			
3	OPTION: BASE CASE on EXISTING EK LAND (short-term needs only)								
4	---								
5	ASSUMPTIONS:	HARD COSTS:							
6	---								
7	land:	120	acres			BUILDINGS (w/o soft $)			
8		0	$/acre			comm.:	400,000	total SF	
9	open space:	50	% landscaped				2	floors	
10		0.15	FAR				40	$/SF base bldg.	
11		10,000	$/acre landscaping				10	$/SF interiors	
12		50,000	$ signage allowance			hotel:	400	total rooms	
13		50	% site pre-fenced				3	floors	
14	fencing:	10,000	lineal feet				450	SF/room aver.	
15		15	$/LF				50	$/SF base bldg.	
16	parking:	300	office SF/space				10	$/SF interiors	
17		2.5	spaces/dwelling unit			retail:	0	total SF	
18		350	total SF/space				1	floors	
19	access road:	25	feet wide				35	$/SF base bldg.	
20		3,600	feet total length				10	$/SF interiors	
21		2.5	$/SF road cost			apart.	250	total units	
22		25	% road w/granite curbing				950	SF/unit aver.	
23		30	$/LF granite curb				2	# floors	
24		200	LF/lightpole				35	$/SF base bldg.	
25		25,000	SF/lightpole (lots)				10	$/SF improve.	
26		4,000	$/lightpole			SFU:	0	# units	
27	erosion cont	20,000	$ allowance				2	floors	
28	clear/grub:	3,000	$/acre site				2400	SF/unit aver.	
29	topsoil:	0.50	feet deep				30	$/SF aver. base	
30		3	$/cu yd stockpile				10	$/SF improve.	
31	site cut/fil	20,000	cubic yards total			health	0	SF	
32		5	$/cu yd (aver.)				35	$/SF	
33	excavate/fil	10	$/cu yd (u/g util.)			TRAFFIC			
34	sanitary sys	5,800	lineal feet			signals	1	# intersections	
35		10	$/LF (PVC)				50,000	$/intersection	
36	water system	1,100	lineal feet			turn	1	# required	
37		20	$/LF (DIP)			lanes:	20,000	$/lane aver.	
38		6	# hydrants			roads:	0	$ contribution	
39		2,000	$/hydrant installed			---			
40	elec/tel/ala	0	lineal feet (by utility)			SOFT COSTS (development phase):			
41		3	$/LF			---			
42	ductbank:	0	lineal feet (by utility)			financ:	10.50	% interest rate	
43		100	$/LF w/conc encase			(const)	40	% aver outstd bal.	
44	sidewalks:	1,000	feet total length				24	mos. to takeout	
45		5	feet wide				1.0	% orig. fee	
46		4	$/SF sidewalk			(perm):	10.00	% includes fee	
47	bike paths:	10,000	feet total length				30	yr. term	
48		8	feet wide			taxes:	2.5	% of total cost	
49		2	$/SF bike path			linkage	0	$ lump sum	
50	tennis court	4	total number			lease:	1	% TIC	
51		10,000	$/court			A/E:	6	% hard costs	

	A	B	C	D	E	F	G	H	I	J
52	swimming poo		0	$ lump sum			legal:		3 % hard costs	
53	health club:		0	$ equipment allow.			market:		3 % hard costs	
54	contingency:		5	% of hard-costs			insur.:		1 % hard costs	
55							fees:		3 % hard costs	
56							(developer)			
57										
58										
59										
60										
61	----------									
62	ASSUMPTIONS: OPERATING DATA and DEBT CAPACITIES									
63	----------									
64	OFFICE				HOTEL					
65	effective re		$18.00		room rate:	$90.00				
66	debt coverag		1.10		occupancy:	0.65				
67	exit cap:		0.09		rack rate:	$58.50				
68					debt cover:	1.25				
69										
70										
71										
72										
73										
74	APARTMENTS				RETAIL					
75	effect rent:		6.06		effect. rent:	20.00				
76	vacancy rate		0.08		vacancy rate:	0.08				
77	debt cover:		1.25		debt cover.:	1.10				
78	exit cap:		0.09		exit cap:	0.09				
79					expenses:	10.00				
80					r.e. tax:	1.40				
81										
82										
83										
84	RESIDENTIAL									
85	sales $/SF:		90.00							
86	% sold:		0.90							
87	DCR:	for sale units only					cost of capital:		10 % after tax	
88							transactions costs		4 % in yr.10	
89	compos. NOI growth rate:			2 %/yr.			combined tax rate:		33 % (state+fed)	
90	----------									
91	CAPITAL COST ESTIMATE		$$$		$$$					
92	----------									
93										
94	LAND				$0					
95										
96										
97	SITE				$795,000					
98	clear and grub			180,000			50% cleared previously			
99	remove/stock topsoil			290,000			6-inches over entire site			
100	erosion protection			100,000			allowance (regrade, hay, etc..)			
101	cut and fills			100,000						

A	B	C	D	E	F	G	H	I	J
102		perimeter fencing	75,000						
103		signage	50,000						
104									
105									
106	LANDSCAPING			$250,000					
107									
108									
109	ACCESS ROADS			$371,000					
110		roadways	225,000						
111		curbing	54,000						
112		lighting	72,000						
113		sidewalks	20,000						
114									
115									
116	PARKING			$2,381,808					
117		at-grade open lot	2,238,542						
118		lighting	143,267						
119									
120									
121	UTILITIES			$160,000					
122		sanitary sewer	116,000						
123		water supply	33,000						
124		hydrants	11,000						
125		elec/tel/alarm	0						
126		ductbank	0						
127									
128									
129	BUILDINGS			$41,487,500		cost allocation:			
130		commercial base	16,000,000						
131		commercial improve.	4,000,000			comm.:	48.2%		$30,515,922
132		hotel base	9,000,000						
133		hotel FF&E	1,800,000			hotel:	26.0%		$16,478,598
134		retail base	0						
135		retail improvements	0			retail:	0.0%		$0
136		multi-family base	8,312,500						
137		multi-family FF&E	2,375,000			apart.:	25.8%		$16,306,946
138		residential base	0						
139		residential improve	0			SFU:	0.0%		$0
140		health club	0				---		---
141							100.00%		$63,301,466
142	AMENITIES			$200,000					
143		bike/jog paths	160,000						
144		tennis courts	40,000						
145		swimming pool	0						
146		health club	0						
147									
148									
149	TRAFFIC IMPROVEMENTS			$70,000					
150		signals	50,000						
151		turning lanes	20,000						

A	B	C	D	E	F	G	H	I	J
152	roadways		0						
153									
154									
155	SUB-TOTAL HARD COSTS			$45,715,308					
156	CONTINGENCY			$2,285,765					
157	TOTAL HARD COSTS			$48,001,074					
158									
159									
160	SOFT COSTS			$7,680,172					
161	architect/engineer		2,880,064						
162	legal services		1,440,032						
163	marketing		1,440,032						
164	insurance (dev. phase)		480,011						
165	developer fee		1,440,032						
166	linkage payment		0						
167									
168								SUMMARY	
169								land:	0
170	SUB-TOTAL HARD and SOFT COSTS:			$55,681,246				site improv:	4,227,808
171				----------				buildings:	41,487,500
172	PROP. TAXES (dev phase):		1,392,031					soft costs:	15,300,392
173	LEASING COMMISSIONS:		556,812					contingency:	2,285,765
174	SUB-TOTAL DEVELOPMENT COSTS:			$57,630,089					----------
175				----------				TOTAL:	63,301,466
176	CONSTRUCT LOAN PRINCIPAL		57,630,089						
177	CONSTRUCT LOAN INTEREST:		5,095,076						
178	CONSTRUCT LOAN FEE:		576,301						
179	TOTAL DEVELOPMENT BUDGET:			$63,301,466					
180				----------					
181	CALCULATIONS:								
182	required parking:		2,558	spaces					
183	parking area:		1,469,167	SF		33.8 acres			
184	SFU sales price:		$216,000						
185									
186	ANALYSIS of OPERATIONAL PERFORMANCE and DEBT CAPACITY:								
187	ref: IREM 1986 p.52, and RCMoyer (Kodak)				ref: Harris, Kerr, Foster, and Co., TRENDS, 1979, p.4				
188	----------				----------				
189		Office					Hotel		
190	----------				----------				
191	INCOME	% effec rent	$/SF/yr		INCOME	x rack	$/room/nite	$/SF/yr	
192	office	1.000	18.00		rack	1.000	58.50	47.4500	
193	retail	0.000	0.00		food	0.445	26.03	21.1153	
194	parking	0.000	0.00		beverage	0.177	10.35	8.3987	
195	other	0.090	1.62		telephone	0.045	2.63	2.1353	
196	vacant/bad	-0.050	-0.90		other	0.076	4.45	3.6062	
197	total	1.040	18.72		total	1.743	$101.97	$82.71	
198									
199	EXPENSE				EXPENSE				
200	utilities	0.290	5.22		room	0.263	15.39	12.4794	
201	jan./clean	0.059	1.06		f&b	0.488	28.55	23.1556	

A	B	C	D	E	F	G	H	I	J
202	maintenance	0.074	1.33		telephone	0.059	3.45	2.7996	
203	administr.	0.084	1.51		other	0.026	1.52	1.2337	
204	grounds	0.020	0.36		admin/gen	0.135	7.90	6.4058	
205	r.e. taxes	0.080	1.44		management	0.036	2.11	1.7082	
206	total	0.607	10.93		marketing	0.062	3.63	2.9419	
207					franchise$	0.005	0.29	0.2373	
208	------NOI---	0.433	$7.79		entertain	0.002	0.12	0.0949	
209					prop.manag	0.099	5.79	4.6976	
210	DCR:	1.1			utilities	0.076	4.45	3.6062	
211	debt serv. cap:		$7.09		prop. tax	0.059	3.45	2.7996	
212	total debt service cap:		$2,834,182		insurance	0.007	0.41	0.3322	
213					total	1.317	$77.04	$62.49	
214	exit cap rat	0.090							
215	capped value:		$86.60		-----NOI----		$24.92	$20.21	
216	total cap value:		$34,640,000						
217	total NOI/yr:		$3,117,600		debt cover:	1.25			
218					debt capac.:		$19.94		
219					total DS cap:		$2,910,773		
220									
221					exit cap :	0.09			
222					capped value:		276.9	$224.60	
223					total value:		$40,427,400		
224	ref: IREM 1986, p.169.				total NOI/yr:		$3,638,466		
225	----------				----------				
226	Apartments				Residential				
227	----------				----------				
228	INCOME	$/SF/yr			INCOME		$		
229	rent	6.060			new homes:		0		
230	-vacancies	-0.455			total:			0	
231	other incom	0.130							
232	total		5.736		EXPENSES				
233					base bldg:		0		
234	EXPENSE				improvmt:		0		
235	administr.	0.580			total:			0	
236	utilities	0.880							
237	security	0.036			PROFIT			0	
238	grounds	0.143							
239	maintenance	0.190							
240	paint	0.131							
241	r.e. tax	0.714							
242	insurance	0.119							
243	other	0.381			----------				
244	total		3.174		Retail				
245					----------				
246	------NOI---	$2.56			INCOME	$/SF/yr			
247					rent:	20.00			
248	DCR:	1.25			-vacancies:	-1.50			
249	debt serv. cap:		$2.05		total:	18.50			
250	total debt service cap:		$486,685						
251					EXPENSES				

	A	B	C	D	E	F	G	H	I	J
252	exit cap rat		0.090			op. exp.:	10.00			
253	capped value:			$28.46		r.e. tax:	1.40			
254	total cap value:			$6,759,514		total:	11.40			
255	total NOI/yr.:			$608,356						
256						-----NOI---	7.10			
257										
258						DCR:	1.10			
259						DS cap.:	6.45			
260						tot DS cap:		$0		
261										
262						exit cap:	0.09			
263						capped NOI:	78.89			
264						tot cap val:		$0		
265						total NOI/yr:		$0		
266										
267										
268						Permanent				
269						Debt Service				
270	Component	Tot Value	Alloc Cost	Val/Cost		Capacity				
271	----------	----------	----------	----------		----------				
272	OFFICE	34,640,000	30,515,922	1.135		2,834,182				
273	HOTEL	40,427,400	16,478,598	2.453		2,910,773				
274	APARTMENTS	6,759,514	16,306,946	0.415		486,685				
275	RESIDENTIAL	0	0	0.000		0				
276	RETAIL	0	0	ERR		0	(ERR indicates div by 0)			
277	----------	----------	----------	----------		----------				
278	totals	81,826,914	63,301,466	1.293		6,231,640				
279										
280										
281	TOTAL COST w/SALES:		$63,301,466			TOTAL VALUE w/SALES:			$81,826,914	
282	PERMANENT FINANCING:		$62,316,396			TOTAL DEVELOPT COST:			$63,301,466	
283			----------						----------	
284	EQUITY REQUIRED:		$985,070			PROFIT:			$18,525,448	
285	-LAND PURCHASE:		$0			(residual)				
286	-RESIDENT PROFIT:		$0							
287	----------		----------			Loan/Value:	0.98			
288	NEW CASH REQ'D:		$985,070							
289										
290	======ROE=========>		1880.6%							
291			(no time units)				Deprec. Schedule:		31.5 year SL	
292							Tot. Dev. Budget:		$63,301,466	
293							Less Land Value:		$0	
294									----------	
295	Amoritization Schedule:			30 yr. term			Depreciable base:		$63,301,466	
296	Annual Payment:			$6,610,476			Annual deduction:		$2,009,570	
297										
298		Year	Payment	Interest	Principal	Balance	Year	Old Base	Deprec.	Book Value
299		----------	----------	----------	----------	----------	----------	----------	----------	----------
300		0	0	0	0	62,316,396	0	0	0	63,301,466
301		1	6,610,476	6,231,640	378,837	61,937,559	1	63,301,466	(2,009,570)	61,291,896

A	B	C	D	E	F	G	H	I	J
302	2	6,610,476	6,193,756	416,721	61,520,839	2	61,291,896	(2,009,570)	59,282,326
303	3	6,610,476	6,152,084	458,393	61,062,446	3	59,282,326	(2,009,570)	57,272,755
304	4	6,610,476	6,106,245	504,232	60,558,214	4	57,272,755	(2,009,570)	55,263,185
305	5	6,610,476	6,055,821	554,655	60,003,559	5	55,263,185	(2,009,570)	53,253,614
306	6	6,610,476	6,000,356	610,121	59,393,439	6	53,253,614	(2,009,570)	51,244,044
307	7	6,610,476	5,939,344	671,133	58,722,306	7	51,244,044	(2,009,570)	49,234,474
308	8	6,610,476	5,872,231	738,246	57,984,060	8	49,234,474	(2,009,570)	47,224,903
309	9	6,610,476	5,798,406	812,070	57,171,990	9	47,224,903	(2,009,570)	45,215,333
310	10	6,610,476	5,717,199	893,277	56,278,713	10	45,215,333	(2,009,570)	43,205,763
311	11	6,610,476	5,627,871	982,605	55,296,107	11	43,205,763	(2,009,570)	41,196,192
312	12	6,610,476	5,529,611	1,080,866	54,215,242	12	41,196,192	(2,009,570)	39,186,622
313	13	6,610,476	5,421,524	1,188,952	53,026,289	13	39,186,622	(2,009,570)	37,177,052
314	14	6,610,476	5,302,629	1,307,848	51,718,442	14	37,177,052	(2,009,570)	35,167,481
315	15	6,610,476	5,171,844	1,438,632	50,279,810	15	35,167,481	(2,009,570)	33,157,911
316	16	6,610,476	5,027,981	1,582,496	48,697,314	16	33,157,911	(2,009,570)	31,148,341
317	17	6,610,476	4,869,731	1,740,745	46,956,569	17	31,148,341	(2,009,570)	29,138,770
318	18	6,610,476	4,695,657	1,914,820	45,041,749	18	29,138,770	(2,009,570)	27,129,200
319	19	6,610,476	4,504,175	2,106,302	42,935,448	19	27,129,200	(2,009,570)	25,119,629
320	20	6,610,476	4,293,545	2,316,932	40,618,516	20	25,119,629	(2,009,570)	23,110,059
321	21	6,610,476	4,061,852	2,548,625	38,069,891	21	23,110,059	(2,009,570)	21,100,489
322	22	6,610,476	3,806,989	2,803,487	35,266,404	22	21,100,489	(2,009,570)	19,090,918
323	23	6,610,476	3,526,640	3,083,836	32,182,568	23	19,090,918	(2,009,570)	17,081,348
324	24	6,610,476	3,218,257	3,392,220	28,790,348	24	17,081,348	(2,009,570)	15,071,778
325	25	6,610,476	2,879,035	3,731,442	25,058,907	25	15,071,778	(2,009,570)	13,062,207
326	26	6,610,476	2,505,891	4,104,586	20,954,321	26	13,062,207	(2,009,570)	11,052,637
327	27	6,610,476	2,095,432	4,515,044	16,439,277	27	11,052,637	(2,009,570)	9,043,067
328	28	6,610,476	1,643,928	4,966,549	11,472,728	28	9,043,067	(2,009,570)	7,033,496
329	29	6,610,476	1,147,273	5,463,204	6,009,524	29	7,033,496	(2,009,570)	5,023,926
330	30	6,610,476	600,952	6,009,524	0	30	5,023,926	(2,009,570)	3,014,356
331						31	3,014,356	(2,009,570)	1,004,785
332									

333				Taxable	Tax	
334	Year	NOI	CFBT	Income	Effect	CFAT
335	---	---	---	---	---	---
336	0					(985,070)
337	1	7,364,422	753,946	(876,788)	289,340	1,043,286
338	2	7,511,711	901,234	(691,616)	228,233	1,129,467
339	3	7,661,945	1,051,468	(499,709)	164,904	1,216,373
340	4	7,815,184	1,204,707	(300,631)	99,208	1,303,916
341	5	7,971,487	1,361,011	(93,904)	30,988	1,391,999
342	6	8,130,917	1,520,441	120,991	(39,927)	1,480,514
343	7	8,293,536	1,683,059	344,621	(113,725)	1,569,334
344	8	8,459,406	1,848,930	577,605	(190,610)	1,658,320
345	9	8,628,594	2,018,118	820,618	(270,804)	1,747,314
346	10	8,801,166	2,190,690	1,074,397	(354,551)	21,423,492
347						

348 sale proceeds: (assumes yr.10 reversion)
349 capitalized total NOI: 97,790,737
350 less book value: (43,205,763)
351 capital gain: 54,584,974

A	B	C	D	E	F	G	H	I	J
352		capital gain taxes:	(18,013,041)						
353		outstand principal:	(56,278,713)						
354		transactions costs:	(3,911,629)						
355			----------						
356	net proceeds aftertax:		$19,587,353						
357									
358									
359	PROJECT SUMMARY								
360		total develop budget:	$63,301,466						
361		total equity requird:	$985,070						
362		total new cash req'd:	$985,070						
363		NPV:	$14,980,970						
364		IRR:	114.60%						
365									
366									
367	**********CAUTION: tables immediately below do not auto-update w/changed assumptions******CAUTION*****								
368	NOI			Project		initial			Project
369	growth rate	NPV	IRR	Sale Price		lease	NPV	IRR	Sale Price
370	----------					----------			
371	2.00	14,980,970	114.60%	97,790,737		18	14,980,970	114.60%	97,790,737
372	0.00	8,731,412	105.28%	81,826,914		13	6,793,881	19.23%	86,291,290
373	1.00	11,750,716	110.11%	89,492,891		14	8,431,299	22.99%	88,591,180
374	2.00	14,980,970	114.60%	97,790,737		15	10,068,717	28.18%	90,891,069
375	3.00	18,436,035	118.82%	106,765,563		16	11,706,135	36.21%	93,190,958
376	4.00	22,130,572	122.83%	116,465,213		17	13,343,552	51.95%	95,490,847
377	5.00	26,080,080	126.65%	126,940,400		18	14,980,970	114.60%	97,790,737
378	6.00	30,300,936	130.32%	138,244,849		19	16,618,388	ERR	100,090,626
379	7.00	34,810,438	133.86%	150,435,444		20	18,255,806	ERR	102,390,515
380	8.00	39,626,848	137.28%	163,572,379		21	19,893,224	ERR	104,690,404
381	9.00	44,769,435	140.60%	177,719,324		22	21,530,641	ERR	106,990,294
382	**********								
383							ERR==>beyond range of software (SYMPHONY)		
384	TRAFFIC REPORT for CAPITAL PLAN:								
385									
386	ITE (Instit. of Traffic Engineers) Trip Generation Report								
387	ref. ITE 4th ed.				dependent	dependent			
388		independent			variable	variabl	AM peak	PM peak	
389		variable	quantity		ln(f(X))	ln(f(X)	trips	trips	
390	source	(X)	(X)	ln(X)	AM	PM	per hour	per hour	
391	----------								
392	office	1000SF GLA	400	5.9915	6.4927	6.4329	660	622	
393	hotel	# rooms	400	5.9915	5.7463	5.6389	313	281	
394	retail	1000SF GLA	0	ERR	ERR	ERR	ERR	ERR	<=see notes
395	apartments	# units	250	N/A	N/A	N/A	129	157	
396	res-SFU	# units	0	ERR	ERR	ERR	ERR	ERR	<=see notes
397									
398	----------								
399									
400									
401									

notes: hotel peaks general occur at traditional non-peak hours
coef. deter. (R sq.) values .8 to .9 for regression results
apartment fiqures for low-rise walk-ups
N/A: apartment trip generation is non-ln based
EXP(ln(x))=1
ERR indicates division by 0 (OK)

RISK MANAGEMENT: PROJECT NPV ($) at 10 %

office effective rent | hotel occupancy rate (year average)

+D363	0.2	0.3	0.4	0.5	0.5	0.6	0.7	0.8
10	(21,391,236)	(16,219,488)	-1.10E+07	(5,875,993)	-6E+06	(704,246)	4,467,502	9,639,249
11	(19,753,818)	(14,582,071)	-9.41E+06	(4,238,576)	-4E+06	933,172	6,104,919	11,276,667
12	(18,116,400)	(12,944,653)	-7.77E+06	(2,601,158)	-3E+06	2,570,590	7,742,337	12,914,085
13	(16,478,983)	(11,307,235)	-6.14E+06	(963,740)	-1E+06	4,208,008	9,379,755	14,551,503
14	(14,841,565)	(9,669,817)	-4.50E+06	673,678	7E+05	5,845,425	11,017,173	16,188,920
15	(13,204,147)	(8,032,399)	-2.86E+06	2,311,096	2E+06	7,482,843	12,654,591	17,826,338
16	(11,566,729)	(6,394,982)	-1.22E+06	3,948,513	4E+06	9,120,261	14,292,008	19,463,756
17	(9,929,311)	(4,757,564)	4.14E+05	5,585,931	6E+06	10,757,679	15,929,426	21,101,174
18	(8,291,894)	(3,120,146)	2.05E+06	7,223,349	7E+06	12,395,096	17,566,844	22,738,591
19	(6,654,476)	(1,482,728)	3.69E+06	8,860,767	9E+06	14,032,514	19,204,262	24,376,009
20	(5,017,058)	154,689	5.33E+06	10,498,185	1E+07	15,669,932	20,841,680	26,013,427

variable 1: effective rent (C65)
variable 2: occupancy rate (F66)
range formats altered for easier reading
*** intentional width control adjustment--interpolate for value

INDEX

APPENDIX H2

FINANCIAL ANALYSIS:

OPTION: STEP1

Capital Cost and Operational Performance
KODAK-Henrietta Corporate Campus
Town of Henrietta, Rochester, NY

A	B	C	D	E	F	G	H	I	J
2	A.F. Rice	KODAK-Henrietta Site Feasibility Study				CONCEPTUAL-GRADE CAPITAL ESTIMATE			
3	OPTION: STEP1 (FIRST PHASE of BUILD-OUT)								
4	---								
5	ASSUMPTIONS:HARD COSTS:								
6	---								
7	land:	460	acres			BUILDINGS (w/o soft $)			
8		1,086	$/acre average (100 acres purch)			comm.:	600,000	total SF (incld. corp.)	
9	open space:	50	% landscaped				2	floors	
10		0.15	FAR				40	$/SF base bldg.	
11		10,000	$/acre landscaping				10	$/SF interiors	
12		50,000	$ signage allowance			hotel:	400	total rooms	
13		50	% site pre-fenced				3	floors	
14	fencing:	6,000	lineal feet				450	SF/room aver.	
15		15	$/LF				50	$/SF base bldg.	
16	parking:	300	office SF/space				10	$/SF interiors	
17		2.5	spaces/dwelling unit			retail:	50,000	total SF	
18		350	total SF/space				1	floors	
19	access road:	30	feet wide				35	$/SF base bldg.	
20		13,000	feet total length				10	$/SF interiors	
21		2.5	$/SF road cost			apart.	250	total units	
22		50	% road w/granite curbing				950	SF/unit aver.	
23		30	$/LF granite curb				2	# floors	
24		200	LF/lightpole				35	$/SF base bldg.	
25		25,000	SF/lightpole (lots)				10	$/SF improve.	
26		4,000	$/lightpole			SFU:	200	# units	
27	erosion cont	50,000	$ allowance				2	floors	
28	clear/grub:	3,000	$/acre site				2400	SF/unit aver.	
29	topsoil:	0.50	feet deep				30	$/SF aver. base	
30		3	$/cu yd stockpile				10	$/SF improve.	
31	site cut/fil	30,000	cubic yards total			health	10,000	SF	
32		5	$/cu yd (aver.)				35	$/SF	
33	excavate/fil	10	$/cu yd (u/g util.)			TRAFFIC			
34	sanitary sys	13,000	lineal feet			signals	4	# intersections	
35		10	$/LF (PVC)				50,000	$/intersection	
36	water system	13,000	lineal feet			turn	4	# required	
37		20	$/LF (DIP)			lanes:	20,000	$/lane aver.	
38		65	# hydrants			roads:	1,800,000	$ contribution (golf cours	
39		2,000	$/hydrant installed			---			
40	elec/tel/ala	0	lineal feet			SOFT COSTS (development phase):			
41		3	$/LF			---			
42	ductbank:	0	lineal feet (by RGE)			financ:	10.50	% interest rate	
43		100	$/LF w/conc encase			(const)	40	% aver outstd bal.	
44	sidewalks:	26,000	feet total length				24	mos. to takeout	
45		5	feet wide				1.0	% orig. fee	
46		4	$/SF sidewalk			(perm):	10.00	% includes fee	
47	bike paths:	10,000	feet total length				30	yr. term	
48		8	feet wide			taxes:	2.5	% of total cost	
49		2	$/SF bike path			linkage	0	$ lump sum	
50	tennis court	4	total number			lease:	1	% TIC	
51		10,000	$/court			A/E:	7	% hard costs	

	A	B	C	D	E	F	G	H	I	J
52	swimming poo		0	$ lump sum			legal:		4 % hard costs	
53	health club:		100,000	$ equipment allow.			market:		3 % hard costs	
54	contingency:		5	% of hard-costs			insur.:		1 % hard costs	
55							fees:		3 % hard costs	
56							(developer)			
57										
58										
59										
60										
61	----------									
62	ASSUMPTIONS: OPERATING DATA and DEBT CAPACITIES									
63	----------									
64	OFFICE				HOTEL					
65	effective re		$18.00		room rate:	$90.00				
66	debt coverag		1.10		occupancy:	0.65				
67	exit cap:		0.09		rack rate:	$58.50				
68					debt cover:	1.25				
69										
70										
71										
72										
73										
74	APARTMENTS				RETAIL					
75	effect rent:		6.06		effect. rent:	20.00				
76	vacancy rate		0.08		vacancy rate:	0.08				
77	debt cover:		1.25		debt cover.:	1.10				
78	exit cap:		0.09		exit cap:	0.09				
79					expenses:	10.00				
80					r.e. tax:	1.40				
81										
82										
83										
84	RESIDENTIAL									
85	sales $/SF:		90.00							
86	% sold:		0.90							
87	DCR:	for sale units only					cost of capital:		10 % after tax	
88							transactions costs		4 % in yr.10	
89	compos. NOI growth rate:			2 %/yr.			combined tax rate:		33 % (state+fed)	
90	----------									
91	CAPITAL COST ESTIMATE		$$$		$$$					
92	----------									
93										
94	LAND				$499,560					
95										
96										
97	SITE				$2,191,667					
98	clear and grub			690,000			50% cleared previously			
99	remove/stock topsoil			1,111,667			6-inches over entire site			
100	erosion protection			100,000			allowance (regrade, hay, etc..)			
101	cut and fills			150,000						

A	B	C	D	E	F	G	H	I	J
102	perimeter fencing		90,000						
103	signage		50,000						
104									
105									
106	LANDSCAPING			$830,000					
107									
108									
109	ACCESS ROADS			$2,145,000					
110	roadways		975,000						
111	curbing		390,000						
112	lighting		260,000						
113	sidewalks		520,000						
114									
115									
116	PARKING			$3,654,175					
117	at-grade open lot		3,434,375						
118	lighting		219,800						
119									
120									
121	UTILITIES			$780,000					
122	sanitary sewer		260,000						
123	water supply		390,000						
124	hydrants		130,000						
125	elec/tel/alarm		0						
126	ductbank		0						
127									
128									
129	BUILDINGS			$73,287,500		cost allocation:			
130	commercial base		24,000,000						
131	commercial improve.		6,000,000			comm.:	41.1%		$49,670,043
132	hotel base		9,000,000						
133	hotel FF&E		1,800,000			hotel:	14.8%		$17,881,215
134	retail base		1,750,000						
135	retail improvements		500,000			retail:	3.1%		$3,725,253
136	multi-family base		8,312,500						
137	multi-family FF&E		2,375,000			apart.:	14.7%		$17,694,953
138	residential base		14,400,000						
139	residential improve		4,800,000			SFU:	26.3%		$31,788,827
140	health club		350,000				---		---
141							100.00%		$120,760,292
142	AMENITIES			$300,000					
143	bike/jog paths		160,000						
144	tennis courts		40,000						
145	swimming pool		0						
146	health club		100,000						
147									
148									
149	TRAFFIC IMPROVEMENTS			$2,080,000					
150	signals		200,000						
151	turning lanes		80,000						

A	B	C	D	E	F	G	H	I	J
152	roadways		1,800,000						
153									
154									
155	SUB-TOTAL HARD COSTS			$85,767,902					
156	CONTINGENCY			$4,288,395					
157	TOTAL HARD COSTS			$90,056,297					
158									
159									
160	SOFT COSTS			$16,210,133					
161	architect/engineer		6,303,941						
162	legal services		3,602,252						
163	marketing		2,701,689						
164	insurance (dev. phase)		900,563						
165	developer fee		2,701,689						
166	linkage payment		0						
167									
168								SUMMARY	
169								land:	499,560
170	SUB-TOTAL HARD and SOFT COSTS:			$106,266,430				site improv:	11,980,842
171				----------				buildings:	73,287,500
172	PROP. TAXES (dev phase):		2,656,661					soft costs:	30,703,995
173	LEASING COMMISSIONS:		1,062,664					contingency:	4,288,395
174	SUB-TOTAL DEVELOPMENT COSTS:			$109,985,755					----------
175				----------				TOTAL:	120,760,292
176	CONSTRUCT LOAN PRINCIPAL		109,486,195						
177	CONSTRUCT LOAN INTEREST:		9,679,675						
178	CONSTRUCT LOAN FEE:		1,094,862						
179	TOTAL DEVELOPMENT BUDGET:			$120,760,292					
180				----------					
181	CALCULATIONS:								
182	required parking:		3,925	spaces					
183	parking area:		2,772,500	SF		63.7 acres			
184	SFU sales price:		$216,000						
185									
186	ANALYSIS of OPERATIONAL PERFORMANCE and DEBT CAPACITY:								
187	ref: IREM 1986 p.52, and RCMoyer (Kodak)				ref: Harris, Kerr, Foster, and Co., TRENDS, 1979, p.4				
188	----------				----------				
189		Office					Hotel		
190	----------				----------				
191	INCOME	% effec rent	$/SF/yr		INCOME	x rack	$/room/nite	$/SF/yr	
192	office	1.000	18.00		rack	1.000	58.50	47.4500	
193	retail	0.000	0.00		food	0.445	26.03	21.1153	
194	parking	0.000	0.00		beverage	0.177	10.35	8.3987	
195	other	0.090	1.62		telephone	0.045	2.63	2.1353	
196	vacant/bad	-0.050	-0.90		other	0.076	4.45	3.6062	
197	total	1.040	18.72		total	1.743	$101.97	$82.71	
198									
199	EXPENSE				EXPENSE				
200	utilities	0.290	5.22		room	0.263	15.39	12.4794	
201	jan./clean	0.059	1.06		f&b	0.488	28.55	23.1556	

A	B	C	D	E	F	G	H	I	J
202	maintenance	0.074	1.33		telephone	0.059	3.45	2.7996	
203	administr.	0.084	1.51		other	0.026	1.52	1.2337	
204	grounds	0.020	0.36		admin/gen	0.135	7.90	6.4058	
205	r.e. taxes	0.080	1.44		management	0.036	2.11	1.7082	
206	total	0.607	10.93		marketing	0.062	3.63	2.9419	
207					franchise$	0.005	0.29	0.2373	
208	------NOI---	0.433	$7.79		entertain	0.002	0.12	0.0949	
209					prop.manag	0.099	5.79	4.6976	
210	DCR:	1.1			utilities	0.076	4.45	3.6062	
211	debt serv. cap:		$7.09		prop. tax	0.059	3.45	2.7996	
212	total debt service cap:		$4,251,273		insurance	0.007	0.41	0.3322	
213					total	1.317	$77.04	$62.49	
214	exit cap rat	0.090							
215	capped value:		$86.60		-----NOI----		$24.92	$20.21	
216	total cap value:		$51,960,000						
217	total NOI/yr:		$4,676,400		debt cover:	1.25			
218					debt capac.:		$19.94		
219					total DS cap:		$2,910,773		
220									
221					exit cap :	0.09			
222					capped value:		276.9	$224.60	
223					total value:		$40,427,400		
224	ref: IREM 1986, p.169.				total NOI/yr:		$3,638,466		
225	----------				----------				
226	Apartments				Residential				
227	----------				----------				
228	INCOME	$/SF/yr			INCOME		$		
229	rent	6.060			new homes:		38,880,000		
230	-vacancies	-0.455			total:			38,880,000	
231	other incom	0.130							
232	total		5.736		EXPENSES				
233					base bldg:		14,400,000		
234	EXPENSE				improvmt:		4,800,000		
235	administr.	0.580			total:			19,200,000	
236	utilities	0.880							
237	security	0.036			PROFIT			19,680,000	
238	grounds	0.143							
239	maintenance	0.190							
240	paint	0.131							
241	r.e. tax	0.714							
242	insurance	0.119							
243	other	0.381							
244	total		3.174		----------				
245					Retail				
246	------NOI---	$2.56			----------				
247					INCOME	$/SF/yr			
248	DCR:	1.25			rent:	20.00			
249	debt serv. cap:		$2.05		-vacancies:	-1.50			
250	total debt service cap:		$486,685		total:	18.50			
251									
					EXPENSES				

	A	B	C	D	E	F	G	H	I	J
252	exit cap rat		0.090			op. exp.:	10.00			
253	capped value:			$28.46		r.e. tax:	1.40			
254	total cap value:			$6,759,514		total:	11.40			
255	total NOI/yr.:			$608,356						
256						-----NOI---	7.10			
257										
258						DCR:	1.10			
259						DS cap.:	6.45			
260						tot DS cap:		$322,727		
261										
262						exit cap:	0.09			
263						capped NOI:	78.89			
264						tot cap val:		$3,944,444		
265						total NOI/yr:		$355,000		
266										
267										
268						Permanent				
269						Debt Service				
270	Component	Tot Value	Alloc Cost	Val/Cost		Capacity				
271	----------	----------	----------	----------		----------				
272	OFFICE	51,960,000	49,670,043	1.046		4,251,273				
273	HOTEL	40,427,400	17,881,215	2.261		2,910,773				
274	APARTMENTS	6,759,514	17,694,953	0.382		486,685				
275	RESIDENTIAL	19,680,000	31,788,827	0.619		*sold*				
276	RETAIL	3,944,444	3,725,253	1.059		322,727				
277	----------	----------	----------	----------		----------				
278	totals	122,771,358	120,760,292	1.017		7,971,458				
279										
280										
281	TOTAL COST w/SALES:		$120,760,292			TOTAL VALUE w/SALES:			$122,771,358	
282	PERMANENT FINANCING:		$79,714,578			TOTAL DEVELOPT COST:			$120,760,292	
283			----------						----------	
284	EQUITY REQUIRED:		$41,045,714			PROFIT:			$2,011,067	
285	-LAND PURCHASE:		($499,560)							
286	-RESIDENT PROFIT:		($19,680,000)							
287	----------		----------			Loan/Value:	0.66			
288	NEW CASH REQ'D:		$20,866,154							
289										
290	======ROE=========>		4.9%							
291			(no time units)			Deprec. Schedule:		31.5 year SL		
292						Tot. Dev. Budget:		$120,760,292		
293						Less Land Value:		($499,560)		
294								----------		
295	Amoritization Schedule:		30 yr. term			Depreciable base:		$120,260,732		
296	Annual Payment:		$8,456,063			Annual deduction:		$3,817,801		
297										
298	Year	Payment	Interest	Principal	Balance	Year	Old Base	Deprec.	Book Value	
299	----------	----------	----------	----------	----------	----------	----------	----------	----------	
300	0	0	0	0	79,714,578	0	0	0	120,260,732	
301	1	8,456,063	7,971,458	484,605	79,229,973	1	120,260,732	(3,817,801)	116,442,931	

A	B	C	D	E	F	G	H	I	J
302	2	8,456,063	7,922,997	533,065	78,696,908	2	116,442,931	(3,817,801)	112,625,130
303	3	8,456,063	7,869,691	586,372	78,110,536	3	112,625,130	(3,817,801)	108,807,329
304	4	8,456,063	7,811,054	645,009	77,465,528	4	108,807,329	(3,817,801)	104,989,528
305	5	8,456,063	7,746,553	709,510	76,756,018	5	104,989,528	(3,817,801)	101,171,727
306	6	8,456,063	7,675,602	780,461	75,975,557	6	101,171,727	(3,817,801)	97,353,926
307	7	8,456,063	7,597,556	858,507	75,117,050	7	97,353,926	(3,817,801)	93,536,125
308	8	8,456,063	7,511,705	944,357	74,172,693	8	93,536,125	(3,817,801)	89,718,324
309	9	8,456,063	7,417,269	1,038,793	73,133,900	9	89,718,324	(3,817,801)	85,900,523
310	10	8,456,063	7,313,390	1,142,673	71,991,227	10	85,900,523	(3,817,801)	82,082,722
311	11	8,456,063	7,199,123	1,256,940	70,734,287	11	82,082,722	(3,817,801)	78,264,921
312	12	8,456,063	7,073,429	1,382,634	69,351,653	12	78,264,921	(3,817,801)	74,447,120
313	13	8,456,063	6,935,165	1,520,897	67,830,756	13	74,447,120	(3,817,801)	70,629,319
314	14	8,456,063	6,783,076	1,672,987	66,157,769	14	70,629,319	(3,817,801)	66,811,518
315	15	8,456,063	6,615,777	1,840,286	64,317,484	15	66,811,518	(3,817,801)	62,993,717
316	16	8,456,063	6,431,748	2,024,314	62,293,170	16	62,993,717	(3,817,801)	59,175,916
317	17	8,456,063	6,229,317	2,226,746	60,066,424	17	59,175,916	(3,817,801)	55,358,115
318	18	8,456,063	6,006,642	2,449,420	57,617,004	18	55,358,115	(3,817,801)	51,540,314
319	19	8,456,063	5,761,700	2,694,362	54,922,642	19	51,540,314	(3,817,801)	47,722,513
320	20	8,456,063	5,492,264	2,963,798	51,958,844	20	47,722,513	(3,817,801)	43,904,712
321	21	8,456,063	5,195,884	3,260,178	48,698,665	21	43,904,712	(3,817,801)	40,086,911
322	22	8,456,063	4,869,867	3,586,196	45,112,469	22	40,086,911	(3,817,801)	36,269,110
323	23	8,456,063	4,511,247	3,944,816	41,167,654	23	36,269,110	(3,817,801)	32,451,309
324	24	8,456,063	4,116,765	4,339,297	36,828,357	24	32,451,309	(3,817,801)	28,633,508
325	25	8,456,063	3,682,836	4,773,227	32,055,130	25	28,633,508	(3,817,801)	24,815,707
326	26	8,456,063	3,205,513	5,250,550	26,804,580	26	24,815,707	(3,817,801)	20,997,906
327	27	8,456,063	2,680,458	5,775,604	21,028,976	27	20,997,906	(3,817,801)	17,180,105
328	28	8,456,063	2,102,898	6,353,165	14,675,811	28	17,180,105	(3,817,801)	13,362,304
329	29	8,456,063	1,467,581	6,988,481	7,687,330	29	13,362,304	(3,817,801)	9,544,503
330	30	8,456,063	768,733	7,687,330	0	30	9,544,503	(3,817,801)	5,726,702
331						31	5,726,702	(3,817,801)	1,908,901
332									

333				Taxable	Tax	
334	Year	NOI	CFBT	Income	Effect	CFAT
335	---	---	---	---	---	---
336	0					(41,045,714)
337	1	9,278,222	822,160	(2,511,037)	828,642	1,650,802
338	2	9,463,787	1,007,724	(2,277,012)	751,414	1,759,138
339	3	9,653,062	1,197,000	(2,034,429)	671,362	1,868,362
340	4	9,846,124	1,390,061	(1,782,731)	588,301	1,978,362
341	5	10,043,046	1,586,984	(1,521,308)	502,032	2,089,015
342	6	10,243,907	1,787,845	(1,249,496)	412,334	2,200,178
343	7	10,448,785	1,992,723	(966,571)	318,969	2,311,691
344	8	10,657,761	2,201,698	(671,745)	221,676	2,423,374
345	9	10,870,916	2,414,854	(364,154)	120,171	2,535,024
346	10	11,088,334	2,632,272	(42,856)	14,143	35,360,827
347						

348 sale proceeds: (assumes yr.10 reversion)
349 capitalized total NOI: 123,203,716
350 less book value: (82,082,722)
351 capital gain: 41,120,995

A	B	C	D	E	F	G	H	I	J
352		capital gain taxes:	(13,569,928)						
353		outstand principal:	(71,991,227)						
354		transactions costs:	(4,928,149)						
355			----------						
356	net proceeds aftertax:		$32,714,412						
357									
358									
359	PROJECT SUMMARY								
360		total develop budget:	$120,760,292						
361		total equity requird:	$41,045,714						
362		total new cash req'd:	$20,866,154						
363		NPV:	($15,772,106)						
364		IRR:	3.42%						
365									
366									
367	**********CAUTION: tables immediately below do not auto-update w/changed assumptions******CAUTION*****								
368	NOI			Project		initial			Project
369	growth rate	NPV	IRR	Sale Price		lease	NPV	IRR	Sale Price
370	----------	----------	----------	----------		----------	----------	----------	----------
371	2.00	(15,772,106)	3.42%	123,203,716		18	(15,772,106)	3.42%	123,203,716
372	0.00	(23,645,743)	-1.75%	103,091,358		14	(25,596,613)	0.67%	109,404,381
373	1.00	(19,841,809)	1.01%	112,749,500		15	(23,140,486)	1.30%	112,854,215
374	2.00	(15,772,106)	3.42%	123,203,716		16	(20,684,359)	1.96%	116,304,048
375	3.00	(11,419,170)	5.58%	134,510,840		17	(18,228,233)	2.67%	119,753,882
376	4.00	(6,764,530)	7.56%	146,731,148		18	(15,772,106)	3.42%	123,203,716
377	5.00	(1,788,660)	9.39%	159,928,533		19	(13,315,979)	4.22%	126,653,550
378	6.00	3,529,075	11.12%	174,170,681		20	(10,859,853)	5.09%	130,103,384
379	7.00	9,210,466	12.76%	189,529,257		21	(8,403,726)	6.03%	133,553,218
380	8.00	15,278,522	14.32%	206,080,102		23	(3,491,473)	8.18%	140,452,886
381	9.00	21,757,518	15.83%	223,903,428		25	1,420,781	10.83%	147,352,553
382	**********								
383									
384	TRAFFIC REPORT for CAPITAL PLAN:								
385									
386	ITE (Instit. of Traffic Engineers) Trip Generation Report								
387	ref. ITE 4th ed.					dependent	dependent		
388		independent				variable	variabl	AM peak	PM peak	
389		variable	quantity			ln(f(X))	ln(f(X)	trips	trips	
390	source	(X)	(X)	ln(X)		AM	PM	per hour	per hour	
391	----------	----------	----------	----------		----------	----------	----------	----------	
392	office	1000SF GLA	600	6.3969		6.8414	6.7695	936	871	
393	hotel	# rooms	400	5.9915		5.7463	5.6389	313	281	
394	retail	1000SF GLA	50	3.9120		4.7472	6.0743	115	435	<=see notes
395	apartments	# units	250	N/A		N/A	N/A	129	157	
396	res-SFU	# units	200	5.2983		5.0215	5.3404	152	209	
397										
398	----------	----------	----------	----------		----------	----------	----------	----------	
399										
400										
401										

A	B	C	D	E	F	G	H	I	J
402	notes: hotel peaks general occur at traditional non-peak hours								
403		coef. deter. (R sq.) values .8 to .9 for regression results							
404		apartment figures for low-rise walk-ups							
405		N/A: apartment trip generation is non-ln based							
406		EXP(ln(x))=1							
407									
408									
409	RISK MANAGEMENT: NPV @		10 %						
410									
411	effective								
412	office								
413	rent		hotel occupancy rate (yearly average)						
414	---	---	---	---	---	---	---	---	---
415	+D363	0.2	0.3	0.4	0.5	0.5	0.6	0.7	0.8
416	10	(58,693,983)	(53,522,236)	(48,350,488)	-4E+07	-4E+07	(38,006,993)	(32,835,246)	(27,663,498)
417	11	(56,237,857)	(51,066,109)	(45,894,362)	-4E+07	-4E+07	(35,550,867)	(30,379,119)	(25,207,372)
418	12	(53,781,730)	(48,609,982)	(43,438,235)	-4E+07	-4E+07	(33,094,740)	(27,922,992)	(22,751,245)
419	13	(51,325,603)	(46,153,856)	(40,982,108)	-4E+07	-4E+07	(30,638,613)	(25,466,866)	(20,295,118)
420	14	(48,869,477)	(43,697,729)	(38,525,982)	-3E+07	-3E+07	(28,182,486)	(23,010,739)	(17,838,991)
421	15	(46,413,350)	(41,241,602)	(36,069,855)	-3E+07	-3E+07	(25,726,360)	(20,554,612)	(15,382,865)
422	16	(43,957,223)	(38,785,476)	(33,613,728)	-3E+07	-3E+07	(23,270,233)	(18,098,486)	(12,926,738)
423	17	(41,501,097)	(36,329,349)	(31,157,601)	-3E+07	-3E+07	(20,814,106)	(15,642,359)	(10,470,611)
424	18	(39,044,970)	(33,873,222)	(28,701,475)	-2E+07	-2E+07	(18,357,980)	(13,186,232)	(8,014,485)
425	19	(36,588,843)	(31,417,096)	(26,245,348)	-2E+07	-2E+07	(15,901,853)	(10,730,106)	(5,558,358)
426	20	(34,132,716)	(28,960,969)	(23,789,221)	-2E+07	-2E+07	(13,445,726)	(8,273,979)	(3,102,231)
427	21	(31,676,590)	(26,504,842)	(21,333,095)	-2E+07	-2E+07	(10,989,600)	(5,817,852)	(646,105)
428	22	(29,220,463)	(24,048,716)	(18,876,968)	-1E+07	-1E+07	(8,533,473)	(3,361,726)	1,810,022
429									
430									

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APPENDIX H3

FINANCIAL ANALYSIS:

OPTION: MAKE$

Capital Cost and Operational Performance
KODAK-Henrietta Corporate Campus
Town of Henrietta, Rochester, NY

A	B	C	D	E	F	G	H	I	J
2	A.F. Rice	KODAK-Henrietta Site Feasibility Study				CONCEPTUAL-GRADE CAPITAL ESTIMATE			
3	OPTION: EXPAND MEC on EXISTING EK LAND								
4									
5	ASSUMPTIONS:HARD COSTS:								
6									
7	land:	200	acres			BUILDINGS (w/o soft $)			
8		0	$/acre			conm.:	800,000	total SF	
9	open space:	50	% landscaped				2	floors	
10		0.15	FAR				40	$/SF base bldg.	
11		10,000	$/acre landscaping				10	$/SF interiors	
12		50,000	$ signage allowance			hotel:	400	total rooms	
13		50	% site pre-fenced				3	floors	
14	fencing:	10,000	lineal feet				450	SF/room aver.	
15		15	$/LF				50	$/SF base bldg.	
16	parking:	300	office SF/space				10	$/SF interiors	
17		2.5	spaces/dwelling unit			retail:	50,000	total SF	
18		350	total SF/space				1	floors	
19	access road:	30	feet wide				35	$/SF base bldg.	
20		3,100	feet total length				10	$/SF interiors	
21		2.5	$/SF road cost			apart.	250	total units	
22		25	% road w/granite curbing				950	SF/unit aver.	
23		30	$/LF granite curb				2	# floors	
24		200	LF/lightpole				35	$/SF base bldg.	
25		25,000	SF/lightpole (lots)				10	$/SF improve.	
26		4,000	$/lightpole			SFU:	0	# units	
27	erosion cont	20,000	$ allowance				2	floors	
28	clear/grub:	3,000	$/acre site				2400	SF/unit aver.	
29	topsoil:	0.50	feet deep				30	$/SF aver. base	
30		3	$/cu yd stockpile				10	$/SF improve.	
31	site cut/fil	20,000	cubic yards total			health	0	SF	
32		5	$/cu yd (aver.)				35	$/SF	
33	excavate/fil	10	$/cu yd (u/g util.)			TRAFFIC			
34	sanitary sys	7,200	lineal feet			signals	2	# intersections	
35		10	$/LF (PVC)				50,000	$/intersection	
36	water system	2,000	lineal feet			turn	1	# required	
37		20	$/LF (DIP)			lanes:	20,000	$/lane aver.	
38		10	# hydrants			roads:	0	$ contribution	
39		2,000	$/hydrant installed			---			
40	elec/tel/ala	0	lineal feet (by utility)			SOFT COSTS (development phase):			
41		3	$/LF			---			
42	ductbank:	0	lineal feet (by utility)			financ:	10.50	% interest rate	
43		100	$/LF w/conc encase			(const)	40	% aver outstd bal.	
44	sidewalks:	6,000	feet total length				24	mos. to takeout	
45		5	feet wide				1.0	% orig. fee	
46		4	$/SF sidewalk			(perm):	10.00	% includes fee	
47	bike paths:	0	feet total length				30	yr. term	
48		8	feet wide			taxes:	2.5	% of total cost	
49		2	$/SF bike path			linkage	0	$ lump sum	
50	tennis court	4	total number			lease:	1	% TIC	
51		10,000	$/court			A/E:	6	% hard costs	

```
A      B           C          D           E          F       G        H          I          J
52 swimming poo          0 $ lump sum                          legal:          3 % hard costs
53 health club:          0 $ equipment allow.                  market:         3 % hard costs
54 contingency:          5 % of hard-costs                     insur.:         1 % hard costs
55                                                             fees:           3 % hard costs
56                                                             (developer)
57
58
59
60
61 ---------------------------------------------------------------------------------------------------------
62 ASSUMPTIONS: OPERATING DATA and DEBT CAPACITIES
63 ---------------------------------------------------------------------------------------------------------
64 OFFICE                              HOTEL
65 effective re      $18.00            room rate:      $90.00
66 debt coverag        1.10            occupancy:        0.65
67 exit cap:           0.09            rack rate:      $58.50
68                                     debt cover:       1.25
69
70
71
72
73
74 APARTMENTS                          RETAIL
75 effect rent:        6.06            effect. rent:    20.00
76 vacancy rate        0.08            vacancy rate:     0.08
77 debt cover:         1.25            debt cover.:      1.10
78 exit cap:           0.09            exit cap:         0.09
79                                     expenses:        10.00
80                                     r.e. tax:         1.40
81
82
83
84 RESIDENTIAL
85 sales $/SF:        90.00
86 % sold:             0.90
87 DCR:        for sale units only                 cost of capital:          10 % after tax
88                                                 transactions costs         4 % in yr.10
89 compos. NOI growth rate:          2 %/yr.       combined tax rate:        33 % (state+fed)
90 ---------------------------------------------------------------------------------------------------------
91 CAPITAL COST ESTIMATE        $$$          $$$
92 ---------------------------------------------------------------------------------------------------------
93
94 LAND                                          $0 (see residuals)
95
96
97 SITE                                  $1,108,333
98   clear and grub              300,000            50% cleared previously
99   remove/stock topsoil        483,333            6-inches over entire site
100  erosion protection          100,000            allowance (regrade, hay, etc..)
101  cut and fills               100,000
```

A	B	C	D	E	F	G	H	I	J
102	perimeter fencing		75,000						
103	signage		50,000						
104									
105									
106	LANDSCAPING			$1,000,000					
107									
108									
109	ACCESS ROADS			$461,000					
110	roadways		232,500						
111	curbing		46,500						
112	lighting		62,000						
113	sidewalks		120,000						
114									
115									
116	PARKING			$3,778,308					
117	at-grade open lot		3,551,042						
118	lighting		227,267						
119									
120									
121	UTILITIES			$224,000					
122	sanitary sewer		144,000						
123	water supply		60,000						
124	hydrants		20,000						
125	elec/tel/alarm		0						
126	ductbank		0						
127									
128									
129	BUILDINGS			$63,737,500		cost allocation:			
130	commercial base		32,000,000						
131	commercial improve.		8,000,000			comm.:	62.8%		$61,237,304
132	hotel base		9,000,000						
133	hotel FF&E		1,800,000			hotel:	16.9%		$16,534,072
134	retail base		1,750,000						
135	retail improvements		500,000			retail:	3.5%		$3,444,598
136	multi-family base		8,312,500						
137	multi-family FF&E		2,375,000			apart.:	16.8%		$16,361,842
138	residential base		0						
139	residential improve		0			SFU:	0.0%		$0
140	health club		0				---		---
141							100.00%		$97,577,817
142	AMENITIES			$40,000					
143	bike/jog paths		0						
144	tennis courts		40,000						
145	swimming pool		0						
146	health club		0						
147									
148									
149	TRAFFIC IMPROVEMENTS			$120,000					
150	signals		100,000						
151	turning lanes		20,000						

A	B	C	D	E	F	G	H	I	J
152	roadways		0						
153									
154									
155	SUB-TOTAL HARD COSTS			$70,469,142					
156	CONTINGENCY			$3,523,457					
157	TOTAL HARD COSTS			$73,992,599					
158									
159									
160	SOFT COSTS			$11,838,816					
161	architect/engineer		4,439,556						
162	legal services		2,219,778						
163	marketing		2,219,778						
164	insurance (dev. phase)		739,926						
165	developer fee		2,219,778						
166	linkage payment		0						
167									
168							SUMMARY		
169							land:	0	
170	SUB-TOTAL HARD and SOFT COSTS:			$85,831,415			site improv:	6,731,642	
171				---			buildings:	63,737,500	
172	PROP. TAXES (dev phase):		2,145,785				soft costs:	23,585,218	
173	LEASING COMMISSIONS:		858,314				contingency:	3,523,457	
174	SUB-TOTAL DEVELOPMENT COSTS:			$88,835,514				---	
175				---			TOTAL:	97,577,817	
176	CONSTRUCT LOAN PRINCIPAL		88,835,514						
177	CONSTRUCT LOAN INTEREST:		7,853,948						
178	CONSTRUCT LOAN FEE:		888,355						
179	TOTAL DEVELOPMENT BUDGET:			$97,577,817					
180				---					
181	CALCULATIONS:								
182	required parking:		4,058	spaces					
183	parking area:		2,192,167	SF		50.4 acres			
184	SFU sales price:		$216,000						
185									
186	ANALYSIS of OPERATIONAL PERFORMANCE and DEBT CAPACITY:								
187	ref: IREM 1986 p.52, and RCMoyer (Kodak)				ref: Harris, Kerr, Foster, and Co., TRENDS, 1979, p.4				
188	---				---				
189		Office					Hotel		
190	---				---				
191	INCOME	% effec rent	$/SF/yr		INCOME	x rack	$/room/nite	$/SF/yr	
192	office	1.000	18.00		rack	1.000	58.50	47.4500	
193	retail	0.000	0.00		food	0.445	26.03	21.1153	
194	parking	0.000	0.00		beverage	0.177	10.35	8.3987	
195	other	0.090	1.62		telephone	0.045	2.63	2.1353	
196	vacant/bad	-0.050	-0.90		other	0.076	4.45	3.6062	
197	total	1.040	18.72		total	1.743	$101.97	$82.71	
198									
199	EXPENSE				EXPENSE				
200	utilities	0.290	5.22		room	0.263	15.39	12.4794	
201	jan./clean	0.059	1.06		f&b	0.488	28.55	23.1556	

A	B	C	D	E	F	G	H	I	J
202	maintenance	0.074	1.33		telephone	0.059	3.45	2.7996	
203	administr.	0.084	1.51		other	0.026	1.52	1.2337	
204	grounds	0.020	0.36		admin/gen	0.135	7.90	6.4058	
205	r.e. taxes	0.080	1.44		management	0.036	2.11	1.7082	
206	total	0.607	10.93		marketing	0.062	3.63	2.9419	
207					franchise$	0.005	0.29	0.2373	
208	------NOI---	0.433	$7.79		entertain	0.002	0.12	0.0949	
209					prop.manag	0.099	5.79	4.6976	
210	DCR:	1.1			utilities	0.076	4.45	3.6062	
211	debt serv. cap:		$7.09		prop. tax	0.059	3.45	2.7996	
212	total debt service cap:		$5,668,364		insurance	0.007	0.41	0.3322	
213					total	1.317	$77.04	$62.49	
214	exit cap rat	0.090							
215	capped value:		$86.60		-----NOI----		$24.92	$20.21	
216	total cap value:		$69,280,000						
217	total NOI/yr:		$6,235,200		debt cover:	1.25			
218					debt capac.:		$19.94		
219					total DS cap:		$2,910,773		
220									
221					exit cap :	0.09			
222					capped value:		276.9	$224.60	
223					total value:		$40,427,400		
224	ref: IREM 1986, p.169.				total NOI/yr:		$3,638,466		
225	----------				----------				
226	Apartments				Residential				
227	----------				----------				
228	INCOME	$/SF/yr			INCOME		$		
229	rent	6.060			new homes:		0		
230	-vacancies	-0.455			total:			0	
231	other incom	0.130							
232	total		5.736		EXPENSES				
233					base bldg:		0		
234	EXPENSE				improvmt:		0		
235	administr.	0.580			total:			0	
236	utilities	0.880							
237	security	0.036			PROFIT			0	
238	grounds	0.143							
239	maintenance	0.190							
240	paint	0.131							
241	r.e. tax	0.714							
242	insurance	0.119							
243	other	0.381							
244	total		3.174		----------				
245					Retail				
246	------NOI---	$2.56			----------				
247					INCOME	$/SF/yr			
248	DCR:	1.25			rent:	20.00			
249	debt serv. cap:		$2.05		-vacancies:	-1.50			
250	total debt service cap:		$486,685		total:	18.50			
251									
					EXPENSES				

	A	B	C	D	E	F	G	H	I	J
252		exit cap rat	0.090			op. exp.:	10.00			
253		capped value:		$28.46		r.e. tax:	1.40			
254		total cap value:		$6,759,514		total:	11.40			
255		total NOI/yr.:		$608,356						
256						-----NOI---	7.10			
257										
258						DCR:	1.10			
259						DS cap.:	6.45			
260						tot DS cap:		$322,727		
261										
262						exit cap:	0.09			
263						capped NOI:	78.89			
264						tot cap val:		$3,944,444		
265						total NOI/yr:		$355,000		
266										
267										
268						Permanent				
269						Debt Service				
270		Component	Tot Value	Alloc Cost	Val/Cost	Capacity				
271		----------	----------	----------	----------	----------				
272		OFFICE	69,280,000	61,237,304	1.131	5,668,364				
273		HOTEL	40,427,400	16,534,072	2.445	2,910,773				
274		APARTMENTS	6,759,514	16,361,842	0.413	486,685				
275		RESIDENTIAL	0	0	0.000	0				
276		RETAIL	3,944,444	3,444,598	1.145	322,727				
277		----------	----------	----------	----------	----------				
278		totals	120,411,358	97,577,817	1.234	9,388,549				
279										
280										
281		TOTAL COST w/SALES:		$97,577,817		TOTAL VALUE w/SALES:			$120,411,358	
282		PERMANENT FINANCING:		$93,885,487		TOTAL DEVELOPT COST:			$97,577,817	
283				----------					----------	
284		EQUITY REQUIRED:		$3,692,330		PROFIT:			$22,833,541	
285		-LAND PURCHASE:		$0		(residual)				
286		-RESIDENT PROFIT:		$0						
287		----------		----------		Loan/Value:	0.96			
288		NEW CASH REQ'D:		$3,692,330						
289										
290		======ROE=========>		618.4%						
291				(no time units)				Deprec. Schedule:	31.5 year SL	
292								Tot. Dev. Budget:	$97,577,817	
293								Less Land Value:	$0	
294									----------	
295		Amoritization Schedule:		30 yr. term				Depreciable base:	$97,577,817	
296		Annual Payment:		$9,959,302				Annual deduction:	$3,097,708	
297										
298		Year	Payment	Interest	Principal	Balance	Year	Old Base	Deprec.	Book Value
299		----------	----------	----------	----------	----------	----------	----------	----------	----------
300		0	0	0	0	93,885,487	0	0	0	97,577,817
301		1	9,959,302	9,388,549	570,753	93,314,734	1	97,577,817	(3,097,708)	94,480,109

A	B	C	D	E	F	G	H	I	J
302	2	9,959,302	9,331,473	627,829	92,686,905	2	94,480,109	(3,097,708)	91,382,400
303	3	9,959,302	9,268,691	690,611	91,996,294	3	91,382,400	(3,097,708)	88,284,692
304	4	9,959,302	9,199,629	759,672	91,236,622	4	88,284,692	(3,097,708)	85,186,983
305	5	9,959,302	9,123,662	835,640	90,400,982	5	85,186,983	(3,097,708)	82,089,275
306	6	9,959,302	9,040,098	919,204	89,481,778	6	82,089,275	(3,097,708)	78,991,566
307	7	9,959,302	8,948,178	1,011,124	88,470,654	7	78,991,566	(3,097,708)	75,893,858
308	8	9,959,302	8,847,065	1,112,236	87,358,418	8	75,893,858	(3,097,708)	72,796,149
309	9	9,959,302	8,735,842	1,223,460	86,134,957	9	72,796,149	(3,097,708)	69,698,441
310	10	9,959,302	8,613,496	1,345,806	84,789,151	10	69,698,441	(3,097,708)	66,600,732
311	11	9,959,302	8,478,915	1,480,387	83,308,764	11	66,600,732	(3,097,708)	63,503,024
312	12	9,959,302	8,330,876	1,628,425	81,680,339	12	63,503,024	(3,097,708)	60,405,315
313	13	9,959,302	8,168,034	1,791,268	79,889,071	13	60,405,315	(3,097,708)	57,307,607
314	14	9,959,302	7,988,907	1,970,395	77,918,676	14	57,307,607	(3,097,708)	54,209,898
315	15	9,959,302	7,791,868	2,167,434	75,751,242	15	54,209,898	(3,097,708)	51,112,190
316	16	9,959,302	7,575,124	2,384,178	73,367,064	16	51,112,190	(3,097,708)	48,014,481
317	17	9,959,302	7,336,706	2,622,595	70,744,469	17	48,014,481	(3,097,708)	44,916,773
318	18	9,959,302	7,074,447	2,884,855	67,859,614	18	44,916,773	(3,097,708)	41,819,064
319	19	9,959,302	6,785,961	3,173,341	64,686,273	19	41,819,064	(3,097,708)	38,721,356
320	20	9,959,302	6,468,627	3,490,675	61,195,599	20	38,721,356	(3,097,708)	35,623,647
321	21	9,959,302	6,119,560	3,839,742	57,355,857	21	35,623,647	(3,097,708)	32,525,939
322	22	9,959,302	5,735,586	4,223,716	53,132,141	22	32,525,939	(3,097,708)	29,428,231
323	23	9,959,302	5,313,214	4,646,088	48,486,053	23	29,428,231	(3,097,708)	26,330,522
324	24	9,959,302	4,848,605	5,110,697	43,375,356	24	26,330,522	(3,097,708)	23,232,814
325	25	9,959,302	4,337,536	5,621,766	37,753,590	25	23,232,814	(3,097,708)	20,135,105
326	26	9,959,302	3,775,359	6,183,943	31,569,647	26	20,135,105	(3,097,708)	17,037,397
327	27	9,959,302	3,156,965	6,802,337	24,767,310	27	17,037,397	(3,097,708)	13,939,688
328	28	9,959,302	2,476,731	7,482,571	17,284,739	28	13,939,688	(3,097,708)	10,841,980
329	29	9,959,302	1,728,474	8,230,828	9,053,911	29	10,841,980	(3,097,708)	7,744,271
330	30	9,959,302	905,391	9,053,911	0	30	7,744,271	(3,097,708)	4,646,563
331						31	4,646,563	(3,097,708)	1,548,854
332									

333				Taxable	Tax	
334	Year	NOI	CFBT	Income	Effect	CFAT
335	---	---	---	---	---	---
336	0					(3,692,330)
337	1	10,837,022	877,720	(1,649,235)	544,248	1,421,968
338	2	11,053,763	1,094,461	(1,375,419)	453,888	1,548,349
339	3	11,274,838	1,315,536	(1,091,561)	360,215	1,675,751
340	4	11,500,335	1,541,033	(797,003)	263,011	1,804,044
341	5	11,730,341	1,771,040	(491,029)	162,040	1,933,079
342	6	11,964,948	2,005,646	(172,858)	57,043	2,062,690
343	7	12,204,247	2,244,945	158,361	(52,259)	2,192,686
344	8	12,448,332	2,489,030	503,558	(166,174)	2,322,856
345	9	12,697,299	2,737,997	863,749	(285,037)	2,452,960
346	10	12,951,245	2,991,943	1,240,041	(409,213)	30,430,533
347						

348 sale proceeds: (assumes yr.10 reversion)
349 capitalized total NOI: 143,902,720
350 less book value: (66,600,732)
351 capital gain: 77,301,987

capital gain taxes:	(25,509,656)	
outstand principal:	(84,789,151)	
transactions costs:	(5,756,109)	
net proceeds aftertax:	$27,847,804	

PROJECT SUMMARY

total develop budget:	$97,577,817
total equity requird:	$3,692,330
total new cash req'd:	$3,692,330
NPV:	$18,717,230
IRR:	50.43%

**********CAUTION: tables immediately below do not auto-update w/changed assumptions******CAUTION*****

NOI growth rate	NPV	IRR	Project Sale Price	initial lease	NPV	IRR	Project Sale Price
2.00	18,717,230	50.43%	143,902,720	18	18,717,230	50.43%	143,902,720
0.00	9,520,772	40.72%	120,411,358	13	2,343,052	11.69%	120,903,827
1.00	13,963,790	45.99%	131,692,129	14	5,617,887	14.54%	125,503,605
2.00	18,717,230	50.43%	143,902,720	15	8,892,723	18.24%	130,103,384
3.00	23,801,486	54.35%	157,109,511	16	12,167,558	23.43%	134,703,163
4.00	29,238,135	57.90%	171,382,909	17	15,442,394	31.80%	139,302,941
5.00	35,049,983	61.18%	186,797,538	18	18,717,230	50.43%	143,902,720
6.00	41,261,131	64.25%	203,432,456	19	21,992,065	271.03%	148,502,498
7.00	47,897,032	67.15%	221,371,371	20	25,266,901	ERR	153,102,277
8.00	54,984,559	69.91%	240,702,862				
9.00	62,552,068	72.55%	261,520,620				

****

TRAFFIC REPORT for CAPITAL PLAN:

ITE (Instit. of Traffic Engineers) Trip Generation Report
ref. ITE 4th ed.

source	independent variable (X)	quantity (X)	ln(X)	dependent variable ln(f(X)) AM	dependent variabl ln(f(X) PM	AM peak trips per hour	PM peak trips per hour	
office	1000SF GLA	800	6.6846	7.0888	7.0082	1,198	1,106	
hotel	# rooms	400	5.9915	5.7463	5.6389	313	281	
retail	1000SF GLA	50	3.9120	4.7472	6.0743	115	435	<=see notes
apartments	# units	250	N/A	N/A	N/A	129	157	
res-SFU	# units	0	ERR	ERR	ERR	ERR	ERR	<=see notes

notes: hotel peaks general occur at traditional non-peak hours
coef. deter. (R sq.) values .8 to .9 for regression results
apartment figures for low-rise walk-ups
N/A: apartment trip generation is non-ln based
EXP(ln(x))=1
ERR indicates division by 0 (OK)

RISK MANAGEMENT: PROJECT NPV ($) at 10 %

office effective rent	hotel occupancy rate (year average)							
+D363	0.2	0.3	0.4	0.5	0.5	0.6	0.7	0.8
10	(30,754,319)	(25,582,571)	(20,410,824)	**********	-2E+07	(10,067,329)	(4,895,581)	276,166
11	(27,479,483)	(22,307,736)	(17,135,988)	**********	-1E+07	(6,792,493)	(1,620,746)	3,551,002
12	(24,204,648)	(19,032,900)	(13,861,153)	(8,689,405)	-9E+06	(3,517,658)	1,654,090	6,825,837
13	(20,929,812)	(15,758,065)	(10,586,317)	(5,414,570)	-5E+06	(242,822)	4,928,925	10,100,673
14	(17,654,977)	(12,483,229)	(7,311,482)	(2,139,734)	-2E+06	3,032,013	8,203,761	13,375,509
15	(14,380,141)	(9,208,393)	(4,036,646)	1,135,102	1E+06	6,306,849	11,478,597	16,650,344
16	(11,105,305)	(5,933,558)	(761,810)	4,409,937	4E+06	9,581,685	14,753,432	19,925,180
17	(7,830,470)	(2,658,722)	2,513,025	7,684,773	8E+06	12,856,520	18,028,268	23,200,015
18	(4,555,634)	616,113	5,787,861	10,959,608	1E+07	16,131,356	21,303,103	26,474,851
19	(1,280,799)	3,890,949	9,062,696	14,234,444	1E+07	19,406,191	24,577,939	29,749,686
20	1,994,037	7,165,784	12,337,532	17,509,279	2E+07	22,681,027	27,852,774	33,024,522

variable 1: effective rent (C65)
variable 2: occupancy rate (F66)

*** intentional width control adjustment--interpolate for value

INDEX

FINANCIAL ANALYSIS: APPENDIX H4

OPTION: THRUWAY

Capital Cost and Operational Performance
KODAK-Henrietta Corporate Campus
Town of Henrietta, Rochester, NY

	A	B	C	D	E	F	G	H	I	J
2	A.F. Rice	KODAK-Henrietta Site Feasibility Study					CONCEPTUAL-GRADE CAPITAL ESTIMATE			
3	OPTION: INTERCHANGE @ E.RIVER by FED. HIGHWAY AUTH.									
4	---									
5	ASSUMPTIONS:HARD COSTS:									
6	---									
7	land:		150	acres			BUILDINGS (w/o soft $)			
8			5,000	$/acre			conm.:	600,000	total SF	
9	open space:		50	% landscaped				2	floors	
10			0.15	FAR				40	$/SF base bldg.	
11			10,000	$/acre landscaping				10	$/SF interiors	
12			50,000	$ signage allowance			hotel:	400	total rooms	
13			50	% site pre-fenced				3	floors	
14	fencing:		10,000	lineal feet				450	SF/room aver.	
15			15	$/LF				50	$/SF base bldg.	
16	parking:		300	office SF/space				10	$/SF interiors	
17			2.5	spaces/dwelling unit			retail:	50,000	total SF	
18			350	total SF/space				1	floors	
19	access road:		30	feet wide				35	$/SF base bldg.	
20			19,500	feet total length				10	$/SF interiors	
21			2.5	$/SF road cost			apart.	250	total units	
22			5	% road w/granite curbing				950	SF/unit aver.	
23			30	$/LF granite curb				2	# floors	
24			200	LF/lightpole				35	$/SF base bldg.	
25			25,000	SF/lightpole (lots)				10	$/SF improve.	
26			4,000	$/lightpole			SFU:	230	# units	
27	erosion cont		50,000	$ allowance				2	floors	
28	clear/grub:		3,000	$/acre site				2400	SF/unit aver.	
29	topsoil:		0.50	feet deep				30	$/SF aver. base	
30			3	$/cu yd stockpile				10	$/SF improve.	
31	site cut/fil		30,000	cubic yards total			health	10,000	SF	
32			5	$/cu yd (aver.)				35	$/SF	
33	excavate/fil		10	$/cu yd (u/g util.)			TRAFFIC			
34	sanitary sys		20,000	lineal feet			signals	3	# intersections	
35			10	$/LF (PVC)				50,000	$/intersection	
36	water system		20,000	lineal feet			turn	2	# required	
37			20	$/LF (DIP)			lanes:	20,000	$/lane aver.	
38			100	# hydrants				1,800,000	$ golf course	
39			2,000	$/hydrant installed			---			
40	elec/tel/ala		0	lineal feet (by utility)			SOFT COSTS (development phase):			
41			3	$/LF			---			
42	ductbank:		0	lineal feet (by utility)			financ:	10.50	% interest rate	
43			100	$/LF w/conc encase			(const)	40	% aver outstd bal.	
44	sidewalks:		20,000	feet total length				24	mos. to takeout	
45			5	feet wide				1.0	% orig. fee	
46			4	$/SF sidewalk			(perm):	10.00	% includes fee	
47	bike paths:		15,000	feet total length				30	yr. term	
48			8	feet wide			taxes:	2.5	% of total cost	
49			2	$/SF bike path			linkage	0	$ lump sum	
50	tennis court		4	total number			lease:	1	% TIC	
51			10,000	$/court			A/E:	6	% hard costs	

A	B	C	D	E	F	G	H	I	J
52	swimming poo	0	$ lump sum			legal:		3 % hard costs	
53	health club:	100,000	$ equipment allow.			market:		3 % hard costs	
54	contingency:	5	% of hard-costs			insur.:		1 % hard costs	
55						fees:		3 % hard costs	
56						(developer)			
57									
58									
59									
60									
61	----------								
62	ASSUMPTIONS: OPERATING DATA and DEBT CAPACITIES								
63	----------								
64	OFFICE			HOTEL					
65	effective re	$18.00		room rate:	$90.00				
66	debt coverag	1.10		occupancy:	0.65				
67	exit cap:	0.09		rack rate:	$58.50				
68				debt cover:	1.25				
69									
70									
71									
72									
73									
74	APARTMENTS			RETAIL					
75	effect rent:	6.06		effect. rent:	20.00				
76	vacancy rate	0.08		vacancy rate:	0.08				
77	debt cover:	1.25		debt cover.:	1.10				
78	exit cap:	0.09		exit cap:	0.09				
79				expenses:	10.00				
80				r.e. tax:	1.40				
81									
82									
83									
84	RESIDENTIAL								
85	sales $/SF:	90.00							
86	% sold:	0.90							
87	DCR:	for sale units only				cost of capital:		10 % after tax	
88						transactions costs		4 % in yr.10	
89	compos. NOI growth rate:		2 %/yr.			combined tax rate:		33 % (state+fed)	
90	----------								
91	CAPITAL COST ESTIMATE	$$$	$$$						
92	----------								
93									
94	LAND			$750,000					
95									
96									
97	SITE			$962,500					
98	clear and grub		225,000			50% cleared previously			
99	remove/stock topsoil		362,500			6-inches over entire site			
100	erosion protection		100,000			allowance (regrade, hay, etc..)			
101	cut and fills		150,000						

A	B	C	D	E	F	G	H	I	J
102		perimeter fencing	75,000						
103		signage	50,000						
104									
105									
106	LANDSCAPING			$900,000					
107									
108									
109	ACCESS ROADS			$2,311,000					
110		roadways	1,462,500						
111		curbing	58,500						
112		lighting	390,000						
113		sidewalks	400,000						
114									
115									
116	PARKING			$3,724,000					
117		at-grade open lot	3,500,000						
118		lighting	224,000						
119									
120									
121	UTILITIES			$1,200,000					
122		sanitary sewer	400,000						
123		water supply	600,000						
124		hydrants	200,000						
125		elec/tel/alarm	0						
126		ductbank	0						
127									
128									
129	BUILDINGS			$76,167,500		cost allocation:			
130		commercial base	24,000,000						
131		commercial improve.	6,000,000			comm.:	39.6%		$48,397,228
132		hotel base	9,000,000						
133		hotel FF&E	1,800,000			hotel:	14.2%		$17,423,002
134		retail base	1,750,000						
135		retail improvements	500,000			retail:	3.0%		$3,629,792
136		multi-family base	8,312,500						
137		multi-family FF&E	2,375,000			apart.:	14.1%		$17,241,512
138		residential base	16,560,000						
139		residential improve	5,520,000			SFU:	29.1%		$35,620,360
140		health club	350,000				---		---
141							100.00%		$122,311,894
142	AMENITIES			$380,000					
143		bike/jog paths	240,000						
144		tennis courts	40,000						
145		swimming pool	0						
146		health club	100,000						
147									
148									
149	TRAFFIC IMPROVEMENTS			$1,990,000					
150		signals	150,000						
151		turning lanes	40,000						

A	B	C	D	E	F	G	H	I	J
152	roadways		1,800,000						
153									
154									
155	SUB-TOTAL HARD COSTS			$88,385,000					
156	CONTINGENCY			$4,419,250					
157	TOTAL HARD COSTS			$92,804,250					
158									
159									
160	SOFT COSTS			$14,848,680					
161	architect/engineer		5,568,255						
162	legal services		2,784,128						
163	marketing		2,784,128						
164	insurance (dev. phase)		928,043						
165	developer fee		2,784,128						
166	linkage payment		0						
167									
168							SUMMARY		
169							land:	750,000	
170	SUB-TOTAL HARD and SOFT COSTS:			$107,652,930			site improv:	11,467,500	
171				---			buildings:	76,167,500	
172	PROP. TAXES (dev phase):		2,691,323				soft costs:	29,507,644	
173	LEASING COMMISSIONS:		1,076,529				contingency:	4,419,250	
174	SUB-TOTAL DEVELOPMENT COSTS:			$111,420,783				---	
175				---			TOTAL:	122,311,894	
176	CONSTRUCT LOAN PRINCIPAL		110,670,783						
177	CONSTRUCT LOAN INTEREST:		9,784,404						
178	CONSTRUCT LOAN FEE:		1,106,708						
179	TOTAL DEVELOPMENT BUDGET:			$122,311,894					
180				---					
181	CALCULATIONS:								
182	required parking:		4,000	spaces					
183	parking area:		3,039,750	SF		69.9 acres			
184	SFU sales price:		$216,000						
185									
186	ANALYSIS of OPERATIONAL PERFORMANCE and DEBT CAPACITY:								
187	ref: IREM 1986 p.52, and RCMoyer (Kodak)				ref: Harris, Kerr, Foster, and Co., TRENDS, 1979, p.4				
188	---				---				
189		Office				Hotel			
190	---				---				
191	INCOME	% effec rent	$/SF/yr		INCOME	x rack	$/room/nite	$/SF/yr	
192	office	1.000	18.00		rack	1.000	58.50	47.4500	
193	retail	0.000	0.00		food	0.445	26.03	21.1153	
194	parking	0.000	0.00		beverage	0.177	10.35	8.3987	
195	other	0.090	1.62		telephone	0.045	2.63	2.1353	
196	vacant/bad	-0.050	-0.90		other	0.076	4.45	3.6062	
197	total	1.040	18.72		total	1.743	$101.97	$82.71	
198									
199	EXPENSE				EXPENSE				
200	utilities	0.290	5.22		room	0.263	15.39	12.4794	
201	jan./clean	0.059	1.06		f&b	0.488	28.55	23.1556	

A	B	C	D	E	F	G	H	I	J
202	maintenance	0.074	1.33		telephone	0.059	3.45	2.7996	
203	administr.	0.084	1.51		other	0.026	1.52	1.2337	
204	grounds	0.020	0.36		admin/gen	0.135	7.90	6.4058	
205	r.e. taxes	0.080	1.44		management	0.036	2.11	1.7082	
206	total	0.607	10.93		marketing	0.062	3.63	2.9419	
207					franchise$	0.005	0.29	0.2373	
208	------NOI---	0.433	$7.79		entertain	0.002	0.12	0.0949	
209					prop.manag	0.099	5.79	4.6976	
210	DCR:	1.1			utilities	0.076	4.45	3.6062	
211	debt serv. cap:		$7.09		prop. tax	0.059	3.45	2.7996	
212	total debt service cap:		$4,251,273		insurance	0.007	0.41	0.3322	
213					total	1.317	$77.04	$62.49	
214	exit cap rat	0.090							
215	capped value:		$86.60		-----NOI----		$24.92	$20.21	
216	total cap value:		$51,960,000						
217	total NOI/yr:		$4,676,400		debt cover:	1.25			
218					debt capac.:		$19.94		
219					total DS cap:		$2,910,773		
220									
221					exit cap :	0.09			
222					capped value:		276.9	$224.60	
223					total value:		$40,427,400		
224	ref: IREM 1986, p.169.				total NOI/yr:		$3,638,466		
225	----------				----------				
226	Apartments				Residential				
227	----------				----------				
228	INCOME	$/SF/yr			INCOME		$		
229	rent	6.060			new homes:		44,712,000		
230	-vacancies	-0.455			total:			44,712,000	
231	other incom	0.130							
232	total		5.736		EXPENSES				
233					base bldg:		16,560,000		
234	EXPENSE				improvmt:		5,520,000		
235	administr.	0.580			total:			22,080,000	
236	utilities	0.880							
237	security	0.036			PROFIT			22,632,000	
238	grounds	0.143							
239	maintenance	0.190							
240	paint	0.131							
241	r.e. tax	0.714							
242	insurance	0.119							
243	other	0.381							
244	total		3.174		----------				
245					Retail				
246	------NOI---	$2.56			----------				
247					INCOME	$/SF/yr			
248	DCR:	1.25			rent:	20.00			
249	debt serv. cap:		$2.05		-vacancies:	-1.50			
250	total debt service cap:		$486,685		total:	18.50			
251									
					EXPENSES				

	A	B	C	D	E	F	G	H	I	J
252	exit cap rat		0.090			op. exp.:	10.00			
253	capped value:			$28.46		r.e. tax:	1.40			
254	total cap value:			$6,759,514		total:	11.40			
255	total NOI/yr.:			$608,356						
256						-----NOI---	7.10			
257										
258						DCR:	1.10			
259						DS cap.:	6.45			
260						tot DS cap:		$322,727		
261										
262						exit cap:	0.09			
263						capped NOI:	78.89			
264						tot cap val:		$3,944,444		
265						total NOI/yr:		$355,000		
266										
267										
268						Permanent				
269						Debt Service				
270	Component	Tot Value	Alloc Cost	Val/Cost		Capacity				
271	----------	----------	----------	----------		----------				
272	OFFICE	51,960,000	48,397,228	1.074		4,251,273				
273	HOTEL	40,427,400	17,423,002	2.320		2,910,773				
274	APARTMENTS	6,759,514	17,241,512	0.392		486,685				
275	RESIDENTIAL	22,632,000	35,620,360	0.635		0				
276	RETAIL	3,944,444	3,629,792	1.087		322,727				
277	----------	----------	----------	----------		----------				
278	totals	125,723,358	122,311,894	1.028		7,971,458				
279										
280										
281	TOTAL COST w/SALES:		$122,311,894			TOTAL VALUE w/SALES:			$125,723,358	
282	PERMANENT FINANCING:		$79,714,578			TOTAL DEVELOPT COST:			$122,311,894	
283			----------						----------	
284	EQUITY REQUIRED:		$42,597,316			PROFIT:			$3,411,464	
285	-LAND PURCHASE:		($750,000)			(residual)				
286	-RESIDENT PROFIT:		($22,632,000)							
287	----------		----------			Loan/Value:	0.65			
288	NEW CASH REQ'D:		$19,215,316							
289										
290	======ROE=============>		8.0%							
291			(no time units)					Deprec. Schedule:	31.5 year SL	
292								Tot. Dev. Budget:	$122,311,894	
293								Less Land Value:	($750,000)	
294									----------	
295	Amoritization Schedule:		30 yr. term					Depreciable base:	$121,561,894	
296	Annual Payment:		$8,456,063					Annual deduction:	$3,859,108	
297										
298	Year	Payment	Interest	Principal	Balance	Year	Old Base	Deprec.	Book Value	
299	----------	----------	----------	----------	----------	----------	----------	----------	----------	
300	0	0	0	0	79,714,578	0	0	0	121,561,894	
301	1	8,456,063	7,971,458	484,605	79,229,973	1	121,561,894	(3,859,108)	117,702,787	

A	B	C	D	E	F	G	H	I	J
302	2	8,456,063	7,922,997	533,065	78,696,908	2	117,702,787	(3,859,108)	113,843,679
303	3	8,456,063	7,869,691	586,372	78,110,536	3	113,843,679	(3,859,108)	109,984,571
304	4	8,456,063	7,811,054	645,009	77,465,528	4	109,984,571	(3,859,108)	106,125,463
305	5	8,456,063	7,746,553	709,510	76,756,018	5	106,125,463	(3,859,108)	102,266,355
306	6	8,456,063	7,675,602	780,461	75,975,557	6	102,266,355	(3,859,108)	98,407,248
307	7	8,456,063	7,597,556	858,507	75,117,050	7	98,407,248	(3,859,108)	94,548,140
308	8	8,456,063	7,511,705	944,357	74,172,693	8	94,548,140	(3,859,108)	90,689,032
309	9	8,456,063	7,417,269	1,038,793	73,133,900	9	90,689,032	(3,859,108)	86,829,924
310	10	8,456,063	7,313,390	1,142,673	71,991,227	10	86,829,924	(3,859,108)	82,970,817
311	11	8,456,063	7,199,123	1,256,940	70,734,287	11	82,970,817	(3,859,108)	79,111,709
312	12	8,456,063	7,073,429	1,382,634	69,351,653	12	79,111,709	(3,859,108)	75,252,601
313	13	8,456,063	6,935,165	1,520,897	67,830,756	13	75,252,601	(3,859,108)	71,393,493
314	14	8,456,063	6,783,076	1,672,987	66,157,769	14	71,393,493	(3,859,108)	67,534,386
315	15	8,456,063	6,615,777	1,840,286	64,317,484	15	67,534,386	(3,859,108)	63,675,278
316	16	8,456,063	6,431,748	2,024,314	62,293,170	16	63,675,278	(3,859,108)	59,816,170
317	17	8,456,063	6,229,317	2,226,746	60,066,424	17	59,816,170	(3,859,108)	55,957,062
318	18	8,456,063	6,006,642	2,449,420	57,617,004	18	55,957,062	(3,859,108)	52,097,955
319	19	8,456,063	5,761,700	2,694,362	54,922,642	19	52,097,955	(3,859,108)	48,238,847
320	20	8,456,063	5,492,264	2,963,798	51,958,844	20	48,238,847	(3,859,108)	44,379,739
321	21	8,456,063	5,195,884	3,260,178	48,698,665	21	44,379,739	(3,859,108)	40,520,631
322	22	8,456,063	4,869,867	3,586,196	45,112,469	22	40,520,631	(3,859,108)	36,661,524
323	23	8,456,063	4,511,247	3,944,816	41,167,654	23	36,661,524	(3,859,108)	32,802,416
324	24	8,456,063	4,116,765	4,339,297	36,828,357	24	32,802,416	(3,859,108)	28,943,308
325	25	8,456,063	3,682,836	4,773,227	32,055,130	25	28,943,308	(3,859,108)	25,084,200
326	26	8,456,063	3,205,513	5,250,550	26,804,580	26	25,084,200	(3,859,108)	21,225,093
327	27	8,456,063	2,680,458	5,775,604	21,028,976	27	21,225,093	(3,859,108)	17,365,985
328	28	8,456,063	2,102,898	6,353,165	14,675,811	28	17,365,985	(3,859,108)	13,506,877
329	29	8,456,063	1,467,581	6,988,481	7,687,330	29	13,506,877	(3,859,108)	9,647,769
330	30	8,456,063	768,733	7,687,330	0	30	9,647,769	(3,859,108)	5,788,662
331						31	5,788,662	(3,859,108)	1,929,554
332									

333				Taxable	Tax	
334	Year	NOI	CFBT	Income	Effect	CFAT
335	---	---	---	---	---	---
336	0					(42,597,316)
337	1	9,278,222	822,160	(2,552,343)	842,273	1,664,433
338	2	9,463,787	1,007,724	(2,318,318)	765,045	1,772,769
339	3	9,653,062	1,197,000	(2,075,736)	684,993	1,881,993
340	4	9,846,124	1,390,061	(1,824,038)	601,932	1,991,994
341	5	10,043,046	1,586,984	(1,562,614)	515,663	2,102,646
342	6	10,243,907	1,787,845	(1,290,802)	425,965	2,213,809
343	7	10,448,785	1,992,723	(1,007,878)	332,600	2,325,323
344	8	10,657,761	2,201,698	(713,052)	235,307	2,437,006
345	9	10,870,916	2,414,854	(405,461)	133,802	2,548,656
346	10	11,088,334	2,632,272	(84,163)	27,774	35,667,530
347						

348 sale proceeds: (assumes yr.10 reversion)
349 capitalized total NOI: 123,203,716
350 less book value: (82,970,817)
351 capital gain: 40,232,900

	capital gain taxes:	(13,276,857)
	outstand principal:	(71,991,227)
	transactions costs:	(4,928,149)
net proceeds aftertax:		$33,007,484

PROJECT SUMMARY

total develop budget:	$122,311,894
total equity requird:	$42,597,316
total new cash req'd:	$19,215,316
NPV:	($17,126,959)
IRR:	3.05%

**********CAUTION: tables immediately below do not auto-update w/changed assumptions******CAUTION*****

NOI growth rate	NPV	IRR	Project Sale Price	initial lease	NPV	IRR	Project Sale Price
2.00	(17,126,959)	3.05%	123,203,716	18	(17,126,959)	3.05%	123,203,716
0.00	(25,000,596)	-2.05%	103,091,358	13	(29,407,592)	-0.17%	105,954,547
1.00	(21,196,662)	0.67%	112,749,500	14	(26,951,466)	0.40%	109,404,381
2.00	(17,126,959)	3.05%	123,203,716	15	(24,495,339)	1.01%	112,854,215
3.00	(12,774,023)	5.18%	134,510,840	16	(22,039,212)	1.65%	116,304,048
4.00	(8,119,383)	7.14%	146,731,148	17	(19,583,086)	2.32%	119,753,882
5.00	(3,143,513)	8.96%	159,928,533	18	(17,126,959)	3.05%	123,203,716
6.00	2,174,222	10.67%	174,170,681	19	(14,670,832)	3.82%	126,653,550
7.00	7,855,613	12.30%	189,529,257	20	(12,214,706)	4.65%	130,103,384
8.00	13,923,669	13.85%	206,080,102	21	(9,758,579)	5.54%	133,553,218
9.00	20,402,665	15.34%	223,903,428	22	(7,302,452)	6.51%	137,003,052

****

TRAFFIC REPORT for CAPITAL PLAN:

ITE (Instit. of Traffic Engineers) Trip Generation Report
ref. ITE 4th ed.

source	independent variable (X)	quantity (X)	ln(X)	dependent variable ln(f(X)) AM	dependent variabl ln(f(X) PM	AM peak trips per hour	PM peak trips per hour	
office	1000SF GLA	600	6.3969	6.8414	6.7695	936	871	
hotel	# rooms	400	5.9915	5.7463	5.6389	313	281	
retail	1000SF GLA	50	3.9120	4.7472	6.0743	115	435	<=see notes
apartments	# units	250	N/A	N/A	N/A	129	157	
res-SFU	# units	230	5.4381	5.1487	5.4718	172	238	<=see notes

```
A      B          C          D          E          F       G       H          I          J
notes: hotel peaks general occur at traditional non-peak hours
       coef. deter. (R sq.) values .8 to .9 for regression results
       apartment figures for low-rise walk-ups
       N/A: apartment trip generation is non-ln based
       EXP(ln(x))=1
       ERR indicates division by 0 (OK)


RISK MANAGEMENT:  PROJECT NPV ($) at          10 %

   office
 effective
    rent               hotel occupancy rate (year average)
-----------------------------------------------------------------------------------------------------------
+D363              0.2         0.3         0.4       0.5    0.5         0.6         0.7         0.8
        10 (60,048,836) (54,877,089) (49,705,341) -4.45E+07 -4E+07 (39,361,846) (34,190,099) (29,018,351)
        11 (57,592,709) (52,420,962) (47,249,214) -4.21E+07 -4E+07 (36,905,719) (31,733,972) (26,562,224)
        12 (55,136,583) (49,964,835) (44,793,088) -3.96E+07 -4E+07 (34,449,593) (29,277,845) (24,106,098)
        13 (52,680,456) (47,508,709) (42,336,961) -3.72E+07 -4E+07 (31,993,466) (26,821,719) (21,649,971)
        14 (50,224,329) (45,052,582) (39,880,834) -3.47E+07 -3E+07 (29,537,339) (24,365,592) (19,193,844)
        15 (47,768,203) (42,596,455) (37,424,708) -3.23E+07 -3E+07 (27,081,213) (21,909,465) (16,737,718)
        16 (45,312,076) (40,140,329) (34,968,581) -2.98E+07 -3E+07 (24,625,086) (19,453,339) (14,281,591)
        17 (42,855,949) (37,684,202) (32,512,454) -2.73E+07 -3E+07 (22,168,959) (16,997,212) (11,825,464)
        18 (40,399,823) (35,228,075) (30,056,328) -2.49E+07 -2E+07 (19,712,833) (14,541,085)  (9,369,338)
        19 (37,943,696) (32,771,949) (27,600,201) -2.24E+07 -2E+07 (17,256,706) (12,084,958)  (6,913,211)
        20 (35,487,569) (30,315,822) (25,144,074) -2.00E+07 -2E+07 (14,800,579)  (9,628,832)  (4,457,084)
        21 (33,031,443) (27,859,695) (22,687,948) -1.75E+07 -2E+07 (12,344,453)  (7,172,705)  (2,000,958)
variable 1: effective rent (C65)
variable 2: occupancy rate (F66)

       *** intentional width control adjustment--interpolate for value
```

INDEX

FINANCIAL ANALYSIS: APPENDIX H5

OPTION: BUILD-OUT

Capital Cost and Operational Performance
KODAK-Henrietta Corporate Campus
Town of Henrietta, Rochester, NY

A	B	C	D	E	F	G	H	I	J
2	A.F. Rice	KODAK-Henrietta Site Feasibility Study				CONCEPTUAL-GRADE CAPITAL ESTIMATE			
3	OPTION: BUILD-OUT								
4	---								
5	ASSUMPTIONS	HARD COSTS:							
6	---								
7	land:	600	acres			BUILDINGS (w/o soft $)			
8		5,000	$/acre average			conm.:	2,300,000	total SF	
9	open space:	50	% landscaped				2	floors	
10		0.15	FAR				40	$/SF base bldg.	
11		10,000	$/acre landscaping average				10	$/SF interiors	
12		50,000	$ signage allowance			hotel:	400	total rooms	
13		10	% site pre-fenced				3	floors	
14	fencing:	20,000	lineal feet				450	SF/room aver.	
15		10	$/LF				50	$/SF base bldg.	
16	parking:	300	office SF/space				10	$/SF interiors	
17		2.5	spaces/dwelling unit			retail:	225,000	total SF	
18		350	total SF/space				1	floors	
19	access road	30	feet wide				35	$/SF base bldg.	
20		40,000	feet total length				10	$/SF interiors	
21		2.5	$/SF road cost			apart.	500	total units	
22		20	% road w/granite curbing				950	SF/unit aver.	
23		30	$/LF granite curb				2	# floors	
24		200	LF/lightpole				35	$/SF base bldg.	
25		25,000	SF/lightpole (lots)				10	$/SF improve.	
26		3,000	$/lightpole			SFU:	1290	# units	
27	erosion con	100,000	$ allowance				2	floors	
28	clear/grub:	3,000	$/acre site				2400	SF/unit aver.	
29	topsoil:	0.50	feet deep				30	$/SF aver. base	
30		3	$/cu yd stockpile				10	$/SF improve.	
31	site cut/fi	50,000	cubic yards total			health	10,000	SF	
32		5	$/cu yd (aver.)				35	$/SF	
33	excavate/fi	10	$/cu yd (u/g util.)			TRAFFIC			
34	sanitary sy	40,000	lineal feet			signals	10	# intersections	
35		10	$/LF (PVC)				50,000	$/intersection	
36	water syste	40,000	lineal feet			turn	12	# required	
37		15	$/LF (DIP)			lanes:	20,000	$/lane aver.	
38		200	# hydrants			roads:	1,800,000	$ 18-hole golf-course	
39		2,000	$/hydrant installed			---			
40	elec/tel/al	0	lineal feet (by RGE)			SOFT COSTS (development phase):			
41		3	$/LF			---			
42	ductbank:	0	lineal feet (by RGE)			financ:	10.5	% interest rate	
43		100	$/LF w/conc encase			(const)	40	% aver outstd bal.	
44	sidewalks:	70,000	feet total length				24	mos. to takeout	
45		5	feet wide				1.0	% orig. fee	
46		4	$/SF sidewalk			(perm):	10	% includes fee	
47	bike paths:	15,000	feet total length				30	yr. term	
48		8	feet wide			taxes:	2	% of total cost ($/yr)	
49		2	$/SF bike path			linkage	0	$ lump sum	
50	tennis cour	4	total number			lease:	0.5	% TIC	
51		10,000	$/court			A/E:	6	% hard costs	

A	B	C	D	E	F	G	H	I	J
52	swimming po	100,000	$ lump sum			legal:		3 % hard costs	
53	health club	100,000	$ equipment allow.			market:		2 % hard costs	
54	contingency	5	% of hard-costs			insur.:		1 % hard costs	
55						fees:		3 % hard costs	
56						(developer)			
57									
58									
59									
60									
61	---								
62	ASSUMPTIONS: OPERATING DATA and DEBT CAPACITIES								
63	---								
64	OFFICE			HOTEL					
65	effective r	$18.00		room rate:	$90.00				
66	debt covera	1.10		occupancy:	0.65				
67	exit cap:	0.09		rack rate:	$58.50				
68				debt cover:	1.25				
69									
70									
71									
72									
73									
74	APARTMENTS			RETAIL					
75	effect rent	8.20		effect. rent:	20.00				
76	vacancy rat	0.08		vacancy rate:	0.08				
77	debt cover:	1.25		debt cover.:	1.10				
78	exit cap:	0.09		exit cap:	0.09				
79				expenses:	10.00				
80				r.e. tax:	1.40				
81									
82									
83									
84	RESIDENTIAL								
85	sales $/SF:	100.00							
86	% sold:	0.90							
87	DCR:	for sale units only				cost of capital:		10 % after tax	
88						transactions costs:		4 % in yr.10	
89	compos. NOI growth rate:		2 %/yr.			combined tax rate:		33 % (state+fed)	
90	---								
91	CAPITAL COST ESTIMATE	$$$	$$$						
92	---								
93									
94	LAND			$3,000,000					
95									
96									
97	SITE			$2,770,000					
98	clear and grub		900,000			50% cleared previously			
99	remove/stock topsoil		1,450,000			6-inches over entire site			
100	erosion protection		100,000			allowance (regrade, hay, etc..)			
101	cut and fills		250,000			needs checking			

A	B	C	D	E	F	G	H	I	J
102	perimeter fencing		20,000		50% site already enclosed				
103	signage		50,000		allowance				
104									
105									
106	LANDSCAPING			$4,000,000					
107									
108									
109	ACCESS ROADS			$5,480,000					
110	roadways		3,000,000						
111	curbing		480,000						
112	lighting		600,000						
113	sidewalks		1,400,000						
114									
115									
116	PARKING			$12,402,425					
117	at-grade open lot		11,834,375						
118	lighting		568,050						
119									
120									
121	UTILITIES			$2,200,000					
122	sanitary sewer		800,000						
123	water supply		1,000,000						
124	hydrants		400,000						
125	elec/tel/alarm		0						
126	ductbank		0						
127									
128									
129	BUILDINGS			$281,490,000		cost allocation:			
130	commercial base		92,000,000						
131	commercial improve.		23,000,000			comm.:	40.9%		$174,695,291
132	hotel base		9,000,000						
133	hotel FF&E		1,800,000			hotel:	3.8%		$16,406,166
134	retail base		7,875,000						
135	retail improvements		2,250,000			retail:	3.6%		$15,380,781
136	multi-family base		16,625,000						
137	multi-family FF&E		4,750,000			apart.:	7.6%		$32,470,538
138	residential base		92,880,000						
139	residential improve		30,960,000			SFU:	44.0%		$188,124,042
140	health club		350,000				---		---
141							100.00%		$427,076,817
142	AMENITIES			$480,000					
143	bike/jog paths		240,000						
144	tennis courts		40,000						
145	swimming pool		100,000						
146	health club		100,000						
147									
148									
149	TRAFFIC IMPROVEMENTS			$2,540,000	(includes $1.8MM golf)				
150	signals		500,000						
151	turning lanes		240,000						

A	B	C	D	E	F	G	H	I	J
152	roadways		1,800,000						
153									
154									
155	SUB-TOTAL HARD COSTS			$314,362,425					
156	CONTINGENCY			$15,718,121					
157	TOTAL HARD COSTS			$330,080,546					
158									
159									
160	SOFT COSTS			$49,512,082					
161	architect/engineer		19,804,833						
162	legal services		9,902,416						
163	marketing		6,601,611						
164	insurance (dev. phase)		3,300,805						
165	developer fee		9,902,416						
166	linkage payment		0						
167									
168							SUMMARY		
169							land:	3,000,000	
170	SUB-TOTAL HARD and SOFT COSTS:			$379,592,628			site improv:	29,872,425	
171				----------			buildings:	281,490,000	
172	PROP. TAXES (dev phase):		7,591,853				soft costs:	96,996,271	
173	LEASING COMMISSIONS:		1,897,963				contingency:	15,718,121	
174	SUB-TOTAL DEVELOPMENT COSTS:			$389,082,444				----------	
175				----------			TOTAL:	427,076,817	
176	CONSTRUCT LOAN PRINCIPAL		386,082,444						
177	CONSTRUCT LOAN INTEREST:		34,133,549						
178	CONSTRUCT LOAN FEE:		3,860,824						
179	TOTAL DEVELOPMENT BUDGET:			$427,076,817					
180				----------					
181	CALCULATIONS:								
182	required parking:		13,525	spaces					
183	paved area:		9,654,250	SF		221.9 acres			
184	SFU sales price:		$240,000						
185									
186	ANALYSIS of OPERATIONAL PERFORMANCE and DEBT CAPACITY:								
187	ref: IREM 1986 p.52, and RCMoyer (Kodak)				ref: Harris, Kerr, Foster, and Co., TRENDS, 1979, p.4				
188	----------				----------				
189		Office					Hotel		
190	----------				----------				
191	INCOME	% effec rent	$/SF/yr		INCOME	x rack	$/room/nite	$/SF/yr	
192	office	1.000	18.00		rack	1.000	58.50	47.4500	
193	retail	0.000	0.00		food	0.445	26.03	21.1153	
194	parking	0.000	0.00		beverage	0.177	10.35	8.3987	
195	other	0.090	1.62		telephone	0.045	2.63	2.1353	
196	vacant/bad	-0.050	-0.90		other	0.076	4.45	3.6062	
197	total	1.040	18.72		total	1.743	$101.97	$82.71	
198									
199	EXPENSE				EXPENSE				
200	utilities	0.290	5.22		room	0.263	15.39	12.4794	
201	jan./clean	0.059	1.06		f&b	0.488	28.55	23.1556	

A	B	C	D	E	F	G	H	I	J
202	maintenanc	0.074	1.33		telephone	0.059	3.45	2.7996	
203	administr.	0.084	1.51		other	0.026	1.52	1.2337	
204	grounds	0.020	0.36		admin/gen	0.135	7.90	6.4058	
205	r.e. taxes	0.080	1.44		management	0.036	2.11	1.7082	
206	total	0.607	10.93		marketing	0.062	3.63	2.9419	
207					franchise$	0.005	0.29	0.2373	
208	------NOI--	0.433	$7.79		entertain	0.002	0.12	0.0949	
209					prop.manage	0.099	5.79	4.6976	
210	DCR:	1.1			utilities	0.076	4.45	3.6062	
211	debt serv. cap:		$7.09		prop. tax	0.059	3.45	2.7996	
212	total debt service cap:		$16,296,545		insurance	0.007	0.41	0.3322	
213					total	1.317	$77.04	$62.49	
214	exit cap ra	0.090							
215	capped value:		$86.60		-----NOI----		$24.92	$20.21	
216	total cap value:		$199,180,000						
217	total NOI/yr:		$17,926,200		debt cover:	1.25			
218					debt capac.:		$19.94		
219					total DS cap:		$2,910,773		
220									
221					exit cap :	0.09			
222					capped value:		276.9	$224.60	
223					total value:		$40,427,400		
224	ref: IREM 1986, p.169.				total NOI/yr:		$3,638,466		
225	----------				----------				
226	Apartments				Residential				
227	----------				----------				
228	INCOME	$/SF/yr			INCOME		$		
229	rent	8.200			new homes:		278,640,000		
230	-vacancies	-0.615			total:			278,640,000	
231	other inco	0.130							
232	total		7.715		EXPENSES				
233					base bldg:		92,880,000		
234	EXPENSE				improvmt:		30,960,000		
235	administr.	0.580			total:			123,840,000	
236	utilities	0.880							
237	security	0.036			PROFIT			154,800,000	
238	grounds	0.143							
239	maintenanc	0.190							
240	paint	0.131							
241	r.e. tax	0.714							
242	insurance	0.119							
243	other	0.381							
244	total		3.174						
245									
246	------NOI--	$4.54							
247									
248	DCR:	1.25							
249	debt serv. cap:		$3.63						
250	total debt service cap:		$1,725,580						
251									

Retail

INCOME	$/SF/yr	
rent:	20.00	
-vacancies:	-1.50	
total:	18.50	
EXPENSES		

	A	B	C	D	E	F	G	H	I	J
252		exit cap ra	0.090			op. exp.:	10.00			
253		capped value:		$50.46		r.e. tax:	1.40			
254		total cap value:		$23,966,389		total:	11.40			
255		total NOI/yr.:		$2,156,975						
256						-----NOI---	7.10			
257										
258						DCR:	1.10			
259						DS cap.:	6.45			
260						tot DS cap:		$1,452,273		
261										
262						exit cap:	0.09			
263						capped NOI:	78.89			
264						tot cap val:		$17,750,000		
265						total NOI/yr:		$1,597,500		
266										
267										
268						Permanent				
269						Debt Service				
270		Component	Tot Value	Alloc Cost	Val/Cost	Capacity				
271		----------	----------	----------	----------	----------				
272		OFFICE	199,180,000	174,695,291	1.140	16,296,545				
273		HOTEL	40,427,400	16,406,166	2.464	2,910,773				
274		APARTMENTS	23,966,389	32,470,538	0.738	1,725,580				
275		RESIDENTIAL	154,800,000	188,124,042	0.823	*sold*				
276		RETAIL	17,750,000	15,380,781	1.154	1,452,273				
277		----------	----------	----------	----------	----------				
278		totals	436,123,789	427,076,817	1.021	22,385,171				
279										
280										
281		TOTAL COST before SALES:		$427,076,817		TOTAL VALUE w/SALES:			$436,123,789	
282		PERMANENT FINANCING:		$223,851,710		TOTAL DEVELOPT COST:			$427,076,817	
283				----------					----------	
284		EQUITY REQUIRED:		$203,225,107		PROFIT:			$9,046,972	
285		-LAND VALUE:		($3,000,000)						
286		-RESIDENT PROFIT:		($154,800,000)						
287		----------		----------		Loan/Value:	0.52			
288		NEW CASH REQ'D:		$45,425,107						
289										
290		======ROE=========>		4.5%						
291				(no time units)			Deprec. Schedule:		31.5 year SL	
292							Tot. Dev. Budget:		$427,076,817	
293							Less Land Value:		($3,000,000)	
294									----------	
295		Amoritization Schedule:		30 yr. term			Depreciable base:		$424,076,817	
296		Annual Payment:		$23,746,021			Annual deduction:		$13,462,756	
297										
298		Year	Payment	Interest	Principal	Balance	Year	Old Base	Deprec.	Book Value
299		----------	----------	----------	----------	----------	----------	----------	----------	----------
300		0	0	0	0	223,851,710	0	0	0	424,076,817
301		1	23,746,021	22,385,171	1,360,850	222,490,860	1	424,076,817	(13,462,756)	410,614,061

A	B	C	D	E	F	G	H	I	J
302	2	23,746,021	22,249,086	1,496,935	220,993,925	2	410,614,061	(13,462,756)	397,151,305
303	3	23,746,021	22,099,392	1,646,629	219,347,296	3	397,151,305	(13,462,756)	383,688,549
304	4	23,746,021	21,934,730	1,811,292	217,536,004	4	383,688,549	(13,462,756)	370,225,793
305	5	23,746,021	21,753,600	1,992,421	215,543,584	5	370,225,793	(13,462,756)	356,763,037
306	6	23,746,021	21,554,358	2,191,663	213,351,921	6	356,763,037	(13,462,756)	343,300,281
307	7	23,746,021	21,335,192	2,410,829	210,941,092	7	343,300,281	(13,462,756)	329,837,524
308	8	23,746,021	21,094,109	2,651,912	208,289,180	8	329,837,524	(13,462,756)	316,374,768
309	9	23,746,021	20,828,918	2,917,103	205,372,077	9	316,374,768	(13,462,756)	302,912,012
310	10	23,746,021	20,537,208	3,208,813	202,163,264	10	302,912,012	(13,462,756)	289,449,256
311	11	23,746,021	20,216,326	3,529,695	198,633,569	11	289,449,256	(13,462,756)	275,986,500
312	12	23,746,021	19,863,357	3,882,664	194,750,905	12	275,986,500	(13,462,756)	262,523,744
313	13	23,746,021	19,475,090	4,270,931	190,479,974	13	262,523,744	(13,462,756)	249,060,988
314	14	23,746,021	19,047,997	4,698,024	185,781,950	14	249,060,988	(13,462,756)	235,598,232
315	15	23,746,021	18,578,195	5,167,826	180,614,124	15	235,598,232	(13,462,756)	222,135,476
316	16	23,746,021	18,061,412	5,684,609	174,929,516	16	222,135,476	(13,462,756)	208,672,720
317	17	23,746,021	17,492,952	6,253,070	168,676,446	17	208,672,720	(13,462,756)	195,209,963
318	18	23,746,021	16,867,645	6,878,376	161,798,070	18	195,209,963	(13,462,756)	181,747,207
319	19	23,746,021	16,179,807	7,566,214	154,231,856	19	181,747,207	(13,462,756)	168,284,451
320	20	23,746,021	15,423,186	8,322,836	145,909,020	20	168,284,451	(13,462,756)	154,821,695
321	21	23,746,021	14,590,902	9,155,119	136,753,901	21	154,821,695	(13,462,756)	141,358,939
322	22	23,746,021	13,675,390	10,070,631	126,683,270	22	141,358,939	(13,462,756)	127,896,183
323	23	23,746,021	12,668,327	11,077,694	115,605,576	23	127,896,183	(13,462,756)	114,433,427
324	24	23,746,021	11,560,558	12,185,464	103,420,112	24	114,433,427	(13,462,756)	100,970,671
325	25	23,746,021	10,342,011	13,404,010	90,016,103	25	100,970,671	(13,462,756)	87,507,915
326	26	23,746,021	9,001,610	14,744,411	75,271,692	26	87,507,915	(13,462,756)	74,045,159
327	27	23,746,021	7,527,169	16,218,852	59,052,840	27	74,045,159	(13,462,756)	60,582,402
328	28	23,746,021	5,905,284	17,840,737	41,212,103	28	60,582,402	(13,462,756)	47,119,646
329	29	23,746,021	4,121,210	19,624,811	21,587,292	29	47,119,646	(13,462,756)	33,656,890
330	30	23,746,021	2,158,729	21,587,292	0	30	33,656,890	(13,462,756)	20,194,134
331						31	20,194,134	(13,462,756)	6,731,378
332									

333				Taxable	Tax	
334	Year	NOI	CFBT	Income	Effect	CFAT
335	---	---	---	---	---	---
336	0					(203,225,107)
337	1	25,319,141	1,573,120	(10,528,786)	3,474,499	5,047,619
338	2	25,825,524	2,079,503	(9,886,318)	3,262,485	5,341,988
339	3	26,342,034	2,596,013	(9,220,114)	3,042,638	5,638,651
340	4	26,868,875	3,122,854	(8,528,611)	2,814,442	5,937,295
341	5	27,406,252	3,660,231	(7,810,104)	2,577,334	6,237,566
342	6	27,954,378	4,208,356	(7,062,737)	2,330,703	6,539,060
343	7	28,513,465	4,767,444	(6,284,483)	2,073,879	6,841,323
344	8	29,083,734	5,337,713	(5,473,131)	1,806,133	7,143,846
345	9	29,665,409	5,919,388	(4,626,265)	1,526,667	7,446,055
346	10	30,258,717	6,512,696	(3,741,247)	1,234,611	112,913,319
347						

348	sale proceeds: (assumes yr.10 reversion)	
349	capitalized total NOI:	336,207,969
350	less book value:	(289,449,256)
351	capital gain:	46,758,713

capital gain taxes:	(15,430,375)	
outstand principal:	(202,163,264)	
transactions costs:	(13,448,319)	
	---	
net proceeds aftertax:	$105,166,012	

PROJECT SUMMARY

total develop budget:	$427,076,817
total equity requird:	$203,225,107
total new cash req'd:	$45,425,107
NPV:	($124,831,511)
IRR:	-2.14%

**********CAUTION: tables immediately below do not auto-update w/changed assumptions******CAUTION*****

NOI growth rate	NPV	IRR	Project Sale Price	initial lease	NPV	IRR	Project Sale Price
2.00	(124,831,511)	-2.14%	336,207,969	18	(124,831,511)	-2.14%	336,207,969
0.00	(146,317,710)	-6.24%	281,323,789	13	(171,907,273)	-4.61%	270,086,153
1.00	(135,937,237)	-4.08%	307,679,685	14	(162,492,120)	-4.16%	283,310,517
2.00	(124,831,511)	-2.14%	336,207,969	15	(153,076,968)	-3.69%	296,534,880
3.00	(112,952,878)	-0.35%	367,063,736	16	(143,661,816)	-3.20%	309,759,243
4.00	(100,250,931)	1.32%	400,411,472	17	(134,246,664)	-2.68%	322,983,606
5.00	(86,672,386)	2.89%	436,425,532	18	(124,831,511)	-2.14%	336,207,969
6.00	(72,160,934)	4.38%	475,290,622	19	(115,416,359)	-1.56%	349,432,333
7.00	(56,657,107)	5.80%	517,202,311	20	(106,001,207)	-0.96%	362,656,696
8.00	(40,098,122)	7.17%	562,367,556	21	(96,586,054)	-0.32%	375,881,059
9.00	(22,417,728)	8.49%	611,005,246	22	(87,170,902)	0.35%	389,105,422

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TRAFFIC REPORT for CAPITAL PLAN:

ITE (Instit. of Traffic Engineers) Trip Generation Report
ref. ITE 4th ed.

source	independent variable (X)	quantity (X)	ln(X)	dependent variable ln(f(X)) AM	dependent variabl ln(f(X) PM	AM peak trips per hour	PM peak trips per hour	
office	1000SF GLA	2300	7.7407	7.9970	7.8848	2,972	2,656	
hotel	# rooms	400	5.9915	5.7463	5.6389	313	281	
retail	1000SF GLA	225	5.4161	5.6497	6.8564	284	950	<=see notes
apartments	# units	500	N/A	N/A	N/A	254	254	
res-SFU	# units	1290	7.1624	6.7178	7.0927	827	1,203	

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 A      B          C          D          E          F       G       H          I          J
402 notes: hotel peaks general occur at traditional non-peak hours
403        coef. deter. (R sq.) values .8 to .9 for regression results
404        apartment figures for low-rise walk-ups
405        N/A: apartment trip generation is non-ln based
406        EXP(ln(x))=1
407
408
409 RISK MANAGEMENT: NPV @            10 %
410
411  effective
412   office
413    rent                hotel occupancy (12-month average)
414 ----------------------------------------------------------------------------------------------------------------
415 +D363             0.2          0.3          0.4          0.5    0.6          0.7          0.8          0.9
416         10 (223,425,593)   -2.18E+08 (213,082,098)  -2.08E+08 -2E+08 (197,566,856)  -1.92E+08 (187,223,361)
417         11 (214,010,441)   -2.09E+08 (203,666,946)  -1.98E+08 -2E+08 (188,151,703)  -1.83E+08 (177,808,208)
418         12 (204,595,289)   -1.99E+08 (194,251,794)  -1.89E+08 -2E+08 (178,736,551)  -1.74E+08 (168,393,056)
419         13 (195,180,136)   -1.90E+08 (184,836,641)  -1.80E+08 -2E+08 (169,321,399)  -1.64E+08 (158,977,904)
420         14 (185,764,984)   -1.81E+08 (175,421,489)  -1.70E+08 -2E+08 (159,906,247)  -1.55E+08 (149,562,752)
421         15 (176,349,832)   -1.71E+08 (166,006,337)  -1.61E+08 -2E+08 (150,491,094)  -1.45E+08 (140,147,599)
422         16 (166,934,680)   -1.62E+08 (156,591,185)  -1.51E+08 -1E+08 (141,075,942)  -1.36E+08 (130,732,447)
423         17 (157,519,527)   -1.52E+08 (147,176,032)  -1.42E+08 -1E+08 (131,660,790)  -1.26E+08 (121,317,295)
424         18 (148,104,375)   -1.43E+08 (137,760,880)  -1.33E+08 -1E+08 (122,245,637)  -1.17E+08 (111,902,142)
425         19 (138,689,223)   -1.34E+08 (128,345,728)  -1.23E+08 -1E+08 (112,830,485)  -1.08E+08 (102,486,990)
426         20 (129,274,070)   -1.24E+08 (118,930,575)  -1.14E+08 -1E+08 (103,415,333)  -9.82E+07  (93,071,838)
427         21 (119,858,918)   -1.15E+08 (109,515,423)  -1.04E+08 -1E+08  (94,000,181)  -8.88E+07  (83,656,686)
428
429 note: formats alternated for easier reading
430
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