

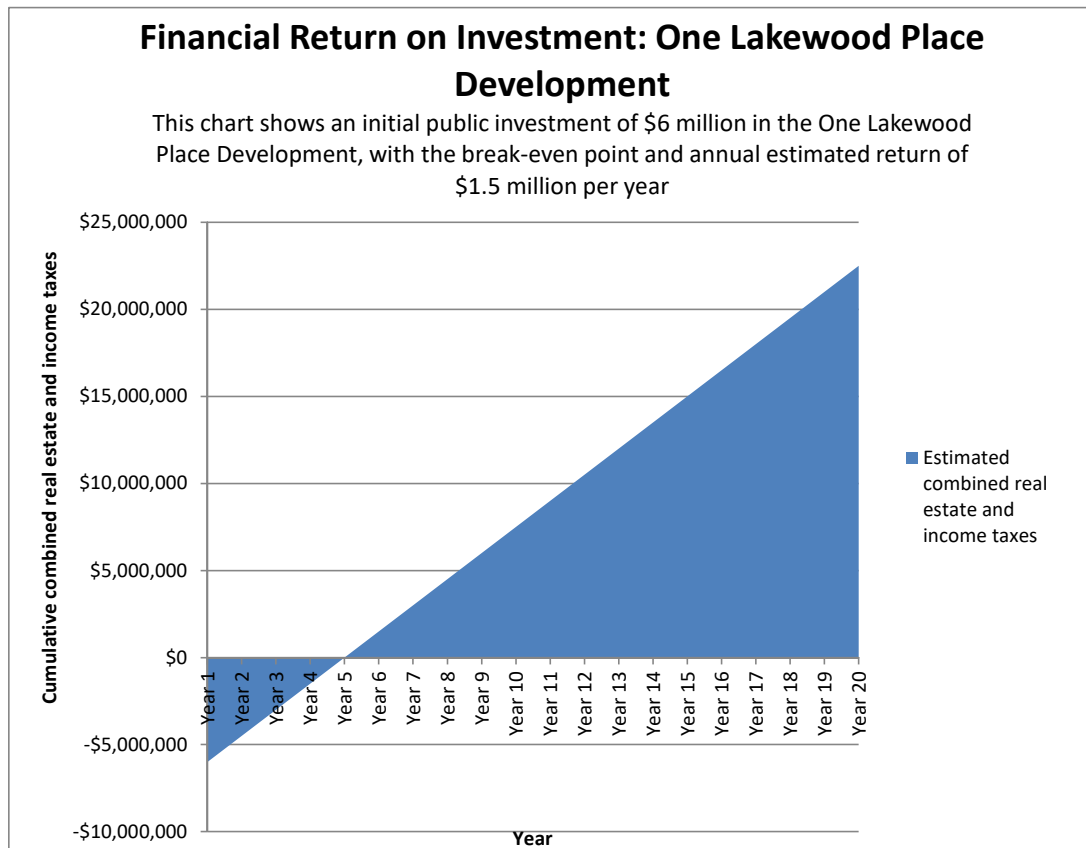
Public Return on Investment Estimates for One Lakewood Place April 2018

This spreadsheet is created to estimate the public return on investment (ROI) for the proposed One Lakewood Place Development. Final ROI will depend on the final square footage build out of each use and tenants that occupy the spaces

Carnegie Round 2 Assumptions (High)	
Annual Real Estate Taxes	\$ 1,652,281
Annual Income Taxes	\$ 622,800
Total Real Estate & Income Taxes	\$ 2,275,081

Carnegie Minimum Development Requirements Assumptions (Low)	
Annual Real Estate Taxes	\$ 1,040,979
Annual Income Taxes	\$ 393,811
Total Real Estate & Income Taxes	\$ 1,434,790

City Return on Investment		
Estimated value of the land	\$ 6,000,000	
Carnegie Round 2 Assumptions Pay Back (High)		3 Years
Carnegie Term Sheet Minimum Development Requirements Pay Back (Low)		4 Years



**Property Tax Estimates for One Lakewood Place
April 2018**

This spreadsheet is created to estimate property taxes for the proposed One Lakewood Place Development. The information in this spreadsheet relies on construction cost estimates and square footage components provided by the developer to the city. The spreadsheet utilizes construction costs by component to estimate real estate value once the project is complete. Final real estate taxes will depend on final square footage build out and Cuyahoga County assessments of the property. Only the Cuyahoga County Fiscal Officer can set value, and that will occur once the project is constructed. The first chart represents what Carnegie proposed in its Round 2 submission, and the second chart represents one option that could be constructed based on the minimum development requirements established in the term sheet.

Carnegie Round 2 Proposal											
Components	Sq Ft or Unit	Avg Sq Ft Per Unit	# of Units	Cost Per Sq Ft or Unit	Cost	County Tax Value Discount	Estimated Value at 60%	Tax Rate	Total Taxes to All Entities	City of Lakewood Share	
Garage	710			\$ 15,000.00	\$ 10,650,000.00	60%	\$ 6,390,000.00	4.372%	\$ 279,370.80	\$ 38,911.88	
Apartments	138,600	990	140	\$ 160.00	\$ 22,176,000.00	60%	\$ 13,305,600.00	4.372%	\$ 581,720.83	\$ 81,024.40	
Townhomes	45,900	1,530	30	\$ 180.00	\$ 8,262,000.00	60%	\$ 4,957,200.00	3.614%	\$ 179,153.21	\$ 24,953.18	
Retail	84,000			\$ 120.00	\$ 10,080,000.00	60%	\$ 6,048,000.00	4.372%	\$ 264,418.56	\$ 36,829.27	
Office	100,000			\$ 100.00	\$ 10,000,000.00	60%	\$ 6,000,000.00	4.372%	\$ 262,320.00	\$ 36,536.98	
Curtis Block	14,000			\$ 80.00	\$ 1,120,000.00	60%	\$ 672,000.00	4.372%	\$ 29,379.84	\$ 4,092.14	Taxes including Land
					\$ 62,288,000.00		\$ 37,372,800.00		\$ 1,596,363.24	\$ 222,347.86	\$ 1,652,281.12

Carnegie Minimum Development Requirements											
Components	Sq Ft or Unit	Avg Sq Ft Per Unit	# of Units	Cost Per Sq Ft or Unit	Cost	County Tax Value Discount	Estimated Value at 60%	Tax Rate	Total Taxes to All Entities	City of Lakewood Share	
Garage	500			\$ 15,000.00	\$ 7,500,000.00	60%	\$ 4,500,000.00	4.372%	\$ 196,740.00	\$ 27,402.73	
Apartments	100,000	990	101	\$ 160.00	\$ 16,000,000.00	60%	\$ 9,600,000.00	4.372%	\$ 419,712.00	\$ 58,459.17	
Townhomes	15,000	1,530	10	\$ 180.00	\$ 2,700,000.00	60%	\$ 1,620,000.00	3.614%	\$ 58,546.80	\$ 8,154.63	
Retail	35,000			\$ 120.00	\$ 4,200,000.00	60%	\$ 2,520,000.00	4.372%	\$ 110,174.40	\$ 15,345.53	
Office	65,000			\$ 100.00	\$ 6,500,000.00	60%	\$ 3,900,000.00	4.372%	\$ 170,508.00	\$ 23,749.04	
Curtis Block	14,000			\$ 80.00	\$ 1,120,000.00	60%	\$ 672,000.00	4.372%	\$ 29,379.84	\$ 4,092.14	Taxes including Land
					\$ 38,020,000.00		\$ 22,812,000.00		\$ 985,061.04	\$ 137,203.24	\$ 1,040,978.92

Land Value (pulled from Cuyahoga County)											
Parcel Number							Land Value	Tax Rate	Total taxes to all entities	City of Lakewood Share	Lakewood Percentage
314-07-017							\$ 168,600.00	4.372%	\$ 7,371.19	\$ 1,026.69	13.9284%
314-07-014							\$ 347,100.00	4.372%	\$ 15,175.21	\$ 2,113.66	13.9284%
314-07-008							\$ 648,200.00	4.372%	\$ 28,339.30	\$ 3,947.21	13.9284%
314-07-007							\$ 115,100.00	4.372%	\$ 5,032.17	\$ 700.90	13.9284%
							\$ 1,279,000.00		\$ 55,917.88	\$ 7,788.47	

Assumptions: Carnegie Round 2 Proposal

Townhomes: Carnegie Round 2 proposal envisioned 30-60 townhomes. 30 was used in this analysis to be conservative. Used an average of 1,530 sq ft per unit informed by Carnegie Round 2 proposal

Apartments: Carnegie Round 2 proposal was for 140 apartments or 138,600 sq ft. Used an average of 990 sq ft per unit to estimate informed by Carnegie Round 2 proposal

Land Value: Applied the land value from the County as of April 2018 and applied percentages

Cost Per Sq Ft comes from Carnegie's assumptions in the Round 2 proposal

Assumptions: Carnegie Term Sheet Minimum Development Requirements

Developer has minimum development requirements for each component

A minimum of 100,000 square feet of commercial office and retail is required

A minimum of 35,000 sq ft of the 100,000 must be office

A minimum of 25,000 sq ft of the 100,000 sq ft must be retail

Developer may convert up to 40,000 sq ft of the minimum combined office and retail space to residential

**Income Tax Estimates for One Lakewood Place
April 2018**

This spreadsheet is created to estimate income taxes for the proposed One Lakewood Place Development. Final income estate taxes will depend on the final square footage build out of each use and tenants that occupy the spaces.

Carnegie Round 2 Assumptions (HIGH)	
Apartment Units	140
People per Unit	1.25
Total Residents	175
Residents w/ 10% Vacancy Allowance	158
Avg Salary Assumed Per Unit	\$ 75,000
Townhome Units	30
Total Residents	38
Residents w/ 10% Vacancy Allowance	34
Avg Salary Assumed Per Unit	\$ 100,000
Office Square Feet	100,000
Employees per 150 Sq. Ft.	667
Total Employees w/ 10% Vacancy	600
Avg Salary Assumed Per Employee	\$ 50,000
Retail Square Feet (included Curtis Block)	84,000
Employees per 750 Sq. Ft.	112
Residents w/ 10% Vacancy Allowance	101
Avg Salary Assumed Per Employee	\$ 25,000

Carnegie Minimum Development Requirements Assumptions (LOW)	
Apartment Units	101
People per Unit	1.25
Total Residents	126
Residents w/ 10% Vacancy Allowance	114
Avg Salary Assumed Per Unit	\$ 75,000
Townhome Units	10
Total Residents	12
Residents w/ 10% Vacancy Allowance	11
Avg Salary Assumed Per Unit	\$ 100,000
Office Square Feet	65,000
Employees per 150 Sq. Ft.	433
Total Employees w/ 10% Vacancy	390
Avg Salary Assumed Per Employee	\$ 50,000
Retail Square Feet (included Curtis Block)	35,000
Employees per 750 Sq. Ft.	47
Residents w/ 10% Vacancy Allowance	42
Avg Salary Assumed Per Employee	\$ 25,000

Assumptions
 Low end estimates represent the financial analysis under one option of the minimum development requirements outlined in the term sheet.
 High end estimates represent the financial analysis per the Round 2 proposal submitted by Carnegie.
 The City of Lakewood's tax rate is 1.5%, with an allowable credit of up to .5% for a tax withheld for other localities by the employer. An assumption of 1% was utilized for all residential uses to make the conservative estimate that all residents work outside of the city. 1.5% is assumed for office and retail uses.
 Minimum residential requirement is 140 units or 100,000 sq ft. Utilized 100,000 sq ft and avg size of unit of 990 to get to 101 units
 Salaries assumed per unit for residential uses and per employee for office and retail uses

	Residents/Employees	HIGH END ESTIMATE FOR INCOME TAX				
		Assumed Salary	Total Income	Tax Rate	Income Tax Revenue	
Apartment Units	140	\$ 75,000.00	\$ 10,500,000.00	1.0%	\$ 105,000.00	
Townhome Units	30	\$ 100,000.00	\$ 3,000,000.00	1.0%	\$ 30,000.00	
Office Employees	600	\$ 50,000.00	\$ 30,000,000.00	1.5%	\$ 450,000.00	
Retail Employees	101	\$ 25,000.00	\$ 2,520,000.00	1.5%	\$ 37,800.00	
				\$	622,800.00	

	Residents/Employees	LOW END ESTIMATE FOR INCOME TAX				
		Assumed Salary	Total Income	Tax Rate	Income Tax Revenue	
Apartment Units	101	\$ 75,000.00	\$ 7,575,757.58	1.0%	\$ 75,757.58	
Townhome Units	10	\$ 100,000.00	\$ 980,392.16	1.0%	\$ 9,803.92	
Office Employees	390	\$ 50,000.00	\$ 19,500,000.00	1.5%	\$ 292,500.00	
Retail Employees	42	\$ 25,000.00	\$ 1,050,000.00	1.5%	\$ 15,750.00	
				\$	393,811.50	