

Block 7 Development and Recommendations





Building Statistics

Use	Unit SF	Number of Units	GSF
Commerical	2,500	2	8,600
Multi Family Residential	1,100	109	120,000
Live Work Spaces	1,200	10	12,000
Parking	350	103	36,000
Total Building SF.			176,600

Parking Requirement	Parking Exemption	Parking Provided
34	15%	29
109	15%	93
10	15%	9
Total Parking		103
Onstreet Parking Available		36

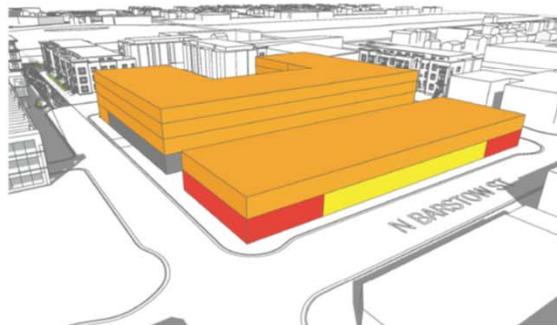
Project Details	Parking Difference
Total Project Cost:	\$23,215,780
Parking Garage:	\$1,236,000 @\$12,000 per space

Project Valuation

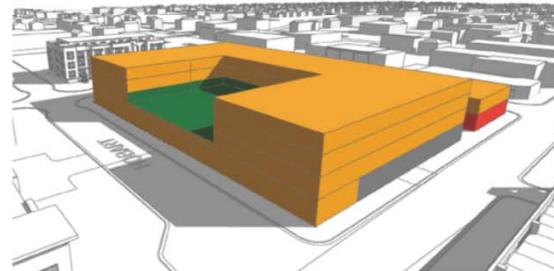
Estimated Value at Stabilization:	\$18,730,864
Estimated Tax Increment/Lifetime:	\$4,931,487

Parking

Leased Spaces:	103
Estimated Annual Parking Revenue	\$51,500 @\$500/space



North Barstow St. and Galloway Street



Galloway St. and Hobart Street



North Barstow Street and Wisconsin Street

BLOCK 7 - EAU CLAIRE, WI | OPTION 4

Ayres Associates Inc | 3433 Oakwood Hills Parkway, Eau Claire, WI 54701 | 1 608.443.1200 | www.ayresassociates.com | # 52.0000



Building Statistics

Use	Unit SF	Number of Units	GSF
Commerical	2,500	2	8,600
Multi Family Residential	1,100	115	126,500
Live Work Spaces	1,200	10	12,000
Parking	350	103	36,000
Total Building SF.			183,100

Parking Requirement	Parking Exemption	Parking Provided
34	15%	29
115	15%	98
10	15%	9
Total Parking		103
Onstreet Parking Available		36

Project Details

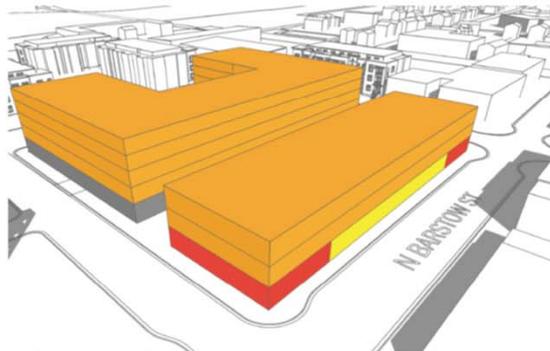
Parking Difference		
Total Project Cost:		\$29,714,030
Parking Garage:		\$1,236,000 @ \$12,000 per space

Project Valuation

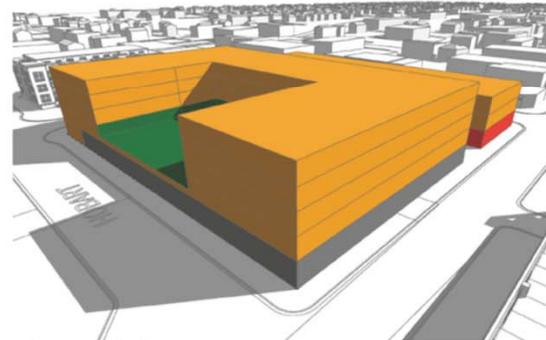
Estimated Value at Stabilization:	\$19,290,857
Estimated Tax Increment/Lifetime:	\$5,078,922

Parking

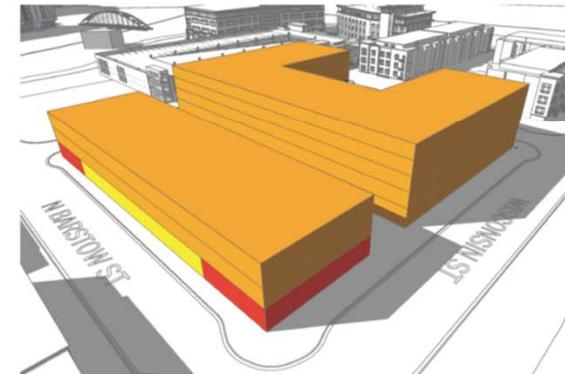
Leased Spaces:	103
Estimated Annual Parking Revenue	\$51,500 @ \$500/space



North Barstow St. and Galloway Street



Galloway St. and Hobart Street



North Barstow Street and Wisconsin Street

BLOCK 7 - EAU CLAIRE, WI | OPTION 5

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Recommendations include the following elements:

- Approximately 200,000 sf of space
 - Minimum 150 residential units
 - Approximately 5,000 sf of commercial space—smaller flexible spaces
 - Structured parking reserved for building use
 - 2 separate buildings with pedestrian focused alley between and allows for phased development for flexibility
 - Live/Work units along Barstow to provide an active façade
 - Recommendations based on comparable urban-style residential units recently brought online, include dedicated parking and tenant amenities







Using a revenue model to determine project valuation, and with a 7% market capitalization rate, we estimate a valuation of \$25,043,040 at project stabilization

- Construction estimate based on approximately \$160,000/residential unit

Recommendations on Next Steps

Our team reviewed several scenarios, and with the current construction pricing and lower demand for commercial space, each had significant project gaps remaining, which suggests a need for tax increment to support the project.

Even at a valuation of \$25 million, the total estimated construction costs were roughly \$31.5 million — a significant development gap. Considering our cost and revenue assumptions are generally conservative, an experienced developer with strong knowledge of local contractors should be able to find cost savings and bridge most of that gap, but some Tax Increment will likely need to be brought to the table.

While the analysis shows a development gap, this excludes any additional equity investment that a developer can bring to the table from the residual cash flow. As part of our review, we are recommending the following:

1. Providing maximum flexibility by allowing for the project to be split into two phases and encourage Live/Work units in place of straight commercial space.
2. Provide clear guidance on parking requirements. The project assumes a parking ratio of roughly .7 spaces per bedroom. The current requirements call for one space per bedroom, which places significant upward pressure on parking.
3. Be flexible on the design but negotiate for additional avenues for revenue based on the public contributions. This may include a receipt of a share of the sale proceeds with any future sale, additional landscaping and other design elements in the public rights-of-way, and/or structure a repayment for the contribution of the land as equity into the project.

Total Development Cost Budget Worksheet		
Block 7, Eau Claire, WI		8/11/2020
		Prepared by: Ayres
Acquisition		\$0
Land		
Building		
Title Insurance		
Closing + Recording Costs		
Hard Costs		\$22,698,000
Intervention		
Subcontractors' Costs		
General Contractor's Costs	\$21,186,000	
General Contractor's Overhead	\$1,512,000	
Permits		
Insurance		
Payment Bond		
Performance Bond		
General Contractor Profit	\$0	
Soft Costs		\$8,852,220
Professional Fees	\$3,404,700	
Architecture and Engineering Fees		
Surveyor		
Environmental Consultant		
Attorney		
Accountant		
Appraiser		
Marketing Research		
Developer Fees	\$1,588,860	
Developer's Consultant		
Owner's Representative/Project Manager		
Financing Fees	\$453,960	
Title Insurance		
Loan Origination + Bank Fees		
Closing + Recording Fees		
Real Estate Taxes		
Interest Expense		
Other Fees	\$0	
Broker		
Lease-Up		
Marketing		
Contingency	\$3,404,700	
Replacement Reserve		
Operating Reserve		
Total Development Costs (TDCs)		\$31,550,220