

Ardmore Substation Site Selction Matrix

3/19/2008

Site	City	Scrut	Size (SF)	Willing Seller	\$/sq ft	Extra land	Enviro Impact	Go-Live by 2009?	Wall	UG t-line	Dist Costs (\$MM)	T-line Costs (\$MM)	Sub Costs (\$MM)	PSE Offer (\$MM)	Seller Counter (\$MM)	Pricing Delta (\$MM)	Deal (\$MM)	Ready Costs	Value Loss Costs	Total Prop Cost (\$MM)	Total Site Cost (\$MM)	Comments
Petrisor (2 offices)	BEL	Yes	54,000	Yes	\$161.85	No	No	Maybe	Yes	Pot Future	\$0.700	\$0.225	\$9.694	\$3.6	\$8.0	\$4.4	\$8.5	\$0.2	\$0.0	\$8.7	\$19.4	Initial offer \$3.6, Seller countered at \$8 million. Current offer if \$4.6 million. Likely neighborhood opposition.
Microsoft	RED	Yes	40,000	Yes	\$100.00	No	Yes	Maybe	No	Maybe	\$0.700	\$0.875	\$9.441				\$4.0	\$0.0	\$0.0	\$4.0	\$15.0	Tlines may be project killer
Ramon's Auto Detailing	RED	No	22,000	Yes	\$309.49	No	No	Yes	Yes	Pot Future	\$0.700	\$0.375	\$10.233	\$3.8	\$6.0	\$2.2	\$6.5	\$0.31	\$0.00	\$6.8	\$18.1	Offered \$3.6 million. Seller countered at \$6 million. Very expensive PSF but least costly overall.
Angelo's	BEL	No	192,100	Yes	\$104.11	Yes	Maybe	Yes	Yes	No	\$0.700	\$0.250	\$9.506	\$17 verbal	\$25 verbal	\$8.0	\$20.0	\$0.0	\$4.8	\$20.0	\$30.5	Recently acquired site. Developer anticipated higher FAR from rezone than is going to be the case. Might be possible to buy for a slight markup. Would have to create substation parcel and sell off balance at an impaired value.
Group Health	RED	No	933,030	No	\$82.51	No*	Yes	No	Yes	No	\$0.700	\$0.375	\$9.523		\$50 verbal		\$50.0	\$12.6	\$14.4	\$77.0	\$87.6	Either a buy and resell or a simultaneous close. Seller only interested in one transaction at full value, estimated at \$50 million.
Office Depot	RED	No	128,700	?	\$314.91	Yes	No	No	Yes								\$25.0	\$13.0	\$2.6	\$40.5		Would have to buy site, buy out tenant, demolish building, conduct extensive site work to create substation parcel, then sell off remainder at an impaired value.
Wells Fargo Bank Site	BEL	No	30,879	No	\$0.00	No	No	No	Yes											\$0.0		Requires bank relocation to Walgreens or Angelo's development project
B of A Bank Site	RED	No		Maybe	#DIV/0!	Yes	No	Maybe	Yes											\$0.0		Requires bank relocation to Walgreens or Angelo's development project
Sherwood SC Pad 1 - First Tech Credit Union	BEL	Yes		?	#DIV/0!	No	No	No	Yes											\$0.0		Owner Bert McNae
Sherwood SC Pad 2 - Taco Time	BEL	YES		?	#DIV/0!	No	No	No	Yes											\$0.0		Owner Bert McNae
Bassett Furniture	RED	NO	50,172	No	\$0.00	No	No	No	Yes											\$0.0		Have not yet contacted (fallback option)
Ethan Allen Furniture	RED	NO		No	#DIV/0!	No	No	No	Yes											\$0.0		Have not yet contacted (fallback option)
Mi Mexico/Wendy's	RED	NO		?	#DIV/0!	No	No	No	Yes											\$0.0		Have not yet contacted (fallback option)
Aero Rent-A-Car	RED	NO		?	#DIV/0!	No	No	Maybe	Yes											\$0.0		Have not yet contacted (fallback option)
Strip Retail NWC 24th/152nd	RED	NO		?	#DIV/0!	No	No	Maybe	Yes											\$0.0		Owner Hines
Overlake Business Center	RED	NO		No	#DIV/0!	Yes	No	No	Yes											\$0.0		Owner Hines
Unigard	BEL	Yes		No	#DIV/0!	N/A	Yes	No	Yes	Possible										\$0.0		COB says no on South property, Unigard says no on NE corner.
Macy's Home Store	RED	No	70,054	No	\$249.75	No	No	No	Yes								\$8.1	\$9.4	\$0.0	\$17.5		Site encumbered by long term lease.
Condo Site	RED	No	35,986	No	\$0.00	No	No	No	Yes	No										\$0.0		Building moving forward as condos.
Triangle - NWC 156th, 24th	RED	No		No	#DIV/0!	No	No	No	Yes											\$0.0		Potential with lots of issues
Kidd Valley/Pagliacci Triangle Assemblage	BEL	Yes		?	#DIV/0!	No	No	No	Yes											\$0.0		Per PSE, this site does not work

Ardmore Substation Property Evaluation

	Petrisor (2 offices)	Microsoft	Ramon's Auto Detailing	Angelo's	Group Health
Status	2.1 - Pending (OK except for location adjacent to a very vocal neighborhood)	2.1 - Pending (OK except Tlines)	2.1 - Pending (OK pending confirmation that facility can fit feasibly on site)	2.1 - Pending (price too high, would have to buy whole site and resell surplus)	2.1 - Pending (would have to buy whole site and resell surplus)
City Location	Bellevue	Redmond	Redmond	Bellevue	Redmond
Site Size	Maybe	Yes	Maybe	Yes	Yes
Enviro Impact	No	Yes	No	Maybe	Yes
Wall	Yes	No	Yes	Yes	Yes
Zoning			CR		
Tenants	Yes, tenant leases range from 1-4 yrs and require relocation efforts to buy out leases	No	Yes, tenant is month to month with no relocation fees necessary	No	No
Risk	Potential to move construction date out due to community issue, permitting, future 4th line may be extreme challenge	Permitting of transmission lines next to impossible, community issue	Compact construction may require specialized design, transmission permitting	Reaching purchase agreement in time for construction schedule, potential permitting risks	Reaching purchase agreement in time for construction, permitting, enviro, City, community
Risk Rating (1-10)	5	10	4	4	8
Needs	Pre-App with COB, Phase 1 EAS, Owner wants 3-4 mths to negotiate lease buyouts	Continue tracking	Determine construction feasibility, Phase I EAS	Final COB zoning and build out potential for current owners	Lots of money and time
Comments	Resale value of property greatly diminished	Currently not pursuing	COR seems okay with this site, Terry Lien countered our offer at \$6 million.	Owner/Developer believes Bel-Red Corridor rezone will ultimately allow at least a 2.5 FAR for this site. Latest meeting indicates 0.5. Their impression of value is based on a 2.5 FAR + (e.g. \$25 million)	Would need to tie up and do a simultaneous sale of unneeded portion to ultimate owner. Untouchable unless we purchase entire site, may approach future owner upon purchase if timeline is met.