

## Cost Change Summary

### Truckee Tahoe Airport District -Warehouse Office Building and Industrial Park Improvements

Project Summary	Previous February 2015	Added Scope	Environmental/Mitigation	Bids VS Estimates/Codes	Current October 2015
Building	4,100,000	450,000	150,000	250,000	4,950,000
Long Term Parking	800,000	0	0	0	800,000
Streetscape	100,000	400,000	50,000	100,000	650,000
Undergrounding of Utilities	100,000	0	0	0	100,000
<b>Total</b>	<b>\$ 5,100,000</b>				<b>\$ 6,500,000</b>

Of the \$6.5 Million, approximately \$310,000 is reserved contingency.

#### Added Scope for Building Components

Hydronic Snowmelt	80,000
Roof Enhancements	100,000
Electrical Enhancements	10,000
Mechanical Enhancements	40,000
Dry Pipe Fire Suppression	10,000
Future EV Charging	10,000
Site Drainage	50,000
Canopies	30,000
Noise Control	20,000
Sand/Oil Separator	10,000
Additional Square Footage	40,000
Landscape	40,000
Exiting	10,000
<b>Total</b>	<b>\$ 450,000</b>

#### Added Scope for Truckee Airport Rd. Streetscape Improvements

Widening of Road	150,000
Enhanced Drainage	150,000
Crosswalks	10,000
Added Sidewalk	40,000
Added Curb & Gutter	30,000
Added Utility Boxes	20,000
<b>Total</b>	<b>\$ 400,000</b>

#### Code Changes/Challenges

Title 24 Energy  
 Site/Landscape Requirements  
 Fire District Requests  
 Structural/Concrete Embedment  
 Drainage

#### Environmental/Mitigation

Added Traffic Mitigation  
 Added Environmental review  
 Associated Legal

#### Bids VS Estimates

More limited field of contractors because of public works law changes  
 More limited field of contractors because of the strong market

### Truckee Tahoe Airport District Office Building Feasibility Update 10/29/15

Development Cost Estimates										
	2/18/2015			10/29/2015			difference			Notes
	Office Space	Rental Cars	Combined	Office Space	Rental Cars	Combined	Office Space	Rental Cars	Combined	
<b>Building Size</b>										
Gross Square Feet	10,840	1,800	12,640	10,840	2,000	12,840	-	200	200	
<b>Direct Hard Cost</b>										
Construction Cost - Core & Shell	1,810,400	300,600	2,111,000	2,269,800	640,200	2,910,000	459,400	339,600	799,000	
Construction Cost - Basic T.I.s	275,000	54,000	329,000	275,000	70,000	345,000	-	16,000	16,000	
<b>Total Direct Hard Cost</b>	<b>2,085,400</b>	<b>354,600</b>	<b>2,440,000</b>	<b>2,544,800</b>	<b>710,200</b>	<b>3,255,000</b>	<b>459,400</b>	<b>355,600</b>	<b>815,000</b>	
<b>Soft Cost</b>										
Softcost & Permits	408,200	67,800	476,000	492,500	137,500	630,000	84,300	69,700	154,000	
Mitigation & Impact Fees	102,500	34,500	137,000	105,500	29,500	135,000	3,000	(5,000)	(2,000)	
<b>Total Soft Cost</b>	<b>510,700</b>	<b>102,300</b>	<b>613,000</b>	<b>598,000</b>	<b>167,000</b>	<b>765,000</b>	<b>87,300</b>	<b>64,700</b>	<b>152,000</b>	
<b>Sitework</b>										
Parking Lot and On-Site Utilities	335,000	240,000	575,000	347,700	187,300	535,000	12,700	(52,700)	(40,000)	
Landscape Allowance	100,000	20,000	120,000	104,000	56,000	160,000	4,000	36,000	40,000	
<b>Total Sitework</b>	<b>435,000</b>	<b>260,000</b>	<b>695,000</b>	<b>451,700</b>	<b>243,300</b>	<b>695,000</b>	<b>16,700</b>	<b>(16,700)</b>	<b>-</b>	
<b>Total Development Cost before Contingency</b>	<b>3,031,100</b>	<b>716,900</b>	<b>3,748,000</b>	<b>3,594,500</b>	<b>1,120,500</b>	<b>4,715,000</b>	<b>563,400</b>	<b>403,600</b>	<b>967,000</b>	
Contingency	275,600	71,700	347,300	179,200	55,800	235,000	(96,400)	(15,900)	(112,300)	
<b>Total Development Cost - Cash</b>	<b>3,306,700</b>	<b>788,600</b>	<b>4,095,300</b>	<b>3,773,700</b>	<b>1,176,300</b>	<b>4,950,000</b>	<b>467,000</b>	<b>387,700</b>	<b>854,700</b>	
<b>Total Development Cost w/ Attributed Land Value</b>										
Total Development Cost - Cash	3,306,700	788,600	4,095,300	3,773,700	1,176,300	4,950,000	467,000	387,700	854,700	
Attributed Land Value	350,000	100,000	450,000	350,000	100,000	450,000	-	-	-	
<b>Total Development Cost w/ Attributed Land Value</b>	<b>3,656,700</b>	<b>888,600</b>	<b>4,545,300</b>	<b>4,123,700</b>	<b>1,276,300</b>	<b>5,400,000</b>	<b>467,000</b>	<b>387,700</b>	<b>854,700</b>	<b>(1)</b>

Return Summary										
	2/18/2015			10/29/2015			difference			Notes
	Office Space	Rental Cars	Combined	Office Space	Rental Cars	Combined	Office Space	Rental Cars	Combined	
<b>Cash Flow Returns</b>										
thru 2025	(1,833,700)	890,300	(943,400)	(2,300,700)	872,450	(1,428,250)	(467,000)	(17,850)	(484,850)	
thru 2035	86,300	3,269,900	3,356,200	(380,700)	3,846,550	3,465,850	(467,000)	576,650	109,650	
thru 2045	2,123,300	6,468,100	8,591,400	1,656,300	7,942,650	9,598,950	(467,000)	1,474,550	1,007,550	
<b>Cash Flow Break Even (years to pay for project)</b>										
Total Development Cost - Cash	20	6	13	23	7	14	3	1	1	
<b>Internal Rate of Return (IRR %)</b>										
Total Development Cost - Cash	3.34%	22.98%	8.31%	2.40%	19.66%	7.75%	-0.94%	-3.33%	-0.56%	
Total Development Cost w/ Attributed Land Value	2.60%	20.41%	7.42%	1.78%	18.12%	7.07%	-0.82%	-2.29%	-0.35%	
Total Development Cost w/ Attributed Land Value w/ Sales Value	4.46%	20.89%	9.09%	3.74%	18.79%	8.83%	-0.71%	-2.11%	-0.26%	
With Current Rental Car Revenue Removed thru 2025		14.21%	7.96%		13.59%	7.76%		-0.62%	-0.20%	
<b>Initial Lease Rate - Before CAM Charges</b>										
Monthly	13,770	14,290	28,060	13,770	17,140	30,910	-	2,850	2,850	
Annual	165,200	171,500	336,700	165,200	205,700	370,900	-	34,200	34,200	
<b>(1) See attached Cost Change Summary</b>										

**Truckee Tahoe Airport District  
Office Building Feasibility Update  
Projected Cash Flows Variance  
10/29/2015**

**Office Space**

Operating Cash Flow	2/18/2015	10/29/2015	difference	Notes
Revenue (net of vacancy allowance)	6,684,000	6,684,000	-	
Expenditures	(1,094,000)	(1,094,000)	-	
Net Operating Cash Flow	5,590,000	5,590,000	-	
<b>Development Cost</b>				
Construction Cost - Core & Shell	1,970,400	2,429,800	459,400	
Construction Cost - Basic T.I.s	275,000	275,000	-	
Other Development Cost	945,700	1,049,700	104,000	
Total Development Cost before Contingency	3,191,100	3,754,500	563,400	
Contingency	275,600	179,200	(96,400)	
Total Development Cost	3,466,700	3,933,700	467,000	
Net Cash Flow	2,123,300	1,656,300	(467,000)	

**Rental Car**

Operating Cash Flow	2/18/2015	10/29/2015	difference	Notes
Revenue (net of vacancy allowance)	7,545,500	9,420,000	1,874,500	
Expenditures	(288,800)	(301,100)	(12,300)	
Net Operating Cash Flow	7,256,700	9,118,900	1,862,200	(1)
<b>Development Cost</b>				
Construction Cost - Core & Shell	300,600	640,200	339,600	
Construction Cost - Basic T.I.s	54,000	70,000	16,000	
Other Development Cost	362,300	410,300	48,000	
Total Development Cost before Contingency	716,900	1,120,500	403,600	
Contingency	71,700	55,800	(15,900)	
Total Development Cost	788,600	1,176,300	387,700	
Net Cash Flow	6,468,100	7,942,600	1,474,500	

**Combined**

Operating Cash Flow	2/18/2015	10/29/2015	difference
Revenue (net of vacancy allowance)	14,229,500	16,104,000	1,874,500
Expenditures	(1,382,800)	(1,395,100)	(12,300)
Net Operating Cash Flow	12,846,700	14,708,900	1,862,200
<b>Development Cost</b>			
Construction Cost - Core & Shell	2,271,000	3,070,000	799,000
Construction Cost - Basic T.I.s	329,000	345,000	16,000
Other Development Cost	1,308,000	1,460,000	152,000
Total Development Cost before Contingency	3,908,000	4,875,000	967,000
Contingency	347,300	235,000	(112,300)
Total Development Cost	4,255,300	5,110,000	854,700
Net Cash Flow	8,591,400	9,598,900	1,007,500

**(1) Operating Cash Flow (Revenue) – Increase of \$1,862,200**

**Rental Car Space – Increase of \$1,862,200**

\$197,200 – gross square feet increased from estimated 1,800 to 2,000 and lease-able square feet increased from 1,710 to 2,000.

\$126,200 – increase parking spaces from 48 to 56 based on current design.

\$309,300 – Increase in the estimated inflation rate from 3.00% to 3.25%.

\$585,100 – Increase in the estimated gross revenue of Company B from 50% to 65% (of Hertz).

\$644,400 – Increase in concession fee from 10% to 11% for both Company A & Company B.

**Truckee Tahoe Airport District  
Office Building Feasibility Update  
Projected Cash Flows  
10/29/2015**

<b>Office Space</b>				
	<b>2015-2025</b>	<b>2026-2035</b>	<b>2036-2045</b>	<b>Total</b>
Operating Cash Flow				
Revenue (net of vacancy allowance)	1,719,000	2,282,000	2,683,000	6,684,000
Expenditures	(246,000)	(362,000)	(486,000)	(1,094,000)
Net Operating Cash Flow	1,473,000	1,920,000	2,197,000	5,590,000
Development Cost				
Construction Cost - Core & Shell	2,269,800	-	160,000	2,429,800
Construction Cost - Basic T.I.s	275,000	-	-	275,000
Other Development Cost	1,049,700	-	-	1,049,700
Total Development Cost before Contingency	3,594,500	-	160,000	3,754,500
Contingency	179,200	-	-	179,200
Total Development Cost	3,773,700	-	160,000	3,933,700
Net Cash Flow	(2,300,700)	1,920,000	2,037,000	1,656,300

<b>Rental Car</b>				
	<b>2015-2025</b>	<b>2026-2035</b>	<b>2036-2045</b>	<b>Total</b>
Operating Cash Flow				
Revenue (net of vacancy allowance)	2,114,600	3,073,100	4,232,300	9,420,000
Expenditures	(65,900)	(99,000)	(136,200)	(301,100)
Net Operating Cash Flow	2,048,700	2,974,100	4,096,100	9,118,900
Development Cost				
Construction Cost - Core & Shell	640,200	-	-	640,200
Construction Cost - Basic T.I.s	70,000	-	-	70,000
Other Development Cost	410,300	-	-	410,300
Total Development Cost before Contingency	1,120,500	-	-	1,120,500
Contingency	55,800	-	-	55,800
Total Development Cost	1,176,300	-	-	1,176,300
Net Cash Flow	872,400	2,974,100	4,096,100	7,942,600

<b>Combined</b>				
	<b>2015-2025</b>	<b>2026-2035</b>	<b>2036-2045</b>	<b>Total</b>
Operating Cash Flow				
Revenue (net of vacancy allowance)	3,833,600	5,355,100	6,915,300	16,104,000
Expenditures	(311,900)	(461,000)	(622,200)	(1,395,100)
Net Operating Cash Flow	3,521,700	4,894,100	6,293,100	14,708,900
Development Cost				
Construction Cost - Core & Shell	2,910,000	-	160,000	3,070,000
Construction Cost - Basic T.I.s	345,000	-	-	345,000
Other Development Cost	1,460,000	-	-	1,460,000
Total Development Cost before Contingency	4,715,000	-	160,000	4,875,000
Contingency	235,000	-	-	235,000
Total Development Cost	4,950,000	-	160,000	5,110,000
Net Cash Flow	(1,428,300)	4,894,100	6,133,100	9,598,900